

COMPENSATION PACKAGE IN THE STAFF MOTIVATION SYSTEM

The modern business environment requires improving the staff motivation system. The labor market is becoming increasingly competitive, and attracting and retaining talent requires new approaches. Changes in the economic and social sphere, such as inflation and growing social needs of employees, necessitate a review of compensation packages. The compensation package is a key tool for motivating employees to increase productivity and job satisfaction. The relevance of this topic is driven by the need to attract and retain qualified employees, motivate them to achieve the company's goals and increase productivity. The COVID-19 pandemic has significantly changed working conditions and increased the importance of compensation packages in people's motivation systems. Changing ways of working, increased risks for employees, and the need to maintain financial well-being have become pressing issues. The expansion of global communication technologies has created conditions for remote work and a global competitive environment, which raises the issue of effective employee motivation in a distributed work environment.

The **aim** is to research and analyze the compensation package as a motivation tool, assess its impact on employee productivity, and determine the best methods for creating and managing corporate remuneration systems.

The **subject** of the study is the compensation package as a tool for motivating employees. This includes the study of how different elements of the compensation package (e.g., salary, bonuses, insurance packages, flexible work arrangements) affect job satisfaction, commitment to the organization, and employee productivity.

The following **methods** were used to achieve this aim: general scientific methods of analysis, synthesis, induction, deduction, comparison, questioning, observation, generalization of research results, abstraction, idealization, comparative, financial analysis.

The main **objectives** of this study are to investigate and analyze the compensation package as a motivation tool, assess its impact on employee productivity, and determine the best methods for creating and managing corporate remuneration systems.

Staff motivation is the process of encouraging employees to achieve certain goals and objectives in an organization. Motivation includes various psychological and material factors that encourage employees to perform their duties at a high level. Key motivation factors include rewards, recognition, development opportunities, and personal growth. Staff motivation can be internal and external. Intrinsic motivation is based on the employee's personal goals and values, while extrinsic motivation uses such means as financial rewards, bonuses, and career development. Motivation methods may include training and development, a reward system, creating comfortable working conditions, as well as developing career plans and opportunities for employee self-realization.

The development and implementation of a motivational system consists of 7 key steps [1]:

1. Identification of the company's problems arising from a lack of motivation. Most often, these are low labor efficiency, staff turnover, poor atmosphere within the team and emergency mode of work.

2. Drawing up a list of key tasks based on the first point (increasing productivity, raising team spirit, forming a cohesive team).
3. Conducting social diagnostics. For this purpose, you can use questionnaires, interviews or questionnaires. As a result, the key financial and non-financial incentives that the team and each employee needs are identified.
4. Develop a motivation system based on the data obtained. Select specific methods and establish their sequence and frequency.
5. Calculate the financial costs of implementing the system.
6. Informing the staff in detail about the upcoming changes. If the system is multi-level and difficult to understand quickly, it is better to distribute detailed instructions that describe the evaluation parameters and methods of calculating bonuses and penalties.
7. Launch and test the system. At the end of the trial period, the first results are summarized by comparing costs and profits.

Google is recognized for its innovative corporate culture and approach to employee management. Google's recipes for success that drive employee performance and satisfaction [5]:

- Google sets the industry benchmark with its competitive compensation, offering monthly benefits exceeding \$10,000 for regular employees, which significantly contributes to job satisfaction and financial security.
- The company's office design breaks the mold, featuring lounges, sports facilities, and various amenities that cultivate a relaxed and stimulating work environment.
- Emphasizing results over process, Google empowers its workforce by allowing them the autonomy to determine the most effective paths to achieve their objectives, enhancing creativity and efficiency.
- Transparency within the organization ensures that the outcomes of individual and team efforts are visible to all, fostering a sense of accountability and camaraderie among employees.
- Beyond the workplace, Google extends a comprehensive suite of corporate perks, such as fitness centers, relaxation zones, and complimentary meals, while also considering the well-being of employees' families with policies like maternity leave and bereavement support.

A compensation package is a category not only of an employee, but also of an employer who provides an employee with a compensation package for engaging him or her in the work process and disposing of the results of his or her work. For an employee, a compensation package is a set of all compensations, including material payments and remuneration, intangible benefits and services, that he or she receives for performing a certain job function at a particular company and for the labor results achieved in the course of using labor. For an employer, a compensation package is a set of all compensations provided to an employee for engaging him or her in the labor process and disposing of his or her labor results. For the employer, compensation is the cost he incurs to attract an employee, build his commitment and loyalty, retain him in the company, and motivate him to perform certain work and achieve the appropriate results [2]. The compensation package includes all types of compensation offered to employees: salary, bonuses, social packages, health insurance, shares and options in the company, pension contributions, and other financial and intangible benefits. Its structure can be customized for each employee

individually depending on their role and contribution to the company. Compensation packages can cause problems in the motivation system, including lack of financial resources for high payments, inappropriate structure of compensation packages, inequality in pay, incompatibility of employers' interests, etc.

Workers' compensation insurance is an important component of a compensation package because it provides financial protection for employees in the event of an accident or illness. It can also be used to encourage employees to pay attention to workplace safety and avoid risks. Insurance includes accident insurance, medical insurance and other employee protection measures. Accident insurance provides financial protection if an employee experiences an accident at work, such as an injury. In this case, the insurance company will pay compensation to the employee. Health insurance covers the cost of medical treatment, doctor's consultations and other medical services. Insurance programs are available to encourage employees to follow safety rules and avoid risks in the workplace. For example, rewards for accident-free work or participation in safety training. Employee insurance can give employees a sense of security and confidence in their future, which can have a positive impact on productivity and job satisfaction [3].

Employee life insurance plays a pivotal role in ensuring social security and safeguarding employees. TASlife's group life insurance policy offers a comprehensive suite of benefits designed to meet the diverse needs of both management and HR departments. Key features of this insurance include:

1. *Military Risk Protection*: This crucial benefit offers financial security to employees affected by military incidents or conflicts, ensuring peace of mind during uncertain times.
2. *Covid-19 Coverage*: In response to the pandemic, this policy provides crucial financial assistance to employees and their families affected by Covid-19, offering a layer of additional security.
3. *Broad Illness and Injury Coverage*: With provisions for over 173 illnesses and more than 130 types of injuries, TASlife ensures employees can access necessary treatments without financial burden, promoting a healthier workforce.
4. *Critical Illness Support*: The insurance plan covers the diagnosis and treatment of critical illnesses, ensuring employees can focus on recovery without worrying about medical expenses.
5. *Disability and Life Loss Compensation*: In the unfortunate event of disability or death, the policy provides significant compensation, crucial for maintaining the financial wellbeing of the affected employee's family.

The effectiveness of staff motivation systems often encounters challenges like imbalanced rewards, inefficient incentives, and dwindling motivation. Historical economic research, from Elton Mayo's emphasis on workplace social dynamics to Maslow's hierarchy of needs and McGregor's managerial theories, has underscored the complexity of employee motivation. Herzberg's work further distinguished between satisfaction-enhancing and dissatisfaction-preventing factors. Contemporary studies continue to explore motivation, focusing on leveraging technology, adapting to evolving work cultures, and balancing personal and collective motivation strategies amidst shifting economic landscapes.

Future research aims to refine motivation systems to be more responsive and tailored, addressing psychological needs and environmental changes. This ongoing

evolution underscores the critical role of well-designed compensation packages within HR strategies to boost retention, productivity, and adaptability in the modern business ecosystem. Continual refinement of these packages, with a keen eye on individual and societal shifts, remains crucial for sustained organizational success.

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