
**ЕКОНОМІКА ПІДПРИЄМСТВА:
ПРОБЛЕМИ ТА ПЕРСПЕКТИВИ
ЕКОНОМІЧНОГО ТА СОЦІАЛЬНОГО РОЗВИТКУ XXI СТОРІЧЧЯ**

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**THE FEATURES OF THE MOTIVATION FUNCTION'S DIVIDING
BETWEEN HR- AND LINE MANAGER**

Recently, many employers have recognized that staff motivation includes a wider range of motivational tools, in addition to the «classic» ones – material incentives or the threat of dismissal (so-called «carrots and sticks»). Consequently, the most popular questions are: «How to identify the distinctive employee's qualities and his interest area?», «What motivation methods are rationally used taking into account the knowledge gained?», «Who is responsible for staff motivation – line manager or HR manager?». Exactly the last one question is the basis for further research.

First of all, it is necessary to make a comparative analysis of the line manager's and HR manager's functions.

The line manager is entrusted with a number of tasks and functions which have to be performed in order to the working process to be organized: setting clear and precise goals, explaining important work information, taking into account the qualifications and professionalism of employees, coordinating their actions, accepting work after it is completed and monitoring for the quality of its implementation, regular analysis of the employees' works, the adoption of measures to rally the working team, increase productivity [2]. On the basis of the data obtained, the manager should promote the most productive employees and take measures to those who do not meet the required metrics.

HR manager's tasks and functions are to create the right conditions for employees to be as efficient and satisfied as possible – creating appropriate working conditions and conditions for professional growth and development; working with the psychological climate and teamwork. Also, the HR manager is responsible for processes as adaptation, motivation, training, development, evaluation, rotation; optimization of any processes, standardization for more efficient work [1].

Considering this issue, we have to introduce a third subject of business relations within the company – the director or owner (the key figure of any organization), which

creates the corporate culture's foundations and sets certain tasks that he expects to be done by line managers. Thus, exactly he may adjust both HR manager's and line managers' work. Schematic dividing of responsibilities in relation to human resources is depicted in Fig.1.

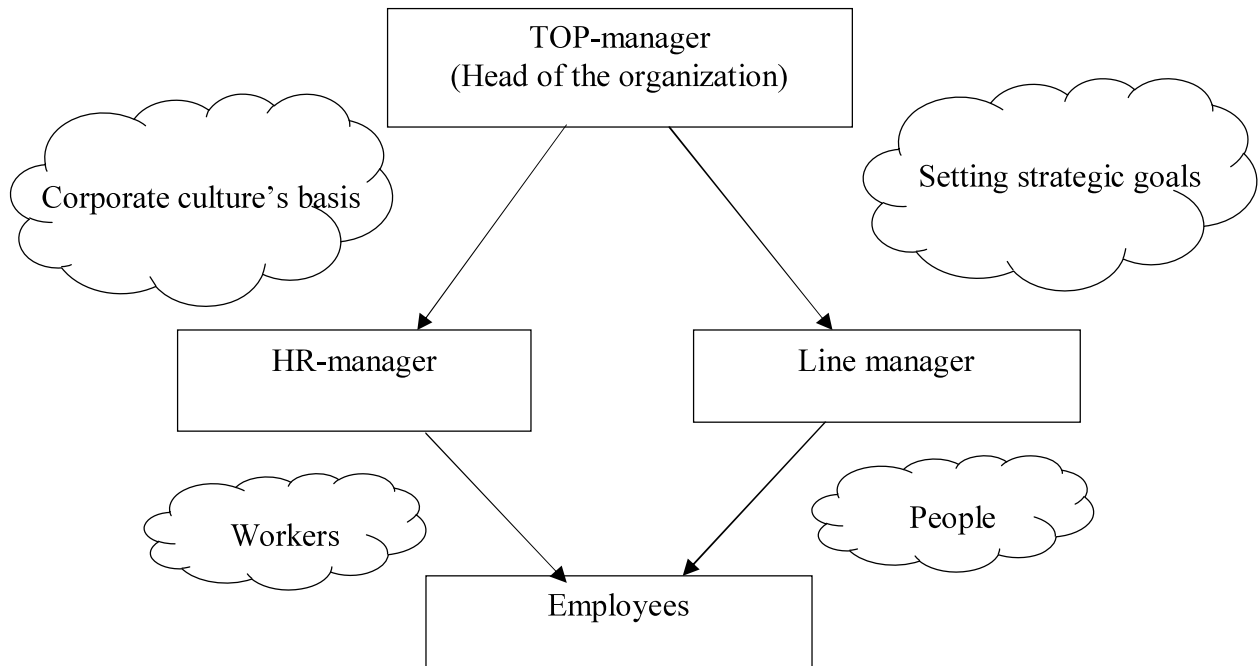


Fig. 1. Responsibilities for human resources [3]

Having received information from a TOP manager, HR manager considers employees as workers which could be evaluated by certain indicators and then, using the data obtained, takes some steps to meet the ultimate goal (established performance metrics, corporate culture's principles, etc.). In turn, the line manager considers employees as a team, in which everyone has distinctive knowledge and abilities.

Returning to the main study's question – how the motivation function should be divided between HR- and line manager –we should note that the last one influences the most on the employees' reward and at the same time line managers should influence on whole team rewards' system [4]. This system is considered to be the most effective when there are clear criteria for evaluating productivity and performance, which, in turn, is the area of HR's activity – assistance in creating a system of fair evaluation, rewards based on the results of this evaluation, as well as compliance analysis of the selected rewards system with market offers (competitiveness compensation package).

Thus, we believe that the most effective dividing is next: line manager uses the methods proposed by HR manager, while direct interaction on motivation's issues should occur strictly between the employee and his manager in order to obtain an effective effect.

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SHADOW ECONOMY. CAUSES OF THE SHADOW BUSINESS IN UKRAINE

The concept of the shadow economy today has no generally accepted interpretation, and therefore there are various interpretations of this definition. So F. Smith defines the shadow economy as the market production of legal or illegal goods and services that have escaped detection in official GDP estimates [2]. F. Schneider and D. Enst understand the concept of the shadow economy as all types of economic activity, “which would normally be subject to taxation if they were presented to the tax authorities” [1].

In this study, the shadow economy refers to those activities that “... are completely legitimate, but at the same time, are hidden from public authorities in order to evade taxes and social insurance contributions; evading the need to follow certain standards and administrative procedures provided for by law” [3].

The causes of the shadow business differ for different regions of the world, however, it is possible to identify the main groups of factors that contribute to the development of the informal sector.

1. Economic factors: high taxes (on profits, income tax, etc.), restructuring of economic activities, imperfection of the privatization process, the crisis of the financial system and the impact its negative effects on the economy as a whole, activity unregistered economic structures.

2. Social factors: the low standard of living of the population that promotes the development of hidden economic activities, high unemployment rate (including unofficial or hidden) and orientation part of the population to receive income in any way that is uneven distribution of gross domestic product.

3. Legal factors: imperfection of tax legislation, corruption of public servants and law enforcement structures, the imperfection of the state mechanism to combat economic crime, insufficient law enforcement structures to curb illegal and criminal economic activities [4].