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TO QUESTIONS OF PERSONNEL MOTIVATION AT INDUSTRIAL ENTERPRISES

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Cover Page Footnote

Erratum

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Currentl, in the context of fundamental economic transformations, it is important to improve staff motivation techniques. In our article, we would like to consider some aspects of the motivation of one of the enterprises of the Ferghana region. The enterprise “Quartz” JSC has created its own payment system that stimulates the increase in labor productivity and encourages employees to take proactive behavior.

Quality data was determined according to interruptions in the supply of equipment, the presence or absence of process violations at the technological site, etc. Based on these data, a decision was made to increase or decrease the additional payroll for units and specific employees.

To distribute this fund among individual employees of a department, a sector, a labor participation coefficient (KTU) was used, which was determined on the basis of the employee's tariff rate. It should be noted that a similar definition of the coefficient of labor participation is practiced, including in developed foreign countries.

In our opinion, the payment system that existed in the joint-stock company Quartz significantly increased the motivation of employees.
Workers whose pay depends on the quality of equipment supplies are interested in the absence of supply disruptions as a result of damage to telecommunication lines, etc. Employees of the company's commercial services were interested in fulfilling the plan for the sale of products.

At the same time, the established procedure for calculating an additional payroll for commercial workers did not seem ideal. Its coefficient in implementing the implementation plan was 20%, and in case of non-compliance it decreased by one percent for each percentage of non-compliance, but not more than 10%. Currently, the system of participation in profits, which, in our opinion, has a higher level of motivation, is gaining ground in world practice.

It was advisable for workers to link the additional wage fund to both the quantity of products and the reduction in labor costs per unit of output, which would improve both quality and labor productivity, taking into account current standards. In general, it seems that this system of remuneration had a certain flexibility and allowed to interest the employees of the enterprise JSC "Quartz" in the final results.

Serious changes in the wage system for employees have occurred at Quartz JSC since 2012, after the modernization of the old wage system. The modernized system of payment for employees is based on the same forms of payment that existed before. This is the basic salary, bonuses and bonuses. The structure of employee compensation at Quartz JSC as of 2018 is presented in Figure 1.

At its core, the wage system at Quartz JSC is divided into two subsystems: pay for workers and pay for managers, specialists and employees. The first level is designed for the most skilled workers, the second and third, respectively, for workers performing simpler work and operating less sophisticated equipment. Within each level of tariff rates there is its own bit grid.

Surcharges for the intensity of labor and for work at technically sound standards have been established with the aim of increasing the material interest of workers in switching to work at technically sound standards, developing quality service for telecommunication network sections, combining professions and increasing the volume of equipment supplies.

The distribution of bonuses to workers for the main results of economic activity also takes place according to old indicators in their calculation. So, if earlier, until 2012, workers were awarded only for fulfilling volume indicators, then, starting in 2012, bonuses were also introduced for fulfilling qualitative indicators. At present, the proportion of indicators in the total premiums has been adjusted.

So, now the share of performance indicators amounted to 70% of the total premium, and the proportion of the volume indicator decreased to 30%. This was done in order to motivate workers to improve the quality of products, which is paramount in the conditions of fierce competition, whereas earlier the quality of equipment supplies was not taken into account due to the pursuit of quantity.
Payment for managers, specialists and employees is based on the application of a contract form of employment. Their labor is paid on the basis of official salaries. For salaries, a system of increasing coefficients from 0 to 8 has been developed, which depends on the skill level of an employee. The coefficient can be reviewed both up and down, up to the base salary, depending on the employee’s performance of his duties, as well as performance indicators in the unit entrusted to him. [3].

Figure 1. The system of remuneration at the enterprise of JSC “Quartz”.

The current system of remuneration in the joint-stock company "Quartz".
For the category of managerial personnel, bonus according to the results of economic activity was introduced. Moreover, if in the previous period in Quartz JSC, the main indicator for calculating premiums was the indicator for fulfilling the task of increasing labor productivity, now the main share in the premium is occupied by the indicators for fulfilling the profit task and for fulfilling the task of reducing the cost of equipment supplies.

The standard bonus for completing tasks on profit is – 30%. In addition, if the profit target is exceeded and the cost of supply is reduced, the amount of the accrued premium increases by 1% of the amount of additional profit or the resulting savings at cost, but not more than 10% of the premium.

In addition to the above, general bonuses have been introduced for both workers and managers, specialists and employees. The main of these awards is the award for reducing the complexity of repair work. It is paid on the basis of the ratio of actual labor intensity to the design for the communication system section (table 1).

Table 1
The ratio of actual labor intensity to the design for the telecommunication system section (in times)

<table>
<thead>
<tr>
<th>Over 2</th>
<th>2 to 1.5</th>
<th>1.5 to 1</th>
<th>Less than 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonus is not paid</td>
<td>50% of standard salary savings</td>
<td>80%</td>
<td>100%</td>
</tr>
</tbody>
</table>

According to the relevant results, we can conclude that the payment system at the enterprise of Quartz JSC is most consistent with the transitional type from old to modern payment methods. Definitely, one of the advantages of this system is the development of a tariff scale based on the qualifications of workers within the same specialty.

At the same time, it seems that the payment of bonuses is still on old grounds. Therefore, in our opinion, it would be possible for workers of JSC Quartz to limit themselves only to collective bonuses for lowering wage costs per unit of production (taking into account quality indicators), and for managers, specialists and employees to introduce profit sharing without an upper bar for increasing their interest in increasing profits.

These measures would help to get rid of a large number of bonus indicators and make the bonus system more open to employees.

To establish wage rates for various categories of employees with a view to retaining them, an expert group was created at JSC Quartz that analyzes the costs of modernizing the telecommunication network. The expert group collects information about the current state of the market, the need for certain specialties, the size of wages of employees from competitors engaged in the supply of similar equipment.

A special motivation system is being created in the joint-stock company, which aims to interest each member of the labor collective in increasing the efficiency of their work, stimulate professional growth and secure highly qualified personnel. To achieve
this goal, for the employees of the enterprise, the joint-stock company Quartz has divided the wages into three component parts: labor, special and personal.

The labor part of wages is determined on the basis of the qualifications of a senior employee. For this, the company “Quartz” JSC developed a new tariff schedule based on the specific requirements for the employee. Moreover, heads, department specialists and employees of the administrative corps receive a tariff category based on a point rating. Of interest is the essence of determining the ranking of managers, specialists and employees. There are two indicators to evaluate them: professional rating and manager rating. Professional rating is determined on the basis of the following indicators:

1) level of education;
2) work experience in the specialty;
3) length of service in senior positions;
4) the development of related jobs and specialties.

Manager rating is determined on the basis of the following indicators:

1) the scope of leadership;
2) the nature of the leadership and decisions made;
3) the degree of independence in the performance of work;
4) creative contribution and novelty of the approaches used in the work;
5) official contacts with colleagues;
6) ensuring labor safety and labor discipline.

After receiving scores for these two ratings, the overall employee rating is obtained, which determines the category of his payment.

The successful experience of remuneration reform at Quartz JSC, in our opinion, indicates that there is a need for radical transformations in changing approaches to paying workers not only in commercial enterprises and organizations, but also in state-owned enterprises, which are gradually transforming into joint-stock companies.

Motivation methodology based on ranking of posts in the administrative department. The management of Quartz JSC believes that fair remuneration of labor is one of the most important motivating factors in the personnel management system. The constant and variable parts of wages can be balanced among themselves depending on the level of the position. For a clear comparison of different positions among themselves, JSC “Quartz” uses a methodology for evaluating and ranking posts (grading). [1]. The methodology for evaluating and ranking posts is a tool for analyzing and comparing various posts or positions in the administrative department of the Quartz JSC. In conclusion, we would like to note that the most important elements of the methodology, in our opinion, are the following:

- creation of a system of job categories (clear and transparent structure);
- development of a wage structure that provides a differentiated approach to payment depending on competencies, professional qualification and job level of employees;
- development of standard job requirements and job descriptions for the selection, assessment and professional development of staff;
- development of career development plans.
The use of grading methods is advisable only in connection with other methods for a clear separation of the constant (fixed) and variable (premiums) components of wages [2].

The structure and management functions of the compensation package in the company Quartz JSC include the following elements:
fixed part (basic, tariff): provides a differentiated approach to payment depending on the functions and competencies performed, professional qualification and official level of employees;

variable part (bonuses, bonuses): stimulates collective and personal productivity and labor efficiency; focuses staff on achieving the goals of the company;
social package: the formation of the staff’s sense of loyalty and belonging to the company “Quartz” JSC as a corporate community; targeted assistance and support for certain categories of workers.

References: