The Peculiarities of Work Incentives of Labour at Machine Building Enterprises of Ukraine

The article presents issues concerning the formation of effective mechanism of work incentives of labour potential in modern conditions. The factors influencing labour activity of personnel were determined, the character of work incentives of labour potential at machine building enterprises of Ukraine was analysed and the necessity of development of practical recommendations for improvement were grounded.

Problem statement. The efficiency of functioning of state economy branches is often connected with the character of usage of labour potential as a determining element of extended reconstitution and development of the branch. Realization of innovative model of machine-building development demands creation and introduction into practice its economical activity on macro as well as on micro levels of active mechanism of incentives for employees’ work.

The analysis of resent research and publications. The problems of development of labour potential were thoroughly investigated by many scientists and scholars: D.P. Bohunya, A.V. Holda, A.M. Kolot, L.M. Filstein, V.G. Scherbak, and others. Taking into account positive significance of the scientific research we think that development of the mechanism of usage of labour potential in machine building acquires actuality as present mechanism does not provide necessary development and growth. Under the circumstances incentives get special significance as an effective factor of motivation to increase work productivity.

Objectives. The main objectives of the article is a theoretical study of the process of the formation of effective mechanism of work incentives of labour potential in modern conditions and grounding the necessity of development of practical recommendations for improvement into the activities of machine-building enterprises of Ukraine.

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Main material. In market conditions of functioning labour potential is determined as one of the main resources of economy. Effective usage of employees’ skills, their ability to react quickly on the changes of external environment, introduction of innovative projects etc influence the competitiveness of an enterprise as well as a branch and a country generally.

Management of labour potential includes three basic phases: formation, development and application. At the same time development of labour potential characterises every stage of reproductive cycle and comes up through qualitative and quantitative characteristics of labour potential.

It is necessary to notice that the process is formed on the basis of labour potential of employees at a branch enterprise. Accordingly, we should consider labour potential of an employee, professional and qualification groups, branch and enterprise personnel separately as well as in complex because all of them are interrelated and mutually conditioned.

Labour potential of an employee is characterised by his/her individual abilities to work which they have and can mobilise, apply to achieve certain objectives of an organisation with the help of motivation mechanism. An employee decides how to act according to his/her demands, internal stimulators of activity. Awareness of the possibility to realise the needs raises interest, behaviour motive which is a true reason for action.

Labour potential of an organization differs from labour potential of an employee as the system is always larger than the sum of its constituents, which is individual labour potential of employees, because of synergetic effect which is conditioned by interaction of the system components.

Labour potential of a branch is a total capacity of working groups with certain degree of correspondence of their competence to modern means of production, motivation in the direction of its development, external and internal possibilities to achieve certain economic and social results. The degree of accordance depends on the facts how fully the possibilities which are owned by personnel are used. The development of working groups in a branch has to be directed on the full application of present possibilities and constant improvement of their labour potential.

The analysis of efficiency of labour potential of Ukraine shows deceleration in the process of its development which is seen as a result of action of many problems. According to the estimates of experts most pressing reasons of destruction of labour potential is detected in economic, social and legal spheres [1]. Then the necessity of its incentives to highly productive work arises. This can be done at the expense of application of active mechanism in the form of a system which unites material, social and moral incentives.

Today machine building is one of the perspective branches of the Ukrainian economy. Unfortunately during last two decades there has been a decrease in production of the branch. In 2012 the production of tractors was only 5.8% of the production volume of 1990; seed drills – 8.6%, ploughs and fertilizer machine – 3.6%, cars and trucks – 37.6%. Generally, after considerable decrease of production in 2009 the branch has not renewed its activity to the pre-crisis level. While analysing statistic data we discovered that in 2013 there was a gradual decrease in volumes of machine building production in comparison with 2012 (for 13.2%). The first quarter of 2014 shows the same tendency [7]. That is why we may conclude that the branch has many problems which should be solved. A special attention, to our mind, should be paid to the formation of active mechanism of incentives of labour potential at machine building enterprises as an important element of incentives of employees to effective and productive work.

We generally divide incentives on tangible and intangible. Intangible incentives include moral, organisational, social, economic, normative, status and other types of incentives.
A group of scholars headed by A.Y. Kibanov think that tangible incentives are a complex of different material goods which personnel receives for an individual or a group contribution into the results of a company’s activity due to professional work, creative activity and implementation of code of conduct [9]. Sharing the results of the scholars we may state that: intangible incentives are presented by moral, organisational incentives and free time incentive; moral incentive of working activity is the regulation of an employee’s behaviour on the basis of objects or facts which show public recognition and raise his/her prestige; organisational (work) incentive is the regulation of an employee’s behaviour on the basis of the change of feeling of work satisfaction; free time incentive is the regulation of an employee’s behaviour on the basis of the change of his/her working time [9].

There is a need of intensification of incentives at a certain stage of functioning of an organisation. For this purpose it is necessary to influence three groups of factors which determine working activity of the personnel. They are the factors of macro environment that are presented by the system of social relations of the society and conditions of life for a person. The influence on the structure of common life motives creates basis for the formation of positive work incentive; factors of micro environment are characterised by specific conditions of an employee’s activity among other employees and peculiarities of their social organisation. These are an organisational structure of personnel, the system of social management and work incentives, content and conditions of work, branch specificity of the production type, the level of social and economic development of personnel, factors of local micro environment which act in the limits of initial personnel and small group.

The above-mentioned factors are divided into objective and subjective. Objective factors are external incentives influencing work activity. They act equally and are correlated with kinds of work as well as with personality. They can be divided into general and specific. General factors are social and economic conditions and other conditions of work activity (for example productive forces). Specific factors are conditions of certain work activity (work content with its organisation and payment, micro climate in personnel etc). Subjective factors create motives of a specific personality.

Since the structure of incentive core cannot be constant, and it is changed as a whole and partially, it would be advisable to study the motives of a person. The construction of the complex system of incentives of labour potential should consort with the following demands: consideration of all needs and interests of a person; study of influence of the factors of macro and micro environment of a specific person.

At the level of production organisation the mechanism of work incentives should guarantee rational occupation of employees, equal opportunities for professional and official growth, concordance of the level of payment with work results, creation of conditions for occupational safety, healthy psychological spirit among employees.

Primary means that motivate people to act is the incentive mechanism. It is the mechanism of realization of work motivation and it is a complex and holistic tool for changing potential opportunities into real ones [3].

According to L.I. Tertychna motivation mechanism is a self-regulating system of motives and incentives which is formed on the basis of individual needs of the employees but realized through collective (private and group) interest of the majority. Management model of the motivation mechanism is a holistic system of internal motives and external incentives of employees’ activity the usage of which allows disclosing internal reserves of stable development of an enterprise [8].

Motivation mechanism should include elements with different continuance of life cycle: long-term are those that change only with changes of a man’s nature (society traditions, culture), short-term are those that change with social-economic or production situation and
the mid-term elements. Such a content of motivation mechanism provides its stability due to the changes of most movable elements [3].

It worthwhile mentioning that majority of scholars share the views of I.M. Myahkykh concerning the principles of the formation process of motivation mechanism: motivation mechanism should entirely correspond to the objective and tasks of the society, that is certain motivation complex has to correspond to every task. The basis for identification of the structure of motivation mechanism is the structure of objective system (from the objective to the means of its realisation);

- in order to solve a problem we should formulate the objective and find resources to achieve it. Thus consider that the available motivation mechanism is effective to achieve all set of tasks. But the results of practical activity prove that in order to solve any problem we need to form a specific motivation mechanism;

- as any system, motivation mechanism should be holistic and perfect. This means that all its elements are interrelated and the change of one element demands the change of the other elements. Simultaneously there should be certain degree of isolation of every element in order to compensate the change of any element by the other element of motivation mechanism;

- motivation mechanism should have elements that have different continuance. Such mechanism provides its stability, dynamics in development and change of most movable elements [3].

Some scholars determine motivation mechanism of effective usage of labour potential as the system of motivation principles that interact, that is the objective principle; the principle of continuity; proportion and dynamism principle; the principle of democratic distribution of management functions; scientific principle and the principle of management efficiency. On the level of a branch its core characteristics, structure, elements and orientation are considered on the three inter-dependable levels: a branch, an employee and an employer. At every level we find out the objective and the means for its achievement, types of motivations and effectiveness of labour activity and the achieved motivation effect.

Generally, the formation of incentives for development of labour potential is influenced by a complex of various factors such as health, upbringing, creative atmosphere of the family, education, people at work, external environment with its system of social security, culture, life level, conditions of labour relations, labour demand with the methods of its motivation, broad value orientation, national peculiarities of labour mentality, attitude towards creativity, competitive environment etc.

The sphere of work may have motives for development of labour potential besides work payment. They are achievement motive, the motive of getting interesting job with opportunities of further enrichment of world outlook, the motive of creative realisation in labour, aspiration for social recognition and getting competitive advantages at labour market, desire to be a representative of intellectual elite [5].

In order to define the optimal system of motivation factors of labour potential incentives at machine building enterprises we need first of all find out which system of values is inherent for employees.

According to the data of State Committee of Statistics of Ukraine the account number of permanent staff members in machine building sphere at the beginning of 2013 was 455,3 thousand people (at the age of 15-35 – 33%, pre-pension age of 55-59 of men and 51-55 of women – 27% and at pension age – 11%. Figure 1) [4].

As is well known, values for different age groups are different and so the incentives should be directed on satisfaction of their needs. Analysing statistic data we should note that the number of pre-pension and pension employees is considerable and so needs special
attention from the side of employers.

The survey of employees of machine building enterprises which we carried out showed that the system of values of work and recreation of employees of different age groups are various. The amount of payment for non-pensioners is at the first place. As our survey shows, youth and employees of middle age are interested in career growth and the opportunity to increase their incomes in future. There happens a reassessment of values with time and the priorities for pre-pensioners become work conditions and recreation, stability of enterprise activity. Employees of pension age are mostly interested in recognition and display of personal abilities, relations with management and social-psychological atmosphere among colleagues. Most attractive factor for this age group is realizing the importance of their work.

Accordingly, we may conclude that for creation of effective system of personnel incentives at machine building enterprises it is necessary to take into consideration the values that are mostly attractive for every age group of labour potential in a branch.

The research of labour potential in machine building of Ukraine let disclose the following trends: aging and high personnel turnover, decrease of efficiency in using working time, increase of indicators of involuntary part-time work. As a result employees have to constantly go through training. So we may conclude about the necessity to unite tangible and intangible incentives of labour potential taking into consideration the above-mentioned features.

Practice shows that intangible incentives of employees of machine building sphere are presented in the form of non-cash awards such as paid off-working days because of illness, disability or holiday. This is paid according to the employment contract. Another incentive is the right to regulate his/her working time in order to get the most of personal needs under the condition of executing the required tasks, showing respect, involvement in finding new ideas, taking into consideration other ideas, professional education and further training, various symbolic awards, letters of gratitude etc. Unfortunately not all enterprises use modern methods of intangible incentives relying on the old ones.

Studying foreign experience we find out the tendency of western scholars to think that modern employees value self-expression with the help of the work and personal contribution

![Age structure of labour potential of machine building in Ukraine at the beginning of 2013](image)
into the final result of production. If we take into consideration present economic situation in Ukraine and the level of average salary we should state that it is mistakable not to consider tangible incentives. In 2012 the nominal average salary in machine building sphere was 3061 UAHr and the real salary comparing with 2008 increased by 619 UAHr (2394 UAHr in 2012 versus 1775UAHr in 2008). Salary arrears on 1.01.2013 was 268,2 million UAHr. Economically active enterprises owed 57,7% of this sum. According to the data of State Committee of Statistics of Ukraine 13% of employees in machine building sphere got salaries for less than 50% of the worked time. About 17% of employees get salaries in the sum of 1500 UAHr [4]. That is why tangible incentives are, to our mind, urgent at this stage.

As practice shows, under modern economic conditions the formation of system of motivation and incentives of labour demands strengthening of state regulation through the influence of renewal and development of labour potential with the help of social, economic and legal administrative levers.

At the state and branch levels it is necessary to provide: broad renewal of labour potential, balancing supply and demand at the labour market, improvement of social, demographic, ecological and culture policy, perfection of health and labour conditions, stipulation of a corresponding level of education, introduction of real living and minimal wages, formation of rational structure of cash incomes and costs of population in the result of changes in taxation of personal incomes and legalization of shadow economy etc.

It is necessary to underline the importance of active mechanism of incentives of labour potential at the state as well as at the branch levels including the level of enterprises. Today, the majority of employers do not give necessary incentives to the personnel: guarantees, rewards, benefits and as a result employees cannot realize themselves fully at their workplaces. That is why at the level enterprises of the branch it is necessary to improve labour conditions, to increase the amount of incomes, to introduce the motivation system which is based on tangible, moral and social incentives, training and further training of the personnel etc.

**Conclusion.** So, introduction of the above-mentioned measures will let creating an active system of motivation of labour potential at machine building enterprises and will considerably improve its application, provide further development and as a result increase branch competitiveness at the national and international markets. Further research should be directed to detailed investigation of solving the arisen issues as the process of the formation and application of labour potential at machine building enterprises is constantly developing and needs special attention of the researchers.

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Л.М. Фільштейн, Т.А. Немченко
Кіровоградський національний технічний університет

Особливості стимулювання праці на підприємствах машинобудування України.

Метою статті є теоретичне вивчення процесу формування ефективного механізму стимулювання праці в сучасних умовах та обґрунтування необхідності розробки практичних рекомендацій, які стосуються його впровадження в діяльність машинобудівних підприємств України.

Відповідно до поставленої мети, в статті висвітлено актуальні проблеми розвитку трудового потенціалу підприємств машинобудування, обґрунтована необхідність посилення мотиваційних чинників впливу на розвиток трудового потенціалу цієї галузі, підвищення продуктивності праці та якості продукції, досліджено питання щодо формування ефективного механізму стимулювання праці трудового потенціалу в сучасних умовах, визначені фактори, які впливають на трудову активність персоналу, проаналізовано стан стимулювання праці трудового потенціалу підприємств машинобудування України, а також підкреслено важливість відмінності у сприйнятті основних мотиваторів різними віковими групами працівників.

Проведене дослідження дало змогу визначити основні напрями вирішення зазначених питань як на державному та галузевому рівнях, так і рівні підприємств.

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В.Ф. Гамалій, проф., д-р фіз.-мат. наук
Кіровоградський національний технічний університет

О.М. Кошик, ст.наук. співр., канд.екон. наук
ДУ «Інститут економіки та прогнозування» НАН України, м.Київ

Н.І. Легінькова, доц., канд. екон. наук
Кіровоградська льотна академія Національного авіаційного університету

Фінансові засади соціальної відповідальності підприємств

У статті проаналізовані фінансові засади соціальної відповідальності підприємств в трансформаційний період переходу від централізованої планової економіки до ринкової, а також на сучасному етапі. Виявлений зв’язок соціальної відповідальності бізнесу з результатами фінансової діяльності українських підприємств, а також можливості використання зарубіжного досвіду в українських реаліях.

соціальна відповідальність бізнесу, ринковий трансформаційний процес, приватно — державне партнерство, корпоративна соціальна відповідальність

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