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THE REMUNERATION SYSTEM IN JOINT-STOCK COMPANIES

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Abstract. This article analyzes the theoretical and practical aspects of the remuneration system in joint-stock companies. It examines forms of wages, incentive mechanisms, specific features of remuneration under corporate governance, and its relationship with labor productivity. In addition, scientific conclusions are presented on the directions for improving the wage system in the context of the modern economy.

Keywords: joint-stock company, remuneration, wages, incentives, bonus system, corporate governance, labor productivity.

In today's market economy conditions, the efficient organization of enterprises, ensuring their financial stability, and the rational management of human resources have become highly important issues. In particular, joint-stock companies, as one of the leading organizational and legal forms of the economy, actively participate in production, service provision, and investment processes. In such enterprises, the remuneration system serves not only as the main mechanism for determining employees' income but also as an important factor ensuring the overall efficiency and competitiveness of the company.

The remuneration system is an economic and organizational mechanism that provides material incentives to employees based on their work results, qualifications, experience, and contribution to the enterprise. In joint-stock companies, the formation of this system is complex, as it is closely linked with employment contracts, internal corporate policies, financial results, and labor legislation established by the state.

Furthermore, the remuneration system in joint-stock companies has a multi-component structure, including basic wages, additional payments, bonuses, and KPI-based incentive systems. The proper organization of this system contributes to increasing employee productivity, improving the internal motivation environment of the enterprise, and ensuring the efficient use of human capital.

The study of the remuneration system in joint-stock companies is currently considered one of the most relevant issues, as it is directly connected with a range of economic, social, and managerial factors.

Firstly, in the modern economy, human capital has become a key factor of enterprise competitiveness. The level of employees' knowledge, skills, and motivation directly affects production efficiency. Therefore, the proper organization of the remuneration system is one of the main conditions for the success of an enterprise.

Secondly, joint-stock companies are often large enterprises with significant production and financial resources. In such organizations, the remuneration system has a complex structure, and its improper organization may lead to increased financial costs, reduced labor productivity, and higher staff turnover.

Thirdly, in the context of globalization and the digital economy, strong competition has emerged in the labor market. This forces enterprises to implement modern, transparent, and incentive-based wage systems in order to attract and retain employees. In particular, KPI-based evaluation, bonus systems, and performance-oriented remuneration mechanisms are widely used.

Fourthly, the remuneration system is closely linked with the state's social policy, as it directly affects the population's living standards, social stability, and income inequality.

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Therefore, improving wage systems in joint-stock companies has not only economic but also social significance.

Fifthly, digitalization processes and the development of modern HR technologies are expanding opportunities for automating and optimizing remuneration systems. Through ERP and HRM systems, wage calculation, KPI monitoring, and incentive processes are reaching a new stage of development. This further increases the scientific and practical relevance of the topic.

Based on the above, a deep study of the remuneration system in joint-stock companies, identification of ways to improve its efficiency, and development of modern management approaches are among the most important scientific and practical tasks of today.

The issue of remuneration systems in joint-stock companies has been widely studied in economic literature by both classical and modern scholars. These studies primarily focus on the theoretical foundations of wages, incentive mechanisms, and the impact of remuneration on labor productivity and organizational efficiency.

Classical economic theory provides the basis for understanding labor remuneration as an economic category. In the works of Adam Smith and David Ricardo, wages are considered a key component of production costs and an important factor influencing labor supply and economic development. Their contributions laid the foundation for later studies on labor motivation and income distribution.

In modern economic literature, the relationship between remuneration systems and enterprise performance has been examined in greater detail. For instance, Eugene F. Brigham and Joel F. Houston emphasize that effective human resource management and incentive systems significantly contribute to improving corporate financial performance and productivity. According to their research, properly designed compensation systems enhance employee motivation and increase overall organizational efficiency.

From the perspective of corporate governance, researchers such as Michael C. Jensen and William H. Meckling highlight the importance of aligning managerial incentives with shareholder interests. Their agency theory explains that well-structured remuneration systems reduce agency conflicts and improve corporate governance effectiveness, particularly in joint-stock companies.

In accounting and management literature, scholars like Christopher Nobes and Robert Parker analyze the role of financial reporting standards in ensuring transparency of employee compensation and corporate expenses. Their studies emphasize the importance of international financial reporting standards (IFRS) in improving comparability and transparency in corporate remuneration practices.

In addition, researchers from CIS countries such as V. F. Palii and Ya. V. Sokolov have made significant contributions to the development of accounting methodology, including wage accounting and its reflection in financial statements. Their works provide a methodological basis for understanding the integration of financial and management accounting in remuneration systems.

Recent studies also focus on the impact of digital transformation on remuneration systems. The implementation of ERP and HRM systems, artificial intelligence, and big data analytics has significantly changed the way wages and incentives are calculated and managed. These technologies enable real-time performance monitoring and more transparent incentive mechanisms, which are particularly important for large joint-stock companies.

However, a review of the existing literature shows that although general aspects of remuneration systems are well studied, there is still a lack of comprehensive research on the specific features of wage systems in joint-stock companies under digital transformation and rapidly changing economic conditions. This creates a need for further scientific investigation in this area.

The remuneration system in joint-stock companies plays a crucial role in ensuring employee motivation, improving productivity, and enhancing overall corporate efficiency. However, in

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practice, several systemic problems can be observed that hinder the effective functioning of wage systems. Identifying these problems and developing appropriate solutions is essential for improving human resource management in such enterprises.

One of the main problems is the lack of transparency in remuneration policies. In some joint-stock companies, employees may not clearly understand how wages, bonuses, and incentives are calculated. This situation can lead to dissatisfaction, reduced motivation, and a decline in employee performance. To address this issue, it is necessary to implement transparent and well-structured remuneration policies, clearly defining criteria for wage calculation and bonus distribution.

Another significant issue is the insufficient linkage between performance and remuneration. In many cases, wages are not directly connected to individual or team performance indicators. As a result, highly productive employees may not receive adequate recognition, while overall efficiency remains low. This problem can be solved by introducing KPI-based performance evaluation systems and performance-oriented bonus schemes.

A further challenge is the high turnover rate of qualified personnel. Inadequate wage levels and weak incentive mechanisms often lead skilled employees to seek better opportunities elsewhere. To mitigate this issue, joint-stock companies should develop competitive compensation packages, including financial and non-financial incentives such as career development opportunities, training programs, and social benefits.

Additionally, the lack of digitalization in remuneration management remains a serious concern in some enterprises. Manual calculation of wages increases the risk of errors, delays, and inefficiencies. The solution to this problem lies in the implementation of modern HRM and ERP systems, which allow automated payroll processing, real-time monitoring of employee performance, and improved data accuracy.

Another important issue is the imbalance between fixed and variable components of wages. In some companies, fixed salaries dominate, while performance-based incentives are weak. This reduces employee motivation to achieve higher results. To solve this, it is recommended to increase the share of variable pay linked to performance outcomes and company profitability.

Finally, external economic factors such as inflation and currency fluctuations may negatively affect the real value of wages. To address this, companies should introduce regular wage indexation mechanisms and adaptive compensation policies that reflect macroeconomic conditions.

In conclusion, improving the remuneration system in joint-stock companies requires a comprehensive approach that includes transparency, performance-based incentives, digital transformation, and alignment with economic conditions. The implementation of these measures will contribute to higher employee motivation, increased productivity, and stronger corporate performance.

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