

СЕКЦІЯ 3 ПУБЛІЧНЕ УПРАВЛІННЯ ТА АДМІНІСТРУВАННЯ

REGULATION OF SMALL AND MEDIUM BUSINESSES DEVELOPMENT

KOZYRYEVA O. V., Doctor of Economic Sciences, Associate Professor,
SAGAIK-NIKITUK R. V., Doctor of Pharmacy, Professor
National University of Pharmacy, Ukraine

There is growing need to improve the efficiency of state regulation and optimal pay system and incentives for workers in the enterprise at the current stage of the business sector in Ukraine. Pay system that is used in most modern enterprises in Ukraine are outdated. First of all, this is due to mismatch results of work and responsibilities of workers who hold similar positions in terms of importance.

Perfect and efficient distribution of pay system was the subject of study of many researchers and practicing managers. Obviously the more workers in the organization, the more difficult to find the optimal variant of the distribution of payment. Often payment is not really reflecting the burden on staff and uses its professional skills.

Currently, there is the need to find solutions to this problematic issue, proposed to implement using grading – system of ranking and evaluation of each position in the organization in many ways. This system has limited using today in Ukraine, while in industrialized countries in business is widespread.

The purpose is to study the efficacy of grading for forming effective development of small and medium businesses.

The objectives of the study are to analyze the algorithm of grading, searching positive and negative aspects of grading and development of evaluation positions system (grade system) based on research of small and medium business in Ukraine.

Contribution to the analysis and study of pay and incentives effectively were made known scientists: T. Gorchakova, L. Zaporozhan, Y. Karpushin, I. Katkovskaya, O. Camp, V. Kotova. The reform of pay system and elaborated significant international experience are investigates in their research papers.

At the same time there are remained many questions about as the introduction of new pay systems and incentives for enterprises and effective mechanism of state regulation. Based on the above works should be noted that presently general theoretical framework of remuneration and promotion of employees are formulated, but outlined issues require additional research.

The article determines grading as a modern and progressive mechanism for motivational influence and confirmation of professional competence of employees, based on the implementation of the principles of transparency and fairness based on research of relevance effectiveness of payment of labor and incentives for workers at small and medium businesses.

Grading is a system of job categories that combines various positions of a single system based on uniformity and significance of work and quality of work for individual employee [3].

Grading is defined as a procedure or system of procedures for the evaluation and ranking positions, in which positions are divided into groups or grades according to their value to the enterprise.

Accordingly, grade is a group of positions with same value for the enterprise. Number of grades may vary from 3 to 20. Each grade corresponds to the payment of labor grade, or «plug payment of labor», which may be periodically reviewed, but the system of grades remains the same [4].

The difference grading from the national classification of positions is that it combines all positions of a single system, form a single coordinate system, where one category could include one post of the various business units.

Mechanisms of incentives, competencies, career (an integrated system of corporate behavior) are created with grading control. At the present stage of development grading is the most popular method of calculating salaries in developed countries, to some extent, is gaining popularity in Ukraine.

Such a system of job evaluation and payment of labor are using more than in 7,5 thousand US and European companies, including Kodak, Pepsi, IBM, BMW, and more than 1,2 thousand companies in 11 countries in Asia and the rest of the world. In Ukraine, some of the provisions of this system are using in «Interpipe» [2].

Usually, the company is recommended to use grading for following conditions:

- lack of mechanisms for monitoring and control pay system;
- uncontrolled growth of payroll fund through improper payments to employees, personal needs, the introduction of bonuses;
- payment for new employees at the same position as unreasonably higher than previously employed workers, which reduces motivation;
- rate schedule is constructed so that specialist without category can receive as much as Director (blurring of rate schedule);
- payment of labor is unbalanced regarding labor market [1].

However, grading has some disadvantages: the need for significant investment in the development, implementation and operation; the need for professionals for initial work; procedure for moving between grades causes various problems (organizational, financial, psychological); there is a great probability of subjective approach in the development and evaluation grades.

Grade system optimizes payroll and needs funds to support its application in action. Analysis of the introduction of grading and the expected economic benefits - is the main issue that needs to be addressed. In modern Ukraine grading justified primarily in large companies where the structure is quite cumbersome, but should take into account the experience of developed countries, where small and medium business actively uses similar mechanisms.

Today there are various methods for determining the value of positions in the company, of which we have used non-analytical method (paired comparisons) and analysis (factor method and the method of evaluation points).

Analysis of previous studies has shown the importance and relevance of grading using in the current economic conditions. In our case, the result of research is the development of grading system for small and medium businesses.

One of the easiest methods is non-analytical method of paired comparisons. The matrix of pairwise comparisons of positions is created for that (Table).

Table – The matrix of pairwise comparisons of positions, «+»/«-»

| Position | Position | | | | | | | | Sum «+» | Grade |
|----------------------------|----------|------------|------------------|-----------------|----------------|----------------------------|---------------------|------------|---------|-------|
| | Director | Accountant | Chief agronomist | Chief Economist | Chief mechanic | Specialist of labor safety | Advertising manager | HR Manager | | |
| Director | | + | + | + | + | + | + | + | 7 | 1 |
| Accountant | - | | = | = | = | + | + | + | 3 | 2 |
| Chief agronomist | - | = | | = | = | + | + | + | 3 | 2 |
| Chief Economist | - | = | = | | = | + | + | + | 3 | 2 |
| Chief mechanic | - | = | = | = | | + | + | + | 3 | 2 |
| Specialist of labor safety | - | - | - | - | - | | + | + | 2 | 3 |
| Advertising manager | - | - | - | - | - | - | | = | 0 | 4 |
| HR Manager | - | - | - | - | - | - | = | | 0 | 4 |

Important (valuable, more significant) / less significant position in the pair is indicated using the symbols "+" / "-" respectively. With almost equal importance of positions is put the sign "=". Thus, the vertical and horizontal positions are compared (for example, the positions of "Director" and "Accountant" are compared – the position of "Director" more significant, so it is put in front of the sign "+", and the position "Accountant" – less important, so put a sign "-"). In reality, this method has a rather subjective character and with the number of positions is complicated.

Among the analytical methods we used factor method and the method of evaluation points. Combined, these two methods allow to quantify the importance of positions on a number of factors and compare them with each other. We have developed descriptive levels of positions for evaluation factors to determine clear criteria for evaluation.

As a result of the research grading application for small and medium enterprises in modern conditions is justified. Descriptive levels of job evaluation by factors (Human Resources Management, Independence of the Work, Labor Conditions, Level of Specialized Knowledge, Level of Communication Skills, Complexity and Novelty of Tasks, Cost of Failure) are developed and system of grades is created.

References

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