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# ANALYSIS OF THE ACTUAL DIRECTIONS OF THE MANAGEMENT OF NATIONAL PRODUCTIVITY

*Проаналізовано основні чинники зростання національної продуктивності. Доведено, що довгострокове зростання національної продуктивності обумовлено ефективністю системи соціально-трудова відносин. Виділено актуальні аспекти управління національною продуктивністю, що визначаються пріоритетною роллю людського чинника в національному відтворенні.*

**Ключові слова:** національна продуктивність, соціально-трудова відносини, економічний розвиток, соціальна ефективність.

## 1. Introduction

The important factor that determines the national economic development is the national productivity that determines institutional structure of national economy and limits or widens its possibilities to react on new challenges. The productivity of national economy is a cornerstone that the long-term economic development cannot be attained without. The important role of national productivity in economic development and guaranteeing of social balance needs priority care of the state that can redirect the results of economic growth on the solution of important social problems, minimization of socio-economic risks and guaranteeing of fair distribution of economic wealth.

## 2. The object of research and its technological audit

To reveal the urgent aspects of the management of national productivity, it is necessary to study the condition of the national economy and its socio-labor sphere, which effective functioning determines the dynamics of national productivity. For today Ukraine has the lowest productivity among the countries of European space [1] that results in lag in human development [2].

## 3. The aim and objectives of research

*The aim of the article* is to analyze the priority factors of the national productivity formation and the search for the ways of influencing it by the state and society.

The series of tasks is planned to be solved in the work for attaining the set aim:

1. To analyze the causes of the lag of national productivity from the one of other countries.
2. To separate the priority factors of the national productivity formation.
3. To estimate the possibilities of effective management of the separate factors of national productivity.
4. To give recommendations on realization of state policy of favoring the national productivity growth.

## 4. Research of existing solutions of the problem

In recent time the scientists' special attention was concentrated on the social factors of national productivity guaranteeing [3–5]. Studying the problem of the national productivity management, the series of authors considers it in the context of modernization of socio-labor relations [6, 7]. Socio-labor relations as a complex of socio-economic and organizational-economic conditions of labor activity under conditions of globalization undergo the essential changes that are analyzed in detail in the works [8–10]. The innovative and mental factors of the national productivity formation are analyzed in the works [9–13]. The problem of ineffective distribution of the results of national productivity growth and formation of unproductive inequality on this base is analyzed in the works [5, 14]. But the need of formation of the effective national model of productivity management needs the system study of the separate aspects of this problem.

## 5. Methods of research

To receive the complex results of research, formal logic, dialectical, system, functional methods and institutional approach were used.

## 6. Research results

The national productivity can provide social and economic development effects at the same time. Taking into account this specificity, the state can influence the national productivity through both economic and social reforms and direct the results of national production on guaranteeing of economic and social progress.

The problem of national productivity is considered in the work [3] in the aspect of the change of importance of social factors development. It grounds that due to the new technologies and formation of global net society in near future the social sub-system will not only overcome the dominance of economic one, but become the base of productivity growth with practically zero expenses. Under the influence of new technologies, including social ones, the whole sectors of economy are transformed and

the series advantages for society are formed. Social cooperation deeply influences the economic life – economy changes configuration under the pressure of social nets, social capital gains no less important role than financial one [3]. Generated social potential essentially changes the potential of national productivity.

The dominating importance of social connections in economic development is elucidated in the study «Economic of identity» [4]. The authors ground the important mission of social norms in making economic decisions, thinking, that any economic actions cannot be excluded from social context. Social changes and preferences become a dominant factor of economic transformations. The authors emphasize that the national productivity becomes the result of social changes more than of economic ones.

Really, social context gains more and more influence on the national productivity. The motives of social effectiveness and social justice are unalienable part of human economic activity that is noted in the article «Socially sustainable economic growth» [5]. The author grounds that the national productivity growth is an unalienable condition of living conditions improvement, overcoming of poverty under condition of fair distribution of its results. The main negative tendencies in economic development are formed because the results of economic growth of previous periods are distributed mainly among the little number of managers and capital owners. It essentially lowers the motivation of working staff to productivity growth that they don't receive essential profit from. The scientist comes to the conclusion that the state must direct its efforts on social integration as the important condition of socially stable economic growth [5].

We also think that the social motives gain dominant character in the management of national productivity. Developing, favoring and using these motives, the state can form the stable positive field of interaction between all subjects of national economy on guaranteeing the social and economic progress. The growth of national productivity needs adequate complementarity of social and economic components of national development. First of all the management of national productivity is based on formation of stable socio-labor relations. Socio-labor relations are the basic ones in the whole system of social relations, their character and content determine the structure and volumes of total social product, social prosperity of population.

Harmonization of socio-economic relations, guaranteeing of priority role of labor in distribution of the results of national productivity growth become the base of social stability of national economy. The development level of socio-labor relations determines not only the national productivity but also the main social and economic parameters of national economy.

The system of socio-labor relations includes the complicated, contradictory complex of relations, tendencies, motives, interests, rules and behavior norms. Let's consider the elements of socio-labor relations that, from our point of view, play the node role in national economy productivity formation. We refer to them the main parameters of labor life: conditions and content of labor, organization of labor activity, remuneration of labor, labor guarantees, labor prestige, motives and stimuli. The state is not only the one of leading subjects of socio-labor conditions but also their regulator, playing the following roles: legislator, defender of the rights of employers and

employees, employer, mediator and arbitrator at labor controversies.

The modern socio-labor policy must be formed based on understanding of the priority role of human, its creative abilities in social reproduction. But formation of such person is a complicated process that needs specific economic conditions: high level of income, worthy labor conditions, high-quality social services and so on. No less importance is gained by the social conditions: social justice, social cohesion, trust. The special attention to social importance of labor is paid in Human Development Report 2015: Work for Human Development [2]. The encouragement of steady, complex and stable economic growth, full and productive employment and worthy work for all people are determined in it as the leading reference points of the national development policy [2].

The leading aspects of socio-labor relations development and the role of labor in social reproduction and economic development are considered below in the conception of Worthy labor [6]. The scientists note that labor is the most important basis of wealth of economy and of human life. Its quality determines the national development, favors the widening of possibilities and overcoming of risks of the national economy functioning [6]. «Labor quality is expressed by workers qualification level, their labor productivity, sizes of initial labor and entrepreneurial incomes comparing with life cost and labor productivity» [7]. Labor quality is directly proportional to the national productivity.

The main aspect of socio-labor relations is a possibility to receive a worthy payment for labor. It is a main source of satisfaction of diverse needs for most population. The low level of labor incomes of most part of Ukrainian population conditions the low level of labor productivity. The important instruments of labor incomes regulation are the minimal social standards – cost of living, minimal wage and so on. Living cost and other social standards must regulate the effectiveness of labor payment mechanism, but they can function in full at real correspondence to the life standards. The living cost in Ukraine essentially lags from the life standards in developed countries and includes the «minimal» set of goods, insufficient for effective reproduction of working force.

The inhibition of minimal wage growth forms its general lag from the standards of developed countries. Significant influence on the level of real solvency of population is made by inflation processes. Thus the increase of minimal wage to 3200 hryvnas in 2017 did not result in growth of real incomes of population because of the high level of inflation.

The other urgent problem of socio-labor sphere and national productivity development is the high level of unemployment and risk of job loss. The crisis condition of Ukrainian economy transforms employment in unstable sphere, deprives a part of population of confidence in possibility of further stable employment with stable labor income. The feeling of confidence in future as to own employment and income makes labor more productive, allows realize labor potential more fully, raises devotion. In opposite case the labor productivity decreases like in the case, when labor payment doesn't realize its stimulating function.

Besides material stimulation, development and effective use of worker's intellectual potential, continuous

improvement of labor organization and instruments of the management of labor relations also play the important role in increase of labor productivity. Social labor organization provides the ways of inclusion of a worker in labor process, character of labor results distribution and mechanisms of guaranteeing effectiveness, stability and comfort of labor process. Organization of labor and its creative content mostly elucidates the «ennobling» function of labor. The «ennobling» function of labor is in its contribution to human development, in widening of human possibilities of self-realization and self-improvement. The labor that causes inspiration and desire to work is a free creative labor. The «ennobling» function of labor is fully realized under conditions of effective functioning of motivating-stimulating mechanism.

The problem of labor stimulation is not new but it receives the new content at the modern stage of socio-economic development. New socio-economic realities and prospects of development lead to the complication of the ways of influence on human labor behavior, transforming and complicating the motivating-stimulating mechanism. Labor activity motivation is a process of formation of new stimulating forces of labor behavior. Labor stimulation includes the complex of measures on external regulation of labor activity, increase its productivity. The motivating-stimulating mechanism is a form of actualization of worker's striving for satisfaction of diverse needs through labor activity and at the same time transfer to the new level of development. The changes that take place in motivational system are conditioned by both influence of external factors and development of human, its needs, interests and values. Such changes take place in the very content of labor, in the structure of labor resources and national economy in whole that is conditioned by the economic need in high-qualified, high-educated specialist.

Besides the formation of the new type of worker there takes place the formation of the new type of motivation – post-materialistic one. It is conditioned by the fact that representatives of creative and intellectual work get high incomes and have high life level, are released from the need of continuous search for means for satisfaction of material needs and get possibilities for realization of various social and spiritual ones. Most post-materialists are characterized by the striving for own development and improvement, achievement of unique and socially important results. Most urgent motives of labor activity of such type of worker are: labor content, its creative character, development of personal abilities in the process of labor activity, self-realization, need in social importance.

The reason of high-productive labor activity is a possibility of widening of free time that may be devoted to self-realization and self-improvement. Such widening of free time is possible not only at the expanse of decrease of working time duration but also of creative filling of labor. In such case a worker gets a possibility of self-development directly in labor process. Creativity as opposite to other types of labor activity cannot exist forcibly. That is why widening of creative component of labor activity provides a possibility of flexible operating schedule and enough free time.

The important organizational aspect of labor enrichment is a joint creativity that allows to achieve the higher productivity. The participants of joint creative process have more possibilities to improve their professional quali-

ties, get new knowledge. Joint creativity favors the development of communicative qualities, harmonization of group interests. The main task of formation of the modern motivating-stimulating mechanism is encouragement of revelation of a worker's abilities that have most positive influence on labor productivity. From our point of view, such mechanism must be based on social labor factors: its social importance and responsibility, participation in results of labor activity at the level of separate enterprises and at the national one.

The development of creative skills and improvement of human intellectual abilities are unalienable from the formation of human general culture and value reference points. That is why the main role in motivations is played by the «moral-psychological and ethic norms, motives of ideal (especially, worldview) character» [8]. Intellectual and creative self-affirmation must become not only the personal reference points but the national ones. Labor conditions are formed in the process of production but also create preconditions for the development of human as a person beyond productive sphere. The necessity to create such aims of labor activity that would favor its efficiency increase needs from the state the complex of measures, directed on widening of labor possibilities and quality.

The modern productive activity gains more innovative character. Not only scientific activity but also the sphere of material production reaches such quality that participation in it needs the high educational level, ability to generate new ideas and knowledge. In fact the whole process of establishment of post-industrial type of development can be characterized as an innovative process that determines the level and quality of national development. In Western countries, where the transfer to post-industrial stage of development became obvious already in 70-ies of previous century, has already created the separate class of workers, which credo is creative and innovative activity. This class receives the name – «creative class», which main criterion is the high level of education and creative abilities [9]. Such specialists can apply their creative abilities in most different spheres of production, providing their high effectiveness.

We think that the most important problem of national management in the context of national productivity growth is creation of conditions for widening creative class and providing its effective involvement in the process of national production. Such task cannot be realized only by state bodies. The active participation of whole society for provision of productive labor, increase of its prestige is needed. The weighty contribution in the solution of this problem can be made by socially responsible business. It determines the effectiveness of labor organization that increases its productivity. As it was already noted, human satisfaction with own labor can be full if in the process of labor a worker understands its importance and value for society, its belonging and responsibility for the results of joint work. The feeling of labor importance is created by giving to worker a possibility to apply and develop own abilities in labor process, increase of importance of problems, encouragement of initiative, independence, widening of creative content of labor. The effective realization of worker's labor potential needs creation of conditions for continuous professional growth. Creation of conditions for improvement of professional-qualification

level of workers, guaranteeing of continuous renewal of knowledge and improvement of skills provide more close interaction between educational and production spheres. Such interaction can guarantee high-qualified training of potential labor force and also favor professional improvement of the active part of labor potential of the country.

The important factor of effectiveness of socio-labor relations is the values and value orientations, including understanding of labor activity purposes by human and society. The personal orientation on certain values of material or spiritual culture characterizes the value orientations that determine human behavior. The socially acknowledged values and ideals influence formation of individual values that in their turn form human labor behavior. The content of values in society depends on its culture, spirituality, morality and level of social consciousness development. The coincidence of interests and values of individual with social ones leads to harmonization of social relations and coincidence of own interests and values – to personal harmonization. Labor productivity also depends on its value filling and human value orientations. A human, who is aware of importance of own labor for oneself and society works with more devotion than one, who considers labor as the way of earning money.

The other reference point of human behavior in labor sphere is the urgent needs: for ones it is, first of all, material well-being, for other – achievement of power, for other – creative saturation and social importance of work. Actualization of the needs in labor as a way of self-realization transforms it in more productive one. Actualization of the need in creativity favors the development of productive labor that is the important factor of the national productivity growth. The important aspect of socio-labor relations development is a process of labor socialization. Labor socialization is a process of affirmation of labor priority and importance in national economic development. In this process not only human is enriched at the expense of involvement in social relation but the whole society changes, is enriched and filled with labor ideology. Socialization of labor provides the increase of its social importance and results in productivity growth. At the same time such labor process remains the main sphere of human socialization, providing human development, consolidation of social values and aims.

The fundamental work, devoted to the study of this problem is the monograph «Socio-labor sphere: condition of relations, new challenges, tendencies of development» [10]. There is fairly noted that the stable development of socio-labor sphere under modern conditions needs social consolidation. It provides the high level of social responsibility of all members of society, mutual help, exchange of experience and so on that gain especial importance for effective functioning of socio-labor sphere. Social consolidation provides the stronger connection with culture and institutional bases, inset in it – values, moral, worldview ones. The values, approbated by society are manifested in social norms and relations and in such a way regulate socio-labor behavior, favor establishment of the stable social connections and interactions.

Considering the question of labor socialization, it is necessary to elucidate the problem of labor alienation. It means that people stop to appreciate labor as a process and possibility for self-realization and self-affirmation in life. Ukrainian scientists define labor alienation as a process

of loss of worker's interest to labor activity that stops to be an effective way of needs satisfaction [11]. Labor alienation causes labor apathy, unwillingness to work qualitatively and effectively that, in its turn, results in loss of qualification and skills, decrease of labor productivity. The most complicated socio-economic results of labor alienation are the decrease of labor potential quality of the country and formation of narrowed type of social reproduction. Thus, labor alienation destructively influences the whole totality of socio-labor relations and national productivity.

We find the solution of this problem in the change of labor character and acquisition of its new quality. The more creative and constructive character is gained by labor, the more unalienable form is taken by it. As the specialists in labor economics note, labor transformation in spiritual-creative activity at the modern stage of development actualizes the problem of labor quality as a «totality of its deep and stable properties that determine its economic and social effectiveness» [12]. The combination of economic and social labor effectiveness is the important factor of long-term positive trend of national productivity. The effective use of labor potential synchronously provides the conditions of thorough human development and effective functioning of national economy. The growth of national productivity at the expense of widening and complication of labor content create preconditions for the growth of educational level, qualification improvement, human abilities development. This, in its turn, widens the horizon of labor productivity growth and social productive forces improvement.

More productive economy can support higher wage and higher profit and also provide the widening of free time and higher life quality. Thus, the question about the productivity increase must be in focus of each discussion about the national economic development. The increase of productivity itself doesn't guarantee that received economic benefits will be widely used. Several authors note [13, 14], the productivity growth by no means results in increase of labor payment, the results of current productivity are often redistributed for benefit of inessential part of society that leads to its decrease in long-term outlook. The worthy labor payment, the authors note, forms the positive chain of influence on national productivity, because workers support and stimulate the national enterprises and national economy by satisfying their needs [13].

The management of national productivity must be of system character that provides transformation of the results of previous economic development in the stable future development. The quality of such management will depend on effectiveness and complexity of arrangements, reasonability of instruments, used in regulation of socio-labor relations.

## 7. SWOT analysis of research results

*Strengths.* The strong force of this study is the deep theoretical analysis of current condition of national productivity and factors that provide its long-term positive trend.

*Weaknesses.* The weak side is absence of complex studies on productivity of Ukrainian economy in the national statistics.

*Opportunities.* The opportunities for future studies are the formation of the national model of productivity growth



and strategy of modernization of socio-economic relations on the base of received results.

*Threats.* The main threat to the assessments of potential possibilities of the national economy build-up, given in this work, is the continuous decrease of labor potential quality of the country, including because migration tendencies, decrease of education quality, stagnant unemployment and absence of effective stimuli for human development.

## 8. Conclusions

1. It was established, that to the important causes of the lag of national economy from world tendencies must be referred not only the complicated economic conjuncture but also the whole complex of unsolved social problems.

2. It was substantiated, that the priority factors of the national productivity formation include the quality of socio-labor sphere development, conditions of realization of main competitive advantage of the country – high-educated and creative working force.

3. The possibilities of the management of national productivity factors were assessed on the base of the management of socio-labor relations. The urgent elements of socio-labor relations, which transformation will provide the effective solution of managerial tasks are: worthy level of labor payment, correspondent to the current labor productivity; optimal tax load that doesn't restrain entrepreneurial initiative; effective functioning of motivating-stimulating mechanism; complex of arrangements, favoring the decrease of inequality of population income.

4. The recommendations on increase of effectiveness of the policy of national productivity growth support, directed on formation of stable labor market in Ukraine, were elaborated, namely: liquidation of such forms of informal employment that are characterized by labor precarization, splitting of socio-labor relations; system character of the management of socio-labor processes, establishment of close connections with other directions of state policy; elaboration of the complex of arrangements on the development of creative content of labor, increase of its social usefulness, socialization, development of institutes of self-employment and innovative entrepreneurship, improvement of the mechanisms of social partnership, based on the principles of public management.

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## АНАЛИЗ АКТУАЛЬНЫХ НАПРАВЛЕНИЙ УПРАВЛЕНИЯ НАЦИОНАЛЬНОЙ ПРОИЗВОДИТЕЛЬНОСТЬЮ

Проанализированы основные факторы роста национальной производительности. Доказано, что долгосрочный рост национальной производительности обусловлен эффективностью системы социально-трудовых отношений. Выделены актуальные аспекты управления национальной производительностью, обусловленные приоритетной ролью человеческого фактора в национальном воспроизводстве.

**Ключевые слова:** национальная производительность, социально-трудовые отношения, экономическое развитие, социальная эффективность.

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