

Wages in Municipal Sport Facilities

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Abstract: The article describes the results of analysis of wages in municipal sport facilities as exemplified by Zenith Sport Complex in Volgograd. It is shown that minimum level of wages in this facility is lower than it was provided by Volgograd regional agreement and this prevents the wages system to perform its main function-stimulate growth of labour productivity.

Key words: Sphere of physical culture and sport • Municipal sport facilities • Wages • Minimum monthly wage • Regional agreement

INTRODUCTION

Formation and development of municipal sport facilities performs key function in socio-economic development of regions [1] because the main target of their activity is improvement people's health and therefore achievement of increment in human potential of the region as a whole. One of the main conditions of effective activity of municipal sport facilities is the ability of their wage systems to perform its key functions: to stimulate and reproduce [2]. Such problems can be referred to both Russian sport facilities and world sport structures [3-7]. Many authors have suggested that labour plays a paramount role in the supply of sport.

Wages in municipal sport organizations are regulated by municipal government bodies which are supported by Federal legislation [9]. Wages in municipal organizations of Volgograd are assigned by Resolution of Volgograd City duma [10], which is in force up to present time (the end of 2013).

In spite of the fact that experts and economists have proved that rating system of payment for the labour of employees has become obsolete, wages in municipal sport organizations are based on this system. The Resolution states that monthly wage of an employee, who has worked for the whole number of hours can not be lower than minimum monthly wage, approved by the Russian Federation laws.

Regional agreement in regard to Volgograd region says that minimum monthly wage is equal to the size of minimum costs of living for active population, multiplied by 1,2 [11]. Minimum costs of living for active population in the 3rd quarter of 2013 was equal to 7193 roubles [8]. Minimum monthly wage in the Russian Federation since January 1, 2013 is 5205 roubles [9]. Therefore Decision of Volgograd Duma set minimum monthly wage for municipal sport facilities which is 1,7 times lower than the level approved by Volgograd regional agreement.

MATERIALS AND METHODS

We shall try to analyze how this discord influenced formation of basic wages of municipal sport facilities' employees-with this purpose we shall look at the staff schedule of Zenith sport complex (ZSC) approved for the period since 31.12.2012. Minimum wages in the Russian Federation in 2012 was 4611 roubles [13]. Minimum costs of living for active population of Volgograd region in the 1st quarter of 2012 was 6996 roubles, in the 2nd quarter-6396 roubles, in 3rd quarter-6776 roubles, in 4th-6996 roubles [14]. In our analysis we shall orientate ourselves to average value-6624 roubles. Therefore, if we multiply this amount by coefficient 1,2 we shall get average annual level of minimum monthly wage in Volgograd region approved by Regional agreement-7948,8 roubles.

Table 1: Change in wages of municipal sport facility ZSC (data obtained from staff schedule in 2012-2013)

Indicator	Value
Index number with changed weights	1,108
Index number with fixed weights	1
Change in payroll fund due to changes in the level of average wages of separate categories (roubles)	1,108
Change in payroll fund due to changes in the specific weight of separate categories (roubles)	73564
	0
Change in payroll fund due to changes in the total number of employees (roubles)	0

Besides basic rate (salary) stated in staff schedule of Zenith sport complex the employees get additional wage premiums: municipal, PPK, stimulating payoffs (for working experience and wage premium for director) and “Minimum monthly wage” premium which is used in such a case when the sum of the rate plus all other wage premiums is less than minimum monthly wage. This wage premium in 2012 was realized in 50% of staff positions, including coaches and teachers, proportion of which in staff schedule is 17,4%. Maximum remuneration in staff schedule corresponds to basic part of wage of the director and is equal to 63318 roubles. Therefore the level of differentiation of wages in this facility is 13,7 times. If we shall not take director's wage into our calculation then this value will fall to 6,6 times.

Average wage at ZSC is 7389 roubles which is lower than minimum level, approved by Regional agreement, in the same time the wages greatly change depending on the department-from 4718 roubles in economic department to 29955 in administration. It should be mentioned that in the department which provides ZSC's core activity- Department of sport work-average wage is a bit higher than the average wage of the whole complex-8728 roubles.

Staff schedule of ZSC municipal facility for 2013 average wage was increased to 8189 roubles while the index of consumers' prices in December of 2012 in comparison with December of the previous year was 106,6% [15]. Therefore, in accordance with new staff schedule only 4% increment in real average wage was provided, while it is proved that employee feels this increment only if it is not less than 10%. Here the increment in average nominal wage in accordance with staff schedule of ZSC was 10,8% while increment in minimum monthly wage in the Russian Federation was 12,9%.

Let us analyze dynamics of the level of wages (Table 1)-we shall look at wage indices [16]. For that we shall use index number with changed weights which is calculated by formula:

$$I_{\Pi.c} = \frac{\sum F_1}{\sum T_1} : \frac{\sum F_0}{\sum T_0} = \frac{\sum f_1 T_1}{\sum T_1} : \frac{\sum f_0 T_0}{\sum T_0} \quad (1)$$

where F_0 and F_1 – payroll budget of calculated wages of separate categories of employees in basic (preceding) and current periods,

T_0 and T_1 -average number of separate staff categories in basic (preceding) and current periods, f_0 and f_1 -average wage of separate staff categories in basic (preceding) and current periods.

Index number with changed weights shows how the level of wages changed in accounting period in comparison with basic (previous) period depending on the change in average wages of separate staff categories and specific weight of employees number with different level of wages.

In order to eliminate the influence of structural factor we shall use index number with fixed weights which is calculated by formula:

$$I_{\Phi.c} = \frac{\sum f_1 T_1}{\sum T_1} : \frac{\sum f_0 T_1}{\sum T_1} = \frac{\sum f_1 T_1}{\sum f_0 T_1} \quad (2)$$

Index number with fixed weights shows how average level of wages changed regardless of structural factor-in other words, only because of changes in the level of wages of employees in accounting period in comparison with basic period.

Influence of structural factor can be identified with the aid of index of structural shifts in wages:

$$I_{\text{structural shifts}} = I_{\text{changed weights}} : I_{\text{fixed weights}} \quad (3)$$

This index shows how average level of wages changed under the influence of change in specific weight of the number of employees with different level of wages.

Thus, changes in payroll fund in Zenith happened only because of the structural shifts in wages and this change was minimal.

We considered that part of wages which is stated in staff schedule is basic salary. Besides that in municipal sport facilities they use coefficients to minimum salaries, position salaries, wage rates. They are paid for preparation of a certain number of sportsmen at different stages of sport training: sport-recreational, preliminary training, training stage, the stage of sport perfection and highest sport craftsmanship. But taking into account that mentioned activities are paid depending on the figures in staff schedule, they will have little opportunity to fulfill stimulating function of wages. As a result of it the key indicators of ZSC's activity are deteriorating.

The result of it is that in comparison with 2012 municipal contract with Zenith in 2013 for the number of sportsmen trained in general sport groups was reduced for 4%, in regard to the number of sportsmen in groups who moved to the next stage of training process-for 14,3%, in regard to number of people in groups of recreation activity-for 5,1%, in regard to growth rates of total number of participators in recreation activity in comparison with previous year-for 40,6% [17].

In order to provide better opportunity for wages in municipal sport facilities to perform its stimulating function we propose to use the systems of staff evaluation; and all parts of wages-basic (shown in staff schedule), alternating (it depends on the results of activity in a year), additional privileges (for example, provision of corporative phone, police of voluntary medical insurance etc)-must depend on this system.

Evaluation of coaches as main staff category of municipal sport facilities must be performed by the following indicators: qualification category of an employee, number of participants who moved to the next stage of sport training, hours per week, number of participators under the control of 1 coach for year, number of participators under the control of 1 coach for 2 years, substitution for other employees who are absent because of the illness; intensity and stress of work; special work mode, efficiency of work which is measured by achievement of targeted indicators; achievement of targeted indicators of efficiency in terms of fulfillment of municipal order), training of high-qualification specialists (winners at international competitions). This proposal is based on previous study which contains the methods of interview of sportsmen as employees in specific economic industry-sphere of physical culture and sport [18].

Here it will be sufficient if only 1st part of wage system, basic, which is reflected in staff schedule, will depend on these results, other parts can be calculated as

percentage of the basic part. In this case they will also be indirectly dependable on the results of evaluation of the employees.

CONCLUSION

Proposed system of wages is transparent in terms of understanding by employees: they see for what achievements in labour activity they get wages and, therefore, it is more likely that the system which is formed by this principle will perform its stimulating function.

Wage amounts obtained by the method of evaluation of employees of municipal sport facilities must be tied up to "grades" which will reflect the contribution of every employee labour in common goal of the facility. Grades can include different positions of the facility, for every position the bottom and top limits within this grade will be established. The level of wages inside these limits will be determined by the number of obtained "score" in evaluation of an employee.

In order to provide stimulating function of wages we propose to divide every level into several steps corresponding to specific intervals of scored points. Taking into consideration that employee reacts to 10% increment in wages, we propose to make the difference between adjacent steps within 1 grade equal to 10%. Here the level of inflation must be taken into consideration. That is why these 10% must reflect real increment in wages. Real increment in wages can be evaluated with the aid of index of real wages which is equal to ratio of nominal wages to the index of retail prices in the region. Also it is appropriate to use neuro-network simulation used in previous studies in order to solve this problem [19].

Inference: Efficiency of functioning of municipal sport facilities is determined not only by the labour of coaches, they amount to less than 1/5 of the total number of the staff. For other categories of the staff their own indicators must be developed, as well as scoring of these indicators, on which all components of wages will depend.

Directors of municipal sport facilities must get wages by a special scheme. Directors' wages can be tied up to such indicators as reduction of decrease rate among population, reduction of the number of sick-leave certificates submitted for payment at regional enterprises, increase in labour productivity in the region. It is necessary to add, of course, that dependency of directors' wages on mentioned indicators must not be

very strong because change of these indicators depends on many factors including those which can not be influenced by specific municipal sport facilities.

Nevertheless, changing of these indicators can be the reason for financially supported order for municipal sport facilities because increase in the level of health of population due to sport activity can improve not only labour productivity in the region but the level of life of its population.

Thus, when considering which system of wages must be implemented in the municipal sport facilities local government bodies can solve the problem of human potential growth, efficiency of socio-economic system of the region.

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