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EVALUATION OF THE STATE OF SOCIAL-LABOR RELATIONS AT THE ENTERPRISE

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Introduction and purpose of the study include key issues that reflect general state of social and labor relations at enterprises and require state regulation and intervention: unemployment, reduction of the number of educational institutions, collective labor disputes, strikes and their consequences, salary level, work conditions, sanitary standards' compliance. Therefore, the development of proposals for the establishment and implementation of the monitoring system and, according to its results, the development of a program for regulating social and labor relations at enterprises is immediate and urgent.

The purpose is to develop a comprehensive system of analysis and regulation of social and labor relations at an enterprise.

Research methods applied:

- method of analysis and synthesis, system analysis, process and situational approach, method of analogies (by the definition of the system of social and labor relations, its key elements and interrelations);
- comparative analysis (by the comparison of regulation categories, monitoring, control, as well as of institutions of personnel adaptation);

- expert assessments and Expert Choice (to identify key problems for employees in the SLR system at the enterprise);

- economic-mathematical modeling (for the assessment of the state of social and labor relations in Kharkiv region, analysis of the correlation between indicators at industrial enterprises in Kharkiv).

Results: the system of assessment of social and labor relations at the enterprise was proposed. It contains regulatory, quantitative and qualitative components, and allows to comprehensively assess the state of social and labor relations, and work satisfaction of all labor participants in the industry. The conducted assessment enabled the development of the system of social and labor relationships regulation.

Conclusions: the proposed approach to the comprehensive assessment of the state of social and labor relations at the industrial enterprise will enable loss reduction, improve personnel retention, work performance and socio-psychological climate in the enterprise.

Keywords: social-labor relations, state and work conditions, monitoring, industrial enterprises.

Problem statement. Social-labor relations (SLR) is an integral element that arises between employees during work process. Since labor is one of the key forms of human activity that ensures the development of human society, it is necessary to develop an effective mechanism to regulate social and labor relations. Modern regulating methods and mechanisms are in the need of certain improvement. It is first of all conditioned by the innovation development, the change of certain elements of the labor market functionality, the emergence of new types of activities, etc. Thus, in order to ensure sustainable development of the enterprise, to reduce the level of conflicts, to involve employees in the labor process, to form their commitment to the enterprise, to increase the labor

motivation, it is required to develop a program for the assessment and regulation of social and labor relations at the enterprise.

Social-labor relations comprise a complex system of correlations and consist of the following elements: social relationships (include questions on employment, unemployment, the formation of labor force, social protection and guarantees, etc.), and labor relationships (contain such segments as system of compensation, working conditions, labor efficiency, qualification improvement etc.). Consequently, the state of social and labor relations condition the standards of living of the population, labor satisfaction, indicators of workers' safety and health, labor productivity etc.

Analysis of recent research and an undisclosed part of the problem. The foundations of modern scientific ideas about social and labor relations and ways of their improvement are founded at various times by such researchers as F. Taylor, E. Mayo, A. Maslow, D. McGregor, F. Herzberg, D. Miller, P. Friesen, H. Tosi, J. Rizzo, S. Carrol [1, 2]. Significant contribution to the development of theoretical and practical approaches on the regulation of social and labor relations were made by: O. Amosha [3], D. Godina [4], B. Genkin [5], O. Grishnova [6], O. Kolot [7], E. Libanova [8], G. Nazarova [9], V. Scherbak [10] and others.

However modern science has not yet proposed a unified methodology for assessing the state of social and labor relations at the enterprise with the further goal to identify key issues, directions of SLR regulation, to develop a set of actions for the normalization of the state of the SLR at an enterprise. The following problems have not been yet comprehensively studied by the scientists: adaptation and on-boarding of employees in the new work place; adaptation institutes and their impact on the employee and on the work efficiency of the organization. The relevance and insufficient development at the same time of the above mentioned issues have conditioned the choice of the topic, the formulation of the purpose and objectives of the study, the logic of the presentation of the main material.

Purpose of the study is theoretical substantiation and generalization of existing scientific regulations in the field of social and labor relations, development of practical recommendations targeted at improving the STR regulation system.

Research results. A number of problems were identified in the system of social and labor relations in Ukraine during research conduction. The following problems should be especially noted: high unemployment rate and its increase among young people, strong differentiation of the population by income, low wages, low costs of training and development of personnel, working conditions that do not meet sanitary and hygienic standards, low level of social protection (Figure 1).

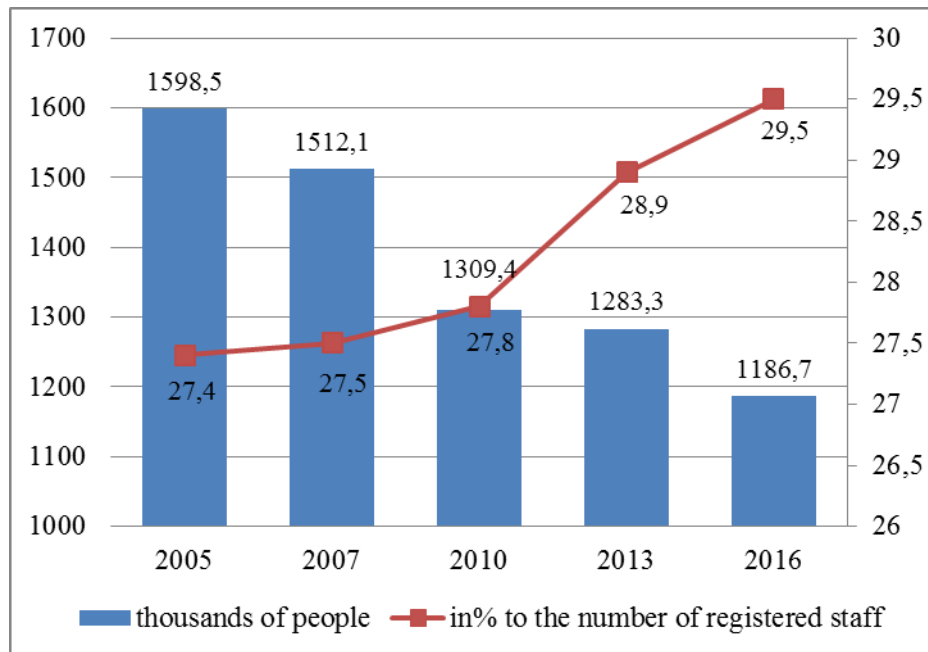


Figure 1. Dynamics of the number of employees working in conditions that do not meet sanitary and hygienic standards

In order to determine the state of social and labor relations at the enterprise and to further develop measures for its regulation, it is necessary to conduct a comprehensive assessment of the SLR at the organizational level. Scoring is a way to determine the value and its relevance to the defined criteria. While assessing the state of the SLR, a number of methods were used to obtain the integrated value of the indicators (qualitative and quantitative values). The main purpose of the assessment of SLR is to determine the state of the SLR at the enterprise, its key issues in the organization; as well as program development in the area of SLR regulation at the enterprise of such quality that should enable its sustainable development and ensure realization of the basic labor rights for its employees.

The following regulatory method can be applied depending on the state position: paternalism includes high level of regulation or social partnership, which is used in order to improve relationships and under the conditions of equality and consent between all parties. That is, paternalism is a method that includes the control and supervision of the use of cascading instructions from a higher level to the lower one. Social partnership aims at harmonizing the interests of all subjects of the SLR in the course of negotiations and consultations with all participants.

Building social partnership within the state is a complicated process, achieving social cohesion is only possible under certain social and economic conditions, building social partnership at all levels of the state system is possible

only with a high level of social consciousness of the population, when a strategic move to agreement is in place.

The Consultative Body under the President of Ukraine on Social Partnership issues is the National Tripartite Social and Economic Council. The purpose of this body is to develop a consolidated position of the sides of the social dialogue on the strategy of economic and social development of Ukraine and ways of solving existing problems in this area; as well as making proposals for the regulation of economic, social and labor relations. Among the priorities of the activities of the National Tripartite Social and Economic Council for 2016–2018, among others, are the following: improving the effectiveness of social dialogue, improving its institutions at all levels; further reformation of the remuneration system and the introduction of modern state and contractual guarantees in wages; preservation of national labor resources and regulation of labor migration processes; modernization of labor legislation, increase of the role of collective-contractual regulation of labor relations, including at the sectoral level [11]. Consideration of these priority issues is important for improving the quality of life of Ukrainians, increasing the level of their satisfaction with labor.

The basis for assessing the state of social and labor relations for each employee is the quality and level of SLR at the enterprise. Key indicators of SLR status should also be monitored at the enterprise. In particular, the organization is responsible for installing wages, ensuring decent working conditions, training employees, organizing work and rest time, establishing criteria for compensation system and motivation of employees, forming a staff reserve, and others.

Employees survey results at industrial enterprises, as well as heads of human resource departments or enterprise management, indicate the following problems: 1) the difference between the socio-occupational expectations of employees and the real state of production and social infrastructure; 2) the declarative nature of actions on the normalization of the state of the SLR; 3) view of SLR as a minor importance, meaning having no effect on production and work results; 4) in the event of conflict situations, conducting "rescue" actions, however no regular monitoring and support of the state exists; 5) low level of bonus payments and incentive measures for employees; 6) employees unawareness of collective agreement, lack of understanding by employees of the corporate culture or brand image of an enterprise; 7) low level of additional measures in the area of employees' training and development after hiring date; 8) low understanding of employees about their career opportunities, i.e. which knowledge and skills will be necessary for further career advancement (both horizontal movement and vertical growth); 9) absence of systemic on-boarding measures and adaptation programs in the workplace; 10) absence of measures

for team formation; 11) the bureaucracy of the structure, lowering employees participation in managerial decisions (Fig. 2, 3).

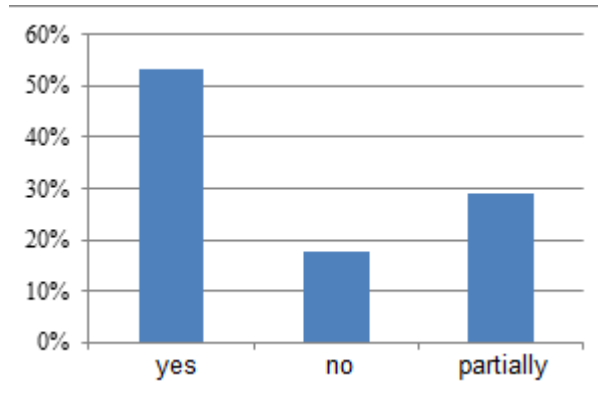


Figure 2. Assessment by employees of the possibility of employee participation in managerial decisions, %

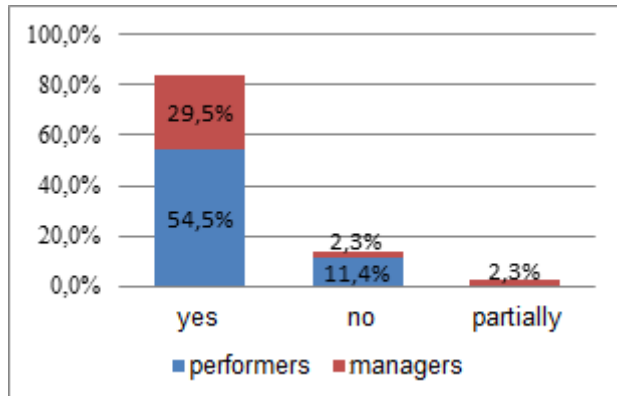


Figure 3. Assessment of employees involvement in training of their colleagues in case of material incentives

Thus, for most industrial enterprises of Kharkiv region, modernization of the system for regulating social and labor relations is extremely necessary. It is important to conduct a preliminary analysis of the SLR in the enterprise to assess the its state and to identify the main problem elements. In order to do this, an estimate is carried out of the quantitative (expressed in absolute or relative terms) and qualitative (can not be quantified but affects the results of the evaluation; examples can include expert assessments, information data that helps with conclusions in the existing circumstances) indicators.

Basic quantitative indicators of SLR assessment are: staff turnover; salary level compared to the industry average and to the relative national minimum; share of additional salary of its total size; percentage of employees working in uncompliant sanitary and hygienic conditions; indicators of profitability and cost-efficiency of the enterprise; its productivity; annual training budget for the staff; % of employees who received a new profession or improved their qualification within reported period; % of promoted employees; indicators of the efficiency of the working time usage. The following qualitative indicators can be outlined: the existence of a collective agreement and the state of its implementation; the availability and state of activities in additional personnel training and development, institutions for career planning at the enterprise; presence of corporate culture, developed enterprise brand, and employees awareness about this; motivational programs operating at the enterprise; possibility of employees to participate in strategic decisions; the level of work content satisfaction, the interest of employees to perform their duties; work

relationships evaluation (with colleagues or supervisors) conducted by employees and management. The psychological climate and the level of comfort are important factors of human labor life, and only qualitative indicators enable the determination and evaluation of their state.

Monitoring and evaluation of quantitative indicators will help to identify the main problems that appear in the workplace at the enterprise. On the basis of quantitative assessment, it is possible to carry out the next qualitative component of the SLR at the enterprise, taking into account the results of the quantitative assessment, the possible emphasis and details of the qualitative assessment of the most problematic issues.

The organizational structure and interconnections between the units are generally evaluated at the first stage of the analysis of the state of social and labor relations, using the LEAN or economical production methodology. Based on the received structure, the effectiveness of processes, as well as types of possibly existing losses that negatively impact both general results of the company and the state of social and labor relations are analyzed, since they bring dissatisfaction among the employees. Examples might include unnecessary waiting time or movement in the production area conditioned by the incorrect placement of machines; unrealized creativity potential, ineffective communications, etc. Carrying out such analysis allows to identify the main types of losses, expressed in material measurements (frozen funds, excess costs, damage), and non-material measurements (time, dissatisfaction with work, extra load).

The second stage is a self assessment of the state of social and labor relations. First, it is expedient to check the compliance of all norms, regulations and standards with state laws and industry provisions. The working conditions, wages, rest periods, benefits for certain categories of workers must be no less than those established by the state. In assessing the condition of the SLR, the following legislation should be used: the Code of Labor Law, the Civil Code, the laws of Ukraine: "On Work leave", "On Employment of the Population", "On Remuneration of Labor", "On Collective Contracts and Agreements" "On Trade Unions, Their Rights and Guarantees of Their Activities", "On the Procedure for the Resolution of Collective Labor Disputes", "On Labor Protection", "On Mandatory State Pension Insurance", "On State Social Standards and State Social Guarantees", "On compulsory state social insurance against Unemployment", "On compulsory state social insurance against accidents at work and occupational diseases causing disability. "

When evaluating the dynamics of the personnel turnover at an enterprise it makes sense to monitor the rate of new hires turnover in addition to such overall indicators as the coefficients of the dynamics of acceptance, retirement and total turnover ratio. A new hire is an employee who has been working at an enterprise

for less than 1 year. The coefficient of turnover among new hires will reveal the percentage of employees who voluntarily decide to change their place of work compared to the total number of employees hired during the year. A significant value of this indicator, that is, more than 15% of employees leave the company during the first year of work, shows that there are reasons at the enterprise stimulating employees to quit the job. Such reasons can include: the lack of onboarding programs at an enterprise, poor salary level or working conditions, lack of motivation at work, lack of corporate culture and insufficient level of loyalty to the company, the last can be influenced by the internal environment, management, company's brand image, meaningful work, mutual respect and friendly relations in the team.

The percentage of promoted employees creates a transparent and understandable structure of the company and is a motivating factor for other employees. It is also necessary to inform other employees about such changes at the enterprise via information boards, at general meetings or by e-mails. To assess the dynamics of the state of social and labor relations, monitoring of quantitative indicators is important, since it characterizes the level of SLR at the enterprise. It is advisable to compare the values of the quantitative indicators at the enterprise with the values of similar indicators in the industry (medium-scale level) and other enterprises. Based on the received results, key problems and indices are identified and comprehensive improvement actions developed. Quantitative analysis is based on enterprise reporting, and, in order to track individual indicators, additional changes in the personnel structure should be recorded.

The evaluation of quantitative indicators is an important element in the regulation of social and labor relations at the enterprise, however not all components and disadvantages of the SLR management system can be verified by quantitative approach. In order to provide an integrated and comprehensive evaluation, it is also necessary to investigate qualitative indicators.

In order to analyze the state of social and labor relations at the enterprises of Kharkiv region, eleven industrial enterprises were selected. The criteria for selecting companies were the following: presence in the city of Kharkiv for over 5 years; goods production at place during the same period; more than 50 employees recruited; availability of separate property; conducting statistical reporting in accordance with the requirements of the State Statistics Committee of Ukraine (Fig. 4).

In order to evaluate the state of social and labor relations at the enterprises of Kharkiv region, an expert survey among companies' managers and heads of human resources departments was conducted. With the help of Expert Choice software, a comparative analysis of expert responses was created. Issues analyzed were factors influencing the speed of adaptation of new employee at

work place. We can distinguish key five factors: internship; professional orientation; the presence of corporate culture, the brand image of an enterprise, mentoring. The answers of experts are illustrated in Fig. 5.

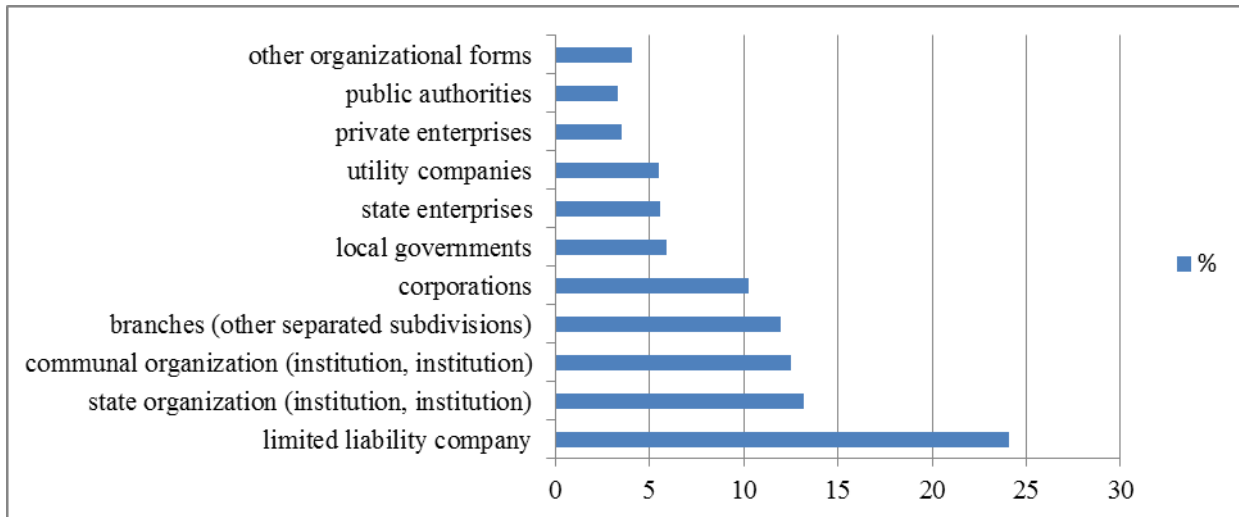


Figure 4. Number of employees by organizational and legal forms of management in Kharkiv region in 2016, %

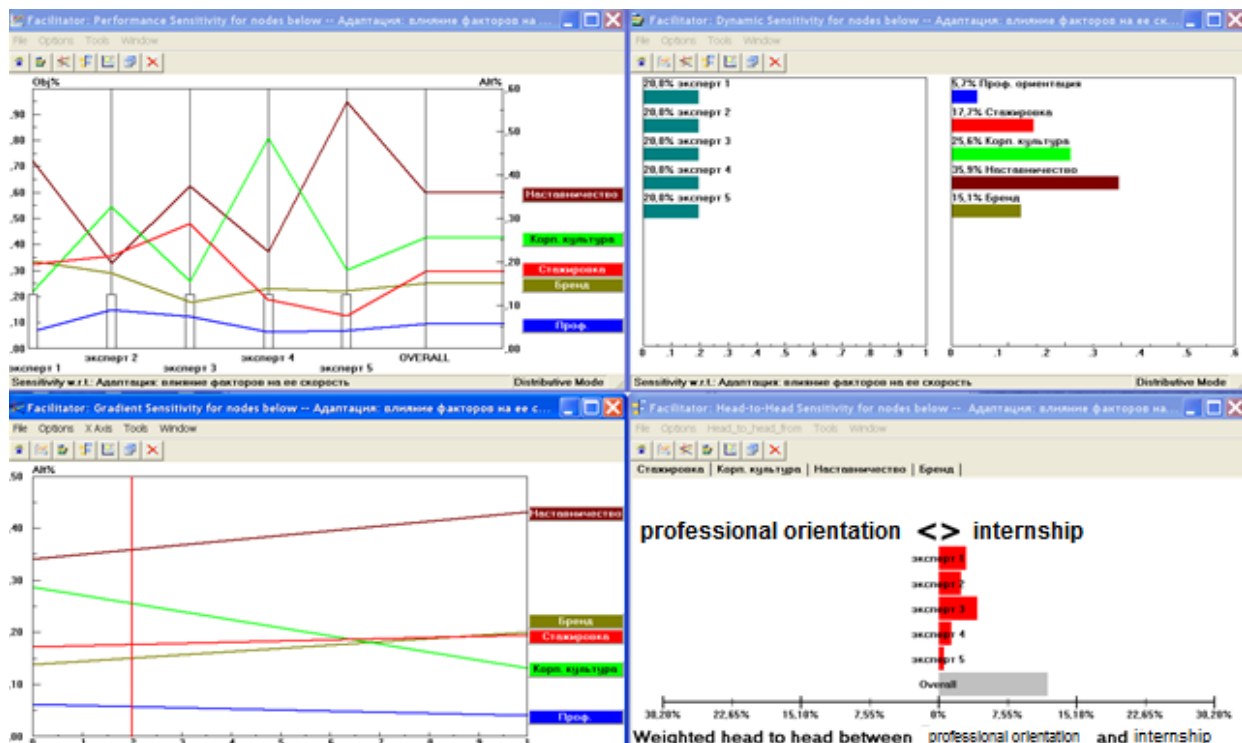


Figure 5. Expert ranking of the factors effectiveness influencing adaptation

According to the results achieved, availability of mentorship programs at an enterprise has the highest impact on the speed of employee adaptation. The evaluation of the results shows that each of the experts gave a score of 3 or higher to this criteria. The second-place criteria is the presence of corporate culture at an enterprise, which includes awareness of internal rules and values as factors that accelerate adaptation of new hires to working conditions in their positions. The third factor of influence, according to experts, is the completion of an internship before full-time employment. An internship helps to get acquainted of potential employee with his manager; gives an intern an opportunity to gain practical experience, to get to know the structure of the company, its corporate values and, as a result, to work out a joint decision of the trainee and his supervisor on the possibility of further employment.

When considering motivation programs operating in the company, the emphasis should be on non-material incentives. Especially when it comes to high results or role model behavior that should be an example for other employees. Examples of such encouragement are gratitude messages or some internal company awards at general employee meetings or personal messages/joint activities with company management. The development of non-material incentive program will provide additional motivation to show breakthrough results for young, highly-potential employees, as well as among experienced workers who have lost their motivation in routine operations and through time.

The third stage of the SLR program regulation is to identify key issues and develop according actions to properly address them. Based on the analysis of the structure of an enterprise, its compliance with legislation, quantitative and qualitative indicators key most significant issues with the biggest current negative implication are identified. In order to solve identified problems, it is necessary to rank them according to the status they are being addressed. Prioritization criteria: 1. Safety related issues, unsatisfactory working conditions, which might cause significant negative impact on the health of employees. 2. Wage related issues (basic salary) and the quality of working life. 3. Issues influencing more employees vs others. 4. Issues according to the available budget for their resolution.

According to the plan of the normalization of SLR at an enterprise, work on the fourth stage begins, which includes introduction of measurement system aimed at improving the state of social and labor relations. In order to achieve meaningful results, it is required to: a) carefully plan actions and their implementation according to the existing priorities (planning includes goals and objectives setting, identifying indicators that measure goals, action plan development to achieve them); b) inform all employees to ensure they correctly understand the changes and their benefits; c) create an action plan that should

include: time for implementation, responsible person at each stage, current work status, expected results; d) organize regular meetings to discuss and monitor implementation of the action plan; e) ensure achieved results have a permanent nature.

The fifth stage includes an assessment of the achieved results. To conduct this assessment, it is necessary to compare three groups of indicators: 1. Starting indicators before program implementation. 2. Expected results at the stage of action plan implementation. 3. Actual results obtained. The ideal situation is when the actual results are better or equal to the planned KPIs. If there are deviations from the initial plan, it is important to identify the causes that prevented expected benefits. Upon comparison of the starting and actual KPIs, the effect of each action should be evaluated. When positive results are achieved, it is important to inform employees about the improvements and how in that way they are cared about.

The sixth stage is an implementation of regular monitoring of indicators measuring SLR. Since regulation of the SLR is a continuous process, it is impossible to achieve a one-time result, which will be automatically maintained in the future. Therefore, it is required to ensure continuous monitoring (at least once every six months) of quantitative and qualitative indicators. The latter ones can be obtained through questionnaires and surveys. On the other hand, structure and possible losses at each stage of production and in each department should be tracked on a permanent basis. In order to achieve continuous improvement, it is required to compare with the previous KPIs and analyze the reasons of deviation and based on this create appropriate action plan.

Regular SLR monitoring, open dialogue between management and employees, work towards common goals, as well as overall improvement of working conditions are all important elements to improve social and labor relations at an enterprise.

Conclusion and proposals. The state of labor relations at industrial enterprises of Kharkiv region were evaluated and key influencing factors identified. Five main groups of indicators impacting the state of the SLR were reviewed: a) KPIs on staff time use; b) KPIs on enterprise efficiency; c) KPIs on personnel quality and development; d) compensation indices and social security; e) staff turnover. Each group includes a number of indicators that enable assessment of the efficiency of the enterprise, its overall condition, staffing status, the effectiveness of training methods, etc.

According to the results of questionnaires and interviews with experts at Kharkiv enterprises, main instruments to improve the status of the SLR were identified. Among the reasons that negatively impact the state of social and labor relations at an enterprise, according to employees' and managers' survey results the following should be mentioned: a) full or partial unawareness by the personnel of the content of collective agreement (which means employees unawareness of their rights and responsibilities, possibilities, corporate rules etc.); b) absence of an on-boarding system of personnel at an enterprise; c) lack of career planning and mentoring institutions; d) absence or non-systematic nature of training activities; e) absence of a corporate culture or personnel unawareness about it (which means that corporate norms exist formally only and not used in practice); e) lack of work motivation (both material and nonmaterial incentives). Only highly qualified personnel enables an enterprise to achieve strong business results and sustain competitiveness in the market. Therefore, reaching high qualification of personnel is possible only through its constant development, education, comfortable working conditions and positive psychological climate at an enterprise.

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