

**SCIENTIFIC APPROACHES
TO MODERNIZING
THE ECONOMIC SYSTEM:
VECTOR OF DEVELOPMENT**

Collective monograph

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CHAPTER 7

MANAGEMENT OF HUMAN RESOURCES REWARD SYSTEM AS THE ELEMENT OF ENTERPRISE'S EFFECTIVENESS

Kovalenko-Marchenkova Ye. V.

INTRODUCTION

The effectiveness of the enterprise depends on the qualification of employees, effective management of human resources, which is becoming an increasingly important factor in improving the competitiveness of the enterprise, its development. The essence of human resources management can be justified as an activity, which leads to the most efficient usage of human resources to achieve the goals of the enterprise.

The reward system of an organization is studied at different levels – macro and micro levels. In the works of P. Thompson, K. Ayers, D. Croston, D. Goddesses, N. Volkova, E. Geyer, N. Ilyenko, A. Kolot, M. Semikina, Yu. Bayonet and others the problems of encouragement of employees with a reward system, the influence of remuneration on the standard of working life are investigated. National scientists A. Kibanov, O. Hetman, V. Grischenko, M. Chernova, and others dedicated their researches to the theoretical and methodological aspects of improvement in the systems of remuneration of human resources, systems of encouragement, implementation of their progressive forms and flexible models. At the same time, the theoretical and methodological base of the research is not definitively formed, as it contains discussion questions on determining the nature and structure of the compensation policy, the compensation package, elements of the system of organization of human resources rewards, etc. The effectiveness of the enterprise depends on the qualification of employees, effective management of human resources, which is becoming an increasingly important factor in improving the competitiveness of the enterprise, its development. The essence of human resources management can be justified as an activity, which leads to the most efficient usage of human resources to achieve the goals of the enterprise.

7.1. An overview of the essence of reward system in the human resources management concept

Human resources management is a specific function of management activity, the main object of which are people belonging to certain social groups, labor collectives, where the subject of management are the leaders and specialists who perform the management functions concerning their subordinates. This is a purposeful activity of the management of the organization to develop concepts, strategies of personnel policy and methods of human resources management. Planning, formation, redistribution and rational usage of human resources are the main content of human resource management. The concept of human resource management is a system of theoretically methodological views on understanding and defining the nature, content, goals, objectives, criteria, principles and methods of human resource management and the development of mechanisms for their implementation in a specific organization.

The overall concept is refined through personnel policy and staffing, where the main purpose of human resources management is:

- formation of highly qualified, responsible workforce with modern economic thinking and developing a sense of professional pride;
- ensuring social efficiency of the team.

The basic principle of the modern concept of human resource management is the recognition of human resources as a decisive factor in the effectiveness and competitiveness of an organization, as its key resource that has economic utility and social value. Reward of human resources is one of the most urgent problems of socio-economic relations of any organization, on the solution of which depends not only the labor activity of people, but also the strategic stability and development of the organization and, as a result, the whole society.

The implementation of a business strategy of any enterprise depends to a large extent on the loyalty of the workforce and the degree of its motivation for high-performance work. The most active element in managing human resources to achieve strategic goals is reward.

Reward refers to the total compensation received by an executive, which includes not only the person's base salary but options, bonuses, expense accounts and other forms of compensation. The amount of reward and the form it takes is dependent on many factors, including the employee's value to the company (whether the person is full-time vs. part-time, holds an executive position vs. entry-level), the job type (whether it is salaried vs. hourly pay, whether the earnings are

commission vs. base pay, tipped positions) and the company's business model (some companies offer bonuses or employee stock options while others do not). One company might try to hire a desirable employee of another company by offering better remuneration.

By A. Kibanov's definition, the remuneration is any periodic (monthly, quarterly) one-time sum (annual, etc.) material (monetary or natural) payment to employees based on indicators and terms of valuation of their production, business, trading or commercial activities, defined by at the enterprise, firm, organization¹.

According to P. Thompson, total reward of human resources includes not only traditional and material components such as remuneration and fixed and variable benefits, but also immaterial and non-financial elements such as educational, development and career possibilities, responsible position and tasks, internal motivation delivered by work itself and the quality of professional life provided by the organization.

Therefore, it can be assumed that the total reward encompasses all the elements of possible benefits that the employee can acquire in relation to the employment with the particular employer. Those benefits form an intentionally shaped package that supports the realization of the strategic objectives of the company and simultaneously takes into account the goals, needs and hierarchy of values of the employees².

Most scholars identify the concept of “reward of labor” with the concept of “remuneration”, “salary”, “compensation”, which does not quite fit the concept of human resource management. In our opinion, the reward of human resources is a fair and worthy recognition of employees, their true and possible socio-economic contribution to the enterprise, society and themselves.

K. Ayers indicated five basic needs of employees, that should be gradually fulfilled in sequence, so as they could perform the duties with passion and identification with the organization. Those are the need to be respected, need of education and development, need of inclusiveness (having access to important information), need of significance and need of “to be the part of a winning team”³.

¹ Armstrong M. (2006). Oplata truda. Prakticheskoe rukovodstvo po postroeniyu optimalnoy sistemyi oplatyi truda i voznagrazhdeniya personala. Dnepropetrovsk: Balans Biznes Buks, 512 p.

² Thompson P. Total Reward, Chartered Institute of Personnel and Development, London. 2002.

³ Ayers K., Engagement is not Enough. You Need Passionate Employees to Achieve Your Dream, Advantage Media Group, Charleston. 2006.

The conditions of the effective stimulation can be also presented by next basic factors⁴: the behavior of the leadership in the higher managerial staff, relations with the direct superior, interesting job with challenges, self-development perspectives, participation in the decision-making process, the autonomy of action, team spirit in the organizational culture, proper working conditions, supporting systems and structures.

The research of the Institute for Employment Studies indicates that the main factors of employee engagement are a sense of appreciation and participation, influenced by such elements as:

- proper training, development and career perspectives,
- direct superiors,
- results and evaluation,
- communication,
- equal possibilities and just treatment,
- remuneration and benefits,
- health and security,
- cooperation,
- friendly or “family” atmosphere at work,
- job satisfaction⁵.

The reward of labor must include not only the payment of labor and human capital, but also recognize the labor and human potential⁶. On this basis, the ratio of the objects of reward of human resources can be represented schematically (Figure 1).

There are different internal and external rewards. External rewards of human resources are provided by the enterprise: salary, career, office, business car, etc.

Since employee reward is a concept that refers to all forms of payments or rewards received by employees as a result of their hiring, it consists of two parts: direct payments in the form of wages, salaries, incentive bonuses, commissions and bonuses and indirect payments in the form benefits such as employer-provided insurance or paid holidays.

⁴ Croston D. Employee Engagement. „The People First” Approach to Building a Business, Moonstone Media, Sydney. 2008. 166 p.

⁵ Robinson D., Perryman S., Hayday S. The Drivers of Employee Engagement, IES Research Report, Brighton, Sussex. 2004. 23 p.

⁶ Bakulina N. Formuvannia kompleksnoi prohramy motyvatsii z metoiu pidvyshchennia rivnia upravlinnia personalom. URL: http://elartu.tntu.edu.ua/bitstream/lib/21042/2/TRM_2017_.pdf (accessed 5.12.2019).

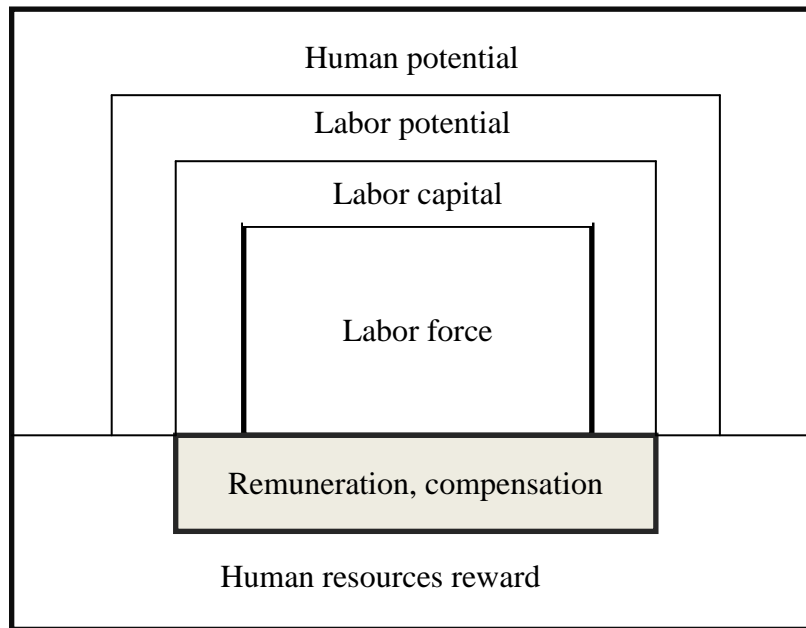


Figure 1. The ratio of human resources reward objects

The internal reward is given to the employee for the work he or she performs, ie it is related to the nature and content of the work itself, such as independence in work, achievements, personal, and professional growth, greater responsibility, content and importance of work, etc.

The internal rewards for the employee are valuable themselves. For example, for people of creative activity, a significant motivating force is the granting of autonomy in work, that is, the right to solve certain tasks independently, to start and finish work, to choose the way of its implementation. Also, a strong motivating factor is the satisfaction of a person with a high level of work, because it satisfies the need for achievements, increases self-esteem.

The general structure of the employee's reward in the organization, taking into account the theory of motivation, is presented as follows (Figure 2).

As it is shown in figure 2, the overall structure of reward is comparable to the structure of the needs of the individual described by A. Maslow. This emphasizes the existence of the necessary links between needs and rewards as a way of satisfying or recognizing them.

In reality, the boundaries between the objects (levels) shown are rather conditional, and they significantly influence each other, which is described by other theories of motivation and may change with the development of society. It is important to capture the main features of

remuneration inherent in advanced socio-economic (industrial) relations⁷.

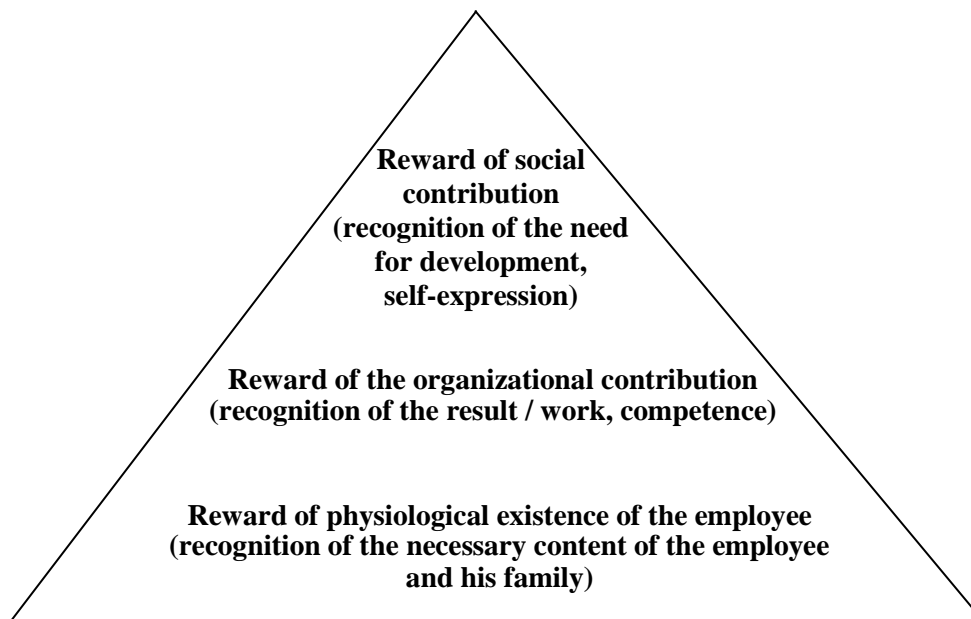


Figure 2. The structure of the employee's reward

Reward is one of the most important conditions for motivation. Traditionally, activity motivation has been studied as a means of increasing labor productivity.

As A. Kolot notes, when engaging with an enterprise, people are interested in various aspects of this interaction, regarding what they should sacrifice for the interests of the organization, in what conditions it will operate, what will give it the enterprise and so on. This and a number of other factors influence on a person's satisfaction with the interaction with the enterprise, its attitude and contribution to the activities of the organization⁸.

On the practical side, the concept of reward of human resources had to be substantially modified due to the emergence and successful operation abroad (and more recently in Ukraine) of new reward systems in which labor is not fundamentally measurable for its “pay” (this is implemented in SBP systems – systems of payment for knowledge,

⁷ Balabanova L.V. (2011). *Upravlinnia personalom: pidruchnyk*. M-vo osvity i nauky Ukrainy, Donetskyi nats. un-t ekon. i torhivli im. M. Tuhana-Baranovskoho. Kyiv: Tsentr uchbovoi literatury, 467 p.

⁸ Arapova O.M. (2011). *Kompetentnisnyi pidkhid v upravlinni systemoiu wynahorody personalu orhanizatsii* [Competent approach in managing the organization's staff remuneration system]. *Ekonomika: realii chasu*, no. 1, pp. 57–65.

skills, and competence). Besides, in developed countries, systems are being developed in which not only work is the object of remuneration, but also other characteristics or qualities of the worker as a person and his or her living conditions⁹.

Non-traditional systems take into account both the compensatory sphere of reward and the motivational, which corresponds to the modern concept of human resources management and tendencies of socio-economic progress¹⁰.

Relationships of compensation at the enterprise are relations of exchange between the employer and the employee, which are regulated by contradictory norms of maximization of benefits, the satisfaction of needs, equality, justice.

According to the theory of exchange, the employee exchanges his time, abilities and work efforts for remuneration. Conflicts between counterparties within the firm's labor market over labor reward often arise as a result of disagreement with the rules that underlie the distribution system.

Determining the rules for the distribution of rewards depends on such institutional aspects as ownership, management style, the level of democracy in the enterprise.

The rules on the distribution of reward are formalized in local regulations of enterprises – provisions on remuneration, engagements, social package, etc. These rules should be specific, clear and consistent, clearly spelled out in the said provisions. Informal norms of distribution exist in the minds of the workforce in the form of ideas of justice and must be supported by corporate culture¹¹.

The basic principles of reward policy can be: ensuring a competitive wage level, equal pay for equal work or internal justice, creating equal opportunities for wage growth in all categories of labor resources, differentiation of wages depending on the intensity and quality of work, raising the level of knowledge, non-discrimination in pay.

⁹ Kryvorotko I.O. Doslidzhennia zarubizhnogo dosvidu motyvatsii personalu dlia vykorystannia v ukrainskykh umovakh. *Ekonomika ta pidpriemnytstvo*. URL: http://irbis-nbuv.gov.ua/cgi-bin/irbis_nbuv/cgiirbis_64.exe?C21COM=2&I21DBN=UJRN (accessed 17.10.2019).

¹⁰ Arapova O.M. (2011). Kompetentnisnyi pidkhid v upravlinni systemoiu wynahorody personalu orhanizatsii [Competent approach in managing the organization's staff remuneration system]. *Ekonomika: realii chasu*, no. 1, pp. 57–65.

¹¹ Volkova N.V., Zemlianoi D.O. (2016). Napriamy vdoskonalennia systemy orhanizatsii wynahorody personalu [Areas of improvement of the system of organization of remuneration of personnel]. *Demohrafiia, ekonomika pratsi, sotsialna ekonomika i polityka*, vol. 2, pp. 244-249.

Thus, the reward of employees for their work plays an extremely important role in the labor motivation of labor resources. The reward of human resources is recognition of the true and possible socio-economic contribution of employees to the enterprise, society and themselves.

7.2. Methodological aspects of providing the assessment of the work activity

In nowadays economic conditions, a necessary and important assessment of perfect work is the existence of an adequate system of self-assessment. The inclusion of this system in the general mechanism of evaluation of the employee's activity allows to overcome a number of problems that may arise. Smoothing the contradictions between management and employees facilitates the formal assessment process.

Formal assessment of perfect work activity is a process that involves defining the points that relate to an employee's attitude to the assessment:

- assessment of employee's performance of their work;
- communicative aspect about the estimation;
- management improvement program.

Objectively conducted process of assessment the activity not only enables the employee to have a true idea of how his work was evaluated, but also influence on his motivation in performing further tasks.

The formal assessment of perfect work activity has the next main aims: improvement of the work activity, determination of remuneration for the work performed, considerations related to the employee's career.

In the organization usually different status groups exist. All of these groups are differentiated in terms of their incomes depending on several relatively constant or little-changing indicators. The main of them are:

- level of education (employee qualification);
- work experience (number of years the employee has worked);
- position (a place occupied by an employee in the enterprise structure).

Within the individual status groups, the system of formal assessment of work is completely or partially absent. At the same time, the normative characteristic pattern is the more complex one or another type of activity is, the less often it is possible to come across a regulated rating system.

The following measures are required to create a new human resource management strategy:

- design and assessment of the workplace;

- the formation of technology for the formal assessment of perfect work activity, that is, the exact definition of the timing, the necessary structure and baseline to determine the assessment;

- creation of a mechanism linking the formal assessment of perfect work activity with the system of reward for work.

There are lots of methods for the formal assessment of perfect work activity that can be classified into the following aspects:

- 1) according to the objectives: prognostic, practical;
- 2) according to the results: qualitative, quantitative, combined;
- 3) according to objects: methods of assessment the activities of managers; methods of assessment of human resources activity.

Commonly used methods of formal assessment of the work activity are the definition of a working standard and evaluation through goal management. The approach of defining a work standard, which focuses mainly on executive human resources in the field of material production, is reflected in the formation of production tasks for this category of employees. The work standard determines the result of the work activity and reflects the normal daily output for the average employee. There are several technologies that are used to create working standards, which can be found in table 1. This method is considered as one of the most widespread technologies of formation of estimation of perfect work.

Table 1

Working standards

Situation	Method
Tasks performed by all, the same or very similar	Determination of average output in a workgroup
Tasks performed by all are approximately the same, and it makes no sense to change the average production in the whole group	Performing activities by a specially selected individual
The work consists of routine and monotonous operations	Time-shifting
Non-cyclic type work, various operations are performed within it, and no action cycle is set.	Working model
None of the above methods can be used	Expert opinion

The goal management method is primarily used in evaluating the activities of managers and professionals. Other names are also used: results management, execution management. Goal management consists of:

- the creation of clear and well-formulated goals of the work to be performed by the employee;
- development of an action plan in which the paths to achieving the goals are
 - formed;
 - implementation of the plan by the employee;
 - evaluation of the results achieved;
 - adjustment of the employee's activity;
 - creating new future goals.

7.3. Methods for assessment the effectiveness of human resources reward system

The effectiveness of the reward lies in its relevance to the goals and mission of the organization. The result of the reward management depends on information, which have to reach the managers in time and be fully.

Methods for assessing the effectiveness of reward management in an organization include system analysis, functional cost analysis and expert-analytical method of assessment (method of expert assessments).

The systematic approach focuses on the study of the system of reward of human resources in the organization as a whole and its components: goals, functions, structure, methods of stimulation, information; identifying the types of connections of these components between themselves and the environment and connecting them together. his method of assessment is based on the analysis of certain indicators that characterize the system of remuneration of labor resources, such as productivity, wages in the organization, their ratio, the indicator of the qualitative composition of workers (by age, education, experience), discipline. After analyzing the correspondence of these indicators to the required level, the conclusion is reached about the system of stimulation of work as a whole. The more differences, the less effective the system is. The advantages of this method of assessment – its implementation does not require the direct

participation of employees of the organization, respectively, it is only necessary to analyze the documentation by indicators¹².

Functional-cost analysis of the reward system is a method of technical-economy research of the functions of the reward system aimed at finding ways to improve and reserve the cost of organizing the remuneration system in order to increase its efficiency.

The expert-analytical method is one of the most common methods of assessment, which is based on rational conclusions of highly qualified experts.

Each of these approaches to assessing the cost-effectiveness of the reward system has its positive aspects and difficulties in implementation. The most appropriate is the assessment of the reward system by separate indicators, which allows you to allocate the cost for its providing and determine the system's effectiveness. general criteria for determining effectiveness of human resources rewards can be the following:

- payback period for personnel costs;
- size of income growth;
- minimization of running costs;
- profit maximization;
- minimization of costs at the expense of personnel costs.

The orientation of the organization to use of one or another criteria determines the approach to the selection of indicators that are used to analyze and justify the effectiveness of the motivational policy, its forms and methods. Leading companies use the audit of the reward system, which examines the compliance of this system with the overall strategy for the development of the organization, budgeting and optimization of personnel costs, determines its impact on the final results of the organization. It should be noted that traditional approaches have not lost their significance. They are implemented into new formats of analytical processes in the form of audit of rewards.

Audit of the rewards system as one of the main areas of the audit of human resources provides control and analytical and consulting support to the entire management system to evaluate the effectiveness of the developed programs to encourage employees to achieve the strategic goals of the organization. In this regard, the main purpose of the audit of the reward system is to provide expert evaluation, diagnostics and competent justification of the mutual respect of

¹² Havkalova N. (2011). Upravlinnia efektyvnistiu menedzhmentu personalu: [monohrafiia]. Kharkiv : Vyd-vo KhNEU, 295 p.

employee's interests within the established legislation, implementation of personnel policy in the reward questions and development of recommendations for increasing motivation.

Common tasks for releasing the audit include:

- determination of compliance of the organization of wages with legislative acts;
- evaluation of the strategy developed for the reward of employees for achieving the ultimate goals of the organization;
- estimation and optimization of total personnel costs;
- estimating and optimizing the structure of personnel costs;
- identifying the dynamics and determine the trends of change in the total value and structure of reward, their compliance with the dynamics of the main production volumes;
- estimation of the ratio between the growth rate of labor productivity and the average wage;
- studying the mechanism of formation of the payroll fund and to determine its conformity with the distribution of funds for the remuneration of employees;
- determining the structure of the payroll fund and its justification;
- determination of deviations of the planned value of the payroll fund from the actual as a whole by the enterprise, as well as by separate divisions, categories of employees, by elements of wages, identification of the reasons for the deviations;
- research on the incentive systems, used in terms of their incentive effect on staff;
- evaluation of the flexibility of the motivational-incentive system in accordance with the changing strategy of enterprise development;
- studying of the mechanism of management of employees' remuneration;
- determination of reserves to increase the incentive return of money that goes to reward of human resources;
- determining the cost-effectiveness of improving the reward management mechanism.

It is important to develop a system of indicators that could provide an opportunity to analyze and diagnose the remuneration system. A system of indicators is needed to form a complete control base. A set of key indicators that reflect the reward system is presented in table 2.

Table 2

**A system of indicators for analyzing the effectiveness
of the reward system**

Indicator	The characteristics of the indicator and its application
Total value of remuneration	Absolute value. It is a major part of staff costs
Share of reward in the volume of products sold / services provided	A certain percentage, which can be compared to the standard, with that of other organizations. Outlines the remuneration policies adopted by the organization, optimizing staff costs
The ratio of the reward index to the production index	The correctness of the remuneration policy formulation and the tendency of the established trends: if the ratio is less than one, then there is a reduction in personnel costs per unit of output
Ratio of wage growth and labor productivity	Characterizes the efficiency of the reproduction process. Labor productivity growth should exceed wage growth
Structure of the reward fund	Shows the ratio of the constant and variable parts of the reward fund of labor resources (tariff part, bonus, allowances and compensations, social benefits, etc.). The rationality of the reward structure is evaluated
The level of the minimum wage in the organization	Characterizes the level of wages in the organization: the minimum size is compared with the value of the country's minimum wage and the value of the subsistence minimum
Minimum tariff rate	Characterizes the level of payment for the simplest unskilled labor performed under normal conditions with normal intensity per unit of working time; is analyzed against the minimum tariff rate approved in a sectoral or regional tariff agreement
Average salary in an organization	The indicator is necessary to determine the dynamics, comparison with the competing companies, used in factor analysis of the reward fund, etc.
Average salary by key positions	Indicators are compared to the market salary level based on a rating analysis or a salary review that allows you to identify and plan for future reward policies

Indicator	The characteristics of the indicator and its application
Average wage by employee category	Comparison of wages makes it possible to evaluate the existing differentiation in remuneration
Average wage structure by employee category	Provides information on the rationality of the ratio of the wage (tariff) part and the variable part in accordance with the policy adopted by the employee category remuneration
Profitability of encourage funds (ratio of employee encourage to profit)	Indicates the degree to which the main purpose of the bonus is achieved: for each spent hryvnia of the encourage means – to receive as much profit as possible. Dynamics shows a trend in the Implementation of the encourage role of employee’s benefits
The average size of bonuses by employee category	Allows you to evaluate the encourage policy, the correctness of their differentiation
Average bonuses per unit and employee category	Allows you to evaluate the existing encourage priorities within each unit and the correct differentiation of bonuses by employee category
The average amount of bonuses for each awarding direction	Determines the priority in the awarding directions
The average amount of bonuses by category of human resources and by each direction of bonuses	Determines the correctness of the encourage effect on categories of workers, depending on the role in the achievement of the purpose of the rewards.
Medium level of extra payments and compensation in the organization	Allows you to evaluate reward policies in the area of co-payments and compensation
Average extra payments and compensation by employee category	Allows you to evaluate the correct distribution of compensation by employee category
Average payments for each type of surcharges and compensation	Shows the priority and differentiation in the system of co-payments and compensation

The following list of indicators may vary and may include additional metrics depending on the organization's rewards system.

In the system of audit of the effectiveness of the system of reward of human resources options are possible in the choice of directions, indicators and amount of information that is studied, depending on the level of the audit (strategic, managerial, operational) and the type of audit (complex, situational, operational).

An expanded and in-depth analysis of the effectiveness of the reward system is possible in the presence of a well-developed and regularly maintained information base. Managerial decisions regarding the reward of employees are always responsible and complex. The right decisions should be based on dynamic changes and justified by the trends identified.

In addition to economic methods, an interview or questionnaire method may be used to evaluate the reward system. Interviews are information in personal communication. The essence of the method is that interview questions are developed either for working organizations or for professionals who act as interviewees. After the interview, conclusions are drawn about the reward system and its influence on employees' work activity.

Questionnaire is a system of logically consistent methodological and organizational-technical procedures that are interrelated with one purpose: to obtain objective reliable data about the object under study or process for their further use in management practice. The questionnaire for the survey of the workforce of the enterprise is designed to determine the effectiveness of the system of reward of human resources from the position of the employee¹³.

Another method of assessing the effectiveness of the reward system in an organization may also be the comparison method. The method of comparisons allows to compare the existing system of reward of human resources in an organization with a similar system of advanced organization of the respective industry of economy, with the normative state or state in the previous period¹⁴.

Thus, there are many methods for evaluating the effectiveness of remuneration management, so an enterprise should choose the best variant for itself, taking into account its own capabilities and resources. On our opinion, it should be used the integrated approach for assessment

¹³ Danylenko O.A. (2011). Metodichni pidkhody do otsinky efektyvnosti upravlinnia personalom orhanizatsii [Methodical approaches to assessing the effectiveness of the organization's personnel management]. *Aktualni Problemy Ekonomiky. Naukovyi ekonomichnyi zhurnal*, no. 6(120), 382 p.

¹⁴ Balabanova L.V. (2011). *Upravlinnia personalom: pidruchnyk. M-vo osvity i nauky Ukrainy, Donetskyi nats. un-t ekon. i torhivli im. M. Tuhan-Baranovskoho*. Kyiv: Tsentр uchbovoi literatury, 467 p.

the human resource reward system, considering industry's feature, which will give opportunity to estimate the influence of each factor, which form the reward system, to find out effective combination of the factors for the forward management, depending on their influence on the system as a whole.

CONCLUSIONS

Summarizing the information above we can conclude that the basic principle of the modern concept of human resource management is the understanding the human resources as a key-factor of the effectiveness and competitiveness of the enterprise, its key-resource. It is concluded that reward system is one of the most important elements of encouragement of the employees, it plays an extremely important role in the labor motivation of labor resources. The reward of human resources is recognition of the true and possible socio-economic contribution of employees to the enterprise, society and themselves.

The reward system includes not only material components such as remuneration and fixed and variable benefits, but also immaterial and non-financial elements such as educational, development and career possibilities, responsible position and tasks, internal motivation delivered and the quality of professional life provided by the organization. That is why the reward system needs include all the elements of possible benefits that the employee can acquire in relation to the employment with the particular employer.

The assessment of the work activity was discussed, and classification of assessment methods of work activity was given. The analyses of the methods and approaches to the reward system assessment was provided. Features of functional-cost method, the expert-analytical method, audit of the rewards, interviews, questionnaire and comparison method were analyzed. Implementation of the integrated approach for assessment the human resource reward system, considering the influence factors, forming the reward system, depending on their influence on the whole system of rewards.

SUMMARY

The research is devoted to studying the human resources reward system, which is the element of enterprises effectiveness. As far as business strategy of the enterprise depends on the loyalty of the workforce and the degree of its motivation for high-performance work, the system of rewards plays one of key-roles in encouragement the

enterprises' employees. The essence of human resources management and the reward system, as its component was studied. The methods of assessment the work activity of human resources was analyzed. Methodological aspects of the human resources reward system were explored. The integrated approach for assessment the reward system, which will give an opportunity to estimate the influence of each factor of the system, depending on their influence for improving the human resources reward strategy is proposed.

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