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## **CONCEPTUAL PRINCIPLES OF THE FUNCTIONING OF THE STATE MANAGEMENT MECHANISM OF THE LABOR RELATIONS SYSTEM**

*The quality of working life is extremely important for every employee. The quality of working life directly depends, in particular, on working conditions, fair remuneration for work, participation of employees in decision-making related to their work and interests, prospects for professional growth.*

*The presence of Ukraine in a state of war led to the aggravation of significant problems related to the effective organization of labor relations, which did not exist before or were isolated in peacetime [13]. The Constitution of Ukraine, as the main law of the state, enshrines the right of a citizen of Ukraine to work. At the same time, the Code of Labor Laws of Ukraine, which should specify the procedure for citizens to exercise their labor rights, is outdated. The changes made to it are insufficient and, in general, deregulation does not change the situation [9].*

*Implementation of state functions at each stage of society's development is different and determined by historical, geopolitical, social, economic and other conditions. The results of scientific research give grounds for the statement that as globalization develops, there is a need to modernize the classical functions of the state; implementation of new functions to the sphere of activity of state authorities; mastering a new toolkit of influence on the part of state authorities on the development of the economy and society.*

*The article developed and proposed conceptual principles of functioning of the mechanism of state management of the labor relations system, identified priorities and*

*tasks for the implementation of these principles, etc.*

*According to the results of the scientific work, conceptual approaches to the modernization of the labor relations system have been determined, according to which the state should minimize interference in labor relations, becoming an equal partner with employers and employees. A transition from state to contractual wage regulation is proposed, which will ensure not only the growth of the income of an individual employee of a specified enterprise, but also of the industry and the state as a whole.*

*This article has practical implications for both employers and employees. The discussed topics are promising for further application in legislation, in particular the new Labor Code, laws of Ukraine «On wages», «On social dialogue in Ukraine», «On collective contracts and collective agreements».*

**Key words:** *public administration, labor relations, management of labor relations, mechanism of public administration, system of labor relations, conceptual principles, public-public cooperation, social dialogue.*

Analysis of recent research and publications. The issue of state regulation of labor relations is highlighted in the works of such scientists as V.S. Venediktov, O. Rudyk, L.V. Erofeenko, etc. [15].

V.S. Venediktov, researching the issue of encouraging employees, believed that since the second half of the 20th century, the state policy regarding the effectiveness of the incentive system in labor relations has undergone significant changes, which made it possible to timely and adequately encourage employees who work honestly and impeccably, show initiative, and show special merits in work, etc. [1].

All of the above allows us to conclude that there is a need to develop a single concept for stimulating the effective implementation of labor relations in Ukraine at this time [13]. According to L.V. Erofeenko, the extremely slow updating of labor legislation is associated with weak scientific development of the conceptual foundations of its reform [4].

The purpose of the article. Development of the conceptual principles of the

functioning of the mechanism of state management of the labor relations system, determination of priorities and tasks for the implementation of these principles, etc.

Introduction. Concept (lat. Conceptio — understanding) is a system of views, one or another understanding of phenomena and processes; a single, defining idea [9].

A scientific concept is an interpretation of some process or phenomenon, a basic view of the subject and object of research, a certain way of understanding. For the most part, in modern science, a scientific concept is understood as a fundamental theoretical scheme or system. This scheme contains initial principles, basic concepts or categories, universal laws for a certain theory, idealized schemes (models, objects) of the field being described, on which interpretations of all statements of the theory are projected.

A concept arises as a result of a person's creative activity in his work to make sense of the world. The concept also defines ways of expressing concepts (basic concepts), terms created on the basis of an idea. It is obvious that the presentation of any scientific concept requires the clarification of a number of terms and definitions used to describe processes and phenomena.

Basis is the basis of something; the main thing on which anything is based; initial, main position, principle [5].

Therefore, the formulation of the conceptual foundations of a certain phenomenon is a grouping of certain elements, fundamental ideas that make it possible to form a clear understanding of this phenomenon [2].

Conceptual approaches to the formation of the corresponding project should take into account the theoretical and scientific-methodical justification of the development of the labor sphere on the basis of social responsibility, be based on an assessment of the state and problems in this sphere, take into account the degree of threats to national security in the social and labor sphere, the needs of the economy and production, as well as the need to modernize social and labor relations in the system of social relations [12, p. 164].

The key to successfully achieving the goals of the conceptual framework is the observance of basic principles, in particular the principle of freedom of labor, social

partnership, the principle of equality, the combination of state and contractual regulation, etc., as well as their subject composition - the state, employer and employee [11]. Thus, after analyzing the conceptual principles of the functioning of the mechanism of public management of the system of labor relations through the prism of their fundamental constituent elements, namely the subject, object and content, the following scheme can be formed.

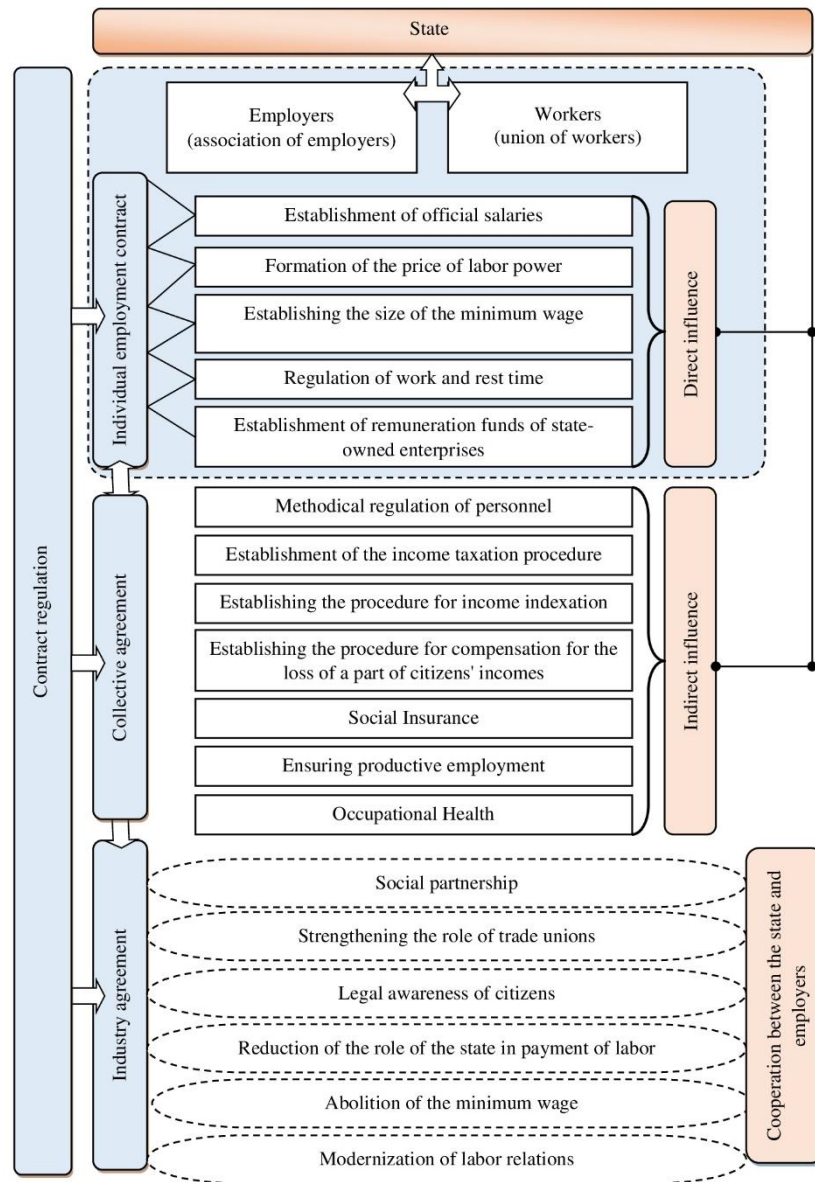


Fig. 3.1. Conceptual principles of functioning of the mechanism of public management of the system of labor relations

Source: generated by the author

As can be seen from the table, currently in Ukraine it is the state that has a direct influence on almost all issues of remuneration, in particular, the formation of the price of labor, the establishment of salaries (relevant not only for employees of the public sector due to a number of normative legal acts), regulation working time and rest time, working time, etc. At the same time, the indirect influence of the state on labor relations is carried out through methodical regulation of personnel, taxation and indexation of citizens' incomes, social insurance, employment of the population, etc.

Before Russia's invasion of Ukraine on February 24, 2022, Ukraine had made significant progress in implementing reforms, including regional development and decentralization. It also has an impact on the creation of new jobs.

However, in the conditions of modern economic realities, the extremely strict regulation of labor relations contradicts the principles of market self-regulation, modern organizational and personnel management, does not meet the current needs of the labor market and creates numerous unjustified bureaucratic obstacles both for the self-realization of employees and for increasing the competitiveness of employers.

As a result, employers who create new jobs and provide employment, in fact, cannot avoid violations of outdated and often simply inadequate labor legislation, are under constant pressure from the state in the form of regulatory bodies, and risk being prosecuted in the form of significant fines. and the refore forced to resort to «shadow» employment or cut jobs [3].

Since one of the key resources for the functioning of any business is human labor, employers and owners still remain deprived of favorable legal conditions for the development and improvement of their own competitiveness. Among other things, the result of this is the low rate of quantitative and qualitative development of entrepreneurship, the deepening of crisis phenomena in the economy, in particular, the reduction of employment of the population, the slow growth of revenues to the budgets of all levels.

Therefore, the negative consequences of the existence of outdated, economically inadequate methods of state regulation of labor relations in Ukraine are felt to one degree

or another not only by the private sector, but also by the state and public sectors, as well as by all social categories and interest groups.

In particular, there are the following problems that require immediate resolution and settlement:

- the inconsistency of outdated methods of comprehensive state regulation of labor relations with the realities of the market economy, the basis of which is private agreements based on contracts, and the ability of the market system to self-regulate a significant part of social relations, in particular labor relations, at the level of «market capacity». At the same time, the third part of Art. 94 of the Code of Labor Laws of Ukraine in the 1990s version provides for contractual regulation of labor relations, in particular in terms of remuneration, employee rights to remuneration and their protection, on a level with state regulation, but this market method of labor regulation is only mentioned and in the future is practically not reflected in the provisions of the outdated labor legislation [6];

- critical bureaucratization and complexity of labor relations for employers and employees, which negatively affects the dynamics of business processes, suppresses economic incentives and diverts a significant part of resources to the fulfillment of a huge number of requirements and procedures provided for by outdated labor legislation;

- an outdated and overly complex system of rationing and payment of labor, rationing and accounting of working hours, provision of vacations, as well as in general the organization of work, which does not take into account the modern features of the activities of business entities and the work of employees in market conditions of conducting business and performing functional tasks aimed at on the general economic result of economic activity;

- excessive complexity of the current personnel accounting procedures and a huge array of personnel documentation, which requires significant amounts of financial, time, and human resources;

- unjustified pressure on business from regulatory bodies and constant threats of imposing sanctions and fines for violation of numerous bureaucratic procedures stipulated by outdated labor legislation [3].

The current level of market relations and existing problems of obsolescence of labor legislation require the introduction of the most flexible and free mode of regulation of labor relations [8].

In particular, the author considers the transition from state to contractual wage regulation, the abolition of the minimum wage, the transition from quantitative to qualitative indicators of labor and, in general, the modernization of labor relations, to be relevant.

Conclusions. The results of research and generalizations give grounds for the statement that as globalization develops and the complications it creates, there is a need to modernize the classical functions of the state, implement new functions to the sphere of activity of state authorities, as the range of issues that need to be solved by direct or indirect participation of the state and mastering new tools of influence by state authorities on economic and social development [7]. Based on the identified need, the author developed the conceptual principles of the functioning of the mechanism of public management of the system of labor relations, which outlines, in particular, the transition from state to contractual regulation of labor remuneration, the abolition of the minimum wage, the transition from quantitative indicators of labor remuneration to qualitative and, in general, the modernization of labor relations

In order to improve the mechanism of public management of the system of labor relations, the state's intervention in the organization of wages should be mainly indirect in nature and socially oriented. The regulatory influence of the state should be aimed at providing social guarantees and conditions for earning the necessary funds in order to increase the efficiency of the use of labor, to coordinate and equally implement the interests of all participants in labor relations. For this purpose, it is necessary to introduce a mechanism for improving remuneration, which would reflect the interrelationship of its level with the results of the enterprise's activities, the labor contribution to them of a specific employee, taking into account the state policy of regulation and distribution of material goods, thus, to move from quantitative to qualitative indicators.

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