



# PROFIT AS A STAFF INCENTIVE FACTOR

**Gafurova Azizakhon Fatihovna**

*PhD, doctoral student of Tashkent State University of Economics, Uzbekistan*

## ANNOTATION

*This article describes how the profit of the enterprise is interconnected with labor productivity, and the quality work of subordinates depends on stimulation and encouragement. A well-built motivation model in any enterprise, regardless of the field of activity, is one of the most effective ways to increase labor productivity, revenue and profit. There are many ways to stimulate the work of staff, both financial and non-financial.*

**KEYWORDS:** *labor productivity, motivation, stimulation, encouragement, qualification.*

In the modern world, much attention is paid to analysts, auditors predicting profits, many management decisions are considered, and much more. Business owners in every possible way want to foresee, increase profits, expand the business, in this whole process, control and stimulation of the work of personnel is often put on the back burner, although this factor is no less important.

It should be noted that a well-built motivation model in any enterprise, regardless of the field of activity, is one of the most effective ways to increase labor productivity, revenue and profit.

E.P. Ilyin<sup>1</sup> believes that this is a dynamic process of formation of motives. D.A. Ashirov<sup>2</sup> defines motivation as "the most effective, individually oriented stimulation of the work of personnel." E.A. Mitrofanova<sup>3</sup> writes that at the subjective-personal level, motivation is the most important characteristic of the psychological state of a person, reflecting the features of his motivational structure and determining the process of formation, actualization and implementation of motives under the influence of external and internal factors. And at the organizational and managerial level, motivation acts as an object of management, i.e. purposeful influence on the part of the subject of management through the use of incentives in order to form motives that determine the labor behavior of the employee.

Employees of the enterprise should see a clear connection between the results of their work and material rewards. In the wages of employees of the enterprise, there must be a component that will depend on the collective and personal results of labor<sup>4</sup>.

If the employee knows that well-done work will benefit the enterprise, contributes to an increase in profits, which in turn will increase his income.

It can be seen that when selecting candidates, the very best are always considered and accepted, while many skills and qualities are taken into account, but after hiring, the employee performs monotonous work and in most cases is paid almost the same wage.

---

<sup>1</sup> Ilyin E.P. *Motivation and motives*. - SP.: Piter, 2000. - 512 p.

<sup>2</sup> Ashirov D.A. *Personnel Management*. - M.: Moscow International Institute of Econometrics, Informatics, Finance and Law, 2013. - 136p.

<sup>3</sup> Mitrofanova E.A. *Development of the system of motivation and stimulation of labor activity of the personnel of the organization: theory, methodology, practice*: Dis. Dr. ekon. Nauk - Moscow 2008. - 346 p.

<sup>4</sup> Filippova, T. A. *Increasing the profitability of an enterprise by improving wages in a crisis* / T. A. Filippova, V. M. Kashirin, E. S. Lyutikova // *Actual regional issues of economics and management in an innovative economy materials scientific - practical conf. students: abstracts VPI (branch) Gosud. images. inst. Higher prof. education M. K. Starovoitov (chief editor) - 2016. - P. 38-41.*



<b>The main forms of material incentives for labor are:</b>	
wages, bonuses and allowances that characterize the assessment of the contribution of a particular employee to the results of the enterprise.	a system of intra-company benefits, which include partial payment for food or travel to the place of work, the sale of the company's products to its employees at preferential prices, the provision of interest-free loans or credits at low interest rates, additional payment for work experience at the enterprise, insurance of employees at the expense of the enterprise.

In addition, there are moral forms of stimulation, namely:

<b>Moral Forms of Incentives</b>		
promotion of an employee on the career ladder, payment for training in advanced training courses, organization of internships.	intangible benefits to staff: granting the right to a flexible work schedule depending on the workload of the enterprise, earlier retirement, the provision of time off or additional leave for special achievements in work, the organization of summer holidays for children and adults.	creation of a favorable atmosphere among the employees of the enterprise, elimination of administrative and status barriers.

Also, many leading companies improve the performance of employees in two ways: through the introduction of an effective differentiated remuneration system — grades and a reward system based on KPI.

The following unique methods can be added to modern methods of non-material motivation of employees<sup>5</sup>:

- centralized provision of food (for example, free three meals a day for staff at Google and Facebook);
- free barbershop in the workplace — this service is provided by Google;
- free sports activities for staff;
- planning and career management of employees; - organization of non-working joint activities;
- public gratitude and recognition of superiors — this has already been mentioned earlier, about every fifth person wants to listen to open praise;
- pets at work — Google and Amazon employees are allowed to take pets to work.
- dress code companies with a strict dress code could set aside a few days with a "free" style of clothing for employees, and organizations without this convention could arrange a "business dress day";
- the bedroom in the office — the practice of short sleep in the workplace is present in companies such as Huffington Post, Google, Zappos, Procter & Gamble.

Currently, we can notice the presence of organizations that use systems of motivation of their employees that are unusual for us.

Among the original methods, common are:

- personal gratitude of the head;
- unexpected rewards and gifts;
- additional leave;
- trust of a particularly significant assignment;
- providing freedom in achieving the goals of the company;
- voicing the enterprise development strategy by the head and coordinating approaches to its implementation with staff members. So, for example, in large organizations today, in addition to economic systems of motivation, non-financial methods are used. Great emphasis is placed on working conditions. Employers strive to create unique comfort for their employees at work: they create comfortable recreation areas, provide an opportunity to decorate their workplaces, arrange breaks throughout the working day, allocate enough time for a lunch break, strive to maintain a friendly atmosphere in the team, celebrate significant dates and events. All this allows the staff to relax, take a break from work and get moral satisfaction. This affects the psychological state of a person, forming in him a sense of significance for the company, focusing his attention on the fact that the management takes care of his needs.

In the process of motivation, the country, mentality and traditions play a very important role. A vivid example of this statement is the experience of Japan. In Japan, employees are motivated by the fact that they are

<sup>5</sup> Edigareva U.G., Vlasov A.V. *Topical issues of stimulation and motivation of personnel in the enterprise management system // Scientific almanac. – 2017- №3-1(29). - pp. 78-84*



an important link in a large team, and if he is not there, he will let everyone down. A sense of duty and responsibility, especially loyalty, drives employees. That is why in this country most often there is a life-long choice of work.

In France, unlike Japan, additional work is not welcome, but rather motivates them with a flexible schedule and remote work.

In Sweden, the key to a good working environment is teamwork and friendliness. Trade unions in Sweden are taking the issue of decent wages seriously. During the renegotiation of collective labor agreements, trade unions insist on the introduction of a policy of solidarity wages, which is based on two principles: equality of wages in similar positions and reduction of the gap between the maximum and minimum wages.

The employee motivation scheme in Germany is built on the worldview belief that an employee is a free person with his own interests, who bears personal responsibility to society. The concept of economic freedom for the Germans includes taking into account public interests and determining the place of the individual in the market system.

To determine how effective the measures taken are, it is necessary to study and analyze labor productivity. Finding ways to improve productivity in an organization is one of the most important tasks in any business. The efficiency of the organization depends on labor productivity. Therefore, it is not enough to simply enter this indicator into business processes. It must be carefully analyzed, predicted and tried to keep under control.

This is a basic characteristic of the efficiency of labor activity in the company. Labor productivity shows the amount of product produced or work performed per unit of time. It can be calculated by department, division and company as a whole to compare with industry indicators.

Distinguish between individual and average labor productivity. The basic indicators of labor productivity at the enterprise are production and labor intensity.

Individual labor productivity is calculated on the basis of actual indicators. For example, one worker in production produces 3 products per hour, the second - 4. From this, you can calculate the average output and labor intensity.

The average labor productivity is calculated by the formula:

Labor Productivity = Average Output / Number of Workers Employed

This is the simplest method for determining labor productivity, which does not take into account labor intensity, downtime ratios and other indicators.

Usually calculate the actual, cash and potential productivity of labor:

- The actual is determined on the basis of real indicators at the current moment.
- Cash is the maximum under current conditions (equipment and working conditions). In other words, these are labor productivity standards.
- The calculation of a potential indicator is carried out when planning labor productivity in case of changes in working conditions, the introduction of new technologies, etc.

You can also consider labor productivity in more complex ways, for example, on a balance sheet, taking into account costs and other indicators. But even with the help of a simple formula, certain conclusions can be drawn.

Employee motivation is the most effective mechanism for improving the quality of work. But as already mentioned at the beginning, when selecting a job, an enterprise carefully looks at the abilities and personal qualities of a potential employee, and when stimulating, these data must be taken into account. And it is also necessary to convey to the employee that incentives are not made in order to reduce staff turnover, only because we have a common goal - to increase the profits of the enterprise and all actions aimed at achieving this goal are stimulated.

## REFERENCES

1. Ilyin E.P. *Motivation and motives*. - SP.: Piter, 2000. - 512 p.
2. Ashirov D.A. *Personnel Management*. - M.: Moscow International Institute of Econometrics, Informatics, Finance and Law, 2013. - 136p.
3. Mitrofanova E.A. *Development of the system of motivation and stimulation of labor activity of the personnel of the organization: theory, methodology, practice: Dis. Dr. ekon. Nauk - Moscow 2008*. - 346 p.
4. Filippova, T. A. *Increasing the profitability of an enterprise by improving wages in a crisis* / T. A. Filippova, V. M. Kashirin, E. S. Lyutikova // *Actual regional issues of economics and management in an innovative economy materials scientific - practical conf. students: abstracts VPI (branch) Gosud. images. inst. Higher prof. education M. K. Starovoitov (chief editor) - 2016*. - P. 38-41.
5. Edigareva U.G., Vlasov A.V. *Topical issues of stimulation and motivation of personnel in the enterprise management system* // *Scientific almanac*. - 2017- №23-1(29). - pp. 78-84