

## WAYS TO EFFECTIVELY USE MATERIAL INCENTIVES THAT INCREASE LABOR EFFICIENCY

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**Abstract.** This article explores ways to effectively use labor incentive resources at enterprises in the exploration industry in order to increase labor efficiency. At the enterprises of the exploration industry, the sources of labor stimulation, divided into material and spiritual types, are analyzed, and ways to improve labor efficiency through their effective use are proposed.

**Keywords:** labor efficiency, labor productivity, labor quality, material incentives, moral encouragement.

In addition to salaries, employees and employees of exploration industrial enterprises are provided with various material and non-material incentives. Material incentives are important in increasing the responsibility of workers and employees in the production process and improving labor efficiency. Financial incentives will always be a means of encouraging employees to work. However, it should also be borne in mind that material incentives require significant costs for a manufacturing enterprise.

Labor stimulation is effective only if the enterprise can reach the level of remuneration by the management body and keep it at this level. The purpose of promotion is not to encourage employees to work effectively, but to encourage them to work more efficiently than is defined in the employment relationship. There are several functions of motivation of workers and employees:

- Social function. This is ensured by the formation of the social system of society, taking into account different income levels. These incomes largely depend on the influence of motivational factors on different people;
- Economic function. It manifests itself in the promotion of production efficiency in production. This is reflected in increasing labor productivity and improving product quality;
- Spiritual and moral function. Determining the active life position of workers and employees, increasing their confidence in the future, forming a healthy moral and social environment in society. It is important to form a motivation system taking into account national traditions and historical experience.

The above factors include the following when introducing types of labor incentives into production: the level of economic development; the financial capabilities of the enterprise; the policy of encouraging workers and employees based on work results; competitiveness in the labor market; opportunities to increase labor productivity at the enterprise; the material and moral condition of employees; age and gender should be taken into account.

Material incentives in production are a set of targeted costs for the reproduction of labor, increasing labor contribution and labor results in production. The main purpose of financial incentives is to direct the work of employees to achieve the strategic goals of the enterprise, in other words, to coordinate the material interest of employees with the strategic

goals of the enterprise. Financial incentives for exploration industrial enterprises have the following objectives:

- Ensuring an increase in labor productivity. It determines an increase in production, a decrease in the volume of labor and the completion of a given amount of work before the specified deadline;
- Improving the quality of products (works, services). It consists in increasing the weight of high-quality products in the total volume of production, achieving compliance with the standards and specifications of the products;
- Involvement of workers and employees in production. Exploration industrial enterprises compete with each other in the labor market for attracting the specialists they need (qualified, educated). Financial incentives are an important factor in attracting the necessary workers and employees to the enterprise;
- Reduction of material costs. Achieving savings in raw materials and fuel and energy resources used in production;
- Rationing of financial incentives. As part of the cost of production, regular control of the costs of material incentives, which allows you to hire the necessary workers and employees for the production process.

The main tasks of material incentives may contradict each other to a certain extent (for example, attracting qualified workers and employees to work when rationing material incentives). In such cases, the management of the enterprise should rationally apply the tasks of material incentives.

The organization of financial incentives at exploration industrial enterprises is not only a complex process, but also imposes certain requirements on it. It consists of:

- The general embodiment. Ensuring the harmony of material, moral and personal incentives. It depends on the views on the management of employees at the enterprise and the experience and traditions accumulated during the activity of the enterprise;
- Individual approach. A group approach to the promotion of the disadvantaged among workers and employees. Also, the approaches to a young inexperienced servant worker who has just started working in production and to an experienced worker who has worked for many years should be equal;
- Availability and speed. The fact that workers and employees have the opportunity to claim all incentives, in accordance with the changes taking place in society and society;
- Satisfaction. This indicates that there is a certain level of material incentives that have impressive power. This level lies in the fact that for some workers and employees, even a small amount of material incentives can lead to a sense of satisfaction with this incentive, and for other workers and employees they may not be satisfied with material incentives exceeding a small amount. This feature should be taken into account when determining the lower level of financial incentives;
- Increased accessibility. It is necessary to take into account the constant increase in the amount of financial incentives. A one-time big reward gives workers and employees hope that the next reward will be no less than this big reward. This hope, if it does not justify itself in the future, will lead to a decrease in enthusiasm for work. Therefore, no matter how high the level of financial incentives is, it is impractical to try to reduce it.

Reducing the gap between the results of workers' work and the wages paid to them at exploration industrial enterprises is of great labor and production importance. At enterprises and firms in many developed countries, the payment of weekly and daily wages to employees has been introduced. It even proves that the amount of material incentives can be reduced. Because most of the workers and servants say: "Take it now, at least less!" or "Give it now, at least a little!" will be in your thoughts. In addition, the fact that financial incentives are often applied and related to performance is impressive.

The correct organization of its functions and factors is important in stimulating the work of workers and employees of exploration industrial enterprises. This makes it possible to increase labor productivity at the enterprise, improve product quality, and effectively use labor incentive funds.

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