Development of the Employee Remuneration System in Housing and Communal Services Organizations in the Russian Federation: Case of the Homeowners Association “Sokolnicheskaya Slobodka”

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Abstract: The article examines the modern employee remuneration system of organizations in the sphere of housing and communal services in the Russian Federation. By conducting an empirical study, it is shown that the existing system of remuneration has a number of shortcomings that negatively affect labor productivity and the quality of the provision of housing and communal services. To improve the remuneration system, according to the authors, flexible forms of remuneration have a high potential for implementation, which should motivate employees to increase the quality and timeliness of the provision of housing and communal services. It is important to integrate a flexible remuneration system based on the performance indicators of employees with digital technologies, which should provide transparency and fairness in the process of determining the level of remuneration and payroll.

1. Introduction
In modern conditions, the most important sphere of the national economy that ensures the vital activity of cities is the housing and communal services (HCS). Researchers Kuznetsova A.I., Dolmatova A.V. and Smirnova A.S. note that housing and communal services are one of the main spheres of life support for Russian citizens and a factor that determines the state of national security [6, 16]. An important factor in the process of ensuring the functioning of the housing and communal services is the formation of an effective system of remuneration of employees, which determines labor productivity and the quality of the provision of the HCS. The efficient organization of labor at the enterprise of the housing and communal services is the basis for increasing labor productivity, the quality of manufactured products and services provided. A key factor in the effective organization of labor is a properly built system of remuneration of labor at a HCS enterprise. The average accrued wages of workers employed in the housing and communal services sector for the provision of electricity, gas, steam and air conditioning for the period from 2017 to 2019 increased by 4,734 Russian rubles and amounted to 49,366 rubles at the end of 2019. Thus, it can be noted that the level of wages of these workers is higher than the average wage in the Russian Federation (RF), which in 2019 amounted to 45,521 rubles, by 3,845 rubles. However, the level of wages of workers employed in the water supply, wastewater disposal, waste collection and disposal industry, pollution elimination...
activities in 2017 amounted to 29,097 rubles, and by 2019 increased by 13.5% and amounted to 33,039 rubles, which is 12,482 rubles below the average salary in the Russian Federation.

In today’s environment, the issues of remuneration system for housing and communal services effectiveness in the Russian Federation, indicators for assessing labor efficiency, accounting for the diffusion of digital technologies into the remuneration system are being actualized. A number of authors (Povarova E.S., Rudenko L.G., Ruban M.S., Khovanskaya I.D.), in their articles, link the importance of building an effective, flexible remuneration system for the organization’s labor with indicators of team productivity. They point to the importance of developing and implementing an effective system of performance indicators for the organization’s employees in order to increase labor productivity and the quality of services provided [10, 12, 14, 15]. In order to further develop the above areas of activity in the housing and communal sector of the Russian Federation, this study is supposed to carry out a research and analysis of the main elements of the existing system of remuneration and propose methods for its improvement.

2. The main elements of the remuneration system in the housing and communal services of the Russian Federation

In the system of housing and communal services of the Russian Federation, the remuneration system is established by local regulations at the level of the HCS organization. Sectoral norms characterizing the structure of the remuneration system at the level of the HCS organization, containing the key requirements for its composition, are regulated by sectoral agreements concluded between sectoral employers’ unions and trade unions. In modern conditions in the Russian Federation, there is an “Sectoral Tariff Agreement in the Housing and Communal Services of the Russian Federation for 2017-2019”, which regulates the relationship between the employer and the employee in the housing and communal sector, defining the structure of the remuneration system, the minimum tariff rate worker of the first category, remuneration scale and a number of other areas of regulation. This agreement has been extended until 2022.

Figure 1. Elements of the remuneration system in the Housing and Communal Services of the Russian Federation.
The Supplementary Agreement to the “Sectoral Tariff Agreement in the Housing and Communal Services of the Russian Federation for 2017-2019” regulates in more detail the elements and standards of the remuneration system in the HCS organization of the housing and communal services in the Russian Federation. According to the additional agreement, a number of elements of the remuneration system in the HCS organization can be identified (Figure 1).

The data in Figure 1 show that the remuneration system for managers and specialists includes fixed salaries based on the position and qualifications of the employee. The structure of remuneration for technical employees includes the tariff component of labor costs, which is calculated based on the minimum tariff rate for an employee of the first category, adjusted for discharge coefficient based on the tariff scale approved by the industry agreement. Depending on the financial and economic condition of the housing and communal services organization, the company has the right to establish wages in an amount exceeding the provisions enshrined in the industry agreement. The size of the minimum monthly wage rate is the basis for the annual (quarterly) indexation of the wage fund and the differentiation of wages for all professional and qualifying groups of employees, taking into account the existing industry proportions in wage levels.

The second element of the remuneration system for technical employees is compensatory and incentive payments, which include incentive bonuses, compensations related to the work schedule and working conditions, and compensation for work outside the place of permanent residence or in areas with special climatic conditions. The labor legislation provides for an extensive list of compensatory and incentive allowances, which guarantee their inclusion in the system of remuneration of housing and communal services employees. In addition to bonuses related to working conditions in the organization of the housing and communal services sector, compensation payments are established for work outside the place of permanent residence or in areas with special climatic conditions.

Payments related to the provision of guarantees and compensations to employees working in the Far North and similar areas are paid as the district coefficient for work in harsh climatic conditions, interest payments for the entire salary for continuous service in such areas, payments for travel to and from the place of vacation, as well as a number of other compensation payments. In addition, the housing and communal services remuneration system uses incentive bonuses. The provisions of the Supplementary Agreement to the “Sectoral Tariff Agreement in the Housing and Communal Services of the Russian Federation for 2017-2019” regulate a number of additional payments with incentive character aimed at increasing labor productivity in the housing and communal sector. These surcharges include professional allowances, personal allowances, and a number of other payments that may be set by the organization of housing and communal services in an arbitrary order. In this case, the share of bonuses for financial, economic and production performance of employees should not exceed 50% of the tariff component, which is directed to labor remuneration. An HSC organization may increase the amount of bonuses, if it is provided by the collective agreement and (or) local regulations.

The provisions of the sectoral tariff agreement in the housing and communal services of the Russian Federation give the right to HCS organizations to independently establish a system of bonuses for employees, which, as a rule, takes into account a number of factors in aggregate: production efficiency and improving the results of financial and economic activities; absence of accidents and no increase in incidents in the reporting year in comparison with the previous calendar year; no increase in injuries in the reporting year compared to the previous calendar year; absence of fatal accidents at work; timely receipt of an organization’s readiness passport for the autumn-winter period; absence of violations of production discipline, labor protection and safety rules; participation in public work and management of the housing and communal services organization (Art. 52, Art. 53, Art. 46, Art. 41, Art. 165 of the Labor Code of the Russian Federation); availability of a qualification level confirmed by the Certificate of Professional Qualification; participation in competitions of professional skills.

At the same time, the average monthly salary and remuneration of managers should not exceed eight times the corresponding average monthly salary and charges to employees of the HCS organization. The indicators of the labor activity efficiency of employees of the housing and
communal services organization are established by local regulations at the level of the HCS organization itself and the remuneration systems in this part may differ.

3. General characteristics of individual elements of the remuneration system in the housing and communal services of the Russian Federation

In the work of Deryabina E.V. the frequency of the use of various indicators that are used in the HCS organizations of the Russian Federation in the process of employees’ awarding or bonus deprivation was studied (Table 1 and 2).

**Table 1.** General sectoral indicators of bonuses for housing and communal services employees when using traditional forms and systems of remuneration [5].

| Indicator                                                                 | Frequency of application at HCS enterprises |
|---------------------------------------------------------------------------|--------------------------------------------|
| High-quality and timely maintenance of residential buildings, their safety and improvement | +                                           |
| High-quality execution of tasks, requests                                 | +                                           |
| No incidents, accidents caused by employees                               | +                                           |
| No complaints from the public                                            | +                                           |
| Compliance with safety and health regulations, labor protection          | +                                           |
| Fulfillment and overfulfillment of the income plan from the sale (supply) of products (provision of services) to the population* | +                                           |
| Prevention of accidents at structures and transfer devices due to the fault of these enterprises* | +                                           |
| Saving material and labor costs*                                          | +                                           |
| Saving material and labor costs*                                          | +                                           |
| Commissioning and development of new facilities (structures, devices)*    | +                                           |
| Introduction of new technology and                                        | +                                           |
Table 2. General industry indicators of bonus deprivation of housing and communal services employees when using traditional forms and systems of remuneration [5].

| Indicator                                                                 | Constantly | Often | Rarely | Practically not used |
|---------------------------------------------------------------------------|------------|-------|--------|----------------------|
| Late arrival at the workplace (more than 30 minutes) from the beginning of the working day | +          |       |        |                      |
| Absence for work without a valid reason, appearance in a state of alcoholic or drug intoxication | +          |       |        |                      |
| Failure to comply with the order of the head                               | +          |       |        |                      |
| Complaints in connection with poor quality, untimely service to the population | +          |       |        |                      |
| Performing non-production work during working hours                        | +          |       |        |                      |
| Violation of safety and health regulations                                 | +          |       |        |                      |
| Late execution of orders due to the fault of the worker during the working day | +          |       |        |                      |
| A complaint about a completed application or the fact of receiving money from the population for work performed at the expense of building maintenance fees | +          |       |        |                      |
| Repeated execution of applications (defective work)                        |            |       | +      |                      |
| Failure to fulfill the plan for current repairs                            | +          |       |        |                      |
in value and in kind

Non-fulfillment of the plan for paid applications in value terms

Untimely professional inspection:
- availability of water in basements;
- lack of heat in apartments, entrances through the fault of the worker;
- unsatisfactory water supply due to the fault of the worker

+ 

The data in tables 1 and 2 show that in the process of determining the amount of bonuses for housing and communal services employees, indicators of the employee’s personal labor contribution, the level of his qualifications and a number of other, individual indicators are not taken into account. This reduces the bonuses factor as a tool to motivate housing and communal services employees to increase productivity. The bonus, as a tool of motivation in the eyes of a worker in the housing and communal services sector, becomes a mandatory payment and ceases to perform the function of motivation to increase labor productivity. A similar trend is noted by N.P. Suptelo, in the article “Formation of a Flexible System of Material Incentives for Employees in the Organization” indicating that the bonus, which is not linked to the results of the employee’s work, is perceived by the latter as a natural addition to wages and does not affect the productivity of his labor [18, 19]. Thus, it can be stated that the bonus does not fully fulfill its traditional functions in the form of stimulating, regulating, motivating and reproductive functions.

4. Study of the remuneration system in the Homeowners Association “Sokolnicheskaya Slobodka”

The remuneration system in the investigated housing and communal services enterprise is a management tool that supports decision-making, planning and control processes. The considered system predetermines a certain list of conditions and factors that could provide for a high level of employee motivation. In this regard, the most important of them are the benefits that a HCS company receives from a decrease in the level of staff turnover, the preservation of key competencies and employees who have these competencies, as well as the preservation and augmentation of valuable knowledge within the enterprise, which allows to ensure an increase in productivity and quality of labor. Researcher V.R. Avanesyan notes the importance of building effective remuneration system as a motivation tool for increasing the efficiency of production of services in housing and communal services [3]. This creates the need to develop an effective bonus system linked to the performance indicators of housing and communal services employees.

In the concept of bonus systems by S. Benkovsky, a formula is presented that integrates the criteria of productivity and quality of labor with the level of its payment in enterprises that provide services, including housing and communal services [16]. This formula looks like:

\[ Z = c \cdot t + z \cdot q \cdot c \]  

where: \( Z \) is the employee’s salary, 
\( c \) – hourly tariff rate, 
\( t \) – actually worked time, 
\( z \) – coefficient taking into account the amount of bonuses,
q – coefficient that takes into account the amount of additional payments and the qualitative characteristics of labor.

The coefficient taking into account the amount of bonuses is calculated using the following formula:

\[ Z = c \cdot t + m (T - t) \cdot c \]  

(2)

where: T – time norm, 
\( m \) – coefficient of the bonuses amount.

The coefficient taking into account the amount of additional payments and the qualitative characteristics of labor is calculated using the following formula:

\[ q = 1 - (i \cdot b) \]  

(3)

where: \( i \) – multiplier calculated as the ratio of direct costs to labor costs 
\( b \) – number of erroneous work actions to their total number (personal rating of the employee).

The implementation of the above formulas as the basis for the formation of a remuneration system for enterprises in the service sector may raise some doubts, however, the development of individual assessment criteria (for the formation of an employee’s personal rating) could, in our opinion, rather quickly correct the situation and would sooner introduce digital methods in the organization of the remuneration system in the housing and communal sector.

In order to test the hypothesis put forward by us, studies were carried out on the methods of functioning of the remuneration system at the housing and communal services enterprise of the Homeowners Association “Sokolnicheskaya Slobodka” based on the use of the method of sample questioning and interviewing. During the survey, the research tool was distributed selectively to individual workers who were identified on the basis of a random sample. In total, 50 people took part in the study, of which 35 were women and 15 were men. Age category was from 30 to 50 years old, employees with secondary education dominated. The full composition of the respondents is presented in Table 3.

Table 3. Characteristics of respondents participated in the survey.

| Gender   | Number | %   | Place of work | Number | %   |
|----------|--------|-----|---------------|--------|-----|
| Female   | 35     | 70% | Head          | 3      | 6%  |
| Male     | 15     | 30% | Specialist    | 6      | 12% |
| Age      |        |     | Management employees | 11     | 22% |
| Up to 30 years | 2 | 4% | Housing and communal services employees | 26 | 52% |
| From 31 to 40 years | 36 | 72% | Others | 4 | 8% |
| From 41 to 50 years | 10 | 20% | Duration of work | Number | % |
| More than 50 years | 2 | 4% | Less than a year | 2 | 4% |
| Education |        |     | From one to 2 years | 6 | 12% |
| Higher   | 9      | 18% | 2 to 5 years old | 14     | 28% |
| Secondary | 27     | 54% | 5 to 10 years old | 24     | 48% |
| Secondary special | 12 | 24% | Over 10 years | 4 | 8% |
| Professional | 2   | 4% |                |        |    |
The conducted research shows that in relation to the group of respondents under consideration, such components of remuneration are used as: base salary, bonus, as well as additional payments (individual supplement, supplement for work and supplement for work at night, on Sundays and on holidays). The main motivating role in this case is played by wages, the rest of the components of wages mentioned above also have a fairly high motivating value. The surveyed workers assessed the impact of overall motivation within the remuneration system on a scale of 1 (very low) to 5 (highest impact).

The main part of the study was devoted to assessing the fairness of the current system of incentives and remuneration. According to 18 respondents (36%), the remuneration system in the company under consideration is fair only in relation to selected employees. A group of 34% of respondents consider the system unfair and 4% fair only for selected professional groups. A further 13 respondents, or 26%, believe that the current remuneration system in the company is generally fair for all personnel. Thus, the results obtained raise some concern about the formation of a sense of fairness in the remuneration system of employees.

Therefore, in the final part of the study, other additional characteristics of the remuneration system used in the company were analyzed, such as flexibility, transparency and ease of understanding, individual assessment criteria (to form the employee’s personal rating). The respondents rated the quality of these characteristics as before on a scale from 1 (very low) to 5 (very high). The listed characteristics of the remuneration system were assessed as follows:

- easy understanding of the remuneration system (average: 3.18, dominant – 3),
- transparency of the remuneration system (average: 2.78, dominant – 3),
- flexibility of the remuneration system, individual assessment criteria (average: 2.38, dominant – 3),

As can be seen from the research results, the respondents assessed the above characteristics at the average level, which may indicate the average level of efficiency of the motivating part of the remuneration system as a complex system of motivation at the enterprise. The key issue in shaping decisions on material motivation is the construction of the internal structure of individual remuneration. The components of the individual remuneration for the work performed, the requirements for the level of productivity and quality of work, as well as the qualification potential of the employee should be more pronounced.

It should also be noted a small number of criteria in the field of activities of housing and communal services organizations in the process of determining employee bonuses. It is also important to accrue a bonus from direct tariff earnings with fixed rates of the uniform tariff scale, which are initially underestimated. All this reduces the motivation of employees in housing and communal services to increase labor productivity.

An important problem in the sphere of operation of the traditional system of remuneration at housing and communal services organizations is the lack of effective tools for the economic motivation of employees to increase the efficiency of their work. The most frequently used tool for increasing motivation was the phenomenon of bonus deprivation, with which workers began to put up with, by replacing lost funds with income from illegal earnings, which they receive from consumers of housing and communal services.

As for intangible tools not related to wages, but used in this enterprise: such as joint holidays, travel, insurance, payment for medical care in private centers, food and purchase of food at reduced prices, they do not have a significant impact on the motivation of workers. In this case, the purpose of using these factors is to form a certain psychological state in the team and create an atmosphere of trust and mutual assistance.

The study also shows that in modern conditions, bonus deprivation of HCS workers for violation of the criteria presented in Table 2 is used more often than bonuses and is determined subjectively by the manager and often unfairly [4, 5]. These factors provide an unstable psychological state in the team and affect the work performance, as well as do not contribute to a sense of fairness to the system of remuneration of employees in the industry.
5. Conclusion
In our opinion, one of the directions of increasing productivity in the housing and communal services of Russia, in modern conditions, should be a set of measures aimed at the introduction of the key performance indicators of employees’ labor into the activities of HCS enterprises and their integration into the remuneration system in determining bonuses for employees. The use of digital technology in the process of recording the personal labor contribution of an employee in the housing and communal services on the basis of advanced software and blockchain technology will increase the transparency and impartiality of determining the level of remuneration, as well as motivate employees of HCS enterprises to increase productivity and quality of work.

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