Abstract

The article evaluates modern condition of a labor satisfaction and tool of its upgrade – compensation plan. The aim of this work is to analyze how payment systems developed and to target the increased role of a labor satisfaction. Labor is a key of economy. It provides progress and prosperity throughout the whole history of humanity. But the modern labor became far more complicated in the XX century. Mostly it turned into intellectual labor. Moreover it became harder to deal with and to recover after. As a result the issue of labor satisfaction moved at the top of the list. Luckily the economical motivation such as compensation plan may escalate the level of a labor satisfaction. The author gives an analysis of human resource system, payment systems evolution and its influence on a labor satisfaction. The article contains conclusions about modern labor characteristics, role of a compensation plan on an enterprise.

Keywords: compensation plan, labor satisfaction, labor, human resource, evolution of labor;

1. Introduction

The problems connected with salary have always been acute for economical researches. From the economical point of view salary is the price of production factor. And the method of calculating of labor remuneration can be called the system of salary. They have been forming during the whole history of humanity from the moment of hired labor appearance. The right understanding of processes, causes and laws of salary system forming is an important component of social and economical development. With the economy development the process of modern enterprise formation took place. At the same time the views to the labor in the context of economical category and its role in the human’s life and society were developing as well.

2. Evolution of labor comprehension

The 1st table shows the milestones of views evolution on labor and its categories. In the period of agrarian way of life of society the category of labor was not studied specially. It was realized likely on the initial level. And the scientific research of labor is connected with the names of A. Smith and K. Marx in 18-19 centuries. Thus, K. Marx

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introduced the concept of workforce (ability for work). The further understanding of labor as a category has a humanistic vector and is based on the concepts of human capital. Such labor categories as content, character and its role in economy had changed towards humanism and intellectual labor. Its vividly seen in the dramatic changes of labor content at the beginning of the 21st century from agrarian and craft work to mostly intellectual and creative work. So the satisfaction from labor grew up rapidly. As a result it reflected on the methods of human resources management. If in Taylor times there was a complete regulation and full control, to the times of Swaybie and L.Edwinsson the workforce is presented as an intangible asset and the intellectual type of corporate culture is emphasized. The modern researchers such as A.I. Rofe, J.P.Kokina and P.E.Shlender, J.M.Ostapenko consider labor as a conscious focused activity directed to the production of some socially useful products - immaterial or material.

<table>
<thead>
<tr>
<th>Way of life</th>
<th>Period</th>
<th>Labor comprehension</th>
<th>Labor content</th>
<th>Satisfaction from labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agrarian</td>
<td>Ancient times</td>
<td>Unscientific labor comprehension</td>
<td>Agricultural and craftwork</td>
<td>Necessity of labor for survival</td>
</tr>
<tr>
<td></td>
<td>Middle times</td>
<td>Religious background</td>
<td>Agricultural and craftwork</td>
<td>Strong religious background plus mandatory labor</td>
</tr>
<tr>
<td>Industrial</td>
<td>18 c.</td>
<td>Scientific approach</td>
<td>Craftwork and technical work</td>
<td>Hired labor (low satisfaction)</td>
</tr>
<tr>
<td></td>
<td>19 c.</td>
<td>Labor as a factor of production</td>
<td>Technical work and specialization</td>
<td>Regulated hired labor. Source of personal income</td>
</tr>
<tr>
<td></td>
<td>20 c.</td>
<td>Human resources on the foreground</td>
<td>Conveyor work. Deep specialization</td>
<td>Free labor. Social relations on the foreground</td>
</tr>
<tr>
<td>Informal</td>
<td>21 c.</td>
<td>Dominating of intellectual capital</td>
<td>Intellectual and creative work</td>
<td>Free labor for self satisfaction (highest level of satisfaction)</td>
</tr>
</tbody>
</table>

Modern labor is characterized by three main features. Firstly - the growth of intellectual potential of work process, which is manifested in evaluation of brainwork, growth of conscious and responsible attitude of a worker to the results of his activity. Secondly - the increase of humanization of working process. Many researches consider as labor productivity growth factors not only the advance of employee qualification or the rise of mechanization level and his labor automation, but also the state of human’s health, his mood, relations in the family and staff team and in the society in common. This social aspect of labor relations significantly complements the material aspects of labor and plays an important role in the human’s life. Thirdly – according to L.F.Myses, the growing role of the so-called “joy of labor”. Labor itself becomes a way of self-expression and the way of getting pleasure.

It can be noticed that modern labor and its definition differs greatly from the initial phases. In parallel with stage evolution, connected with technological ways, there appeared methods of improvement and remuneration management. At the beginning they were presented as the schemes of piecework earnings calculation. Then there appeared the improvement methods of remuneration of employees on time basis. And finally the methods oriented on the working- out of the systems motivating creativity started to work. So, the great variety of methods with different targets and conditions of application were collected.

3. Evolution of payment systems

The first forms of incentive payments could be met in ancient times. As Ian Kessler noticed, in the 6th century BC the employees got their salary in the form of food, the quantity of which depended on the labor results. Then the
period of Roman Empire can be allocated and its concept of “right labor price”, that is for the quantity of labor and after “fair price” connected with the cost of product. The period of middle ages is characterized by continuation of formation of job-price system, for the farmers mostly. Some authors consider that in 16-18 centuries the rights for property (raw materials) changed, which turned craftsmen into employees with the payment for each item. Thus, on the initial stage of the payment system development the foundation of modern job-price system of payment and some others is seen. Besides, the salaries were also given in the natural form.

The global changes in the remuneration systems became necessary in the period of industrial society appearance and, accordingly, new a type of production organization. The individual workers became hired in the frames of factories. As Ian Kessler states, there are evidences that job-price salaries were used in the mining and heavy industries. At the end of 19th century there was spread a proportional job-price salary, especially for the light industry. But meanwhile, the majority of employees remained in the frames of time-based remuneration. The great contribution in the development of remuneration was made by F. Taylor, Sh. Bedo, R. Owen, A. Turgot.

F. Taylor became a founder of the “scientific labor organization” and, in fact, seriously studied the concept of “system of labor payment”. The system of S. Bedo continued this idea. As Ian Kessler says, around 30% of firms in machinery applied piecework wages. However, even at that time there were known the systems according to the individual merits. Like some others D. Shloss offered to take qualitative indicators for the basis. A. Turgot developed the systems of employees participation in benefit. The industrialization period was connected with industrial enterprises. The firm’s owners were the developers as a rule. The growing role of piecework wages strengthened the interest of the researchers. In the scientific sphere they came to the conclusion that the workers are interested not only economically. It pushed to develop various social approaches. The more comprehensive assessment of the workers labor started to move to the foreground. For example, the valuation of ‘business skills’ was very popular. The personal merits were in the limelight.

Analyzing the systems of payment in different periods of time, it is worth to distinguish their main features. This question is studied by the doctor of economical science E.G. Novoselova (table2).

Table 2 – Directions of workforce using

<table>
<thead>
<tr>
<th>Direction</th>
<th>Worker’s role</th>
<th>Goal of payment system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of workforce( F. Taylor, Ermanskiy, A.Gastev)</td>
<td>Source of labor</td>
<td>Full regulation</td>
</tr>
<tr>
<td>Staff management (A. Fayol, G. Sayson, V. Tarasov)</td>
<td>Source of labor</td>
<td>Duties</td>
</tr>
<tr>
<td>Human resources management (D. May, L. Kunelskiy, P. Mironov)</td>
<td>Non-renewable source of labor</td>
<td>Working functions</td>
</tr>
<tr>
<td>Human management (A. Zdravomislov, B. Ananiev)</td>
<td>Person and its workforce</td>
<td>Motivation</td>
</tr>
<tr>
<td>Human capital management (F. Mahlup, L. Turow, G. Bekker)</td>
<td>Person and its knowledge and skills</td>
<td>Motivation and long-term employment</td>
</tr>
<tr>
<td>Intellectual capital management (K. Swayby, L. Edwinsson)</td>
<td>Intangible active, knowledge</td>
<td>Intellectual motivation</td>
</tr>
</tbody>
</table>

From the table 2 it is seen that for the last hundred years the systems of payment changed greatly. The vector of their changes is directed to the same side as the social- economical development of the society in common. For example the entry to the epoch of information technologies at the end of the 20th century made new demands to the enterprises, which caused the change of attitude to the worker. The difference between the “use of workforce” and the “management of intellectual capital” is obvious. It’s impossible to manage intangible objects, using classical ‘hard’ systems of labor payment. The approach of the society to the human has also changed to the in favor of humanization. It also influenced on the development of systems of payment in favor of flexibility and softness. Of course, the approaches presented in the table 2 can’t be applied as they are. It could mean they could be applied to any enterprise. We can speak just about common trends in the systems of labor payment. And there are still many types of work where the high level of intellectual job is not necessary.

4. Modern trends of payment systems and labor
The world experience of development of the systems of payment is concentrated in theoretical works and legal documents as well as in the practice of application in the particular enterprises. For better understanding it’s necessary to analyze all these spheres. Theory is presented by recommendations and experts’ researches in the sphere of labor economy. For example looking through the works of American bureau of labor statistics experts D.Narlock, N.Saperston, E. Backly and the works of PhD of economical science E. Egorova, T. Kostenkova, T. Demchenko, E. Vetluzskikh and others we can define the following trends in the development of modern systems of labor payment.

1. The formation of link worker-enterprise
2. Flexibility
3. Formality
4. Stability
5. Humanism

Firstly, because of the growing role of the worker in the enterprise and the rising of importance of his personal qualities, the firms make everything possible to hold the employee. By means of mechanisms of system of labor payment the turnover of working personnel reduces forming satisfaction from job. Secondly, the flexibility of modern systems of labor payment is determined by the development of global society. The high mobility and flexibility of workers demand flexible assessment and their work payment. More often can be met the mechanisms permitting the employee to rise the level of his salary and to be busy partially, remaining the member of the team. Thirdly, formality of the systems of labor payment means that the relations between the employer and the employee must be extremely sincere. It proposes documental and oral formalization in the form of inner documents and regulations. In the fourth, stability of systems of labor payment is reflected in the growth of permanent part of salary. Thus the stable income of the worker is guaranteed. In the fifth, humanism in the systems of labor payment is connected with the personal needs. Namely the firms very often can individualize the system of labor payment not involving a person into some standard. One of the main reasons of such trends is the average world system of labor payment. According to the career agency Glassdoor around 40% of labor payment fund of companies fall to the people engaged in the field of information technologies and consulting. The growth of these categories of employees pushes to the changes in the system of labor payment.

Now in the world practice the grade system is used more and more often, which returns the enterprises to the multi-factorial system of labor payment. The grade system is used by such companies as IBM, Google, BMW group, SIBUR since 2011 and “Donbass fuel and energy company”. It presents a system of salary growth according to three factors: knowledge and skills, solving the problems, responsibility. Sure, the more visible are these factors the higher the salary is. “Knowledge and skills’ factor is a mix of experience and knowledge which is necessary to fulfill the duties on the standard level. Second- the width of management is valued: the degree of monotony of the worker’s job, the ability of regulating the disconnected processes. And the third factor inside “skills and knowledge” is the skills of communication. The second factor is solving the problems. Here the magnitude and the difficulty of the solved problems are valued. For example, what restrictions in the activity should be or the ones are not defined at all. The third factor is responsibility. It shows how free the person in taking decisions is. Usually this factor influences on the financial results (direct or indirect) and the character of these financial results (income and expenses).

5. Conclusion

Analyzing the world’ experience of development of the systems of labor payment the following can be resumed. First- the process of foundation of modern systems of payment and the concept itself started around 100 years ago. Second- the systems of labor payment are characterized by the orientation to the worker and his needs. They are flexible and motivate to use intellectual capital. Third - the systems of labor payment in each country are determined by the cultural and social background and have special features. Forth - the systems of labor payment influence indirectly on the economical development of the country in common. Fifth – the satisfaction from labor is an initial part of modern world. The understanding of this fact and following the new trends can let the enterprises and the countries’ economies in common to occupy the qualitatively new level of development. The future of the systems of labor payment seems to develop in the same stream due to the growth of the intellectual part of labor.
References