

Designing of social and labor relations in the context of transformation: principles, organizational and institutional aspects

Проектирование социально-трудовых отношений в условиях трансформации: принципы и организационно-институциональные аспекты

Diseño de relaciones sociales y laborales en el contexto de transformación: principios, aspectos organizativos e institucionales

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Abstract

The paper studies the organizational and institutional problems in the field of labor relations transformation and substantiates novel principles of their designing aimed at achieving the balance between the interests of the parties.

We used a system-axiological approach based on a combination of analytical, institutional and systemic methods. The concept of co-evolution was applied while considering organizational and institutional aspects of social and labor relations.

The study proposes axiological dialectics as a systemic and meaning-forming factor in the transformation of labor relations. The author understands the transformation of labor relations as a construction of their novel organizational and inter-organizational structure intended to ensure the long-term functioning and development of the company.

The analysis of organizational and institutional bases of labor relations is carried out and four principles for the construction of labor relations in the transformation state in respect to economic systems are developed. The proposed organizational and institutional methodology and principles for labor relations designing can reduce contradictions in the system of labor relations and help achieve a balance of its participants' interests. They can also serve as a conceptual basis for building the system of labor relations under transformation, as well as a way to shape the socio-economic development strategy of a company and/or an economic system.

Keywords: Labor relations; transformation of labor relations; principles of labor relations designing; organizational and institutional aspects.

JEL: J01, J41, J50, J59

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АННОТАЦИЯ

Исследование организационно-институциональных проблем в области трансформации трудовых отношений и формирование новых принципов построения трудовых отношений с целью снижения противоречий в системе трудовых отношений и достижение баланса интересов сторон в условиях трансформации. В ходе исследования предложена аксиологическая диалектика как системно- и смыслообразующий фактор в процессах трансформации трудовых отношений.

В качестве методологии исследования автор применял системно-аксиологический подход на основе комбинации ряда научных методов, таких как аналитический, институциональный, системный. При рассмотрении организационно-институциональных аспектов построения социально-трудовых отношений применялась концепция коэволюции.

Изложено авторское понимание трансформации трудовых отношений как процесс построения новой организационной и межорганизационной сети трудовых отношений, направленной на обеспечение долговременного функционирования и развития компании. Исследование исходило из того, что трудовые отношения представляют собой сеть неоднородных, синергетических систем связей, формирующихся на основе обмена ценностей в трудовых процессах в рамках институциональной среды с возможностью трансформироваться.

Системно-аксиологический подход к трансформации трудовых отношений позволил осуществить анализ процессов трансформации системы трудовых отношений и позволил сформировать четыре принципа построения новой системы трудовых отношений. Предложенная организационно-институциональная методология и сформулированные принципы проектирования трудовых отношений направлены на снижение противоречий в системе трудовых отношений и достижение баланса интересов участников трудовых отношений, а также могут служить концептуальной основой при построении системы трудовых отношений в условиях трансформации, а также формирования стратегии социально-экономического развития любой компании и экономической системы.

Ключевые слова: трудовые отношения, трансформация трудовых отношений, принципы проектирования трудовых отношений, организационно-институциональные аспекты

Resumen

El documento estudia los problemas organizativos e institucionales en el campo de la transformación de las relaciones laborales y fundamenta principios novedosos de su diseño dirigidos a lograr el equilibrio entre los intereses de las partes.

Utilizamos un enfoque axiológico del sistema basado en una combinación de métodos analíticos, institucionales y sistémicos. El concepto de coevolución se aplicó al considerar los aspectos organizativos e institucionales de las relaciones sociales y laborales.

El estudio propone la dialéctica axiológica como un factor sistémico y formador de significado en la transformación de las relaciones laborales. El autor entiende la transformación de las relaciones laborales como una construcción de su nueva estructura organizativa e interorganizativa destinada a garantizar el funcionamiento y el desarrollo a largo plazo de la empresa.

Se realiza el análisis de las bases organizativas e institucionales de las relaciones laborales y se desarrollan cuatro principios para la construcción de las relaciones laborales en el estado de transformación con respecto a los sistemas económicos. La metodología y los principios organizativos e institucionales propuestos para el diseño de relaciones laborales pueden reducir las contradicciones en el sistema de relaciones laborales y ayudar a lograr un equilibrio de los intereses de sus participantes. También pueden servir como una base conceptual para construir el sistema de relaciones laborales en transformación, así como una forma de dar forma a la estrategia de desarrollo socioeconómico de una empresa y / o un sistema económico.

Palabras clave: Relaciones laborales; transformación de las relaciones laborales; principios de diseño de relaciones laborales; Aspectos organizativos e institucionales.

Introduction

At present the development of economies in many countries is characterized by high dynamism in the field of information and communication technologies and digitalization processes. Thus, for example, BCG research (A Leader's, 2015) defined modern conditions as an "era of constant transformation", speaking, in fact, of the continuity of transformation processes, which are also observed in the field of labor relations. Transformation processes in labor relations, on the one hand, are associated with the development of automation and digitalization which is reflected in the studies of the University of Oxford Carl Benedikt Frey and Michael Osborne (Frey, Osborne, 2017). On the other hand, transformation of social and labor relations is linked to the processes of globalization, labor and human capital migration, including changes in and globalization of values. That is, workplaces, norms and rules of labor behavior (institutions) change, new knowledge appears, therefore, labor values and attitude to work change as well.

There always appear problems and contradictions in the transformation processes. One of the major contradictions in the system of social and labor relations, for example, is some existing institutions focused at the implementation of classical approaches to labor relations that do not always meet the requirements of present day realities.

Thus, the incentive to write this article was the necessity to study organizational and institutional aspects and development of principles allowing to build social and labor relations in the conditions of their transformation with the aim to reduce contradictions in the system of labor relations and to achieve the balance of the parties interests.

Literature Review

Transformations of social and labor relations are the subject of active discussions in the scientific environment, which is caused by emerging innovations and contradictions in the field of labor. Numerous researches deal with the problems and various aspects of the transformation processes in labor and labor relations. Thus, scientists from Russia U. A. Nazarova (Nazarova, Galimova and Galina, 2018) studied the transformation of labor and labor values; G. Jackson (Jackson, 2018) researched the use of management tools and development of corporate social responsibility in business management and in labor relations transformation. The Ukrainian scientist Lanchenko E.A. (Lanchenko, 2018) conducted an economic analysis of social and labor relations in agriculture, Cavalcanti J.S.B. and Bendini M.I. (Cavalcanti and Bendini, 2014) studied the globalization and transformation of labor relations in the regions of Brazil and Argentina. Z. Kilhoffer (Kilhoffer, 2017) examined the transformation of existing institutions of labor relations under present-day developments, A. Sorgner (Sorgner, 2017) considered the impact of automation on the change of labor relations, Howe J. (Howe, 2016) analyzed the mechanisms of transformation and regulation of labor relations, and also studied the trends of changes in their regulation mechanisms. Global network labor relations are considered in the works of McGrath-Champ S., Rainnie Al, Pickren G., Herod A. (McGrath-Champ, et al., 2015), et al. Thus, there is a plurality of scientific studies in the field of axiological aspects of labor relations (Magun, 2010), N. V. Rodionova (Value measurement, 2012), S. Dolan and S. Garcia (Dolan and Garsiya, 2008), Joe Isaac (Joe I. and Joel, 2018), Cushen J. (Cushen, 2016), Chahestani F.J., Fazel A., Mirjafari S. A. (Chahestani, et al., 2016). For example, Fukuyama F. (Fukuyama, 1999) suggests that individuals join network relationships on the basis of shared values. Axiological and institutional foundations of labor relations are reflected in the works of A.V. Oleskin A.V. (Oleskin, 2013), where values and institutions are called a kind of "matrix" providing effective intercellular communication".

It should be noted that the existing views and approaches to the transformation, development and formation of social and labor relations are diverse, controversial and ambiguous, which is due, in our view, to their multi-dimensionality, interdisciplinarity and significance. The researches are mainly aimed at the consideration of a certain aspect of social and labor relations and do not sufficiently address the numerous other problems in this field. This review of scientific literature, research and publications showed that organizational and institutional aspects concerning the construction of social and labor relations are not sufficiently studied and require a comprehensive approach that takes into account changes in labor relations.

Materials and methods

Scientific publications of foreign and domestic authors are widely used in this study. The research methodology is based on an integrated system-axiological approach. In addition, social-labor relations were considered via the synthesis of institutional (Nort, 1997) and co-evolutionary (Lewin and Volberda, 1999) approaches, which imply the development of interacting elements as a single institutional system while maintaining its integrity.

In this study we will proceed from the fact that social-labor relations are a network system of heterogeneous connections which includes many participants (stakeholders) with the coordinated relations between them and is capable of transformation (Chahestani, et al., 2016).

Results

The author considers the transformation of social and labor relations as the process of their novel system construction based on changes in corporate value networks that cause the modification of value orientation of this system's subjects Legchilina E. (Legchilina, 2017). The process of transformation of labor relations itself, in our opinion, includes such stages as the destruction of the previous system of social and labor relations, designing (construction), introduction and adaptation of a novel one → transition to the subsystem of functioning.

The author suggests the following blocks to design a novel system of social and labor relations: "goals→ values"; "labor processes"; "network architecture"; "institutional-axiological space"; "subsystem of transformation" (Figure 1).

Value space (values, value orientations, value paradigms) is designed (formed) in the block "goals → values". It is the basis for the corporate value network required for the novel system of labor relations to function and develop.

In the "labor processes" block new labor operations are designed in accordance with technological innovations. They determine the parameters of work (labor), working conditions and modes, workplaces as well as technological processes, automation, digitalization, etc. "Labor processes" should contain optimal working conditions aimed at performing labor operations with minimum labor costs and due regard to safety in compliance with certain quality standards.

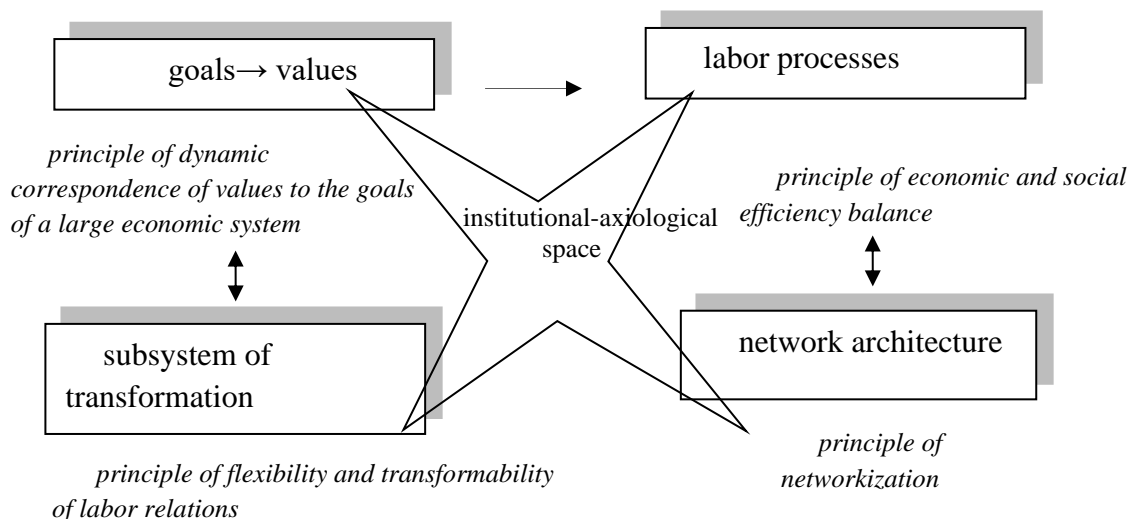


Figure 1. Organizational and institutional framework for the construction of social and labor relations. Source: compiled by the author.

The "network architecture (communication network)" block involves interaction, communication and values exchange mechanism in the system of labor relations.

The "institutional-axiological space" generates new formal and informal institutions, regulations, rules, norms, procedures, etc.

While researching the design of the novel system of labor relations, we realized the need to work out the principles of such a system construction. We will understand these principles as specifically oriented organizational and institutional aspects, rules, norms and recommendations making the ground for this system.

1. The principle of dynamic correspondence between the value orientations of stakeholders and the goals of a large economic system. This principle determines the target characteristics of the social and labor relations system and ensures the construction and functioning of this system as a whole.
2. The principle of networkization of the social and labor relations system on the basis of institutional necessity. This principle involves the creation of a multi-level and multilateral system of links in social and labor relations. It implies architecturally structured interactions between the parties, and also provides a balance of employees' independence and cooperation in the workflow.
3. Besides, we believe that network relations prevent opportunism in the system of social and labor relations and reduce contradictions in the system.
4. The principle of economic and social efficiency balance in the system of social and labor relations. The introduction of this principle is conditioned by the need to ensure economic growth in parallel with the social development of the economic system.
5. The principle of flexibility and transformability of labor relations based on the adaptation mechanism and co-evolutionary conditionality projects the ability of the social and labor relations system to change over time under the influence of external and internal factors as a result of the stakeholders' interaction.

Discussion

The construction of a novel system of social and labor relations resulting from their transformation in view of these principles is conditioned by the following circumstances.

The first principle action is driven, on the one hand, by the axiological aspect, which determines the effect of systemic and meaning-forming factors in the processes of building a system of labor relations that can affect employees' behavior at their workplaces (Ehlers, 2017).

In this aspect we consider the balancing of individual and social values to be the basis for creating corporate value networks (Helfen et al., 2018), (Porter and Kramer, 2011), which, in keeping with the company's goals, contribute to the formation of the desired motivational field of employees. On the other hand, the systemic approach to the social and labor relations makes it necessary to design the system of labor relations as both goal-setting and as ensuring the achievement of the economic system's objectives. In addition, the aspect of dynamism in social and labor relations is associated with constant changes

in the external and internal environment, which determines the dynamics of labor relations forms and values.

We propose to divide all the variety of values arising in social and labor relations into three groups and integrate them into the system of corporate value networks: "attitude to work", "labor behavior" and "work efficiency". Figure 2 shows the implementation of dynamic conformity between the value orientations of employees and the goals of an economic system.

Speaking about "attitude to work" values, it is necessary to establish the correspondence of basic individual values required to perform work (professionalism, safety, economy, responsibility, punctuality, pace, speed, reputation, etc.) to the goals of a large economic system.

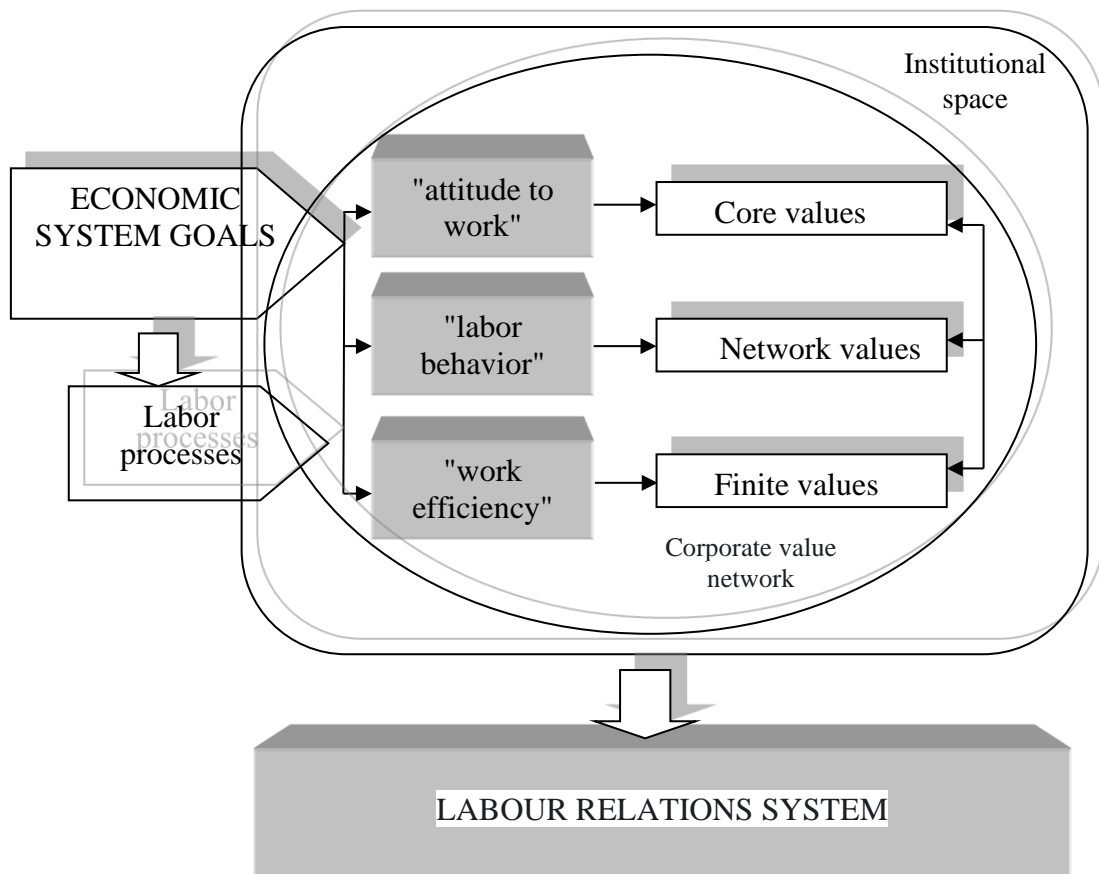


Figure 2. Implementation of the principle of dynamic correspondence between the value orientations of stakeholders and the goals of a large economic system.

Source: compiled by the author on the basis of complex system-axiological approach.

In this case, dynamic conformity means that the values of an individual that are part of corporate value networks should be consistent with the goals of the organization, and act as a resource necessary to achieve the goals of the economic system.

3. The principle of networkization of the system of labor relations is treated by the author on the basis of institutional necessity. In the opinion of R. A. Dolzhenko (Dolzhenko, 2014) institutionalization of social and labor relations will depend on the rate of growth in the number of active participants (stakeholders) and the efficiency of their labor use (Alle, 1998) and, accordingly, requires an orderly interactions. The introduction of the networkization principle is caused by a number of reasons. Firstly, it is an increased complexity of interactions and relations between the economic system and the external environment. Secondly, the increasing importance of the time factor (acceleration of labor processes) requires a new approach to the organization of labor, social and labor relations. The third reason is the company's expansion into new markets. And fourthly, it is the advanced development of interorganizational information and communication in the economic system. Networkization implies a large number of participants and a certain coordination of relations between them. The principle of networkization contributes to the design of "network order", i.e. certain rules of behavior (interactions) in the system of social and labor relations based on the exchange of values, which accordingly means the formation of a new institutional space. Thus, the network structure is inextricably linked to the institutional space and is designed in an integrated way with it (institutional conditionality).
4. The relevance of the principle of economic and social efficiency balance is determined by two aspects. On the one hand, economic effectiveness growth is the foundation for the progress in social development of labor relations. On the other hand, the improved level of social development makes it possible to address economic challenges. Analysis of various viewpoints (Potudanskaya and Mizya, 2016), (Gosetti, 2017) allows the author to conclude that it is possible to balance economic and social efficiency in economic systems. At the same time, both economic and social efficiencies are demonstrated, first of all, at the individual level of social and economic behavior of employees. However, the conditions for the changes in the ratio of economic and social efficiencies are formed at various levels of social and labor relations.

When designing the system of labor relations it is advisable to start from the target function of social and labor relations as a regulator of employees labor life quality (Gosetti, 2017) and the way to ensure their well-being by achieving the economic goals of the company through the exchange of values within the corporate value network. The existing approach in management to consider the goal attainment as the basis to measure management efficiency (Belkina, 2011), (Kuz'min and Vysokovskaya, 2012) confirms the validity of our conclusions. Some scientists consider the balance of economic and social efficiency in labor relations through the "Creating value and mitigating harm" concept (Isaac and Cutcher-Gershenfeld, 2018), which implies achieving a balance between value creation and harm reduction. For example, creating value for employees by wage increase can do harm in the short term in the form of reduced profits for employers and possibly increased unemployment.

While designing a system of labor relations on the principle of economic and social efficiency balance, it is necessary to take into account various circumstances in the field

of labor and management and the fact that the opportunities for one party is a risk for the other party.

Conclusions

Thus, in his study, the author argues that the system of social and labor relations, on the one hand, should be aimed at increasing labor productivity, increasing the company's profitability while optimizing costs, which is determined by economic efficiency indicators.

On the other hand, one should focus on improving the quality of working life, which is one of the indicators of social efficiency. In other words, the balance implies a correspondence between the quantitative characteristics of labor productivity (productivity) and the qualitative characteristics of satisfying the needs of the worker in labor processes within the framework of the exchange of values.

As a result, having studied the organizational and institutional aspects of designing social and labor relations in the context of the transformation of economic systems, we formulated and substantiated four principles.

All this allows creating a system of labor relations aimed at reducing contradictions and opportunism in these systems.

The implementation of these principles has both theoretical and practical significance and lays new conceptual foundations for building a system of social and labor relations in the context of transformation.

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