

IMPROVEMENT OF REMUNERATION OF LABOR IN THE SOCIO-ECONOMIC DEVELOPMENT OF REGIONS

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Summary. The article highlights the main aspects in remuneration of labor, affecting the economic development of the region. Directions to improve remuneration of labor in the context of socio-economic development of the region are offered.

Key words: remuneration of labor, social and economic development, development of the region.

Statement of the problem. Formation of highly competitive economy of regions requires the formation of a competitive workforce and effective social and industrial relations. This is due to the fact that in market conditions the most significant transformations occur especially in social and labor sphere, particularly in remuneration of labor.

The objective of the paper is to identify current problems in remuneration of labor and develop proposals for its improvement.

Justification of scientific results. Formation of remuneration of labor in the framework of transformational changes in the economy of Ukraine should be the basis for: increasing effective demand for goods and services as a factor that will increase the quality of life and economic growth of production, socio-economic development of regions; the creation of effective motives and incentives to work, improving of quality and performance labor, creating conditions for the formation of a competitive staff; creating conditions for reforming of social sphere of regions as a means to reduce state expenditures and a potential source of investment in the real sector of economy.

An important aspect of using the workforce is the payment for labor. According to the State Statistics Service of Ukraine data the average monthly salary of a staff member was increased by 17,6 % that was 2633 UAH in 2011 compared to 2010.

The interdisciplinary differentiation in levels of remuneration of labor is being experienced. The professionals in aviation and financial institutions were the highest paid personal in the country in 2011 and the amount of their salary was in 2-3 times higher than the average salary for the economy. At the same time, the level of remuneration of labor

in health care is almost a third lower than the average for the economy, in education – 21 % less. Throughout the country, 6 % of teachers and health workers receive wages at a minimum subsistence level for able-bodied persons.

The main objective of improving remuneration of labor in the context of socio-economic development should be: identifying measures at the national and regional levels directed to ensure nominal wage growth and the formation of sources of further improvement; providing sustainable growth in real wages based on the macroeconomic situation and financial regional economic development of regions; improving the mechanisms of state and collective bargaining regulation of remuneration of labor; recovering of the wages functions of approaching it to the real cost of labor in the labor market; implementing measures to enhance the protection of regional employees rights as to timely payment and risk reduction in remuneration of labor.

Formation of conceptual approaches to improve remuneration of labor in the context of socio-economic development should be based on the following principles: improving remuneration of labor based on the results of monitoring of sectoral and regional remuneration level; the system and individual approach combining to remuneration that would reduce subjectivity in evaluation of work and improve the individualization of wages; agreement between system of remuneration objectives and motivation of the strategic objectives of the enterprise and socio-economic development of the region; removing of demotivating factors: conflict, internal discomfort, inaccessible goals and objectives, lack of resources required to perform the tasks, the individual remuneration depending on

the employee contribution; transparency and clarity of the remuneration system, fairness in wages, timely payment of compensation; totality wages system combining tangible and intangible reward, authorizing businesses of the regions and laying them to monitor gender equality.

Conclusions. Thus, the remuneration of labor, as the core of social and industrial relations is a key indicator in forming of employees and enterprise competitiveness and sustainable socio-economic development.