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Principles of the organization of wages of managers and specialists of agricultural enterprises

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Abstract. The principal provisions of the organization of the remuneration of managers and specialists of agricultural organizations are discussed in the article. The main functional responsibilities of the managers and chief specialists of crop and livestock are marked. The dynamics of the number and labor costs of these workers is presented for the five years, covering 2011-2015. Indicators of the level of wages and labor productivity of managers and specialists, as well as profitability of sales, are evaluated as a criterion of the effectiveness of their activities. Author's proposal on the coefficients of the wage levels of certain groups of specialists is given, which is aimed at the objectivity of assessing their work in the economy.

1. Introduction

In modern agricultural organizations, the importance of the work of managers and specialists of agricultural organizations in the share of ensuring commercial efficiency of management has increased. To increase their interest in the final results of the production activity of their own enterprise, the development of a reasonable wage system is necessary.

The digital data presented in the article is taken from sources 1 and 3.

Several research methods have been applied: abstract-logical, statistical-economic, and monographic.

The modern system of economic relations in agrarian production imposes special requirements on the organization of remuneration of employees of collective agricultural enterprises. First of all, it is necessary to develop and improve the remuneration system for managers and specialists of collective farms. This follows from the modern functional rights and obligations of this category of workers. We list the basic official rights and duties of the heads of farms, chief specialists of crop and livestock, arising from the principles of market economic relations.

The leaders of modern agricultural organizations, regardless of whether they are selected by the entire team of workers, their representative bodies, or appointed by the board of major shareholders, must ensure:

- High market efficiency of management of an enterprise being managed, implying: high level of profitability of commercial products, non-business activities and services, providing competitive advantages in domestic and international agricultural markets;
- A possibility of conducting advanced reproduction of products, fixed and current assets at the expense of the farm income;



- Formation and preservation of a stable highly qualified team of specialists and workers, prevention of a significant level of staff turnover;
- Timely fulfillment of all obligations to federal and regional budgets, as well as lenders and borrowers;
- An increase in productivity and remuneration of workers of a farm through introducing scientific achievements and best practices, modern production technologies and energy-saving technical means;
- A mutually beneficial cooperation with other business entities of the industry.

The listed and other obligations of the head are aimed at ensuring the commercial interests of an enterprise. From the standpoint of ensuring the public interests of the region and the country as a whole, it is necessary: to increase the production of natural volumes and improve the quality characteristics of crop and livestock products; to promote the expansion of employment opportunities for the rural population in the managed economy; to realize other possible regional and national socio-economic interests.

Plant growing specialists, first of all, should ensure the rational use of agricultural land based on the introduction of crop rotations, taking into account the natural conditions of the region and the specialization of the economy. An important task for them is to increase the yield of field crops in combination with the preservation of soil fertility. Reducing production costs should be their constant concern. They should strive to sell marketable crop products through the most profitable channels and acquire production resources at the lowest possible prices.

Livestock specialists should take into account the specifics of the serviced sub-sectors of livestock, pig, and poultry. The last two sub-sectors are usually concentrated in specialized pig farms and poultry farms. Other agricultural organizations need to develop cattle breeding. This sub-industry is considered more laborious and complex. Zootechnicians and veterinarians should calculate the optimal number of animals for a given farm, taking into account the achieved production of coarse and succulent feeds. Ensuring the optimal age structure of the dairy herd, as well as the maintenance of highly productive breeding animals for this region require constant care, which also requires the necessary breeding work. The task of determining the structure and quantity of feed, aimed at reducing consumption per unit of output, is important. The problem of maintaining product quality is highly relevant, which requires its timely implementation.

The use of modern technology and innovative solutions in agriculture is accompanied by changes in the structure of agricultural workers. In most of them, the trend of growth in the proportion of managers and specialists is traced, as evidenced by the data in Table 1.

Table 1. The proportion of managers and specialists in the total number of workers and labor costs of crop and livestock farming organizations for 2011-2015 (at %).

Indicators	2011	2012	2013	2014	2015
<u>The average annual number of employees</u>	16.2	16.4	16.8	17.3	17.3
Across Russia on average	21.1	19.2	18.3	19.3	18.1
Kursk region					
<u>Labor costs of crop specialists to the cost of workers</u>	17.0	18.6	16.8	15.6	13.2
Across Russia on average	13.4	15.0	17.4	17.0	15.3
Kursk region					
<u>The labor costs of livestock specialists to the costs of workers</u>	13.4	14.9	13.2	13.0	13.1
Across Russia on average	12.1	15.0	13.3	10.5	9.5
Kursk region					

The data clearly show that, on average, for all agricultural organizations of the Russian Federation for 2011-2015, the proportion of managers and specialists in the total number of employees (including all areas of activity) increased from 16.2 to 17.3%. In 2016, this figure already exceeded 17.3%, including managers (5.26%) and specialists (12.05%). According to the Kursk region, the data presented in the table, this trend is not visible; however, the indicators of the proportion of managers and specialists are significantly higher than the average values of the country.

The labor costs of crop and livestock specialists in the total labor costs for the production of these industries are of interest. On average in the country, labor costs (in man-hours) of plant growing specialists (general production) and livestock breeding tend to decrease (in 2016, respectively, 10.8 and 12.8%). In crop production, labor costs largely depend on the level of crop yields. Before harvesting, the labor costs of workers to perform field work over the years, as a rule, are not significantly different (if the structure and areas of crops are approximately kept). But with an increase in yield (which can be traced by the main field crops for the years analyzed), more labor costs are needed for workers (with close figures per 1 center of yield). This trend is observed in the table; the reduction in the share of labor costs of managers and specialists-the result of growth in crop production associated with an increase in yield. However, in the base area, a reverse situation is observed: an increase in the share of expenditures of crop production specialists, which, in my view, is the result of significant changes in the structure of sown areas. In the area of a significant increase in crops of industrial crops due to the reduction of fodder crops. Cultivation of industrial crops requires great attention of specialists in comparison with fodder crops.

In animal husbandry, the ratio of labor costs of specialists and workers largely depends on changes in the livestock of animals in the sub-sectors. The development of pig and poultry with the growth of livestock, while reducing the number of cattle livestock (or no growth), led to a decrease in the share of labor costs of specialists in the whole country.

The effective activity of managers and specialists of agricultural organizations largely depends on the system of remuneration of these workers. It should be tied to the results of the production activity of the economy as a whole and the serviced industry. An important role is played by wages (Table 2).

Table 2. Average annual wages and labor productivity of managers and specialists of agricultural organizations of the Russian Federation (thousand rubles)

Indicators	2011	2016	
		Amount	% by 2011
Wage	193.5	350.5	181.1
Revenue per employee	4957.5	11476.5	231.5
Return on sales, %	9.6	14.9	-

The data in Table 2 indicate that over 5 years the level of remuneration of managers and specialists increased by 81.1%, and the amount of revenue per employee – by more than 2.3 times. The outstripping growth rates of labor productivity, as well as the increase in the level of sales profitability indicate a close dependence of the remuneration system of workers on the final results of management. However, in practice, in many households, the adopted system of remuneration of managers and specialists does not fully reflect the level of efficiency of their labor.

First, the profitability of production in the context of crop and livestock industries is not always taken into account. Thus, in 2016, the profitability of sales of crop production amounted to 48.8%, and livestock production – only 12.1%. Obviously, this circumstance should have been taken into account when paying for the labor of specialists in these sectors. There are frequent cases when (in the same administrative region in unprofitable agricultural organizations) the level of wages is higher than in profitable farms. The reason is that such farms have the right to independently decide all the issues of organizing the wages of their employees. Of course, at least, zonal (regional) recommendations are required.

Second, more reasonable rates and official salaries for categories of workers in each farm must be applied. In 2016, in general, for all agricultural organizations of the Russian Federation, the level of remuneration of managers and specialists exceeded the same indicator of permanent workers by 39.7%. In the group of managers and specialists, this indicator among managers exceeded the result of specialists by 67%. The expediency of substantiation and establishment of approximate ratios on the wage levels of certain categories of workers is relevant.

- From my point of view, in the group of managers and specialists, the following coefficients in terms of wages would be optimal:
- Junior specialists - 1.0;
- Mid-level specialists - 1.2;
- Leading specialists - 1.5;
- Key specialists - 2.0;
- Heads of departments - 1.8;
- Farm managers - 3.0;
- Relative to the level of wages of permanent workers, the average index of managers and specialists is 1.5.

Third, it should be noted that there is the low level of wages in general for all categories of workers in agricultural organizations. Thus, relative to the average for all sectors of the country's economy, the level of average monthly nominal accrued wages of agricultural organizations was: 55% in 2014, 58% in 2015, 59% in 2016 [1, p. 224]. At the same time, relative to the indicator for 2014, the real level of the accrued wages of agricultural workers was only 99.35% [1, p. 222]. At the end of 2015, the level of wages of agricultural workers regarding the results of relevant groups of all sectors of the country's economy was the following [1, p. 244]:

- Managers – 65.2%;
- Specialists – 68.3%;
- Workers – 81.1%.

Low wages combined with relatively worse working conditions (work outside production premises, etc.) are the reason for the unattractiveness of agrarian labor. This circumstance significantly increases staff turnover. So, in 2016, the retirement of workers from the total payroll number on average in the economy was 28.4%, and it was 41.2% in agriculture [1, p. 146].

With reference to the remuneration of managers and specialists of agricultural organizations, I propose two models:

- Remuneration during the year for guaranteed salaries in combination with bonuses based on business results [2, p. 69];
- As a different model of organizing the remuneration of managers and specialists of the central administration for profitable farms, it can be translated into the conditions of intraeconomic payment, like all other structural divisions [2, p. 76].

As a result of the study, the trends in the proportion of managers and specialists in the total number of employees, as well as the growth rates of their productivity and wages were revealed. I propose salary ratios for major groups of managers and specialists of agricultural organizations, reflecting their influence and importance in improving the market efficiency of management. The relevance of further research on this issue is obvious.

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