

QUALITY OF WORKING LIFE AS THE STRATEGIC DIRECTION OF DOMESTIC ENTERPRISES' ACTIVITY

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Abstract. *Introduction.* Due to the analysis of scientific papers of leading international academic economists which in their works focused on workforce's management priority and application has been determined that to increase the Ukrainian's enterprises competitiveness and facilitate their effective integration into European space measures that provide quality working life should be used. *Purpose* of the study is to create such conditions for employees which will enhance their standard of living and quality of working life at the specific enterprise, collective and at the specific working place. *Results.* Analysis of the domestic and foreign authors' works leads to the conclusion that so far some unified list of factors that takes into account all aspects of employees' working life and orient them to achieve the strategic company's goals had not been developed yet. As the base the theory of F. Herzberg was taken to form the groups of factors that allow determining the main measures of the employees' quality of life improvement at Ukrainian enterprises. They represent the basic directions for ensuring the quality of employees' working life in accordance with hygiene and motivational personnel needs. Each group of factors corresponds to the measures set, which can be used as a tool for further top-manager activity improving labor lives of employees. *Conclusions.* This list of activities doesn't require significant financial costs, but rather focused the top-manager on those problematic aspects that prevents the employees to do their jobs with the maximum quality. Its use will enable domestic enterprises to operate successfully in a variety of economic conditions: both in a profitable financial and economic situation, and in cases of loss.

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ЗАБЕЗПЕЧЕННЯ ЯКОСТІ ТРУДОВОГО ЖИТТЯ ЯК СТРАТЕГІЧНИЙ НАПРЯМ ДІЯЛЬНОСТІ ВІТЧИЗНЯНИХ ПІДПРИЄМСТВ

Анотація.

За результатами аналізу наукових праць провідних закордонних вчених-економістів, які в своїх роботах акцентують увагу на пріоритетності управління та використання трудових ресурсів визначено, що для підвищення рівня конкурентоздатності українських підприємств та їх ефективної інтеграції до європейського простору слід використовувати комплекс заходів, які забезпечують якісне трудове життя. Виявлено, що досі не існує подібного сформованого та адаптованого до вітчизняних умов комплексу, який би охоплював всі сфери трудового життя працівників. Авторами запропоновано для подальшого використання групи факторів, які дозволяють визначати основні заходи з покращення якості життя працівників українських підприємств в різних економічних умовах: як при сприятливому фінансово-економічному стані, так і у випадках збитковості.

Ключові слова: трудові ресурси; якість трудового життя; конкурентоздатність; економічні умови; комплекс заходів.

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ОБЕСПЕЧЕНИЕ КАЧЕСТВА ТРУДОВОЙ ЖИЗНИ КАК СТРАТЕГИЧЕСКОЕ НАПРАВЛЕНИЕ ДЕЯТЕЛЬНОСТИ ОТЕЧЕСТВЕННЫХ ПРЕДПРИЯТИЙ

Аннотация.

За результатами анализа научных трудов ведущих ученых-экономистов, которые в своих работах акцентируют внимание на приоритетности управления и использования трудовых ресурсов определено, что для повышения уровня конкурентоспособности украинских предприятий и их эффективной интеграции в европейское пространство следует использовать комплекс мер, обеспечивающих качественную трудовую жизнь. Выявлено, что до сих пор не существует подобного сложившегося и адаптированного к отечественным условиям комплекса, который бы охватывал все сферы трудовой жизни работников. Авторами предложены для дальнейшего использования группы факторов, которые позволяют определять основные мероприятия по улучшению качества жизни работников украинских предприятий в различных экономических условиях: как при благоприятном финансово-экономическом состоянии, так и в случаях убыточности.

Ключевые слова: трудовые ресурсы; качество трудовой жизни; конкурентоспособность; экономические условия; комплекс мероприятий.

1. Introduction. In today's highly dynamic markets, where conditions change rapidly, managers periodically need to ascertain the validity of their strategy's assumptions and premises. For example, in the biotechnology or software industries, where the competitive landscape changes rapidly, managers need to be assured that their companies' strengths and weaknesses are still valid, and their assessment of their rivals' capabilities and potential moves are intact. Left unchecked, these conditions may change radically and cause the failure of the strategy. If devaluations are detected, managers can take corrective actions.

In recent years, companies have used insights gained from strategic controls to develop innovative ways to compete. Many have used benchmarking to compare their performance with the best practices in the industry. Insights from these comparisons have resulted in large-scale programs that aim to build a total quality management (TQM) throughout the company.

While the roots of TQM date to companies' efforts aimed at enhancing product quality to match those offered by their foreign rivals, today TQM transcends this

focus. It permeates every organizational function, with the goal of improving performance and reducing inefficiencies.

Implementing TQM often requires attention to other organizational issues (e.g., employee involvement) and systems. Hard work is needed to succeed in TQM; this hard work also creates opportunities for learning. Learning in TQM can occur from the interaction of employees and managers. When this occurs, new ways of defining the task and carrying them out are found. Moreover, employees become aware of the competitive challenge facing the company and take necessary steps to identify to solve problems that impede organizational progress.

2. Brief Literature Review. Plenty of scientific foreign and domestic researches and papers confirm topicality, as well as theoretical and practical importance of quality of working life in the enterprise's strategic goals reaching. Works of A. Thompson and A. Stricklend (2007) [1], M. Armstrong (2002) [2], Y. Doroshenko (2009) [3], G. Dmitrenko (2006) [4] are devoted to the problems of dividing only one of life quality aspects. In further investigations authors will try to generalize these aspects.

3. Purpose. To form unified and generalized group of factors which could affect the quality of working life; to suggest the complex of measures directed on the ensuring the quality of employee's working life at domestic enterprises.

4. Results. Most of the management process is aimed at creating an environment in which employees are encouraged to learning and development. The focus is on the learning organization creation in which the systematic knowledge is being managed. Strategic management is also responsible for approaches planning to encourage self-development (self-study) with appropriate support and leadership by organization. One of the main goals of human resource management is to create conditions where the employees' hidden potential will be realized and their commitment to the organization will be provided [2, p. 276].

In other words, the tactical purpose within the overall strategy management at enterprises is considered to the creation of such conditions for employees, which contribute the quality of their working lives improving and effective implementation

of their creative potential in a particular company, particular society and at the particular workplace.

However, analysis of the domestic and foreign authors' works leads to the conclusion that so far there is no agreed scientific definition of «life quality» and each author emphasizes on one particular aspect of this concept. From the analysis of the structure of the various definitions of « life quality» implies that the structure of these definitions can divide substantial and operational parts.

Substantial part usually reveals the essential understanding of the concepts directly by the author and operational part – specified method for quantitative measurement of life quality. The operational part also defining the procedure of the actual level of satisfaction with basic needs comparison. These procedures presented by two groups: 1) based on subjective self-assessment; 2) based on an objective assessment of the appearance.

The definition of « life quality» is based on subjective self-assessment, at the level of human's satisfaction with his own life. This level is largely determined by each individual's expectations of the standards that have been adopted in the social microenvironment, with which he is associated by himself. Thus, from this point of view, the life quality –is the level of person's satisfaction by his/her life according to his/her own subjective self-assessment [3, p. 11].

There is a more «objective» approach to the definition of life quality, where life quality is measured not by subjective satisfaction of a certain individual, but a number of objective indicators of other people who have to do complete and accurate information and the necessary qualifications.

Life quality – is a complex concept, which in comparable space and time form reflects the degree of satisfaction level of the material, cultural and spiritual person needs, estimated both by the level of human's satisfaction by his/her life in accordance with its own subjective self-esteem and measured by competent and informed experts via a set of objective indicators.

It is appropriate to note that the concept of « life quality» is often associated with the concept of «abilities» and «needs». In connection with this, the concept of

«life quality» must include the needs of the individual in creation, self-development and self-realization of own abilities. This emphasizes the fundamental difference between the present understandings of the concept of «life quality» from the widespread in the society consumer understanding, which is based on the model of person as a universal consumer. It should also take into account that a person is not only a consumer of various goods and services, but also the creator, and not only those goods and services, and for the most part of himself and his own life.

The World Health Organization (WHO) defines life quality as people's perception of their position in life, according to the cultural specifics and system of values and some kind of relation with their goals, expectations, standards and concerns [3, p. 11]. WHO also proposes to evaluate the quality of life by the following parameters: *physical* (vitality, fatigue, physical discomfort, sleep and rest); *psychological* (self-estimation, concentration, positive emotions, negative emotions, thinking); *degree of independence* (daily activities, performance, dependence from drugs and treatment); *life in the community* (daily activities, social relationships, friendships, the overall significance, professionalism); *environment* (housing and life, security, leisure, information accessibility, ecology (climate, pollution, population density)); *spirituality and personal beliefs*.

In legal aspect, the life quality – is the realization of the right on a decent life and free human's development.

The practical significance of the category of life quality is, above all, the ability of certain standards, which is set for particular person or community to be a form of representation, freedom and dignity. Life's quality characteristics defined as necessary or appropriate for a particular individual or community, determine their desirable future and are forward-looking nature that allows using it as a versatile management tool.

Thus, the study of the main distinguishing features of the «life quality» category allows to define the quality of working life, under which labor will be understood as a combination of employees' working life factors, that allows to take

into account the degree of realization of employee's interests and using of his intellectual, creative, moral, and organizational abilities.

As part of a strategic approach to the management of the workforce at any enterprise special attention should pay on ensuring the employees' quality of working life by: firstly, increasing the workers welfare by improving the hygiene factors of labor activity; secondly, the immediate efficiency of human resources through increasing the workers interest in active labor through the motivational factors using that will help to productivity at the workplace increasing.

Hygiene factors, due to F. Herzberg, connected with the environment in which personnel works [4, p. 154]. This group includes the factors that make work more attractive and create normal conditions for normal work: working without much tension and stress; convenient location; noise and pollution absence at the workplace; working with people who are pleasant to employee; good relationship with the top-manager; a sufficient amount of information about what is happening at the enterprise; flexible pace of work and flexible working hours; significant additional benefits; fair distribution of work quantities.

The second group of factors contribute to employees' active labor behavior: a good chance of promotion; high salaries; payment related to labor performance; acceptance and approval of a well done job; work that «makes» employees to develop their abilities; complex and difficult work; work which requires creative thinking; a high degree of responsibility; interesting job; work that requires creativity.

Besides to the proposed by Herzberg, some foreign and domestic researchers identify additional factors that have an impact on the process of employees' motivation and have been suggested by authors to consider as factors of employees' working lives. Thus, Armstrong separately focuses attention on individual learning through guidance, counseling, training centers, mentoring, external resources developed to meet the specific needs of the employee, internal and external training programs and courses developed to meet the needs of groups of workers [2, p. 276].

Harrison notes the importance in the process of management organizational leaders' development, which must be considered when formulating the overall

strategy of the labor activity [5]. Goleman identifies so-called «emotional culture» that turns the changes in the self-governing process that encourages employees to drawing up training plans, relevant to their interests, resources, goals [6].

Outlined list of factors of employees' labor activity proposed by F. Herzberg and also additionally allocated the basis of a literature review can be summarized in certain groups, which characterize these factors in an integrated way: company's and administration's policy; working conditions; payment; interpersonal relationships with superiors, colleagues and subordinates; providing development and self-development; the formation of «emotional culture».

For each of these groups of factors list of activities should be developed and this would help to improve the quality of working life considering the performance of enterprises (profit / loss). The list of activities that can be implemented within the framework of working life's quality improving for each group of factors is shown in Fig. 1.

Consider them in more detail:

bonuses – one-off payments from enterprise profits (incentive, bonus, additional fee). Abroad, it is - an annual, semi-annual, Christmas, New Year bonuses associated usually with work experience and the size of the salary received. There are following types of bonuses: for the lack of absenteeism, export bonus, for seniority, target bonus;

profit sharing – it's not a one-off bonus. Determines the amount of the profits out of which the incentive fund is formed. Apply to the categories of personnel capable of real impact on profits (most often it is the administrative staff). Share this part of the profit is correlated with the rank of the head in the hierarchy and is defined as a percentage of his income (salary base);

shareholding participation – purchase company shares and receive dividends: the purchase of shares at a reduced price, gratuitous shares;

plans for additional payments – plans are mostly connected with employees of sales organizations to stimulate the search for new markets: company gifts, business expenses subsidizing, covering of personal expenses indirectly related to the work

(business trips not only for the workers, but also his/her wife or friend on a trip) .
 These indirect costs are tax-free and therefore more attractive;

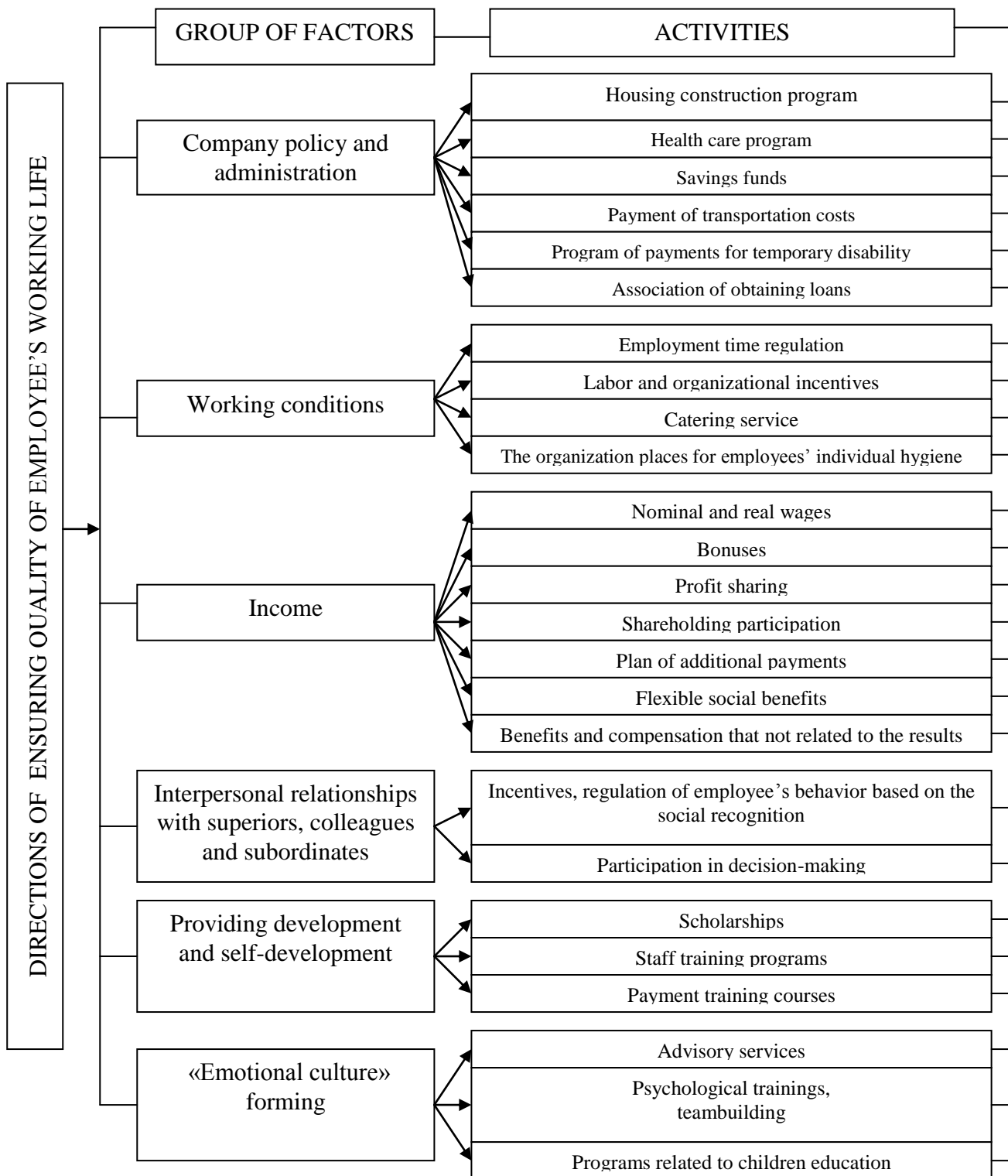


Fig. 1. Directions of ensuring the quality of employee's working life at domestic enterprises

Source: compiled by the authors according to [4].

by encouraging free – regulation employment time by: 1) providing to the employee for the active and creative work extra weekends, holidays, vacation, time options, etc.; 2) the organization of flexible working hours; 3) reducing the length of the working day due to high labor productivity;

labor or organizational incentives – regulates the employee behavior on the base of measurements of his feelings of job satisfaction and suggests the presence of creative elements in his work, the opportunity to participate in the management, promotion within the same office, creative business;

incentives, managing employee behavior based on the expression of public recognition – awarded diplomas, badges, pennants, posting photos on the Honor Board. In foreign practice used honors and awards, public incentives. In the US, used to stimulate the moral evaluation model on the merits [7, p. 195];

provident funds – the organization of provident funds for employees with interest payments not below with the Savings Bank of Ukraine. Preferential regimes of accumulation funds;

programs related to the children education – the allocation of funds for the organization of preschool and school (college) education of children and grandchildren of employees of the company; preferred scholarships;

benefits and compensation that not related to the results (standard character) - payments not related to the achievement of certain results (compensation transition to the service from other companies - the costs associated with transportation, sale, purchase of apartments, real estate, employment of wife (husband) etc.; bonuses and other payments (due to retirement or dismissal). These payments received abroad called "golden parachutes", designed for senior managers typically include additional salary, bonus, long-term compensation, mandatory (referred to in the company) pensions et al. Providing such benefits emphasizes high compared to other employee status.

Conclusions. Thus, the quality of working life of employees - a complex economic category, which includes a combination of factors working life of

employees, allowing to take into account the extent to which the interests of the employee and the use of his intellectual, creative, moral, and organizational abilities.

Within mentioned above for further formed group of factors that allows identifying key measures to improve the quality of life of Ukrainian enterprises' workers in different economic conditions has been suggested. So, the expediency quality of working life issues within the framework of a strategic approach to the enterprise activity has been justified, and the basic directions of the quality of working life in domestic enterprises ensuring have been emphasized.

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