

# **Feeding Progress: Innovations in Material Incentives for Agricultural Labor**

*Ana Belén García1\* , Andrea Sacco2*

*1School of Economics, Finance and Accounting, Coventry University, UK*

*2 Departamento de Enfermería y Fisioterapia. Facultad de Enfermería y  
Fisioterapia, Universidad de Lleida . Lleida España.*

[belanman@gmail.com](mailto:belanman@gmail.com)

## **Abstract**

Improving the quality of working life of farmers, the formation of their positive attitude to work is not possible without ensuring proper financial incentives for farmers. First of all, it concerns the improvement of the remuneration system - the leading motive for improving the work activity of each employee.

## **Keywords:**

Material, workers, agricultural, economy, activity.

## **Introduction**

The Labor Code and other legislation of Ukraine define the legal basis for improving the level of material incentives, including through the introduction of a minimum hourly wage [3, 8-9]. But different specifics of production, differentiation of forms of management of enterprises, especially in the agricultural sector of the economy, complicates their adaptation and full transition to this type of calculation. At the same time, the low stimulating role of wages of peasants has a negative effect on their attitude to work. Therefore, at the present stage of development of the agricultural sector of the economy, the urgent issue is to improve the system of remuneration in restructured agricultural enterprises of various organizational and legal forms.

Researchers such as L. Golovata, A. Gordeev, M. Kosolapova, V. Svobodny, N. Morozova, V. Shorokhov, O. Bugudsky, G. Kupalova studied the influence of material incentives on the interest of agricultural labor . V. Diesperov, G. Orlov, V. Uvarov and others. [1-2; 4-7; 9]. Scientists have developed scientific and practical approaches to the study and analysis of the impact of material incentives on the work motivation of farmers. However, the issues of ensuring the effective

functioning of remuneration systems in agricultural enterprises in the event of changes in socio-economic relations, as well as property relations in general are insufficiently developed and studied. Given the relevance of the above issues, the main purpose of this study is to develop and implement effective measures to improve the financial incentives of workers in the agricultural sector and increase their interest in the results of their work. The following methods should be used for this: dialectical, abstract-logical, analysis, synthesis, etc.

As a result of critical analysis, it was found that material incentives for farmers are based on the use of different wage systems in agricultural enterprises

### **Compiled**

With the above scheme follows that of the leading domestic and international pay systems that are used in the agricultural sector are: **the piece** (*piece-bonus wage system, wages of the resulting self-supporting income, wages from gross income, etc.*), **the hourly** (*system Rocker's wages, Scanlon's wage system, Iproshear's wage system, and others*).

At the present stage of Ukraine's development, state institutions are also trying to introduce an **hourly wage system** as in most countries. Thus, at the legislative level it is envisaged to develop normative support for the functioning of the hourly wage system, clarify the procedure for establishing the amount of monthly and hourly minimum wages, taking into account the subsistence level for able-bodied persons (instead of the minimum consumer budget). It is also proposed to limit the increase in production rates, which is associated with an increase in monthly and hourly wages. At the same time, persons who work on an hourly wage system and who do not have a clearly established daily working day should receive a surcharge for exceeding the relevant weekly norm defined by the legislation of Ukraine and the collective agreement (contract).

In our opinion, state institutions have created the preconditions for a gradual transition from a **piece-rate to an hourly wage system**. Yes, it is necessary to highlight the common features of their functioning. They include:

- significant share of wages at the rate (80%);
- a single tariff grid for all sectors of the economy;

- setting surcharges, mainly not for the complexity of work, but for the responsibility of work and its quality;
- formation of patriotic attitude of employees to the achievements of the company's staff through the provision of social benefits (payment of insurance policies, medical care, food, travel, etc.). For example, one of the options for social benefits is a monetary reward as a gratification, which is paid in addition to wages in case of Christmas, anniversaries, etc .;
- stimulating personal initiative of employees;
- interest in improving the activities of the enterprise and improving the results of financial and economic activities (bonuses, issue of ordinary and preferred shares, increase interest rates on securities and other measures).
- employment contracts for a specified period (contract) [6, p.163].

We believe that adaptation to modern conditions of development of the agricultural sector of the economy of the hourly wage system will improve the state of material incentives for peasants and form a positive attitude towards work in general.

### **References:**

1. Golovata L. The country will introduce hourly wages // Voice of Ukraine. - 2007. - №74 (4074). - April 26. - P. 2.
2. Gordeev A. Economic mechanisms for regulating agro-industrial production // Economist. - 1998. - №6. - P. 90.
3. Code of Labor Laws of Ukraine: Law of Ukraine of December 10, 1971 №322 - VIII as amended. as of February 7. 2007 // Information of the Verkhovna Rada. - 2007. - №15. - P. 194.
4. Kosolapova M., Svobodin V. Reproductive approach - the basis of socio-economic research // AIC: economics, management. - 2002. - №12. - P. 74 - 80.
5. Morozova N., Shorokhov V. Motivation of labor in the agricultural sector // AIC: economics, management. - 2004. - №3. - P. 49 - 53.
6. Labor motivation and labor market formation / O.A. Bugutsky, G.I. Kupalova, VS Diesperov and others; For the

- order. P.T. Саблука, О.А. Bugutsky. - К .: Урожай, 1993. - 416 с.
7. Orlov GM, Uvarov VI Village and Russian reforms // Sociological research. - 1997. - №5. - P. 4 - 7.
  8. On collective agreements and contracts: Law of Ukraine of July 1, 1993 №3356 - XII of amendments. as of Jan. 23. 1997 // Information of the Verkhovna Rada. - 1997. - №11. - P. 89.
  9. On labor protection: Law of Ukraine of October 14, 1992 №2694 - XII of amendments. as of sheet 17. 2005 // Bulletin of the Verkhovna Rada. - 2006. - №1. - P. 18.
  10. Arasteh , H., & Jahed, H. (2011). Ethics in universities and higher education institutions: a fitted option . Journal of Transplantation Science, 1(2), 31-34.
  11. Arulrajah, A. A. (2016). Contribution of human resource management in creating and sustaining ethical climate in the organisations. Sri Lankan Journal of Human Resource Management, 5(1), 3144.
  12. Aydin, I. (2006). EGiTiM VE OGRETİMDE [Ethics in Education and Instruction] (2nd ed.). Ankara: Turkey: Pegem A Yayıncılık.
  13. Bersoff, D. N., & Koepl, P. M. (1993). The relation between ethical codes and moral principles. Ethics & Behavior, 3(3), 345-357.
  14. Zuidema, P.A., Leffelaar, P.A., Gerritsma, W., Mommer, L., & Anten, N.P., (2005). A physiological production model for cocoa (Theobroma cacao): model presentation, validation and application.
  15. Anabestani , M., & Saeedikia, M. (2016). Spiritual leadership and Professional Ethics with Organizational Performance. Iranian Journal of Medical Ethics and History of Medicine, 11(1).
  16. Ahmed, M. M., Chung, K. Y., & Eichenseher , J. W. (2003). Business Students' Perception of Ethics and Moral Judgment: A Cross-Cultural Study. Journal of Business Ethics , 43, 89-102.