

METHODOLOGICAL PRINCIPLES OF REMUNERATION REGULATION IN THE FIELD OF HIGHER EDUCATION

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Abstract. At this time, a significant number of issues have emerged in the field of higher education in Ukraine, many of which are related to the remuneration of scientific and pedagogical workers. The chronic underfunding of institutions of higher education gives rise to the necessity to reduce expenditure by reducing labour costs, which are financed from a special fund. This is due to the significant proportion of labour costs in total costs. In fourteen randomly selected higher education institutions in 2023, labour costs constituted between 63.0% and 86.4% of total costs. Concurrently, the distinctive characteristics and importance of the work of scientific and pedagogical professionals provide justification for acknowledging its undervaluation. This, in turn, presents the challenge of enhancing the remuneration and motivation of teachers to enhance the efficacy of their work. This necessitates the establishment of a methodological foundation for the regulation of remuneration in higher education and the advancement of the extant organisational and economic mechanisms, which have largely evolved organically. The methodological foundations are based on the conceptual provisions, which represent a complex set of initial attitudes that reflect the main ideas and the general direction of actions for the formation of a holistic mechanism for the regulation of labour remuneration in higher education. Consequently, the mechanism must comprise a component that enables higher education institutions to adjust the size of their labour costs. The construction of a system of conceptual provisions enabled the formulation of the purpose, tasks, objects, functions, and principles of regulation of labour remuneration. The objects of regulation are defined as follows: firstly, social and labour relations are regarded as a general object; secondly, the payment of labour is identified as a direct object, with individual elements of this being subject to influence; and thirdly, employees of higher education institutions are designated as a final object. The results of the analysis of regulation tasks and wage functions led to the formation of wage regulation functions. In turn, these formed the basis for determining the principles of wage regulation, which serve to regulate the practical activity of wage regulation. In addition to the general principles of management (targetedness, planning, systematicity, control, etc.), specific principles of wage regulation are defined. In the system of methodological principles, the methods occupy a central position. These are further subdivided into methods of state, branch, and local regulation. The structural components of the methodological foundations of wage regulation are interconnected and form a complete system.

Keywords: higher education institutions, remuneration, remuneration regulation, methodology, methodological principles, object of remuneration regulation, functions of remuneration regulation, principles of remuneration regulation, methods of remuneration regulation.

JEL Classification: G38, I20, I22, I23, J01, J08, J53, O15

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1. Introduction

The principal resource of higher education institutions (HEIs) is the scientific and pedagogical workforce. It is not sufficient for these institutions to guarantee the quality of training provided to specialists and to foster their competencies. They must also determine the directions and efficacy of scientific activity, the potential for the practical implementation of its results, and thus exert influence over the socio-economic, ecological and cultural state of the regions and the country as a whole. The work of scientific and pedagogical workers is characterised by a number of factors, including the necessity for high qualifications, complexity, heterogeneity, high emotional tension, and the requirement to constantly update their knowledge. Concurrently, the remuneration offered to those engaged in the teaching of higher education does not align with the considerable demands placed upon them, including the rigour and emotional intensity of their work, as well as the expectations surrounding its efficacy. In order to attract individuals of the highest calibre and the most gifted young people to pedagogical and scientific activities, it is necessary to enhance motivation, which requires additional financial resources. The chronic underfunding of higher education has compelled higher education institutions to pursue savings reserves for an extended period. In the context of a general lack of funds, the proportion of expenses classified under the "Salary" item with accruals (the total rate of the single contribution is 22%) at this time in most higher education institutions often exceeds 70% and, in some cases, even reaches 80%. This is a relatively high proportion.

Consequently, HEIs are confronted with two diametrically opposed tasks. On the one hand, ensuring that remuneration is commensurate with the nature of the work and strengthening the motivation of scientific and pedagogical workers in terms of work results requires an increase in the level of wages and the implementation of effective systems for stimulating improvements in activity efficiency. Conversely, the dearth of financial resources and the pervasiveness of fiscal constraints necessitate the implementation of a rigorous austerity regimen. The reduction of wage costs, which are a dominant factor, is the primary means of achieving this objective. The remaining costs are insignificant and reducing their volume is either problematic or impossible. It is evident that the reduction of labour costs is achieved at the expense of that portion financed from the special fund of HEIs.

This issue consistently arises for the entire system of higher education and for individual institutions. It is therefore essential to provide these institutions with an effective organisational and economic mechanism that will guarantee the implementation

of well-founded management decisions and the execution of economic, organisational and legal actions aimed at regulating wages. The establishment of this mechanism entails the generalisation of the existing methodological principles that regulate remuneration in higher education, as well as their subsequent development.

2. Literature Review

The question of how to regulate wages and find solutions to the problems that arise in this area has been widely reflected in the scientific and methodical literature. However, the degree of development of the individual aspects of this question varies considerably. The most studied aspect is the state and contractual regulation of labour remuneration, which is considered most often (Shchetinina, Rudakova, Danylevych, Bidna, 2022; Vasurenko, Kuksa, Shtuler, 2019; Stavars'ka, Shevchuk, Gaidar, 2018; Poplavska, 2018, etc.). Concurrently, substantial emphasis is placed on the examination of legal implications (Pyzhova, 2023; Burnyagina, 2019; Hanechko, 2019; Golovachova, 2018, etc.).

The topic of wage regulation in the context of budgetary policy is worthy of further examination (Yaroshenko, 2023; Shabanov, Novikov, 2021; Tulai & Tchorevsky, 2020). Furthermore, it is this authors' opinion that the issues pertaining to the regulation of remuneration in the field of higher education have yet to be sufficiently addressed. While some of the issues addressed in this area have been considered in the works of Bogolib (2006), Kaleniuk (2003), Karlin (2000), and others, there is a paucity of scientific literature directly addressing the regulation of wages. The works of Lomonosov (2012, 2009a, 2009b) represent a significant contribution to this field. The responses to some of the questions require further clarification and elaboration. In particular, this concerns the formation of a coherent methodological base for conducting further research and the creation of an effective organisational and economic mechanism for the regulation of labour remuneration in the field of higher education.

3. Purpose and Methodology of the Study

The purpose of this study is to ascertain the methodological principles that underpin the regulation of labour remuneration in the field of higher education. This is a crucial preliminary step in the establishment of the requisite organisational and economic mechanisms.

The overarching scientific foundation of the research is the dialectical-materialist approach, which is distinguished by its comprehensive and fundamental

nature. The theoretical and methodological basis of the research is formed by the provisions of economic theories, the general theory of systems, concepts of management and state regulation.

The systemic approach is used to form an integral system of the main structural components of the methodological foundations of remuneration regulation. On the basis of the integrated approach, the conceptual provisions of remuneration regulation are formed, and on the basis of the structural-functional approach, the main structural components of the methodological principles of remuneration regulation are identified and the interrelationships between them are established.

The necessity to elucidate the conceptual and categorical apparatus gave rise to the utilisation of methods of abstraction and morphological analysis. The determination of the essence of remuneration regulation is based on a process approach. The application of the abstract-logical method enabled the establishment of relationships between the principles and functions of wage regulation.

In examining the scientific and methodical literature pertaining to the regulation of labour remuneration, this article seeks to identify and present the earliest, most widely accepted and frequently cited definitions, both from the past and the present. These definitions have become the most prevalent and have served as the foundation for the development of numerous partial interpretations of the categories and concepts under consideration. This is why publications dated between 2000 and 2014 are included in the list of references.

The categorical apparatus of this study comprises a set of categories and concepts pertaining to the content-functional aspects of wage regulation. Some of the categories are of particular importance and are used in the following ways.

In the initial stages of analysis, the processes of regulation of labour remuneration and the formation of its organisational and economic mechanism are distinguished by the categories of "labour remuneration" and "salary".

In accordance with the provisions set forth in the Law of Ukraine "On Remuneration of Labor", the term "wages" is defined as "remuneration, calculated, as a rule, in monetary terms, which the employer pays to the employee for the work performed by him under the employment contract" (The Law of Ukraine "On Remuneration of Labor", 1995). This interpretation of the "salary" category takes into account its legal aspects.

Concurrently, within the field of economic literature, wages are most frequently conceptualised as "an economic category that reflects the relationship between the proprietor of the enterprise (or their designated representative) and the employee with

regard to the distribution of the newly created value (income)" (Kolot, 2002; Cherep, Petrova, 2009, etc.). Furthermore, wages are considered in other aspects, including as a market category, as part of the employee's income, and as a component of the employer's expenses (Kolot, 2002; Economics and organization of production, 2007; Tybinka, Bryk, Kohana, 2018, etc.).

Anatolii Kolot, a leading expert on social and labour relations and wages in Ukraine, defines labour wages as "a system of relations connected with ensuring the establishment and implementation by the owner (employer) of payments to employees for the use of their labour resources (provided labour services) in accordance with laws, other acts and the labour contract" (Kolot, 2008).

The authors align themselves with the definition of wages as set forth in the Law of Ukraine "On Remuneration of Labor". This is due to the fact that, in addition to the economic aspect, it also reflects the legal aspect of wages. In order to find a practical solution to issues of wage regulation, it is often necessary to consider the legal aspect, as the existing legal framework establishes a whole set of requirements, restrictions and guidelines.

In comparison with wages, remuneration is interpreted more widely and has a more theoretical nature. In addition to wages, it encompasses the entirety of the social and labour relations apparatus associated with the mechanisms of wage formation, including their organisational, economic and legal foundations, the order of calculation and payment of wages, its indexation, and so forth.

Firstly, the category of salary is more limited in scope. It reflects the relationship between the employer and the employee, whereas the payment of labour encompasses a broader range of subjects within the system of social and labour relations pertaining to the remuneration of labour. In accordance with the Law of Ukraine "On Remuneration of Labor", these subjects include "bodies of state power and local self-government ... employers' organisations, associations of employers' organisations or their representative bodies; trade unions, associations of trade unions or their representative bodies" (The Law of Ukraine "On Remuneration of Labor", 1995).

Secondly, regulation is conceived as a process. A process is defined as "a set of consecutive actions and means aimed at achieving a certain result" (The Large Explanatory Dictionary of the Modern Ukrainian Language, 2005). The process of wage regulation is a multifaceted one, encompassing both local benchmarks (such as norms, standards, regulations, provisions, and instructions) and a set of processes aimed at aligning actual labour remuneration parameters with the specified benchmarks. This ensures the optimal practical

implementation of remuneration functions. The processes involved in establishing benchmarks are inherently preparatory in nature, whereas the processes employed to align actual payment parameters with the established benchmarks exert a direct regulatory influence on the object of regulation. Each of these processes comprises a series of specific actions that collectively exert regulatory influence.

Thirdly, it is this article's contention that the purposeful and orderly regulation of labour remuneration should be practically implemented within the framework of a specially created organisational and economic mechanism. The definition of the organisational and economic mechanism of wage regulation can be derived from the general interpretation of the organisational and economic mechanism presented in Lomonosova (2020). In light of the aforementioned, the organisational and economic mechanism of wage regulation in the field of higher education can be characterised as a system of interacting methods, organisational and economic levers, incentives, forms, tools, and so forth. These collectively enable the influence of economic processes and organisational and economic parameters pertaining to the payment of labour, the transition of the object of management from its actual state to a desired one, and the realisation of the requisite quality of training for specialists.

The benchmarks should be linked to the remuneration functions and ensure their fullest implementation. When setting benchmarks, the real state of higher education institutions and higher education, i.e., the level of their development, financial, material and personnel support, as well as the tasks they face in the short, medium and long term, including those related to the quality of training, should be taken into account.

4. Results

4.1. Composition of the Main Structural Components of the Methodological Framework for Labour Regulation

Methodological principles of wage regulation should comprise a set of interconnected structural components that collectively constitute the scientific basis for justifying both practical regulatory actions and creating conditions for the further development of the principles themselves. These components reflect both theoretical and empirical provisions, thereby forming a coherent system of knowledge about labour regulation.

The methodological principles are founded upon the conceptual provisions of regulating remuneration in the field of higher education. These positions are formed as a result of the selection of specific components

from the overarching problem. Each component reflects the core ideas, justifications, and considerations related to a particular aspect of the problem. These components serve as the foundation for research and development. The formation of well-founded conceptual positions enables the structuring of the general problem, facilitates a more profound analysis and understanding of it, establishes a theoretical foundation for research, and reveals its principal directions.

The conceptual provisions represent the theoretical foundation for the formation of all other structural components of the methodological foundations of wage regulation.

First, it concerns the establishment of the purpose, objectives and object of regulation of remuneration in higher education. Their correct and clear definition allows not only to reflect the main idea of regulation, but also largely helps to avoid mistakes, improve control over the ongoing developments and reduce their time.

Second, the functions of wage regulation play an important role, characterising various aspects of regulation, revealing the purpose and role of regulation. In turn, the functions, which are theoretical in nature, define the principles of wage regulation. The latter are certain provisions, rules and guidelines that serve as starting points not only for theoretical research, but also for practical regulatory actions.

Third, the most important structural component of the methodological framework for regulating wages is the methods, which play a leading role. It is through the use of a combination of methods that the regulatory impact on the objects of regulation is made and its goal is achieved. Groups of methods united by certain features form types of wage regulation.

4.2. Conceptual Regulation of Remuneration in the Field of Higher Education

A synthesis of legislative and regulatory materials, along with literary sources pertaining to wages, was conducted, and the findings were integrated with the outcomes of prior research. This approach facilitated the formulation of conceptual provisions. These attitudes represent a complex set of fundamental initial positions that reflect the core ideas and intentions that shape the general scientific stance and the overarching direction of actions regarding the establishment of methodological foundations for wage regulation in higher education and the formation of the corresponding organisational and economic mechanisms. This mechanism is regarded as an evolution of the extant mechanism, which has developed in an ad hoc manner and is unable to address the existing issues pertaining to the remuneration of employees in higher education.

It is recommended that the conceptual provisions of wage regulation be grouped according to the principal levers and tools of wage management in higher education in Ukraine, as outlined in Lomonosov (2009a). Concurrently, the principal components of the wage management system are distributed according to the levels of management, namely national, branch and university (higher education level). In accordance with the aforementioned levels, it is advisable to categorise all the levers and instruments of wage regulation.

Among the conceptual provisions that relate to the national level and define the main issues and key tasks of raising the level of remuneration of employees of higher education institutions, especially research and teaching employees, are the following:

- In determining the remuneration level for those employed in higher education, it is essential to consider the sector's significance for the socio-economic advancement of the state. This is due to the fact that over the past three decades, higher education institutions have concentrated an increasing proportion of employees with academic qualifications and academic titles, who represent the majority of Ukraine's most highly skilled human intellectual capital (University management: a look beyond the horizon, 2022);
- The potential for financing the activities of higher education institutions and increasing the remuneration of those employed in such institutions is currently contingent upon the state of the country's economy and the state budget.
- The increase in the level of remuneration of employees of higher education institutions should be achieved mainly through amendments to the "Unified Tariff Scale of Wages and Coefficients for Remuneration of Employees of Institutions, Establishments and Organisations of Certain Sectors of the Public Sector" (UTS). The primary issue pertains to the remuneration of academic personnel. Given the demands of the teaching profession, the particularities of their work, and the necessity for optimal outcomes, the current salaries are inadequate, impeding the resolution of other challenges in higher education (Lomonosov, Lomonosova, Nadtochii, 2019b).
- The annual number of hours dedicated to teaching classes to students is a determining factor in the financial compensation for their work. In accordance with the Law of Ukraine "On Higher Education", the number of hours constituting the study load for a full-time scientific-pedagogical worker is limited to 600 hours per academic year. A reduction in the maximum training load for a scientific and pedagogical employee will, in all other respects remaining equal, necessitate an increase in the number of teaching rates. This will result in an increase in the salary

fund. Consequently, the regulation of the maximum amount of educational workload for one rate of scientific and pedagogical worker, in consideration of the tasks facing higher education (for example, the strengthening of scientific work) and its financial support, exerts an influence on the specified processes.

At the sectoral level, the following should be considered as the main conceptual provisions:

- The most significant function of the Ministry of Education and Science of Ukraine in the regulation of wages remains the standards for the number of students per full-time position of a scientific and pedagogical worker (Headcount standards, 2002). Although from 2020, according to the Law of Ukraine "On Amendments to Certain Laws of Ukraine on Improving Educational Activities in the Field of Higher Education" (2020), higher education institutions will have the right to set these standards independently within their autonomy, in practice the effect of the standards and the control by the Ministry of Education and Science of Ukraine over their application by higher education institutions will continue. This is explained by their pivotal role in the financing of higher education institutions, as they serve as the foundation for determining the remuneration of scientific and pedagogical workers. Currently, there are no alternative, more or less justifiable methods for determining the remuneration of scientific and pedagogical workers.
 - The Ministry of Education and Science of Ukraine directs the attention of academic staff to certain types of work, which establishes a recommended list of types of educational, methodological, scientific and organisational work. Until 2020, the relevant time standards were used to plan and record the academic work of academic staff (The Order of the Ministry of Education and Science of Ukraine "On Approval of Time Standards for Planning and Accounting of Academic Work and Lists of the Main Types of Methodological, Scientific and Organisational Work of Pedagogical and Scientific-Pedagogical Employees of Higher Education Institutions", 2002). But in connection with the expansion of the autonomy of universities by the "On Amendments to Certain Laws of Ukraine on Improving Educational Activities in the Field of Higher Education" (2020), the right to determine these norms was transferred to the Higher Education Institution.
 - If it is necessary to stimulate or support the development of individual higher education institutions at the sectoral level, the size and structure of their employees' remuneration funds may be regulated on an operational basis.
- The conceptual provisions concerning the possibility of higher education institutions to influence the amount of remuneration of scientific and pedagogical workers, as well as the level of labor

costs, which are the main component of the total costs of higher education institutions, are as follows:

– In order to stimulate and encourage their employees, higher education institutions may set bonuses for high achievements in work, for performing particularly important work (for the period of its performance), for complexity and intensity of work, and approve the procedure and amounts of bonuses provided for in the Unified Tariff Scale (The Resolution of the Cabinet of Ministers of Ukraine "On Remuneration of Employees on the Basis of the Unified Tariff Scale of Categories and Coefficients for Remuneration of Employees of Institutions, Establishments and Organisations of Certain Sectors of the Public Sector", 2002). By making changes to the terms and amounts of incentives, an HEI can direct employees to perform the most important work in the current period.

– In addition to the level, structure and conditions of remuneration, the regulatory system should also include the regulation of labour costs. This is due to at least two factors. First, the share of labour costs in the total costs of higher education institutions is the largest (Table 1).

As evidenced by the data presented in the table, the proportion of expenditure allocated to wages among the fourteen randomly selected higher education institutions ranges from 63.0% to 86.4%. The variation in the proportion of expenditure allocated to the remuneration of scientific and pedagogical personnel is more pronounced (40.6% to 71.2%). This is elucidated

by the disparate ratio of scientific-pedagogical and other personnel in higher education institutions, which is contingent upon the interplay of a multitude of factors (Lomonosov, Lomonosova, Runcheva, 2023).

Second, at this juncture, the savings reserves allocated for other expenditure items have been depleted, and a further reduction in expenditure on these items is unlikely. Consequently, the financial condition of higher education institutions experiencing a shortage of funds can be optimised precisely through the optimisation of the wage fund. It is also important to consider that this is an unfavourable option and should only be employed as a last resort.

– The amount of labour costs should be regulated based on the financial condition, staffing and material and technical support of the higher education institution, as well as taking into account the tasks it faces, which requires the development and implementation of appropriate organisational and economic measures.

– In practice, the size of the remuneration fund for research and teaching staff is determined by the number of staff positions approved by the Ministry of Education and Science of Ukraine.

– As shown above, the number of full-time positions of research and teaching staff with appropriate funding for their salaries is determined by the regulations (The Resolution of the Cabinet of Ministers of Ukraine "On Remuneration of Employees on the Basis of the Unified Tariff Scale of Categories

Table 1

The share of labour costs in the total costs of higher education institutions as of January 2023 (excluding payroll taxes)

Higher education institution	Share of salary costs in total higher education expenditures	Share of expenditures on remuneration of academic staff in the total expenditures of higher education institutions	Share of labour costs for academic staff in the labour remuneration fund
National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute"	74,0	42,3	57,1
Ivano-Frankivsk National Technical University of Oil and Gas	79,1	47,4	59,9
Lutsk National Technical University	80,7	57,5	71,2
Cherkasy State Technological University	86,4	58,0	67,2
National University Zaporizhzhia Polytechnic	74,8	48,0	64,2
National Technical University "Kharkiv Polytechnic Institute"	77,3	40,4	52,3
Kyiv National University of Technologies and Design	82,6	46,0	55,7
Kharkiv National University of Radio Electronics	69,1	40,2	58,2
Ukrainian National Forestry University	85,0	49,6	58,3
Chernihiv Polytechnic National University	63,6	25,8	40,6
Central Ukrainian National Technical University	74,3	45,6	61,3
National University of Ostroh Academy	73,4	42,1	57,3
Ukrainian State University of Chemical Technology	70,9	39,6	55,8
Odessa State Environmental University	63,0	33,6	53,2

Source: compiled based on the estimates and staffing lists of the above HEIs

and Coefficients for Remuneration of Employees of Institutions, Establishments and Organisations of Certain Sectors of the Public Sector", 2002). The number of full-time positions for scientific and pedagogical workers, which is a prerequisite for the implementation of the educational process, is contingent upon the labour intensity of the educational work and the volume of the average annual educational load per teacher. The range of potential fluctuations in this final value is, in practice, quite limited. Concurrently, the majority of higher education institutions are typically able to diminish the volume of labor-intensive educational activities while concurrently ensuring the requisite quality of specialist training.

- In order to regulate the labour intensity of academic work, higher education institutions may use adjustments to the time standards for its implementation.

- Optimisation of the payroll fund for teaching and support staff and other personnel involves the introduction of a mechanism for rationing their work.

- In order to ensure the scientific validity of managerial decisions in the process of regulating the labour intensity of educational work, the number of staff positions of research and teaching staff and the cost of their labour, it is considered necessary to use mathematical models that describe the relationship between the labour indicators of higher education institutions (Lomonosov, Lomonosova, 2007; Lomonosov, 2008).

4.3. Purpose and Objectives of Regulating Remuneration in Higher Education

The objective of wage regulation is to ascertain the fundamental principles that underpin it and to ensure that the actual wage parameters align with the defined benchmarks, thereby facilitating the optimal fulfilment of wage functions. Attaining this objective necessitates the completion of a series of tasks.

Depending on the level of government at which regulation takes place, it is advisable to divide the tasks into two groups. The first group includes tasks that are performed at the national and sectoral levels of government. They include the following:

- Guaranteeing wages to employees who have fulfilled the monthly (hourly) labour standard at a level not lower than the established minimum wage;
- ensuring conditions for equal pay for equal work;
- establishment of labour remuneration standards and guarantees in the sectoral agreement at a level not lower than that stipulated in the general agreement;
- timely wage indexation;
- ensuring that wages are commensurate with the employee's achievements;

- aligning the interests of business entities and employees;

- providing incentives for employees to achieve the results in which the HEI is interested.

At the local level of salary management, higher education institutions, within their autonomy, based on their development strategies, long-term and annual plans, as well as taking into account their status and capabilities, may establish internal rules and regulations, and take organisational and economic measures to regulate salaries. In particular, they include the following:

- Strengthening the differentiation of salaries provided for by the unified tariff scale in order to more fully take into account the personal contribution of each employee;

- implementation of effective systems of financial incentives for employees that provide additional financial incentives for them to improve performance and achieve the most important results for the HEI;

- attracting to or retaining in higher education institutions (e.g., through the establishment of special allowances) key, most 'valuable' employees (those with unique or special knowledge or experience, teaching specific academic disciplines, conducting important research, ensuring the commercialisation of innovations and intellectual property, contributing to the solution of strategic tasks, increasing the authority, recognition and high rating of higher education institutions, etc.);

- creating a sense among employees of the importance of their work and the fairness of their remuneration;

- optimisation of the size of the payroll fund in the context of underfunding of higher education institutions, including in the event of a decrease in revenues from the provision of paid services.

4.4. Objects of Regulation

The object of regulation should be conceptualised as a form of integrity that is susceptible to regulatory influence. It is imperative that the object of wage regulation be considered as the system of social and labour relations. Concurrently, social and labour relations are conceptualised as "the process of interaction (relationships) between the parties – employees and employers, subjects and bodies of the parties with the participation of the state (legislative and executive authorities) and local self-government; they are related to recruitment, utilisation, development of the workforce, compensation for work and aimed at achieving high levels of quality of life and production efficiency" (Kolot, 2010). It is noteworthy that this definition of the category, as formulated by Anatolii Kolot, is the most prevalent.

The authors believe that social and labour relations are a general object of wage regulation. It is to maintain them at the level of pre-determined benchmarks that wage regulation is aimed. The subject matter encompasses the following aspects of social and labour relations: remuneration for work, the assessment of individual qualities and work results, personnel development, and the organisation of individual and collective work. The aforementioned components are presented in accordance with the terminology and structure outlined by Kolot (2010). Consequently, the regulation of labour remuneration is indirectly related to other components of social and labour relations.

The impact on the specified set of relations is achieved through remuneration, which serves as the primary object of regulation. In order to achieve this, the individual elements are modified. Each of these elements may be regarded as a partial object of regulation. The selection of partial objects that will be subject to regulatory influences allows for a correlation to be made between them and the types, methods and subjects of regulation.

The ultimate object of regulation should be considered employees of higher education institutions. Targeted influence on them through changes in remuneration makes it possible to transform the relationship between them, adjust their behaviour, and direct their activities in the right direction.

4.5. Functions of Remuneration Regulation in Higher Education

The functions serve to define the purpose, role and external manifestation of the properties associated with the regulation of labour in the field of higher education. Given their regulatory function, these tasks delineate the principal avenues for their resolution. The functions of regulation of labor remuneration should include the following:

- Socio-economic, which ensures the implementation of the reproductive function of wages aimed at reproducing the labour force and solving economic problems of its regulation (achieved by setting wages at a level not lower than the minimum wage, wage indexation, etc.).
- Legal guarantee (protective), which is related to the legal protection of employees to receive wages in accordance with the norms, guarantees and conditions of collective agreements and employment contracts (e.g., increased remuneration for overtime and night work, on weekends and holidays, payment for downtime through no fault of the employee, etc.). Unlike the previous function, which aims to reproduce the labour force of employees (socio-economic aspect), the guarantee-legal function reflects the legal aspect and is aimed at providing legislative

guarantees regarding the amount of wages, the procedure and timing of their payment, and so forth.

- Regulatory, which consists in establishing and implementing rules related to remuneration. This function is identical to the legal guarantee function, but if the latter is implemented at the state level, the regulatory function means the establishment of internal university norms and standards of remuneration.
- Adaptive, aimed at adjusting salaries to changes in the internal and external environment (the need for this may arise, for example, in the event of a possible or actual outflow of key employees to other higher education institutions or in the event of an increase in salaries at local enterprises).
- Custodial, which is aimed at preserving the integrity of remuneration as a system.
- Orientational, which influences the staff to direct the efforts of employees to achieve the results necessary or valuable for the higher education institution, which is achieved through the introduction of labour motivation systems and changes to them.
- Educational, which ensures the involvement of employees in the regulation of wages, and the formation of a sense of its appropriateness and fairness.
- Financial, which allows to balance labour costs with other items of higher education expenses. This function becomes especially important in times of financial constraints.

The principles of wage regulation are determined on the basis of the functions that it serves. The functions of wage regulation, as reflected in the theoretical plan, simultaneously determine the directions and features of practical activities for their implementation. In order to establish a scientifically based mechanism for regulating labour remuneration, it is of great importance to create rules and regulations that set out the principles that must be satisfied by practical actions aimed at implementing regulatory functions. The definition of principles allows for the regulation of practical activities related to wage regulation in a specific manner.

4.6. Principles of Remuneration Regulation

A principle is typically defined as a statement that is perceived as the primary, most essential, and indispensable provision, the implementation of which is mandatory or at least highly desirable. A principle may be defined as a guiding idea, a point of departure, or the foundation of a particular concept or structure. In light of the above, the principles of wage regulation can be regarded as a foundational concept, providing a framework for evaluating and interpreting hypotheses, concepts, laws, theories, and other related materials pertaining to theoretical research and practical applications in the domain of direct wage regulation.

The formation of principles represents the initial stage of the systematic organisation of scientific knowledge, which provides the scientific basis for the creation of an organisational and economic mechanism for the regulation of labour remuneration.

Principles related to wage regulation have not been developed. Where they are discussed in the economic and management literature, they are identified with the principles of labour remuneration organisation (see, for example, (Revko, 2013; Labor economics and social and labor relations, 2009)). In the field of legal literature, the principles governing the organisation of wages are a key area of focus (for further insight, see, for example, Valetska). The discrepancy in perspectives on the aforementioned concepts, and the specific identification thereof, can be attributed to the interconnectivity between them. The principles of labour organisation assume a pivotal role in this context, superseding those of labour regulation, as they delineate the overarching tenets governing the structuring of labour or modifications thereof.

As regulation constitutes one of the functions of management, it is based on a number of principles, including scientificity, purposefulness, planning, systematicity and complexity, hierarchy, control, compliance with discipline, and so forth. In addition to these principles, which relate to management in general, the organisational and economic mechanism under consideration should include a set of specific principles that directly regulate practical actions with regard to wage regulation. These principles, in authors' opinion, include the following:

- The optimal combination of state, sectoral and local (at the level of higher education institutions) regulation. State regulation includes, for example, the establishment of a minimum wage; labour standards and guarantees; grades, coefficients and conditions of remuneration in the Unified Tariff Scale; wage indexation; and taxation of employees' income. Sectoral regulation involves the preparation of methodological materials for determining the number of students per one full-time position of a research and teaching staff member, making decisions on approving staffing tables and planning the general payroll fund of higher education institutions. At the level of higher education institutions, norms of time for the performance of educational, methodical, scientific and other types of work by scientific and pedagogical workers, as well as norms of time for work performed by educational and support and service personnel, can be implemented. Furthermore, work motivation systems can be introduced, and the average annual amount of academic workload can be approved. This may include teaching staff, the optimisation of the wage fund and so forth.
- Adherence to the principle of primacy of state regulation of remuneration.

- Ensuring timely implementation of changes in the organisational and economic mechanism that are adequate to the impact of internal and external environment factors.

- It is mandatory to use the results of a comprehensive remuneration analysis when justifying future and current management decisions.
- Balancing the interests of employees and employers.
- Proactive nature of management decisions on remuneration in order to prevent problematic situations and create preconditions for solving long-term tasks.
- Adjustment of work incentive systems to bring them in line with the long-term, medium-term and short-term objectives of higher education.
- Continuous support of employees' financial interest in improving their performance.
- Involvement of employees in resolving issues related to salary regulation.
- Explaining the HEI's remuneration policy to employees.

This paper examines the relationship between the principles and functions of wage regulation. The interconnections between the principles and functions are characterised by a complex and interwoven nature. The implementation of a given function is ensured by a number of principles. Conversely, each principle is designed to facilitate the implementation of several functions.

4.7. Remuneration Regulation Methods

The direct regulation of wages is achieved through the implementation of specific methods and the utilisation of appropriate tools. Such methods facilitate the practical implementation of wage regulation and the resolution of associated tasks. The aforementioned methods constitute the methodological foundation of wage regulation, occupying a pivotal position within the broader methodology.

In its most basic sense, the term "method" refers to a systematic approach or set of techniques employed in scientific and practical endeavours. A method is most often understood to be a set of methods, techniques, steps, or operations, that is, a set of actions to be performed. An approach based on processes allows us to define the category of "method" as follows. The method of wage regulation is a complex system of deliberate, justified, and structured actions that utilise a specific set of techniques, operations, and resources. By employing established norms, prescriptions, algorithms, procedures, and regulations, this method enables the systematic influence on the components of wages.

The use of some methods is mandatory, which is stipulated primarily by the Laws of Ukraine, resolutions of the Cabinet of Ministers of Ukraine,

orders of the Ministry of Education and Science, and internal university documents. At the same time, quantitative parameters can be either fixed or set within certain limits.

The entire set of methods should be divided into levels of government. Government regulation methods are those that apply to all or the vast majority of industries. These include, for example, determining the minimum wage; establishing standards, guarantees and conditions of remuneration; applying systems of labour income indexation; setting the amount of bonuses for length of service; taxation of employees' income, etc.

It should be noted that among the methods of state regulation of wages are those used in the process of contractual regulation when concluding the General Agreement. In this case, a number of proposals related to remuneration were formulated. In particular, these are proposals to establish the minimum wage, which is determined annually by the Law of Ukraine "On the State Budget of Ukraine" adopted for the current year.

In addition, the General Agreement contains proposals on: determining the official salary (tariff rate) of an employee of the first tariff category of the UTS; increasing the official salary (tariff rate) of an employee of the 1st tariff category of the UTS at a level higher than the inflation index, with a corresponding increase in the payroll fund, etc. These and other indicators, ratios, rules and conditions governing the regulation of remuneration in higher education are reflected in the "Unified Tariff Scale of Categories and Coefficients for Remuneration of Employees of Institutions, Establishments and Organisations of Certain Sectors of the Public Sector" (The Resolution of the Cabinet of Ministers of Ukraine "On Remuneration of Employees on the Basis of the Unified Tariff Scale of Categories and Coefficients for Remuneration of Employees of Institutions, Establishments and Organisations of Certain Sectors of the Public Sector", 2002). In the context of regulating wages in the field of higher education, the UTS is of particular significance, as it serves as the foundation for the structuring of wage systems. The specific indicators, ratios, regulations, and conditions are established during the negotiation of the General Agreement but are subsequently approved by the resolutions of the Cabinet of Ministers of Ukraine.

The set of methods for regulating wages at the industry level includes methods that are extended to all or to a lesser extent to state higher education institutions. The significance of these methods for the industry is underscored by the fact that in Ukraine, the number of state and communal higher education institutions is at least twice that of higher education institutions of non-state ownership (Lomonosov, Lomonosova, Nadochii, 2019a). However, the

discrepancy in the number of students enrolled in state-owned and non-state-owned higher education institutions is considerably more pronounced. During the period spanning the 1995-1996 to 2018-2019 academic years, the proportion of students enrolled in state and communal higher education institutions exhibited considerable variation, ranging from 84% (in the 2004-2005 academic year) to 95.0% (in the 2016-2017 academic year) of the total number of students enrolled in all higher education institutions in Ukraine (University management: The basis for implementation, 2019). The mean value was 90.3%.

The methods of sectoral wage regulation encompass a range of approaches, including the establishment of standards for the number of students per full-time position of a scientific and pedagogical worker, the formulation of recommendations for higher education institutions pertaining to their formation, the compilation of lists of recommended types of educational, methodical, scientific and organisational work, the approval of staff lists, and the operational regulation of the size of the wage funds for employees of higher education institutions in the event of the need to support the development of the latter.

At the local level, HEIs can regulate wages by employing the following methods: the establishment of allowances and bonuses for the achievement of certain results by employees; the regulation of the labour intensity of educational work, which can be achieved through, for example, the unification of curricula and work programmes of disciplines, the adjustment of time norms for the completion of educational work; the implementation of work standards for teaching and support staff and other personnel.

5. Conclusions

Consequently, the remuneration of academic staff, who represent a vital resource for higher education institutions, is currently a highly intricate issue. The authors posit that these issues can be addressed, at least in part, through the implementation of salary regulation mechanisms within the context of constrained funding. The establishment of this system requires the formulation of a unified set of methodological principles for the regulation of remuneration in the field of higher education. It is expected to facilitate the harmonisation of the primary labour indicators of higher education institutions.

The overarching system of methodological foundations for regulating remuneration in higher education encompasses the following principal structural elements: conceptual provisions, purpose, objectives, subjects, functions, principles, methods,

types, instruments and techniques. The established interrelations and interdependencies between the individual structural components of the aforementioned methodological framework can be reflected as follows:

Further clarification of the composition of the structural components of the methodological bases of wage regulation in higher education requires, first and foremost, the definition of the subjects who will act at various levels of management, including at the level of the university and its structural subdivisions (institutes, faculties, etc.). This is of significant consequence for the practical implementation of the organisational and economic mechanism of

wage regulation. It is of particular importance to devote special attention to the development of tools for regulating labour remuneration. This should include the creation of tools for measuring the parameters of processes and phenomena, as well as the development of methodical, mathematical and software tools.

Furthermore, it is essential to elucidate the constituents of wage regulation techniques and establish a systematic categorisation thereof. In light of the aforementioned, it will be feasible to define and differentiate between the various forms of wage regulation, as well as to categorise the methods associated with each form.

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Received on: 23th of September, 2024

Accepted on: 27th of November, 2024

Published on: 17th of December, 2024