

STATE POLICY OF USE AND STIMULATION OF LABOR RESOURCES TRADE

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Abstract. *The article is devoted to the problem of the efficiency of the labor using in trade. The necessity of introduction of modern mechanisms and tools of personnel management in the work of trade enterprises is proved in this article. Recognized, that the ability of the continuous development of the sphere of trade, the apparent disproportion and the structural deformation of the employment market negatively related to the quality and effectiveness of the business and financial and economic results of management. This situation implies the need for intensification of the efficiency of the realization of labor and intellectual potential at all levels of economic relations. The main objective of the study is the factors that will ensure a convergence of social-labor interests of employees, employers and society. As a result, the formation and rational use of human capital and the high efficiency of labor will be ensured. Today, in spite of the increase in the level of employment and payments in Ukraine, there is still insufficient financial stimulation, an adequate need for trade workers, full support of the social support, protection and assistance that would meet international standards, and create insufficiently competitive job positions.*

Keywords: *trade, labor resources, structure of labor resources, human capital, wages*

JEL Classifications: *J08, J18, J51*

Introduction

The main objective of the policy of effective use of labor potential both in the general and in the public sector is to form an appropriate environment which will help to bring the social and labor interests closer to the employers and society. As a result, the formation and rational use of human capital and the high efficiency of labor will be ensured. Today, in spite of the increase in employment rates and payments in Ukraine, we believe

that there is still insufficient financial stimulation, the inadequate need of trade workers, social support, protection and assistance that would meet international standards, create insignificant competitive workers places.

Theoretical background

The current methodological review discusses the social aspects of fair and alternative trade experienced by southern agricultural producers and workers. The results highlight the gender, medical and labor aspects of fair and alternative trading systems and suggest that diverse groups of producers and workers experience relevant inequalities. Such investigations confirm the relevance of studying the problem of increasing the efficiency of labor resources use [1]. It was established that the state regulation of the use of labor capital is influenced by trade unions, legislation, historical traditions, etc. [2]. At corporate level corporate social responsibility plays an important role [3]. A number of factors as structural reforms and investments in human capital (including accessibility of education, labor market flexibility and gender equality) are influenced by the development of labor relations in trade (including retail-trade networks).

Therefore, one of the key factors of production is labor, the level of influence of which depends on the development of the communicative competence of labor resources [4]. It requires the development of certain measures of state policy to support the institutional support of labor motivation in trade. It is the social component of these relations that depends on the effectiveness of their state coordination since qualified and responsible economic performers are far from the ideology of opportunistic behavior, and this inevitably contributes to reducing transaction costs, and, on the other hand, produces the emergence of value added chains that stimulate a sharp increase in trade flows [9].

Research objective and methodology

The main objective of the study is the factors that will ensure a convergence of social-labor interests of employees, employers and society. As a result, the formation and rational use of human capital and the high efficiency of labor will be ensured.

Results and discussion

The study of the effectiveness of the use of labor resources in trade is appropriate to start with the study of the occupancy of the population in this type of economic activity. It should be underlined that in Ukraine the number of employed people aged 15-70 in 2018, in comparison with 2017, decreased by 166.3 thousand people, or by 1.0%, and amounted to 16.3 million people, including able-bodied age - 15.6 mln.

The employment rate of the population aged 15-70 decreased from 56.7% to 56.3% during the period, and from 64.7% to 64.2% in the working age population. (Table 1) [8].

In the structure of the employed population of Ukraine, in 2018, the largest share was occupied by persons who worked in the simplest professions (18.9%), professionals (17.9%), and trade and services (16.8%). Compared to 2017, no significant structural changes occurred (Table 2).

Among the employed women, almost every 4 work in the field of trade, and among men only one in ten. In the sphere of trade the dominance of women is observed in comparison with men (67.2% versus 32.8%). The employment in urban settlements is 18% and in rural areas -14%. Among all workers in the sphere of trade and services more than 74% work in cities. All of the considered indicators have a slight upward trend in 2018 compared to 2017.

Table 1: *Employment rate by sex, place of residence and age groups,% of the total population of the corresponding age group*

	Total	Including age groups, years							Labor-capable age	
		15–24	25–29	30–34	35–39	40–49	50–59	60–70		
2017										
The whole population	56,7	28,2	71,8	74,3	79,1	78,6	61,7	14,5	64,7	
women	51,7	24,8	63,1	67,1	75,1	77,8	56,4	12,2	60,9	
men	62,2	31,3	80,1	81,3	83,1	79,4	68,2	17,9	68,7	
urban settlements	57,4	25,6	74,4	76,4	80,5	80,0	62,1	13,1	66,0	
countryside	55,1	32,7	66,3	68,6	75,7	75,7	60,9	17,5	62,0	
2018										
the whole population	56,3	27,0	69,8	74,7	78,4	78,2	62,4	14,3	64,2	
women	51,6	24,4	60,8	67,2	74,3	77,7	57,8	12,3	60,2	
men	61,6	29,6	78,4	81,9	82,5	78,8	68,1	17,3	68,4	
urban settlements	57,0	24,1	71,5	77,0	80,0	79,6	63,2	12,9	65,5	
countryside	54,9	32,1	66,3	68,5	74,5	75,5	60,9	17,5	61,6	

Table 2: Employed population by occupational groups, sex and place of residence

	Whole population	Women	Men	Urban settlements	countryside
2017					
total, thousand people	16443,2	7872,4	8570,8	11309	5134,2
including workers in the sphere of trade and services, thousand people	2691,2	1817,7	873,5	1992,2	699
%	16,4	23,1	10,2	17,6	13,6
2018					
Total, thousand people	16276,9	7827,4	8449,5	11178,5	5098,4
including workers in the sphere of trade and services, thousand people	2734,7	1837,1	897,6	2017,7	719
%	16,8	23,5	10,6	18,0	14,1

One of the indicators of the socioeconomic development of the state is the informal employment of the population. Informally, those with a low level of education and those who are engaged in physical or unskilled labor are mostly employed. In particular, in 2018, the proportion of informally employed among the workers of the simplest professions was significantly higher than among the officially employed population (49.0% vs. 9.2%), and in trade it was 19%. Trade, along with rural, forest and fisheries, construction is the main activity of informally employed population.

In general, it is possible to maintain a high level of population deprivation in the Ukraine trading. However, the staff turnover in this area is rather high. Among the total number of registered unemployed (390,8 thousand) at the end of 2018 One eighth worked at enterprises that carried out wholesale or retail trade or repair of motor

vehicles and motorcycles. Of the total number of vacancies announced by employers (in 2018 - 36.0 ths.), Every sixth person was in enterprises of the same sphere. At the same time, there is an increase in the needs of employers in workers comparing with 2017, in trade and in Ukraine as a whole (Table 3).

Table 3: *Demand, supply and employment of the labor force, thsd. persons*

Type of economic activity	The number of registered unemployed at the end of the year		The need for workers to replace vacancies by the end of the year		Registered unemployed during the year	
	2017	2018	2017	2018	2017	2018
Total	490,8	390,8	25,9	36,0	444,7	409,0
Wholesale and retail trade; repair of motor vehicles and motorcycles	61,2	44,7	4,1	5,9	71,4	61,7

Registered number of retail workers in the country amounted to 7% of the total number of employees employed in Ukraine. Such rather high indicators and their growing tendency are explained by the growth of the number of large retail objects like super and gepermarkets. It should be noted that, apart from the different grades (where the products grow) for the functioning of such economic entities, a large number of persons is involved among which a high proportion is taken by managers and staff, the auxiliary and service personnel.

This tendency is also reflected in the distribution of personnel of trade enterprises by the level of education (Table 4). The positive changes were that the share of workers with complete higher education increased by 7% over the decade, while the number of employees without higher education in 2018 was 39.3% against 44.5% in 2005.

Table 4: *Distribution of personnel of trade enterprises by educational level, %*

Educational level	2005	2006	2010	2017	2018
- incomplete and high school education	26,0	26,0	24,1	23,6	23,7
- full higher education	29,5	29,4	32,1	35,6	37,0
- without higher education	44,5	44,6	43,9	40,8	39,3

However, during the decade there were no significant changes in the age structure of trade unionists (Table 5). Every second trader is young people (aged 15-34). This positively correlates with the youthful economic activity, which is characterized by high motivation for the initiative.

Table 5: *Distribution of personnel of trade enterprises by age, %*

Educational level	2005	2006	2010	2017	2018
- Young	50,4	50,3	51,6	53,1	49,2
- Pre-retirement age	7,0	7,5	7,8	8,0	9,0
- Retirement age	6,7	10,0	9,6	9,9	9,5

The distribution of trade enterprises according to the organizational forms of business entities in Ukraine (Table 6) indicates the predominance of limited liability companies (49.4%), and the number of state property trade enterprises in 2018 amounted to 169 units (1.4%). However, the distribution of staff has other structural characteristics (Table 7).

Table 6: *Number of enterprises engaged in retail trade in Ukraine according to the organizational forms of economic entities in January 1, 2018*

Organizational form	Number of enterprises, units	% to all businesses
Limited Liability Company	5963	49,4
Private enterprise	2667	22,1
Cooperative Society	1197	9,9
Municipal Enterprise	363	3
Consumer Cooperative Enterprise	362	3
Joint stock company	362	3
Others	1153	9,6
Total	12067	100,0

Table 7: *Number of enterprises engaged in retail trade in Ukraine by the organizational forms of economic entities as of January 1, 2018*

Organizational form	Number of employees, persons	% of all employees
Limited Liability Company	1917	70,1
Private enterprise	254	9,3
Cooperative Society	200	7,3
Municipal Enterprise	66	2,4

Consumer Cooperative Enterprise	66	2,4
Joint stock company	104	3,8
Others	129	4,7
Total	2735	100

It is believed that the social-labor sphere in the trade enterprises of the state, communal, co-operative, and some other forms of independence is more conservative. Therefore, in the private enterprises of private trading, the organization of labor is the highest innovative hierarch, recognizing the aims of a more intensive use of labor resources and ensuring the formation and effective use of the intellectual labor potential.

In trade, sex differentiation is clearly shown in terms of occupation and payment of the contract. In retail trade, among the employees of the trading floor, at the counter or at the checkout desk, women who have a salary lower than the average person are displaced. However, in the middle of the administrative staff of the trade enterprises, a high proportion of men. As a result, the average salary of representatives of men in the trade sector is almost 20% higher than the plight of women.

A positive fact of using labor resources in trading can be considered as the rational structure of the fund's labor leverage (Table 8). Weak human resources motivation and dissatisfaction in labour sphere may cause dangerous consequences not only at entrepreneurial level but also can widen negative effects totally in economy in forms of loss of economic activity, perception of justice, excessive emigration aspirations [9,10]. It shows that saved is more or less is positive. So, in 2018 the volume of the fund's payments for the work has stabilized UAH 83 billion including Fund of the main industrial plots of the city is 64 billion UAH (77.6% of the salary fund payments for the work). There was an increase in its share of more than 3% at the expense of additional wages. We are convinced that, in most cases, the growth of sales volumes and trading in trading is the result of legislative changes, and not the management of the retail trade.

Table 8: *Structure of the Fund's payment bills in the trade*

	2014	2017	2018
Basic Salary Fund	74	73,9	77,6
Supplementary Wage Fund	24,2	24,1	21,2
Other Incentive and Compensation Payments	1,9	2	1,2

However, there is a significant disbalance in the trading in the trading environment of a certain type of enterprise. So, January 1, 2017, the sum of the non-exhausted salaries of the economically and non-active

enterprises' permanent employee amounted to UAH 11.1 million (51.6% of the total amount of non-elaborate salaries). Thus, the status of the charter and other types of economic activity, as in Ukraine, and there is an implementation of a long-term procedure for the restoration of the capacity of debtor enterprises or for the extinction of their bankruptcy.

An important aspect of the effective use of labor resources is the training and upgrading the personnel's qualification. On average, during the 2014-2018 programs only about 1% of the number of registered tradesmen employed in the trading sector was covered by the program's improvement program. This suggests that for trade enterprises they try to use the potential of employees, and not to raise funds for the creation of adequate labor potential through the improvement of the professional level, knowledge of the personality of the person. This, of course, is a non-negative phenomenon but it is often due to a lack of financial knowledge such as the lack of awareness of the necessity of the formation and efficient use of the intellectual potential. This is evidenced by the presence in Ukraine of a significant number of opportunities for improving the professional level in the field of sales. It is various training, targeted training, exhibition activities, etc.

Conclusions

In general, we believe that in Ukraine there is still no systemic and structural and consensual approach to ensuring the efficiency of the use of labor resources. Although, the situation has changed positively over the last two years, however, this is due not so much to the initiative of employers as it is the consequence of state regulation in the national economy.

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