

The Essence and Importance of Wages in the Modern Economy

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Abstract

In this article, the nature and importance of wages in the modern economy of our country were analyzed. Also, one of the important issues of the organization of accounting in economic entities was the analysis of labour cost accounting. In our republic, issues of social protection of the population and improvement of its well-being are formed as an integral part of the state policy. The well-being of the population is largely related to the level of income received from wages. Despite the current global financial and economic crisis, measures are being taken in this direction in our country. At the moment, one of the important issues of the organization of accounting in economic entities is the development of the calculation and analysis of labour costs. The requirements for the calculation and analysis of labour costs are reflected in the national accounting standards and must be followed without deviation. Accordingly, special attention is now being paid to this issue.

Keywords: economic entities, labour cost accounting, social protection, accounting standards, state policy.

INTRODUCTION

The organization of remuneration for labour in enterprises should be aimed at encouraging the activity of employees, ensuring competitiveness in the finished product and labour market, and the necessary level of profitability and profit of products. The primary task in the rational organization of remuneration for labour is to achieve a balance between its size and the employee's contribution to the economic activity of the enterprise, that is, establishing a balance between the size of labour and the size of consumption. Because without it, the other goals of the organization of wages cannot be seriously and stably achieved [1,2].

In the conditions of market relations, wages are essentially a part of the income generated in the enterprise, which is distributed in accordance with the amount and quality of the labour spent by each employee and comes to the disposal of the employee in the form of money.

Externally, it appears as a reward for hard work. Because employees are attracted to the enterprise through the labour market, the payment of labour is the price of labour resources involved in the production process. In economic activity, in other words, in the accounting of the enterprise, wages are part of the costs of production and sale of products used to pay for the labour of the enterprise's employees [3,4,5].



Methodology

It should be noted that the above-mentioned principles of wage organization are mostly compatible with modern systems of timely payment of labour. In these systems, the payment of wages is not limited to taking into account the time worked, but the total amount of wages is calculated, taking into account the normative time required to complete the work. In particular, in the case of business remuneration payment, in addition to receiving remuneration for the time worked, the worker also receives a reward based on a certain percentage of this salary.

Labour costs are included in the cost of production as part of production costs and affect the profit of the enterprise. Labour costs include non-salary contributions (for example, to a pension fund). In general, there are costs of attracting employees to the enterprise and controlling the potential of the enterprise's labour resources. However, they are considered administrative expenses [5,6,7].

In a free economy, it is necessary to pay for the idleness of employees in the enterprise. The fee paid for the idle time of employees due to the fault of the administration should not be included in the cost of production but should be recorded in the profit and loss account. A charge for unavoidable downtime (for example, due to technology requirements) is included in the product price. Employees are paid overtime for the time worked outside of the main working hours. If this happens due to the fault of the administration, it is included in the account of damage, and in the case of technological necessity, it is included in the cost of the product. The economic stability of economic entities depends primarily on the level of use of material and labour resources. At the current stage of deepening the reforms, the issues of effective use of the company's labour resources and improvement of the calculation of labour wages are becoming more important. At the same time, in the current world financial and economic crisis, this issue becomes more urgent [8,9,10].

It is accepted to include its expediency, product of work and tools of work to the simple aspects of the labour process. If the objects of labour and the tools of production are not included in the living labour process, they cannot function by themselves. Living labour always consists not only of the relationship of people to nature but also of the relationship between the participants of the process.

In the conditions of establishing labour relations, an organizational system of remuneration for labour is created. The interests of employers and those who implement it, i.e. employees, are taken into account when organizing the payment of wages. Here, it is necessary to emphasize that in the transition to market relations, the parties should have equal rights in solving the issues of payment of labour, there is no doubt. Collective agreements concluded between the enterprise administration (or representative of the owner) and trade unions protecting the interests of employees become a legally practical and effective form of regulation of labour relations, including regulation of labour remuneration [11-16].

In market conditions, it is accepted to divide all wage systems into two large groups, which are called forms of wages, depending on what the main indicator is used to determine labour results. If the main measure of labour results is the finished product (the service provided), then we are talking about the business form of payment for labour. If the amount of time worked is



used as such a measure, in this case, we are talking about hourly wages. So, the form of salary consists of a specific category of salary payment systems, which are divided into groups according to the main indicator of taking into account the results of work when setting a price for payment.

One of the most important requirements for enterprise compensation systems is equal pay for equal work. This, in turn, requires that the indicators used to take into account labour results make it possible to assess the quantity and quality of the work of hired employees, as well as the norms related to these indicators. In this regard, in the experience of organizing wages, there are two types of normalization of labour: tariff normalization. Tariff standardization of labour is often carried out outside the scope of the enterprise, with the joint efforts of many enterprises. Organizational and technical standardization is provided independently by each enterprise, but its methods must be common to all enterprises, otherwise, the principle of equal pay for equal work is not within the framework of society as a whole [17-21].

The standard of product production is shown as the main labour standard in the payment of wages. This norm is also calculated based on the working period established by law. For the performance of the employee's main labour task - the norm, he receives a salary in the amount of the tariff rate. If this norm is not fulfilled or exceeded, the remuneration paid to the employee will be lower or higher than the tariff rate, respectively.

The socialist model of wage organization based on the law of distribution based on labour was based on the theory of the unity of personal, collective and public interests, and the principle of material interest based on uniting both the employee and the co-owners of the means of production into one person. In this, the main attention was paid to the interests of the nation and the community, only after that was the turn of personal interests. Accordingly, the salary of the employees is related to the results of the entire economy (through the level of tariff rates approved by the state management bodies and the means of payment of labour through economic regulations), with the results of the work of the entire enterprise (the amount of real wages received, based on centrally developed norms or labour cost norms calculated based on uniform methods) and connected with personal labour results of employees. These were reflected in the level of their salary and its dynamics.

The market model of wage organization is based on the value (price) of labour power and the variety of forms of ownership and does not unite the owner of the means of production and the employee into one person. Moreover, it does not make the employee's remuneration directly dependent on the results of the economic system as a whole. On the contrary, the market model assumes a clear division of functions between the owners of the means of production (individual and shareholder owners of enterprises) and wage workers. The owner of the means of production is materially interested in the positive results of the enterprise's work, its strengthening and development. He determines the technical policy, studies the market changes, determines what and in what volume, at what price, and to whom to sell, etc.

Results

Thus, in the market model of salary organization, the employee's interest in the results of his work is in the first place. This does not mean that the interests of the enterprise (the owner of



the means of production) and society (the state) do not affect the organization of wages.

Under the conditions of the market economy, the enterprise freely determines the forms, systems and amount of labour payment, as well as other additional fees and surcharges based on the laws of the republic.

Salary is the main source of employee income and is determined by their contribution to production, taking into account the final results of the enterprise's work.

The legal form of the statutory relationship between the business entity and the employees, including the part related to labour remuneration, is a collective or individual contract concluded between them, which clearly and clearly states the terms of remuneration for labour within the scope of the subject's right. In the conditions of modernization of the economy, the purpose of obtaining social security for employees is not only to cover the losses suffered by the population as a result of inflation but also to ensure the real growth of real incomes. Non-budgetary funds organized by the state (social protection, pension funds, employment fund, etc.) play an important role in the implementation of this guarantee. The order of organization and use of these funds is regulated by relevant legal documents. The above-mentioned funds are established at the expense of special resources and operate separately from the state budget, have their independence and are a source of financing for carrying out important social programs and events. That is why, in the current period, accounting for work and payment for it occupies one of the main places in the accounting system of the subject. Because its main tasks consist of the following:

- a) to calculate wages with employees (calculate wages and other payments, deduct appropriate amounts and pay the remaining amounts) promptly;
- b) v) timely and correct addition of the calculated labour wages and related deductions to the cost of the manufactured product;
- c) collection and grouping of indicators related to work and payment for operational management and preparation of relevant reporting data;
- d) timely and correct calculation of social insurance, pension and employment funds.

Conclusion

In the conditions of establishing labour relations, an organizational system of remuneration for labour is created. The interests of employers and those who implement it, i.e. employees, are taken into account when organizing the payment of wages. Here it is necessary to emphasize that in the transition to market relations, the parties should have equal rights in solving the issues of labour remuneration.

Collective agreements concluded between the enterprise administration (or representative of the owner) and trade unions protecting the interests of employees become a legally practical and effective form of regulation of labour relations, including regulation of labour remuneration.



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