

INSTRUMENTS OF MATERIAL INCENTIVES OF EMPLOYEES, IMPROVING THE CONDITIONS OF WORK AND LIFE

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Abstract: *the paper proposes the improvement of working conditions and safety of personnel, also explains Stimulation is a way of directed influence on the behavior of employees to improve their performance in order to achieve the objectives, the types of stimulus that we have and the most effective incentive. It also talks about the approaches to material incentives and how to improve the working conditions of the employees.*

Keywords: *financial incentives in the enterprise, classification of instruments of material incentives for workers, Stimulation.*

Stimulation is a way of directed influence on the behavior of employees to improve their performance in order to achieve the objectives. The types of stimulus can be classified as material and moral incentives. The most effective type of incentive recognizes the financial incentives, which is based on a material interest of employees in their performance.

Instruments of material incentives of employees, improving the conditions of work and life

This approach to material incentives combines the tools of stimulation of the personnel, forming a competitive work conditions at the enterprise from the point of view of potential and current employees. Such instruments of material incentives in the first place, affect the improvement of labor conditions and life of the personnel and increase the value of the company–employer in the eyes of the staff without regard to the nature, specifics and peculiarities of each individual employee.

In the first approach, based on improving conditions of work and life, we can distinguish three methods of material incentives:

1. Compensatory payments – reimbursement of expenses made in the process or during the execution of their duties.
2. The improvement of working conditions of employees;
3. The improvement of the living conditions of employees, including the provision of additional cash payments and bonuses in connection with the work at a specific company.

The presence of all three methods of material incentives at the company can speak about how hard the legislative policy of the state, and of high market competition between companies for labor resources.

Currently in Russia there is a trend of consolidation at the legislative level the obligation of enterprises not only to improve the working conditions of workers and their living conditions. According to the Labor code the safety of employees is the responsibility of the employer, in this case article 226 [1] established that the financing of activities for improvement of conditions and labor protection by employers (excluding state unitary enterprises and Federal institutions) shall be in an amount not less than 0.2 percent of the sum of the cost of production of goods (works, services). Prior to 2012 has not been determined what events should be spent the funds [2]. By order of the health Ministry of Russia dated 01.03.2012 № 181H approved "model list annually implemented by the employer measures to improve conditions and occupational safety and reduce occupational risks" [3].

This policy seems clear in the conditions when, on the one hand, there is a state budget deficit, the cost of the defense of the country grows, carries out large-scale investment projects, and there is a risk to the global drop in oil prices and, on the other hand, the government declares its readiness to maintain and develop the social sphere, which also required substantial funding [4, 6]. However, given the continuing increase in the tax burden on enterprises, high Bank interest rates on loans, increasing the number and complexity of the process of inspections by various regulatory bodies [7], the introduction of an additional financial burden on enterprises in the form of increased costs for social programs will hold back their development, and in some cases lead to losses and closure [5].

For the more active development of enterprises, labor markets and capital is a more efficient implementation of the third method of material incentives (improvement of the living conditions of the workers) of enterprises in the result of competition for human capital in the labor market, and not as consequences of state policy.

Methods of material incentives influencing the improvement of working conditions and life of the personnel is actually a competitive advantage of the enterprise in comparison with other, comparable from the point of view of the employee. In the case of complete lack of competition between businesses for employees, a significant factor for job seekers is the availability of the company's compensation payments to employees. In case of stiff market competition for labor resources of the enterprise will compete with each other not only on the availability and

inventory of provisions improving working conditions of workers, but according to the criteria that improves the living conditions of employees.

Traditional forms of compensation are:

- transport expenses (or provision of official vehicles) during the period of performing work duties, including the period of travel;

- Payment of the cost of employees when moving to work in another area;
- Compensation personnel expenditures for mobile communications, in the process of performing work duties.
- To the forms of material incentives, improving working conditions of employees are:
- Purchase of means of individual and collective protection to increase the level of labor protection;
- Training in safe methods and techniques of work;
- Sanitary and domestic services.

The use of these methods of material incentives does not directly affect the productivity and quality of work performed, but increases the safety of employees and the level of comfort in the workplace.

The forms of material incentives, improving living conditions the employees who combine work with education (including the provision of additional cash payments and bonuses in connection with the work at a particular enterprise) include:

- Supplements to wages paid for work experience at the enterprise;
- travel expenses to the location of the educational institutions the employees who combine work with education;
- Provision of additional holidays with preservation of (and without saving) average earnings of employees who combine work with education;

- Payment of part of wages received by the employees who combine work with education for working days when staff are on study;

- Reimbursement of expenses (complete or partial) on the education of children of workers;
- Reimbursement of expenses (complete or partial) of employees in preschool and school institutions;
- Compensation paid to workers in forced cessation of work through no fault of the employee;
- The provision of paid annual leave;
- Benefits and compensation during temporary incapacity for work;
- Compensation paid to employees in the event of termination of the employment contract;
- transport expenses (or provision of official vehicles) for delivery of employees to place of work and back;
- Compensation of expenses for meals during work;
- payment of meals for employees on business trips (data compensation can be attributed to the category of improving the living conditions of the staff, because, in a period in a workplace an employee has to bear his own expenses for food, not compensated by the company);

- Compensation costs for employees to exercise;
- Payment of treatment and rest of workers of the enterprise;
- Additional (beyond legislated) the company's costs for pension and insurance programmes for personnel;
- obtaining credits and loans for the company at low interest rates (compared to market) or without interest;
- The provision of housing to employees;
- Participation of the enterprise mortgage programs of employees;
- Payment (full or partial) medical care of workers;
- Ability to obtain products and services at low prices (compared to market), at cost or free of charge;
- Payment of dues for membership in various clubs;
- Organization of joint corporate activities not associated with improving the professional level of employees;
- Valuable presents to employees and their children in honor of holidays that are not related to job performance.

It should be noted that a characteristic stimulation methods in the framework of the "improvement of working conditions and safety of personnel" is that they only affect the conditions of work and life of the employee, but not on the process and results of work employee. That is why, for example, to conditions that improve the lives of staff, was assigned the additional costs associated with training, but not training itself because education directly affects the quality and productivity, and, therefore, on the process and results of work of the staff.

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