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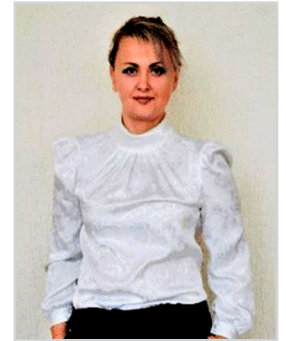
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## Trade and service personnel remuneration in the company's incentive system

**Abstract.** At present, most companies all over the world, including Ukraine, are experiencing negative consequences of the pandemic. Staff efficiency has decreased, so companies have experienced a decline in business productivity in general. The system of labor incentives should encourage staff to work more efficiently by introduction of an additional remuneration system based on performance-related payment system. According to the European knowledge, commerce is one of the sectors where the introduction of this additional remuneration system is common and effective. The purpose of this study is to develop and substantiate practical recommendations to improve the system of additional remuneration for sales and service personnel of the company from Ukrainian commerce sector, which would increase their efficiency in the company. The study identified the main components of the system of incentives and the main forms of stimulating work for the company's staff. It is substantiated the main stages of the improvement sequence of the company's staff remuneration system as a component of the personnel incentive system. The system of additional remuneration of trade and service personnel of the company from Ukrainian commerce sector was developed and substantiated. It was determined that the basis of an additional remuneration system of trade and service personnel was introduction of a percentage of total sales, which exceeded the established volume, as the main priority. The five-factor model for assessing the productivity level of sales and service personnel in the company from Ukrainian commerce sector built. By this model, effectiveness of introduction of an additional remuneration system for trade and service personnel of the company from Ukrainian commerce sector proved and evaluated. Further, authors will work out practical recommendations for the development the basic salary system for sales and service personnel of the company from Ukrainian commerce sector.

**Keywords:** Labor Incentives System; System of Additional Remuneration; Personnel Remuneration System; Pay System; Salary; Trade and Service Personnel; Performance-Based Incentive Payment System; Commerce Sector

**JEL Classification:** J53; M52

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**Система оплати праці торговельно-обслуговуючого персоналу компанії як складова системи стимулювання персоналу**

**Анотація.** Метою даного дослідження є розробка та обґрунтування практичних рекомендацій щодо вдосконалення системи додаткової оплати праці для торгово-обслуговуючого персоналу української компанії в сфері торгівлі, яка дозволила б підвищити ефективність цього персоналу в компанії. У ході дослідження були визначені основні складові системи стимулювання праці персоналу компанії, обґрунтовано основні етапи послідовності вдосконалення системи оплати праці в компанії як складової системи стимулювання персоналу, розроблено й обґрунтовано систему додаткової оплати праці торгово-обслуговуючого персоналу компанії сфери торгівлі в Україні. Визначено, що основою системи додаткової оплати праці торгово-обслуговуючого персоналу компанії є введення відсотка від загальної суми продажів, який перевищує встановлений (плановий) обсяг. Побудовано п'ятифакторну модель оцінки рівня продуктивності праці торговельно-обслуговуючого персоналу компанії сфери торгівлі в Україні, яка дозволила обґрунтувати й оцінити ефективність впровадження системи додаткової оплати праці торгово-обслуговуючого персоналу компанії. Подальшим напрямком даного дослідження стане розробка практичних рекомендацій щодо формування й обґрунтування системи основної оплати праці для торгово-обслуговуючого персоналу компанії сфери торгівлі в Україні.

**Ключові слова:** торгово-обслуговуючий персонал; сфера торгівлі; система стимулювання праці; система додаткової плати праці; винагороди; система оплати праці; система виплати заохочень за результатами.

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**Система оплаты труда торговельно-обслуживающего персонала компании как составляющая системы стимулирования персонала**

**Аннотация.** Целью данного исследования является разработка и обоснование практических рекомендаций по совершенствованию системы дополнительной оплаты труда для торгово-обслуживающего персонала украинской компании в сфере торговли, которая позволила бы повысить эффективность этого персонала в компании. В ходе исследования были определены основные составляющие системы стимулирования труда персонала компании, обоснованы этапы последовательности совершенствования системы оплаты труда в компании как составляющей системы стимулирования персонала, разработана и обоснована система дополнительной оплаты труда торгово-обслуживающего персонала компании сферы торговли в Украине.

Определено, что основой системы дополнительной оплаты труда торгово-обслуживающего персонала компании является введение процента от общей суммы продаж, которая превышает установленный (плановый) объем. Построена пятифакторная модель оценки уровня продуктивности труда торгово-обслуживающего персонала компании сферы торговли в Украине, которая позволила обосновать и оценить эффективность внедрения системы дополнительной оплаты труда торгово-обслуживающего персонала компании. Последующими направлениями данного исследования станет разработка практических рекомендаций по формированию и обоснованию системы основной оплаты труда для торгово-обслуживающего персонала компании сферы торговли в Украине.

**Ключевые слова:** торгово-обслуживающий персонал; сфера торговли; система стимулирования труда; система дополнительной платы труда вознаграждения; система оплаты труда; система выплаты поощрений по результатам.

## 1. Introduction and Brief Literature Review

Incentives are a process that encompasses all employees of the company, regardless of their employment status, location and nature of work. Moreover, it should regard employees as individuals with their own needs, desires and values in accordance with the conditions of a particular activity. The process of stimulation is an action on the employee, which includes the scope of his/her needs, desires, aspirations, goals, behavioral stimulation. The basis for labor stimulation is interaction of external working conditions and the internal structure of human being. Therefore, the incentive is not intended to motivate a person to work, but rather to increase his/her interest in doing it better (and more) through employment. Incentives to work are effective only when employees can achieve and maintain a fixed level of work for which they are paid an appropriate wage. In this case, incentives are not intended to inspire a person to work, but to motivate. However, before creating an effective incentive system for the company's employees, it is necessary to analyze the impact of elements of the external and internal environment in the company and the features of the existing remuneration system.

Quite a few scientists have been studying the problem of labor incentives for more than a hundred years. We can identify several stages in this research (Kohn, 1993). Thus, the first stage began in the early twentieth century, when F. Taylor (Taylor, 1997) created a school of scientific management. Its main provisions concerned the establishment of the remuneration amount that would compensate for labor costs. In the 20s of the twentieth century E. Mayo (Mayo, 1946) proved that stimulation with the type of «a whip and gingerbread» was insufficient, which accordingly allowed the scientist to create a theory of «human relations» later (a «psychological» man).

The second stage began from the middle of the twentieth century. It related to the development of theories focused on the analysis of needs and their impact on work incentives, such as Maslow's theory (Maslow, 1943), McClelland's theory of acquired needs (MacClelland, 1987), a two-factor Herzberg's motivation system (Herzberg et al., 2017) and the theory of «human relations» (Mayo, 1946). Thus, A. Maslow (Maslow, 1943) proved that it was impossible to reduce all stimuli that satisfy the physical process, as previously defined in psychology. Human nature is hierarchical: the so-called natural needs are replaced by positive ones, and each of them affects human thinking and actions. According to the MacClelland theory of acquired needs (MacClelland, 1987) certain types of human needs are formed in human life from early childhood, which must be taken into account. Hertzberg's two-factor motivation theory identified the causes of personal satisfaction and dissatisfaction with activities and the reasons for increasing and decreasing productivity. The theory of «human relations» (Mayo, 1946) substantiated the need to introduce collective forms of organization and stimulation of labor, creating a favorable moral climate in the company.

The third stage in the study of work incentives was the emergence of process and situational areas of management, which proposed to introduce group material incentives and programs to improve the psychological climate in the team, using flexible working hours (Lisciandra, 2007).

The next stage in the study of labor incentives problem was introduction of new areas in management such as socially responsible and ethical management; creation of the knowledge economy concept. Its basic provisions are the development of innovative and intellectual potential of the employee; actualization of the problem of corporate culture development (Rob et al., 2002) and social partnership (Rajiani et al., 2016).

At the present stage of the research, scientists (Pendleton et al., 2017), (Auriol et al., 2008), (Besley et al., 2005) have determined that an effective system of incentives and employee motivation is an important factor in developing and increasing the competitiveness of companies. Staff incentives is the main component of the motivational process and manifestation of external motivation. The company's management is responsible for this primarily through the appropriate system of remuneration.

At the present stage, there are many definitions of the essence of the «labor incentives» concept, as it should cover all methods used in management, such as administrative, economic (material), socio-regulatory. Thus, W. Ouchi (Ouchi, 1984) defines that labor incentive is a method to influence a worker's job behavior through motivation, based mainly on the material means of reward, incentives and sanctions, which are wages. E. Galli (Galli, 2011) notes that work stimulation is the process of motivating oneself and others to work to achieve one's personal goals and the goals of the company. D. Pruss (Pruss, 2008) believes that incentives is a system of selecting stimuli that lead to increased performance of employees and bringing them into a certain subcontracting, which ensures the achievement of the company's goals.

According to scientists (Bowers et al., 2016) the purpose of labor incentives is to reconcile the interests of the company with the individual needs of its employees. Thus, achievement of the company's goal requires properly defined actions, harmonization of principles, methods, consideration of classification of incentives.

Hence, the majority of modern companies face the following problems in the process of introduction an effective incentive system for the company's employees:

- company employees lack skills and abilities to meet the requirements of the activity and standards. In this case, there is a need to train such staff;
- job functions and personnel evaluation criteria are not clearly formulated and communicated to employees who, accordingly, cannot understand what requirements are imposed on them by the company's management;
- the proposed incentives are not consistent with the internal goals of the staff, i.e. the existing system of incentives to work in the company does not take into account the overall structure of the employee motivation system;
- negative incentives dominate in the personnel incentives system, affecting people and causing resistance;
- there is no flexible and efficient system of personnel assessment which reduces the efficiency and quality of work, while managers do not receive enough information about the work results of their subordinates;
- the incentive system opposes the established organizational culture of the company, i.e. does not take into account values, traditions, rules and certain norms of staff behavior in the company;
- the incentives offered in the system are not very important for the staff.

The remuneration system of modern company includes the base pay as the foundation of the relationship between employer and employee, influencing job satisfaction and quality of work. In addition to the base pay, most of European companies implemented additional remuneration systems to reward performance and motivate employees (Eurofound, 2016). These additional remuneration systems include performance-related pay, salaries in kind, supplemental social security contributions and financial participation schemes such as profit sharing. The implementation of these additional reward systems varies according to company characteristics. In Europe these systems are more common in the private sector (with some national exceptions) as well as in certain economic sectors such as information and communications technology, finance and insurance, and consultancy (Eurofound, 2016).

Nowadays one of the common approach for the additional remuneration system is performance-based incentive payment system (Ogbonnaya et al., 2017) which takes one of two forms:

- 1) bonuses are offered to staff based on assessments of their performance. According to data from the European Company Survey 2019 (Eurofound and Cedefop, 2020) 52% of European establishments use variable extra pay linked to individual performance. It was most prevalent form of payment in financial services (55%) and in construction (47%) sectors. Also 40% of European establishments use variable extra pay linked to the performance of the team. It was most prevalent form of payment in commerce and hospitality (43%), industry (36%) and transport (36%).
- 2) bonuses are offered as organization-wide incentives, such as profit-related pay or share ownership. According to data from the European Company Survey 2019 (Eurofound and Cedefop, 2020) 39% of European establishments use variable extra pay linked to the results of the company or establishment (profit-sharing schemes). It was most common form of payment in financial services (44%).

Scientists (Ogbonnaya et al., 2017) proved in their study that only performance-related payment system is positively correlated with job satisfaction, organizational commitment and high work intensity.

According to the European Company Survey 2019 (Eurofound and Cedefop, 2020) the introduction of these additional remuneration systems based on performance-related payment system can encourage stronger business performance by linking employee reward to business objectives, recruiting and retaining key employees and enhancing a company's attractiveness as an employer, especially in highly competitive environments. Moreover, employees welcome the introduction of these additional remuneration systems, if employers apply them in a fair, controlled and transparent manner.

Therefore, the system of labor incentives should encourage staff to work more efficiently and increase the success of the company as a whole by introduction or improvement of the additional remuneration system based on performance-related payment system. According to the European knowledge (Eurofound and Cedefop, 2020), one of the sectors where the introduction of

additional remuneration system based on performance-related payment system is common and effective in commerce. That is why authors proposed to implement these systems at Ukrainian private companies in the commerce sector.

## 2. Purpose

The purpose of this study is to develop and substantiate practical recommendations for improving the additional system of remuneration for sales and service personnel of the private company from Ukrainian commerce sector (as part of the incentive system), which would increase the efficiency of the personnel in it. Therefore, authors performed the following tasks during the study:

- identified the main components of the incentives system for the company's staff;
- substantiated the main improvement stages in the remuneration system of the company's personnel as a component of the system of personnel incentives;
- developed and substantiated an additional remuneration system of the company's trade and service personnel;
- built a model for assessing the efficiency of the company's trade and service personnel and evaluated the effectiveness of the proposed additional system of remuneration for the company from Ukrainian commerce sector.

## 3. Results

Based on the analysis results (Ferrer-i-Carbonell, 2005; Winter, 2004; Lyubitskaya, 2019), we summarized the main components of the incentive system. Their implementation will allow the company to function effectively in modern conditions (Figure 1).

The employee must know in what conditions he/she will work, what remuneration he/she will receive for strict compliance with working conditions and what restrictions will be imposed in case of violation of these conditions. Therefore, the main component of the incentives system for the company's staff is primarily an effective system of their remuneration, which, accordingly, consists of two components: the system of basic remuneration and the system of additional remuneration.

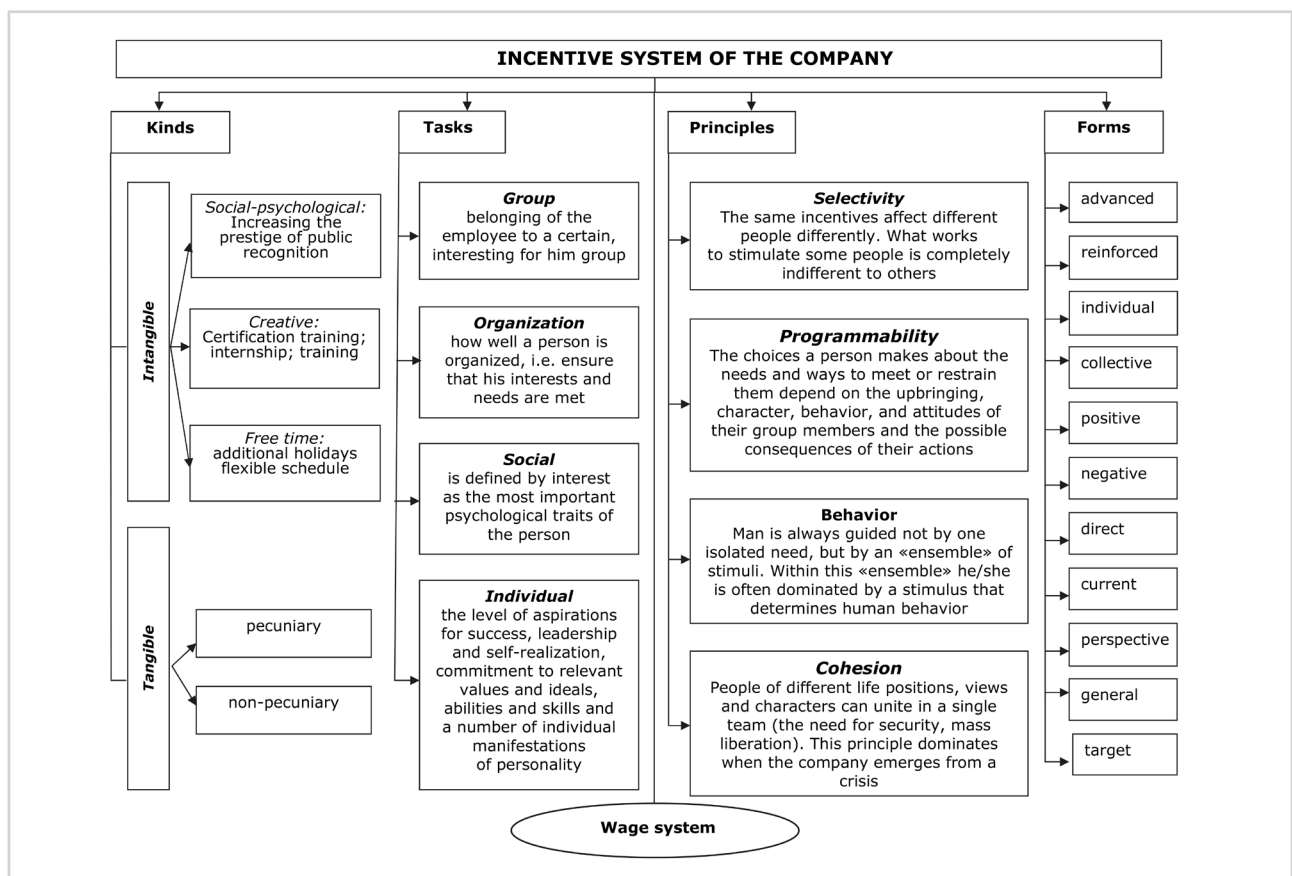


Figure 1:

### Key components of labor incentives system

Source: Authors' development based on Brown et al. (2007), Charness et al. (2007) and Clark et al. (2010)

Figure 2 shows the sequence of the remuneration system improvement as a component of the company's staff incentive system, developed based on the results of the analysis (Brown et al., 2007; Charness et al., 2007; Clark et al., 2010).

Thus, at the **first stage**, we diagnose the existing remuneration system, including the analysis of all available information to determine the maximum amount of possible compensation to the staff. This analysis is based on the current practice of remuneration in the company, the company's capabilities, prices in the labor market, existing requirements for employees at this level and profile and the existing socio-economic scales of remuneration. To determine the amount of salaries, we analyze the main characteristics of employees (staff qualifications and their level of motivation). Building an effective system of labor incentives involves creation of a competitive system of remuneration for employees who provide additional income or are the main driving force in the team. That is why at this stage, we assess the effectiveness of the existing incentive system by evaluating staff performance as a ratio between productivity and cost (including the degree of rational use of resources). In this way, we achieve maximum effect at minimum cost (productivity, quality and efficiency of staff).

At the **second stage** of the improvement sequence of the personnel remuneration system, we determine the peculiarities of the personnel incentive system. It is necessary to analyze the strategy of personnel management to stimulate work in the company, and determine whether the needs of individual employees meet the forms of motivation used in the company. The managerial decision-making in personnel decisions must be based on the key rule of effective work incentives (Williamson et al., 1975): need and incentive generate motivation, so the main driving force influencing staff should be incentives and the main purpose of motivation is to meet the needs of the staff and the company at the same time. According to scientists (Klymchuket al., 2018), stimulation is an effective tool and a decisive factor in influencing staff from the outside in the process of motivational development. At the same time, different types of motivation are used to exercise such influence on staff. Therefore, if the existing system of incentives for employees is not effective, it must be improved because after taking into account the needs of the employees, you can provide appropriate incentives to achieve the planned level of motivation.

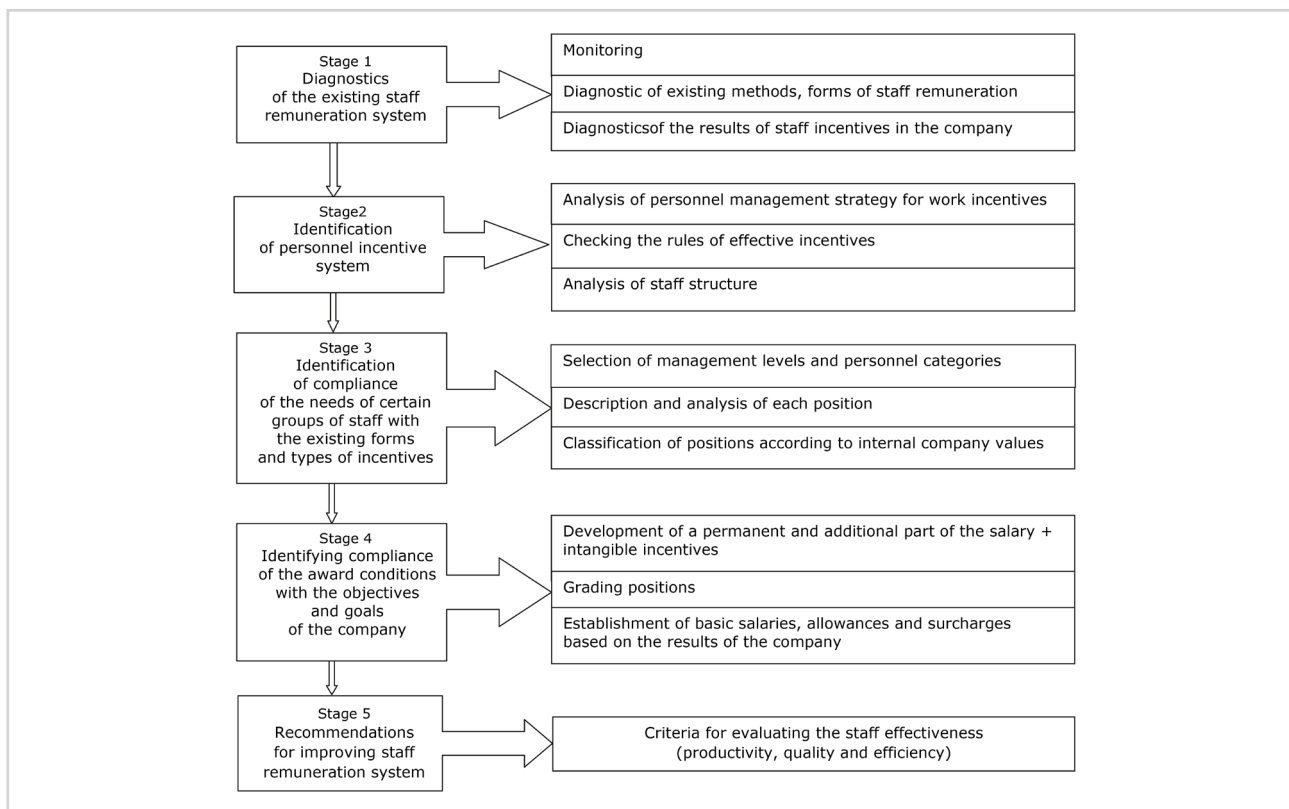


Figure 2:  
**Sequence of improving the system of the company's staff remuneration  
 as part of the system of personnel incentives**

Source: Authors' development based on Brown et al. (2007), Charness et al. (2007) and Clark et al. (2010)

At the **third stage**, we analyze and allocate the levels of management and categories of staff, compare positions and position instructions, specify the classification of positions according to internal company values (according to the organizational culture of the company). It is necessary to define and establish the values and desires of each employee as well in order to be able to determine the expected level of remuneration at the next stage, clearly distinguishing between fixed and variable part of wages.

At the **fourth stage** of the improvement sequence of the personnel remuneration system, we define and adjust standard indicators of work evaluation of personnel and assignment of qualification and surcharge for special working conditions for a constant part of the salary. Thus, as an element of the permanent part, we can use different types of rewards: for contribution to the work of the unit, for individual results, for goals, for the overall results of the company. As part of an additional remuneration system, we can implement free systems, border systems or goal management systems (Galli, 2011). It is also necessary to determine what the payroll procedure will be and what forms of remuneration are best to use to stimulate these employees. Along with the development of tangible incentives, there are other types and forms of intangible incentives (natural, ethical, organizational, etc.). As the scientist (Alderfer, 1972) notes, we should consider all features of the company (requirements of its managers, features of the employees and workplaces, organizational culture of the company) and the experience of other leading companies in this field.

The **fifth stage** is the direct development of recommendations to improve the remuneration system (or introduction of the remuneration system, if it did not exist), as each company must create its own remuneration system, based on appropriate criteria for assessing staff performance, taking into account the basic rule of effective stimulation of the staff work.

Let us consider the example of sales and service personnel of the company from Ukrainian commerce sector as a sector in which development (improvement) of additional remuneration system is most prevalent form of payment for the staff according to the European data (Eurofound and Cedefop, 2020).

Introduction of an effective system of additional remuneration for this category of employees of the company can significantly increase their efficiency and, accordingly, affect the efficiency of the entire company. For development (or improvement) an effective system of additional remuneration of trade and service personnel of the company, we have to choose priorities (criteria) of performance-based incentive payment system for the Ukrainian company from commerce sector. That is why it was developed decomposition of hierarchical model of prioritization alternatives of development of the system of additional remuneration of trade and service personnel of the company based on the Saaty's approach (2012).

The first stage of this approach (Saaty, 2012) is decomposition that is consider dominant hierarchies, which are built from the top (aim - the point of view of management) through intermediate level of criteria on which subsequent levels depend, to the lowest level (list of alternatives), which is shown in Figure 3.

According to the Figure 3 the development of an effective system of additional remuneration of trade and service personnel of Ukrainian company from commerce sector is based on such criteria

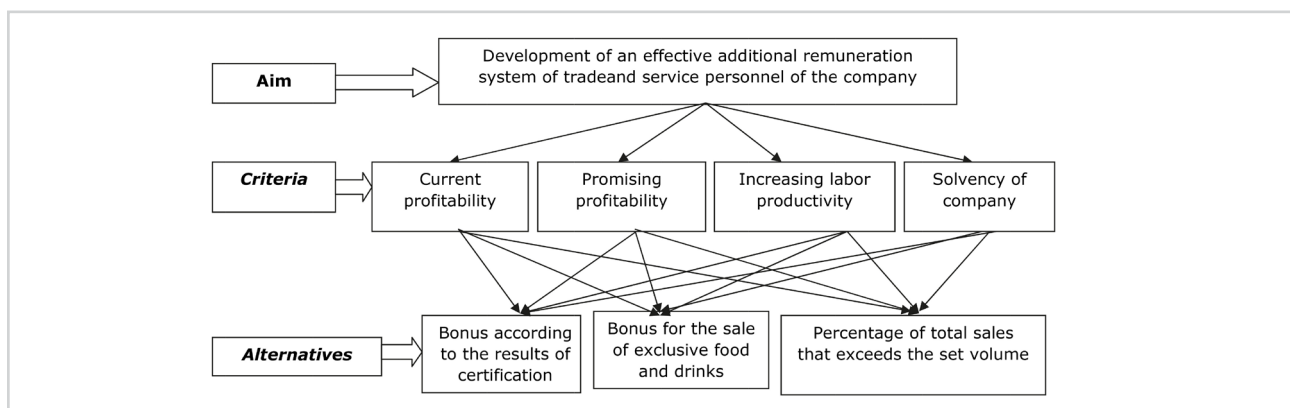


Figure 3:

**Decomposition of prioritization for the development (improvement) of an additional remuneration system of trade and service personnel of Ukrainian company from the commerce sector**

Source: Authors' own development

(priorities) as current profitability, promising profitability, increasing labor productivity and solvency of company.

The second stage of this approach (Saaty, 2012) is the construction of matrix of pair wise comparisons for each of levels. Elements of levels are compared with each other regarding their effect on the guiding element, and, according to the rule, when composing matrix, the relative importance of the left elements of the matrix is compared with the elements at the top. The results of a pair wise criteria comparison for selecting criteria (priorities) for the development of an effective additional remuneration system of trade and service personnel of Ukrainian company from commerce sector based on pair wise judgments evaluations are presented in Figure 4.

The analysis of relative importance of all criteria is the third stage of the approach (Saaty, 2012). This stage is included calculation of the priority alternatives for the development of an additional remuneration system of trade and service personnel of Ukrainian company from commerce sector: the matrix of pair wise comparisons; components of the eigenvector of matrix; the normalized vector of matrix; index of consistency and ratio of consistency. Table 1 shows the results of this stage.

According to the Table 1 as an alternative, the development of a system of bonuses based on the results of certification maximizes current profitability and a high value of company solvency. Introduction of a system of bonuses for the sale of exclusive goods or services, as an alternative, is a priority from the standpoint of social programs, while implementation of a percentage of total sales, as an alternative, is a priority from the standpoint of long-term profitability.

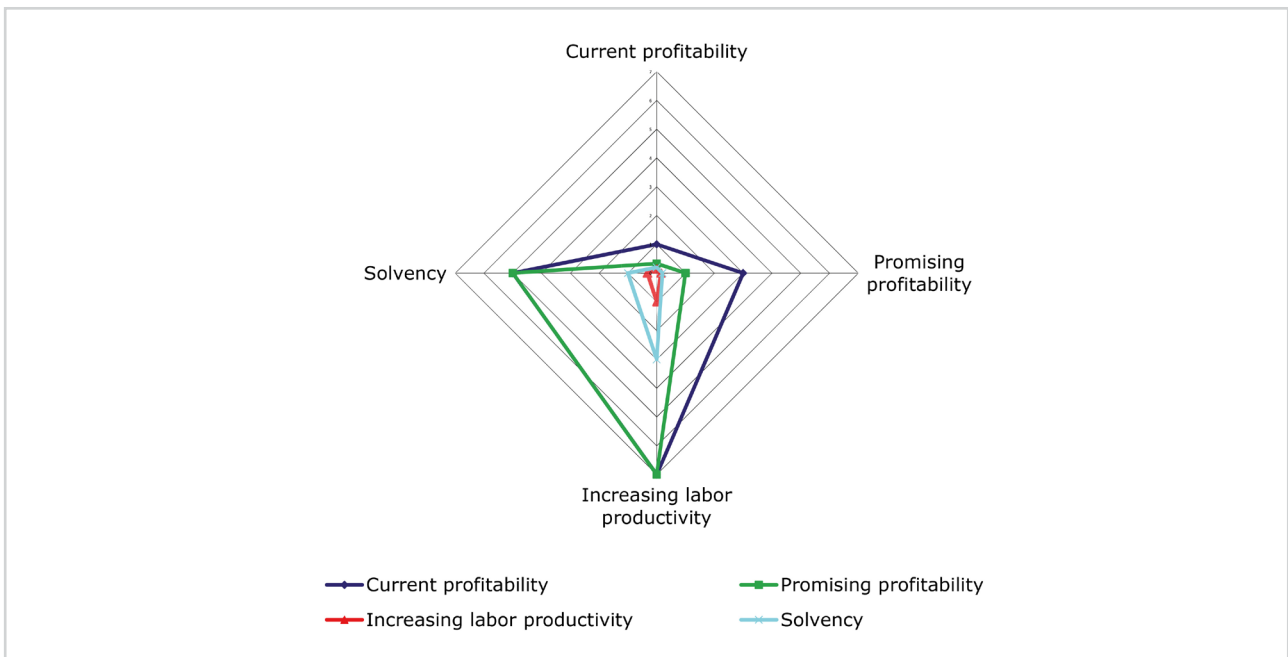


Figure 4:

**Comparison of criteria determining priorities for an effective additional remuneration system of trade and service personnel of Ukrainian company from commerce sector**

Source: Authors' own development

Table 1:

**Value of the normalized alternatives vector for the development of an additional remuneration system of trade and service personnel of the company**

Criteria	Normalized matrix vector			
	by the criterion of current profitability	by the criterion of promising profitability	by the criterion of increasing labor productivity	by the criterion of company solvency
Bonus according to the results of certification	0.64	0.10	0.06	0.26
Bonus for the sale of exclusive food and drinks	0.10	0.26	0.74	0.10
Percentage of total sales	0.26	0.64	0.21	0.64
Consistency index	0.02	0.02	0.06	0.02
Consistency ratio	0.03	0.03	0.10	0.03

Source: Authors' own study



Thus, according to the modeling results by the Saaty's approach (2012), we determine that the priority of development an additional remuneration system for the trade and service personnel of Ukrainian company from commerce sector is the introduction of a percentage of total sales that exceeds the established (planned) volume as its basis.

Let us prove the expediency and efficiency of such an additional remuneration system of trade and service personnel of Ukrainian company from commerce sector by assessing its effectiveness. To do this, we build a regression model to assess the productivity level as one of the main indicators, quantitatively reflecting the staff efficiency. Authors have analyzed data of 37 (medium- and small-sized business) companies of Kharkiv region of Ukraine from commerce sector during three years. These data are included 24 different performance indicators: the amount of material incentives in the total amount of the salary fund; the rate of return on sales; turnover rate; return on assets; the coefficient of suitability of fixed asset; the turnover ratio; the rate of growth of fixed assets; material efficiency; turnover ratio on admission; specific labor intensity per 31.41 EUR (exchange rate 31.83 UAH per 1 EUR); profitability ratio of fixed assets; profitability ratio of current assets; depreciation ratio of fixed assets; profitability ratio of main activity; asset turnover ratio; turnover ratio of current assets; staff efficiency; salary profitability; the productivity level of sales and service personnel, etc. Based on the results of analysis values of Student's *t*-test and the results of correlation analysis of these data authors selected five key factors that are the most significant indicators of productivity level of sales and service personnel of companies from commerce sector in Ukraine. Consequently, a five-factor model was built, assessing the productivity level of sales and service personnel in the company:

$$Y = 0.1156X_1 + 0.0527X_2 + 0.5341X_3 + 0.1631X_4 + 0.8293X_5 + 0.2218,$$

where:

$Y$  - the productivity level of sales and service personnel in the company;

$X_1$  - specific labor intensity per 31.41 EUR;

$X_2$  - return on assets;

$X_3$  - the amount of material incentives in the total amount of the salary fund;

$X_4$  - staff efficiency;

$X_5$  - salary profitability.

The article determines that the variation of factors included in the model has led to changes in productivity of trade and service personnel in the company ( $Y$ ) by 95.85%. The error probability is 4.15%. It is due to the influence of external, qualitative factors on this indicator ( $Y$ ) and less statistically significant factors not included in the model. Despite these shortcomings, the obtained model is statistically significant and adequate. This confirms the coefficient of determination and the value of Fisher's  $F$ -test, although its critical value is lower than the calculated one ( $F_{crit}(0.05; 5; 31) = 2.53$ ). The statistical significance of the factors can be assessed using Student's *t*-test, so the critical value of this criterion at  $\alpha = 0.05$  and  $k = 31$  is 2.04, which is lower than the calculated values. Thus, all factors included in the model are statistically significant. Consequently, the results of model construction by step wise regression method with inclusion and step wise regression with exclusion are identical.

Authors have tested multicollinearity of factors as well, based on paired correlation coefficients. Since the pair wise correlation coefficients of the independent variables do not exceed 0.5, the constructed model eliminates multicollinearity, making the obtained model more reliable. To estimate the auto correlation of the model, the author calculated the Darbin-Watson criterion. Its value equals to 1.602095 and is within the critical values (1.16 and 1.8), which does not allow us to determine the auto correlation of the model accurately.

The article gives a forecast of the integrated indicator of labor productivity level, on the assumption of predicted values of independent variables, using the software package Statistica 8.0 trend line (Table 2).

According to the calculations, salary profitability is the first important factor influencing the productivity of sales and service personnel in the company from Ukrainian commerce sector. The amount of material incentives in the total amount of the payroll is the second most important factor affecting labor productivity in the company from Ukrainian commerce sector. In general, all

Table 2:  
**Forecasting the productivity level of trade and service personnel**

Variable	Predictive value for the variables: Var <sub>1</sub>		
	Specific weight	Value	W-weight *Value
Var <sub>2</sub>	0.115602	2.310700	0.267122
Var <sub>3</sub>	0.052697	-0.738300	-0.038906
Var <sub>4</sub>	<b>0.534046</b>	0.239700	0.128011
Var <sub>5</sub>	0.163105	0.489600	0.079856
Var <sub>6</sub>	<b>0.829304</b>	0.156200	0.129537
Free variable			0.221838
Predictive value			0.787458
-95.0% Profit			0.633232
+95.0% Profit			0.941684

Source: Authors' own calculations using Statistica 8.0

the factors included in the model determine the growth of labor productivity. However, the most important thing is that this model proves that the introduction of a percentage of total sales that exceeds the established (planned) volume, as the basis of an additional system of remuneration of sales and service personnel of the company from Ukrainian commerce sector, will directly increase their productivity.

#### 4. Conclusions

The research on the development and justification of practical recommendations for improving the system of additional remuneration of sales and service personnel of the company from Ukrainian commerce sector as part of the incentive system, the authors obtained the following results:

- 1) identified the main components of the system of incentives for the company's staff, namely: the main types of tangible and intangible incentives; work stimulation tasks, such as group, organizational, social and individual; principles of stimulation (selectivity, programming, behavior and cohesion); and the main forms of stimulating staff work. All these components directly affect the efficiency of the payroll system in the company.
- 2) substantiated the main stages of the improvement sequence of the company's staff remuneration system as a component of the personnel incentive system. Their introduction in the company will create its own remuneration system based on relevant criteria for evaluating the company's personnel and the basic rule of effective staff incentives.
- 3) developed and substantiated the system of additional remuneration of trade and service personnel of the company from Ukrainian commerce sector. It was determined that the basis of development an additional remuneration system of trade and service personnel of the company was introduction of a percentage of total sales, which exceeded the established (planned) volume, as the main priority.
- 4) built a model for assessing performance efficiency of trade and service personnel. This substantiates the five-factor model for assessing the productivity level of sales and service personnel in the company from Ukrainian commerce sector, including the productivity level of sales and service personnel in the company, specific labor intensity, return on assets, the amount of material incentives in the total amount of the salary fund, staff efficiency and salary profitability of this model, the authors proved effective introduction of an additional remuneration system for trade and service personnel of the company from Ukrainian commerce sector and evaluated the effectiveness of the proposed additional system of remuneration.

Further on, authors will continue studying the problem of staff incentives by working out practical recommendations for the development and justification of the basic salary system for sales and service personnel of the company from Ukrainian commerce sector.

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