



Al-Farabi University



**Personnel motivation and
remuneration management**



Personnel motivation and remuneration management

0
1 | Labor
motivation

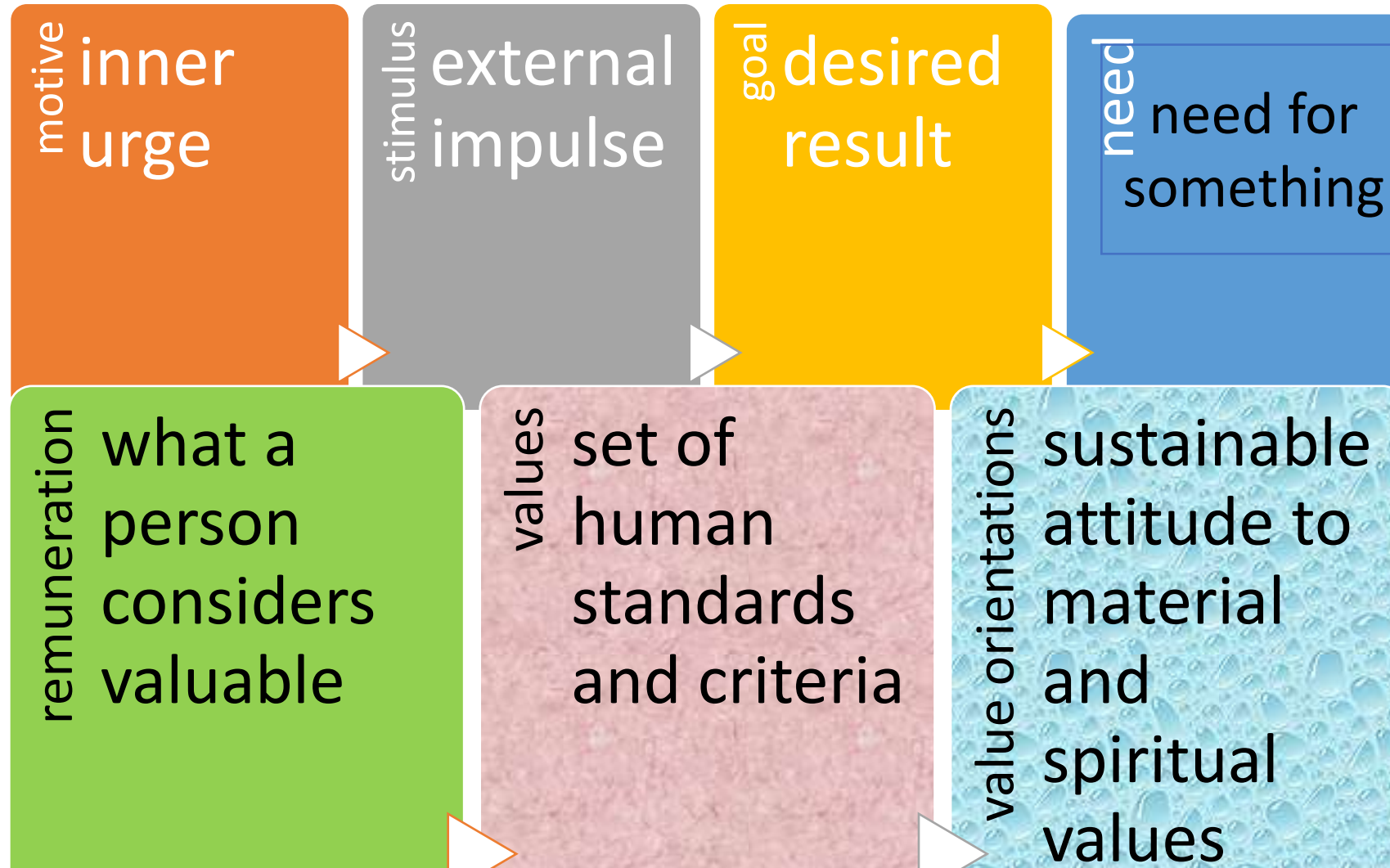
0 2 | Stimulation.

0 3 | Labour
payment/
salary

0 4 | Compensation
payments and
benefits

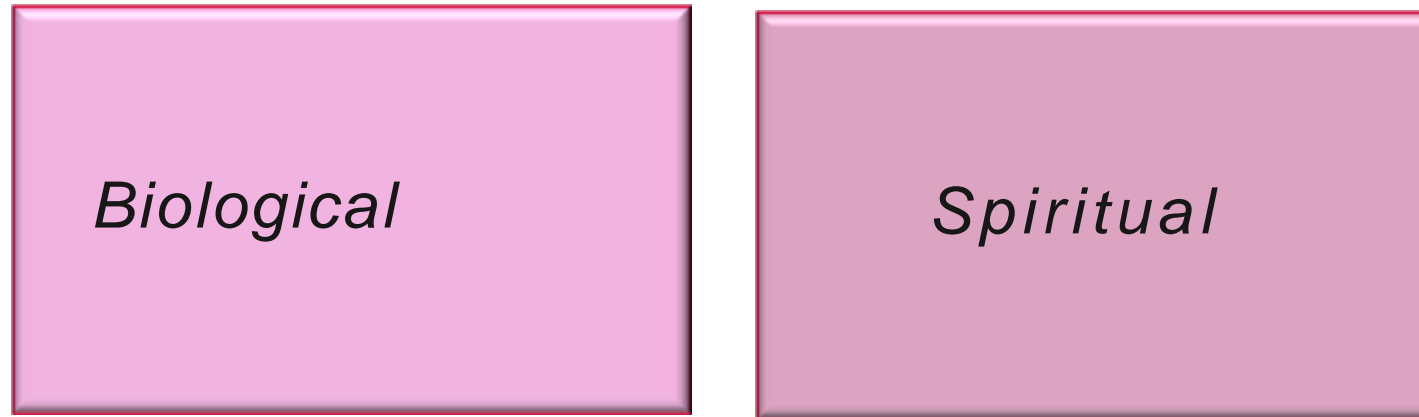
Personnel motivation and remuneration management

Labor motivation is the main component of the employee's self-awareness, which determines his attitude and behavior in work, his reaction to specific working conditions.



Personnel motivation and remuneration management

Conventionally, labor motives can be divided into two groups:



Knowing the structure of labor motivation of employees, it is possible to more accurately predict what forms of incentives will be most effective for a particular category of personnel in an organization..

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In accordance with the typological concept of labor motivation of Professor Gerchikov, the following types of employee motivation are distinguished:

INSTRUMENTAL

The work itself is not a significant value for the employee, but is considered by him only as a source of income

PROFESSIONAL

The employee appreciates its content in the work

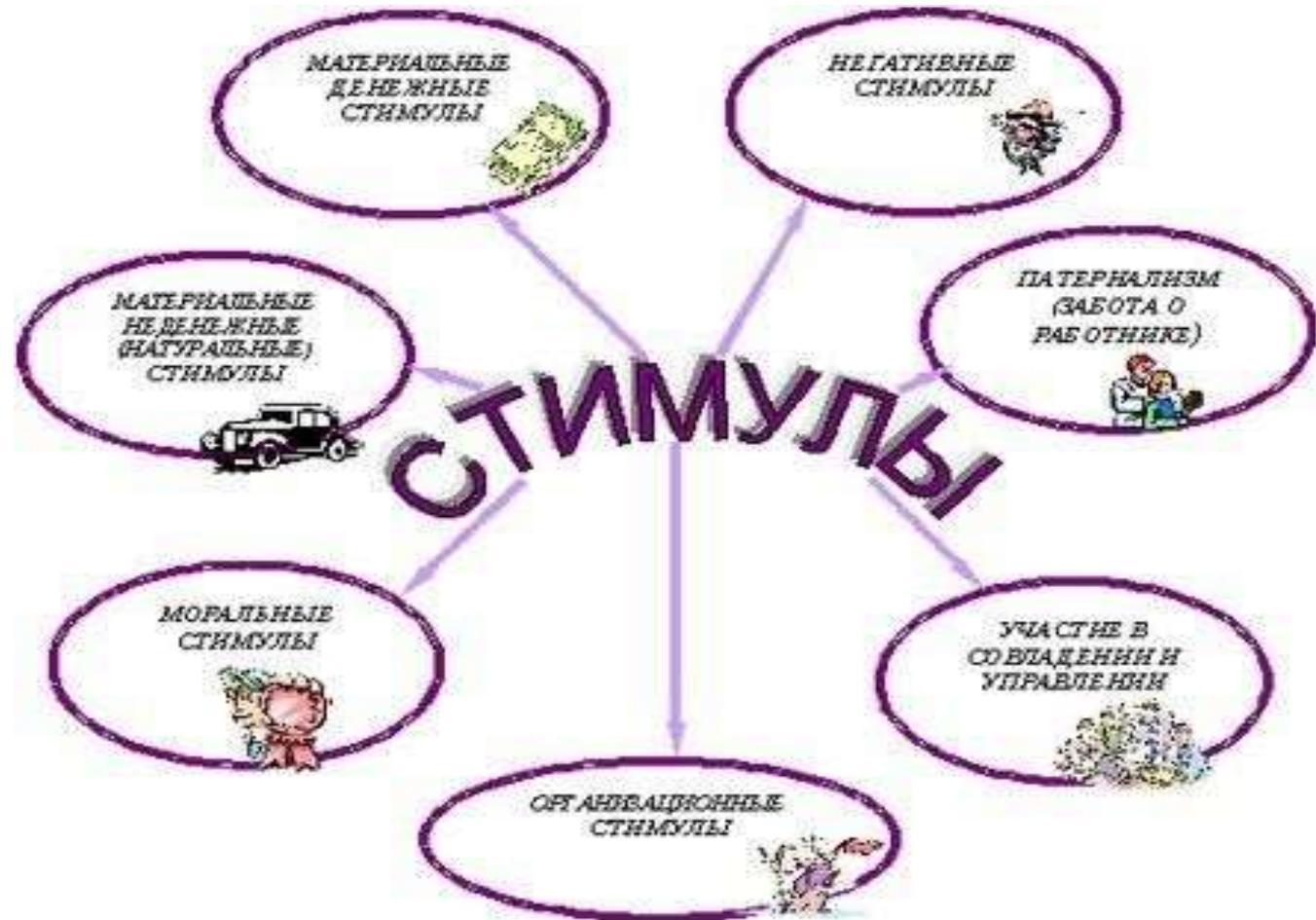
PATRIOTIC

The employee most of all appreciates the effectiveness of the common cause in which he participates, and the public recognition of his participation.

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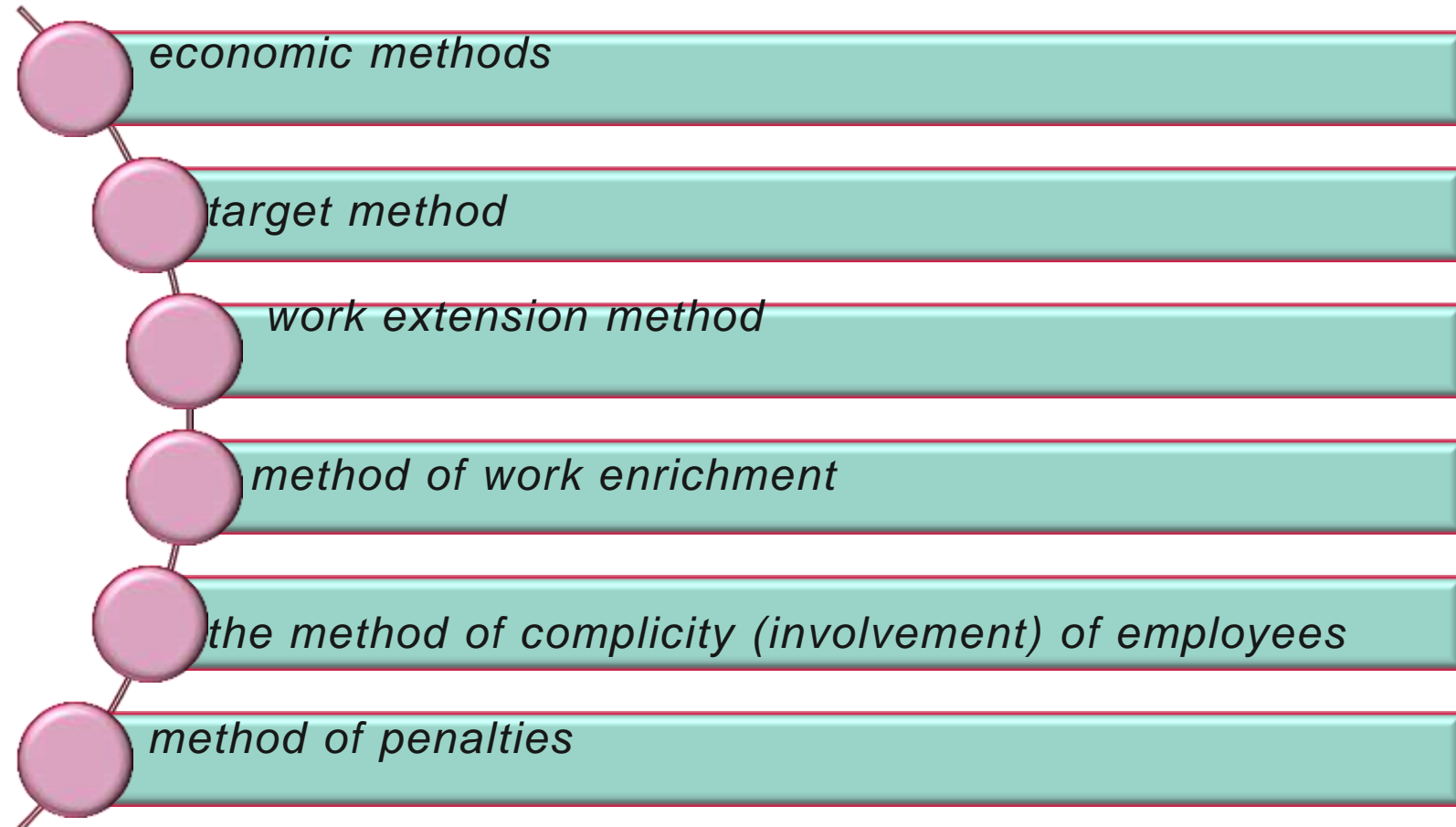
Incentives are a way to control the work behavior of an employee. In a broad sense, it is a set of requirements and a corresponding system of rewards and punishments.

Depending on the type of labor motivation of an employee, various types of incentives may be most effective for him.



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Modern organizations use various incentive methods
labor behavior and productivity of personnel



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When developing (adjusting) the personnel incentive system, it should be taken into account that it must meet the following requirements:

- competitiveness
- complexity
- differentiation
- flexibility and efficiency
- simplicity
- availability
- tangibility
- reward value
- gradualism
- minimizing the gap between the result of labor and pay

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The essence of the incentive system is that it should:

create a sense of confidence and security among employees

orient the employee to achieve the goals of the organization

Combine the rigidity of the rules for determining monetary remuneration and flexibility in responding to changes

to act not only as a motivator of labor activity, but also as a means of management

Personnel motivation and remuneration management

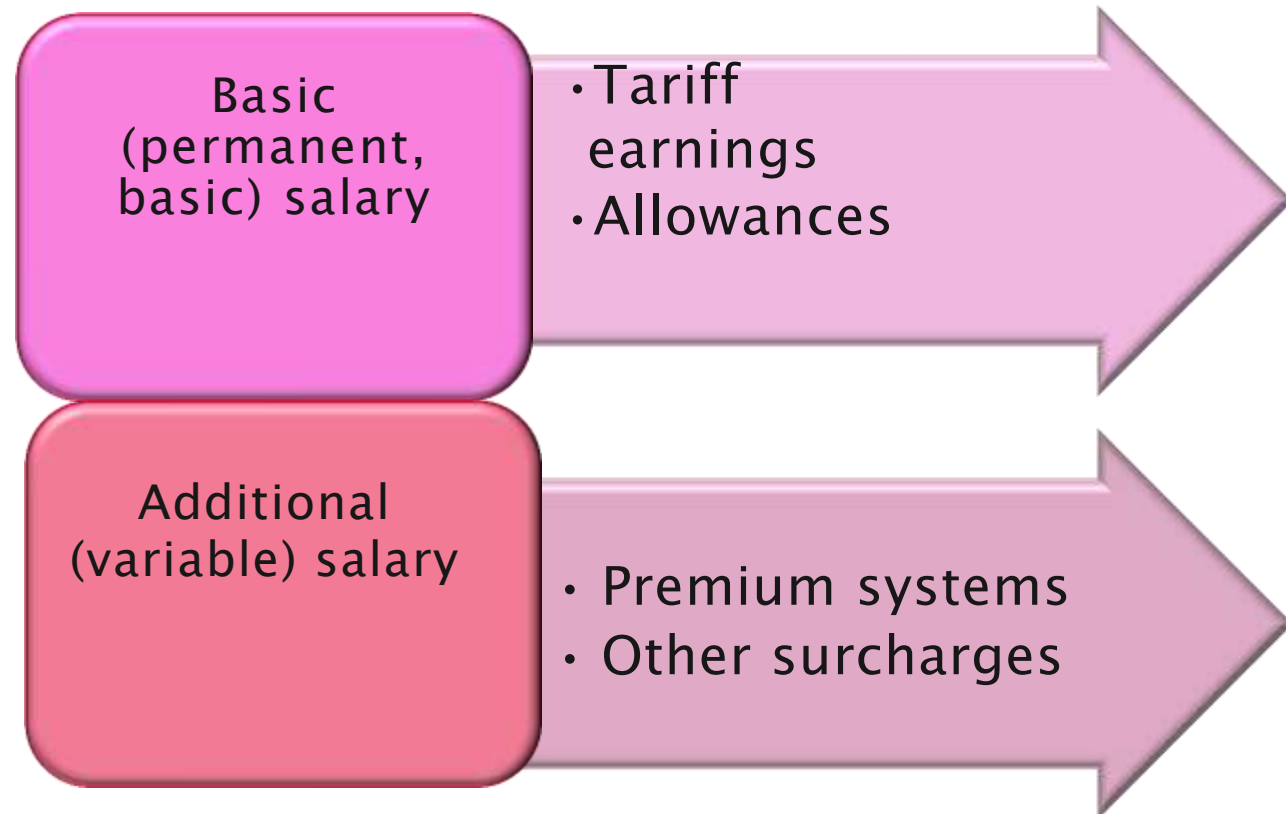
The central place in the personnel incentive system is occupied by the financial incentive or compensation package of the organization

The key setting is to connect the material interests of employees with the strategic objectives of the organization



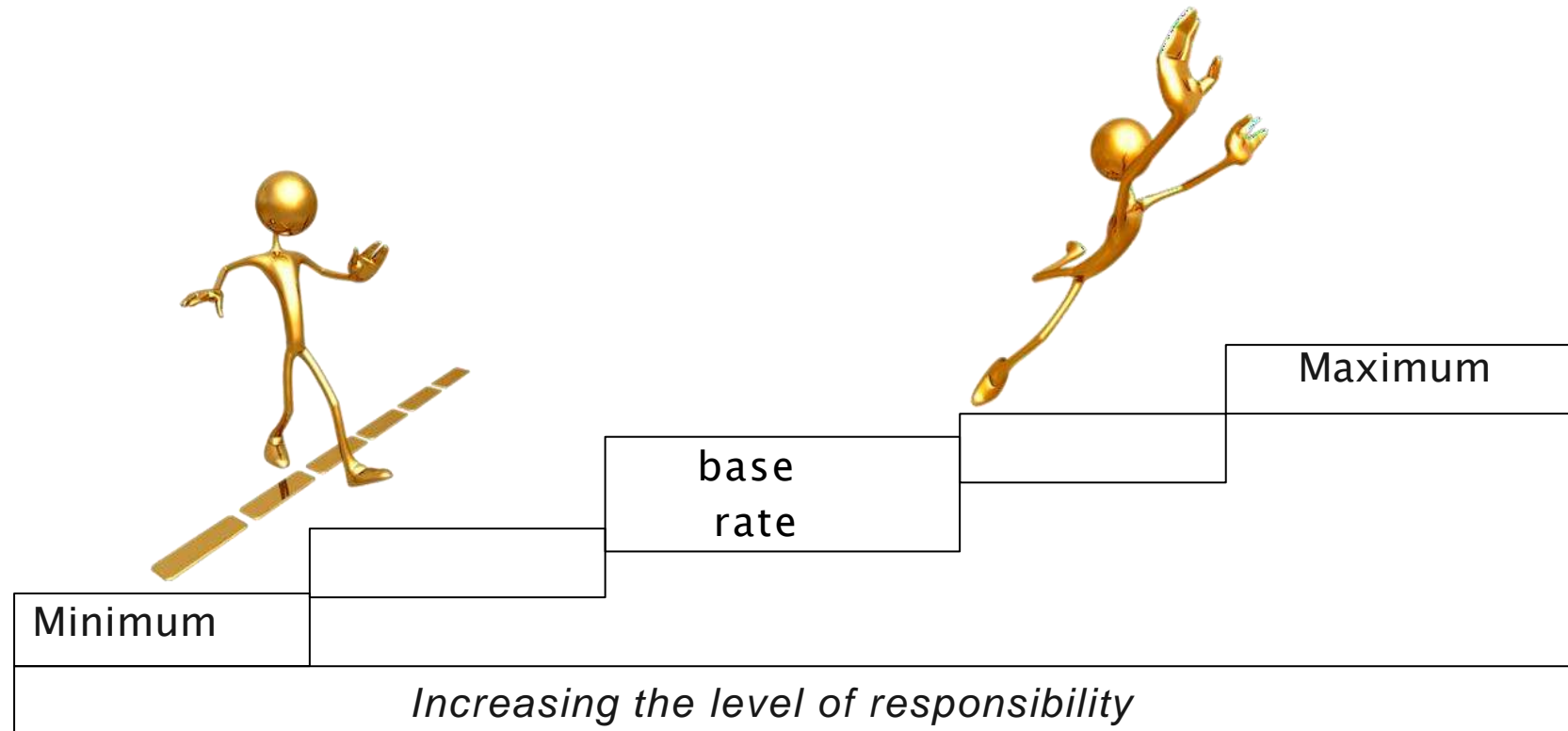
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Wages are part of the fund for individual consumption of material goods and services, which is received by employees in accordance with the quantity and quality of their work, as well as its effectiveness.



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The size of the base rate should be related to the level of responsibility of the employee and his efficiency. The ratio of base rates by levels of responsibility is



Personnel motivation and remuneration management

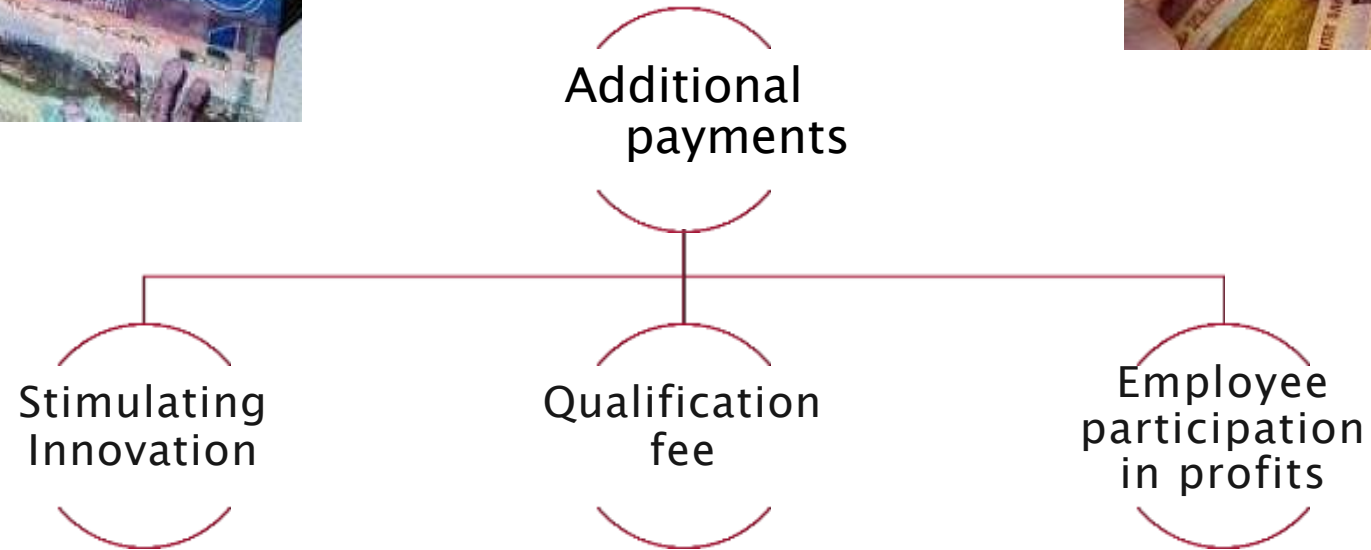
The individual rate can range from 80 to 120% of the base. Based on the results of labor assessment, it is advisable to determine four efficiency zones, showing the compliance of labor activity with labor requirements

	80%		100%			120%	
	R1		R2	R3		R4	S

R1 - one or more main labor functions are not performed;
R2 - in general, the results of the work correspond to the given;
R3 - the employee performs his functions above the average;
R4 - the employee significantly succeeds at work;
S - introduced for exceptional cases.

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The company can make additional payments based on the goals that are laid down in the labor incentive program



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Employee participation systems in the company's profits are understood as the division between them and the company of additional profits that were obtained as a result of increased productivity and quality

The Scanlon system is based on the distribution between employees and the company of wage savings resulting from increased labor productivity, specifically— output per employee



Personnel motivation and remuneration management

Employee participation systems in the company's profits are understood as the division between them and the company of additional profits that were obtained as a result of increased productivity and quality

The Rucker system is based on awarding employees for an increase in the volume of conditionally net products per one tenge (dollar) of wages.



Rucker standard — the share of the payroll in the volume of conditionally net production

Personnel motivation and remuneration management

Employee participation systems in the company's profits are understood as the division between them and the company of additional profits that were obtained as a result of increased productivity and quality

The IPro shear system is based on awarding employees for saving working time (in man-hours) spent on the production of a given volume of products



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Profit sharing systems are not only a way to pay employees, but also a way to manage the labor process, control it in such a way as to constantly stimulate the improvement of production through the rationalization activities of people



profit sharing is ineffective if it is not complemented by the involvement of employees in management, in the decision-making process, in the search and solution of production problems, ways to improve production



determining the amount of bonuses should be based on such indicators that employees can have a real impact on, i.e. what they can influence (primarily for the better), control on their own



employees must necessarily participate themselves in the development of profit sharing systems or the sharing of benefits from promotion

Personnel motivation and remuneration management

The tariff system of remuneration is the sum of regulations, rules, legislative acts that determine the amount of wages of employees. The main components of the system are:

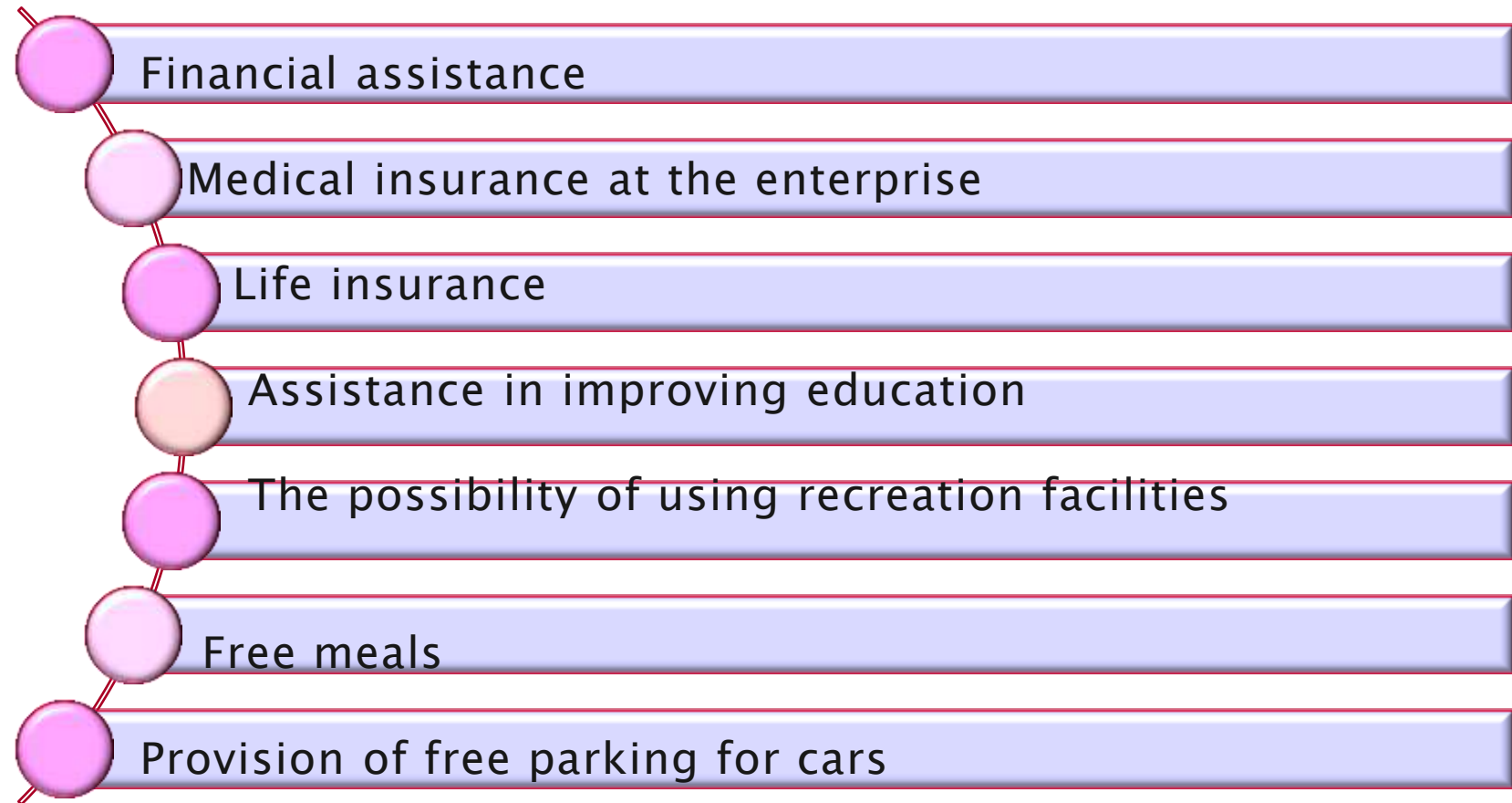
The tariff scale is a combination of tariff categories and tariff coefficients. Each position (profession) in the organization is assigned its own tariff category

The new system of remuneration for public sector employees (Decree of the Government of the Republic of Kazakhstan dated 05.08.2008 No. 583). It also defines a system of increasing coefficients (for position, qualifications, length of service, labor intensity of work, and so on), but it is valid for one calendar year, and next year it can be revised.

For budget organizations, the tariff rate of the lowest category and increasing coefficients are established at the state level (industry agreements, republican resolutions). A commercial organization can develop its own vehicle itself — it is only important to take into account that the rate of the lowest category cannot be lower than the minimum wage, in 2020 its size was 42,500 tenge.

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Benefits are part of workers' compensation in the form of services that improve their standard of living. Benefits can amount to about 50% of the employee's total income.



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"Progressive" remuneration systems include all motivation factors.
"Flexible" benefits allow employees to choose those that suit them at the moment.



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Not only money can serve as a means of motivation, but also everything that helps to strengthen a person's sense of self-esteem



Thank you for your
attention!