

## EVALUATION OF THE LABOR INCENTIVE SYSTEM IN OOO PROFTEHNOLOGII (LLC)



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**Abstract.** Today, companies are increasingly aware that a major production resource - is employees. Most managers tend to reduce the company's costs in terms of personnel costs exactly, but awareness of the need for tangible and intangible investments in human resources has become increasingly common at the present time. A lot of companies are considering personnel as the main investment fund, practicing various forms of incentives and rewards. The development of recruiting business is not far behind for this trend. The article focuses on stimulating employees of one of the recruiting company in Yekaterinburg city. It goes about payment, bonuses, work organization and workplace organization. In the article the author finds out how often the ideas of increasing the improving the working conditions cost for employees are applied in practice, in order to improve the efficiency of staff labor activity.

**Keywords:** motivation; personnel management; salary; recruiting.

**JEL code:** J24.

### Introduction

Recruitment business aims to support, develop and maintain a manpower company and not only those that can be called a «product» of the company, but also those that are directly members of the recruiting agency.[1] The most pressing issue is to stimulate governance in the recruiting business in the conditions of the crisis broke out, as the primary measure was the minimization of costs, and especially the reduction of salary, and the rejection of virtually all forms of material incentives for the personnel. In such a situation, the leader has to decide how to keep employees motivated to paying less money, the quality of work remained at least at the same level. [2]

### 1. The motivation system in the company LLC PROFTEHNOLOGII

At the moment, LLC PROFTEHNOLOGII Company uses the following methods of personnel management:

1. Administrative and organizational management methods [5]:

- Control staff relations by the rules of structural subdivisions and job descriptions;
- Using the power motivation (orders, instructions).

2. Economic methods of management [7]:

- Material stimulation of employees: 400 rubles in addition to the payment for each new employee.

3. Socio-psychological management methods:

Developing a sense of belonging to the organization of the employees with the help of the formation of standards of service, the company makes extensive use of its logo to ensure employees of branded working clothes, etc.

The main focus in the system of incentives for staff placed on material methods of stimulation. In accordance with the Labor Code of the Russian Federation, the organization independently establishes the form of a payment system, wage rates and salaries, as well as forms of material incentives. The basic rules of remuneration and bonuses are fixed with wage regulations of employees of LLC PROFTEHNOLOGII. All new employees will become acquainted with these regulations.

Salaries are paid on the third of each month. Prepayment - 18 of each month (40-50% of salary).

Bonuses for employees are paid every month.

The purpose of the premium is a reward for the quality and timely execution of work duties, initiative and enterprise at work. The indicator of bonus payment is the performance of the established monthly plans on the timing and quality of work.

Employees shall get bonus when they are:

- fulfillment of vacancies closure plan;
- lack of reasonable complaints from the customer on performance of works;
- timely closure of vacancies in areas;
- compliance with the rules and deadlines of reports;
- no substantiated complaints from leading employees to perform job duties by the recruiters;
- the absence of substantiated complaints by employees to perform their duties;
- work qualitatively, in accordance with established deadlines.

Table 1 shows the employee benefits separation on a permanent part and a bonuses in 2013-2015. According to Table 1, we can say that the amount of salaries and bonuses increased every year since the increased number of employees and the profit in the enterprise.

**Table 1 - Wage analysis of PROFTEHNOLOGII 2013-2015 years<sup>1</sup>**

Indicator	2013	2014	2015	Absolute deviation.		Relative deviation	
				13/14	14/15	13/14	14/15
Salaries	179968,6	195248,6	206737	15280	11488,4	108,5	105,9
Bonuses	49809,4	60462,4	73294,3	10653	12831,9	121,4	121,2
Total	229778	255711	280031,3	25933	24320,3	111,3	109,5

In Table 2 the sizes of bonuses in the company PROFTEHNOLOGII in 2015 are considered separately. Table 2 shows that the limit of the bonuses is 50%.

**Table 2 - The size of bonuses by employee category for the period of 2013-2015 years<sup>2</sup>**

Categories of employees	2013		2014		2015	
	RUB.	%	RUB.	%	RUB.	%
General leadership	Up to 2500	Up to 50	Up to 2700	Up to 50	Up to 3000	Up to 50
Recruiters	Up to 2000	Up to 50	Up to 2300	Up to 50	Up to 2500	Up to 50
IT Department	Up to 500	Up to 50	Up to 700	Up to 50	Up to 900	Up to 50

Employees may be fully or partially deprived of bonuses and may be dismissed in the following cases:

1. non-performance or bad performance of employment duties, provided by an official or technical instructions;
2. a disciplinary offense;
3. damage to property or damage to the business reputation of the enterprise;
4. violation of technological discipline;
5. violation of the rules of safety and labor protection and fire safety regulations;
6. truancy of work;
7. coming to work drunk, and in a state of narcotic or toxic substances;
8. drinking alcohol on the territory of the organization;
9. Theft of property of the organization.

Full or partial deprivation of the premium takes place in the period in which the flaw in the work was committed.

The specific amount of the premium reduction is determined by the director of the organization (in terms of staff - heads of departments), depending on the seriousness of the offense and the consequences.

Surcharges and incentive payments in PROFTEHNOLOGII do not practiced. Employees'

<sup>1</sup> Compiled on the basis of the author researches

<sup>2</sup> Compiled on the basis of the author researches

overtime working does not received by salaries in excess of any parts of surcharges.

All forms of incentives should be used to determine the material reward, while labor costs will not increase sharply. The introduction of such forms should be carried out gradually.

In process of economic development and improvement of enterprise management methods, management personnel PROFTEHNOLOGII should take into account that the maximum efficiency of the economic methods impact in management is achieved when they are combined with other methods (reinforcement of economic methods by using the organizational and administrative and addition of material stimulation of socio-psychological motivation). [6]

During the study of stimulate labor methods a survey was conducted by the author for clarification of job satisfaction.

The survey involved 5 managers, 6 recruiters and 5 representatives of the IT department. By age group employees divided into: from 31 to 40 years - 5 people, 21 to 25 years old - 3 persons, from 26 to 30 years - 2 persons, 41 to 50 years - 6 people.

Because of the survey it became clear that the most relevant needs at this time are:

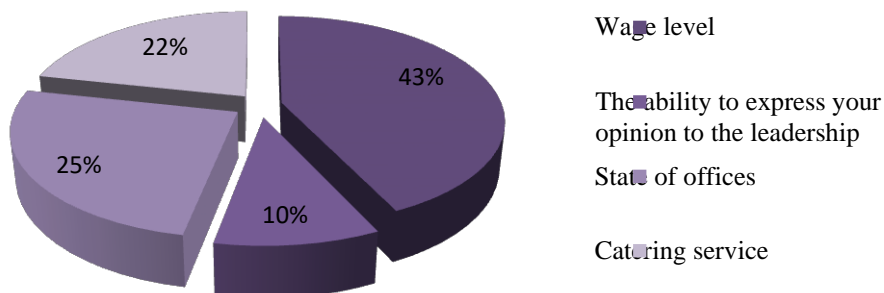
- low wages;
- state domestic premises (lack of canteens, state of offices, the lack of order in the workplace);
- no way to communicate its opinion to the leadership.

An illustrative example of the survey results can be seen in figure 1.

In figure 1, we can see that material needs are the most relevant at the moment, they make up 43%. This is due to the economic situation in the country; the workers do not have enough money for good living. Second place goes to the state of offices - 25%. Employees are uncomfortable and inconvenient to work at their workplaces. As recruiters justify their answer –«uncomfortable and depressing situation, on the table a lot of documents and folders that have nowhere to put, a lot of employees are in an office, do not provide comfort to make personal phone calls». 22% are not satisfied with point catering.

In PROFTEHNOLOGII there is no dining room, which would be able to fit more than three employees, so some employees are forced to eat in the workplaces. Accordingly, in the canteen a lot of space occupied by the machine dishwasher, microwave. And 10% of workers are not able to communicate their opinion to the leadership.

**Fig.1: Elements of the work that employees are dissatisfied with in 2015 by the results of the survey<sup>3</sup>**



In addition, the answers to the question about the forms of moral incentives which are the best for employees, allocated as follows: 5 people (31%) of employees responded for better working conditions; 4 people (25%) for the opportunity to study, the ladder of growth, increase accountability and influence; 4 people (25%) want the feeling of belonging, usefulness to the company, respect and recognition from colleagues, manager, the feeling of the usefulness of their work; 2 people (13%) responded that they expect praise from the manager; 1 person (6%) wants to assign the title of «Best Worker».

On the question of how do they assess the system of moral incentives in the company, 13 people (81%) answered that nobody needs moral incentives, if the money are paid, and 3 persons (19%) responded that moral incentives is not seen, no one will say «thank you» for work.

The survey showed that the motivation of employees working in increasingly affects high wages and good working conditions than, for example, the atmosphere in the team, or the attitude of the management. Unfortunately, moral incentives in the organization are not observed. The system of personnel motivation wages stimulates is bad, because employees are not satisfied with their income.

## Conclusion

Improving the incentive system in the recruitment business involves the development of events. We conducted a survey, which revealed that the employees are dissatisfied with their workplaces, the lack of a spacious dining area, the lack of ability to communicate its opinion to the leadership, low salaries. Revealed an urgent need for point solutions to existing problems of incentive policies, through the introduction of intangible and tangible measures to improve the employees' moral and physical comfort.

<sup>3</sup> Compiled on the basis of the author researches

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