INCENTIVE PAYMENT AS A METHOD FOR IMPROVING WAGES

Wages are the main source of workers’ income at companies, enterprises and organizations. Payroll and payment take a special place in the work of each enterprise. In a market economy there have been significant changes in payment.

Wages became an important means to improve the workers’ interest in the results of their labour and their productivity, also increase of output, improvement of the quality and variety of goods.

The practice of economic activity in the country has developed various incentive systems for usage in specific production conditions either separately or combining different systems. [4, c.18]

1. Systems that coordinate basic wages with the level of performance and over fulfillment of labour indicators which exceed the limit of worker’s labour standards. They include various bonuses for achieved results. [3, c.108]

These types of encouragement are the most common as we can embrace more workers. Besides they usually have distinctive quantitative parameters which enable to control the level of wages both for the most employees and their supervisor. Moreover, if these types of encouragement are known in advance to the employees, it allows them to use their material interest purposefully, individually or together with others to achieve the level of earnings that satisfy them. [1, c.123]

2. Systems that coordinate basic level of wages with the personal qualifications of the worker, his level of professional skills and personal qualities, attitude to work. First of all these are incentive bonuses and allowances of different kinds depending on professional skills; combination of professions (positions); extension of rate (zones) of services; performance of previous or larger volume of works (services) by lower number of employees [3, c.129]

3. Systems that coordinate basic salary of the employee or group of employees with certain achievements that are not systematic or with any general collective results of work within a certain, relatively long calendar period (semester, year).

These are different one-time bonuses and rewards. They are paid by some companies even now, for the performance of especially important production tasks, for the special achievements in the manufacturing competition, for the results of the company within a year (half, quarter) and so on [2, c.215].

A distinctive feature of these types of secured promotion is their flexibility. They usually do not become a mechanical increase in salaries. At the same time, they do not mean any employer’s obligations to employees. One promotion often cause a favourable reaction in staff and ultimately almost always are beneficial (except, perhaps, the annual
remuneration to be pretty well thought out and organized to the employee during the year actively worked on high end results). [4, c.35]

REFERENCES

4. Зарабітна плата (збірник нормативних документів)/ Харків - 2010. – 67с.