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THE EVOLUTION OF EMPLOYMENT RELATIONS IN THE CONTEXT OF THE FORMATION OF AN INNOVATIVE ECONOMY

ЕВОЛЮЦІЯ ВІДНОСИН НАЙМАНОЇ ПРАЦІ В КОНТЕКСТІ ФОРМУВАННЯ ІННОВАЦІЙНОЇ ЕКОНОМІКИ

Summary. The article explores the historical evolution of employment relations and their specific features in the context of the formation of an innovative economy. The authors focus on the essential distinctions between simple labour, forced labour, and wage labour, particularly in terms of subjectivity, goals of the labour process, and conditions of its implementation. A historical and genetic analysis is conducted to trace the transformation of labour relations from coercive labour to a contractual form based on liberal ideology and the functioning of the labour market. Special attention is paid to the Soviet model of labour, which does not meet the criteria of classical wage labour due to the absence of a market, private ownership of the means of production, and free choice by the worker. The publication examines key approaches to labour management – from F. Taylor's scientific management to A. Fayol's administrative model – and outlines their influence on the modern understanding of labour organisation. The authors argue that the modern innovation economy generates demand for new competencies, flexible employment forms, and partnership-based labour relations. At the same time, they highlight the deepening of socio-economic inequality, the spread of atypical and informal forms of employment, increasing risks of task fragmentation, and worker alienation. The article points out that the contemporary practice of equating labour solely with wage employment narrows the concept of «human capital» to that of a «labour resource», undermining

the value-based, psychological, and cultural aspects of labour as a form of self-realisation. The need to revise human capital management approaches is substantiated, particularly by incorporating motivation, identity, and the social context of labour. The article presents an interdisciplinary analysis at the intersection of economics, philosophy, sociology, and management. The study's findings can be applied in the development of institutional labour policy, the adaptation of human resource management systems to the challenges of the innovation economy, and the creation of new labour interaction models focused on sustainable development and social justice.

Keywords: hired labour, innovative economy, historical overview, research, liberalism.

Formulation of the problem. We should start with the question of the nature of labour in the economy of Soviet socialism. The question remains debatable to this day: was the labour of a Soviet citizen for the benefit of the state wage labour? We adhere to the point of view that the labour relations of the stage of secular socialism did not have the character of relations of hired labour neither from the economic point of view – in the conditions of unified state ownership of the means of production there was no employer as an individual, nor from the social point of view – labour was the duty of a

citizen, which was based on an appropriate system of labour education. With this understanding of the problem, we are forced to consider that the relations of wage labour in our country have only a twenty-year history and are only beginning to take shape. This is our fundamental difference from European relations of wage labour, which have a six-hundred-year history of the formation of contractual-legal relations in the conditions of class struggle. Therefore, we are forced to begin our work with a historical and genetic analysis of the formation of the specifics of wage-labour relations, including the problems of human resource management of modern industrial enterprises.

Analysis of recent achievements and publications. The scientific discourse is increasingly focusing on the evolution of hired labour relations as a component of socio-economic transformation. Ukrainian scholars, such as V. Heets [1], L. Shevchenko [2], and I. Kalachova [3], study the transformation of labour relations in the context of digitalisation and global challenges, emphasising the need to adapt labour institutions to new realities. In foreign scholarship, there are notable works by Guy Standing, who examines the phenomenon of precariat as a new social formation of wage labour, Richard Sennett [4], who focuses on the erosion of the stability of labour relations, and Carl Benedikt Frey [5] and Michael Osborne [6], who analyse the risks of automation and the impact of technological progress on the employment structure. In addition, studies by the OECD [7] and ILO [8] point to the need to modernise employment models to ensure inclusive innovative growth. A common feature of modern approaches is the recognition that the innovation economy requires more flexible, dynamic and socially oriented forms of employee-employer relations.

The purpose of the article is to clarify the peculiarities of the evolution of hired labour relations in the context of the formation of an innovative economy, taking into account historical and genetic factors and modern challenges related to digitalisation, employment transformation and the changing role of human capital.

Presentation of the main material. Wage labour has undergone a long transformation from forced labour, in which work gave a person the opportunity for physical survival, to the freedom of choice of the individual labour contract and, in general, the social contract in the broad philosophical sense. Within the Marxist approach, the formation of wage labour is linked to technological progress. In conditions when man could ensure with the help of available modes of production and means of labour

the survival of only one person, it was pointless to attract additional labour force, neither slave labour nor wage labour emerges, simple production appears as the only form of labour. K. Marx notes: «In the social production of their lives people enter into definite, necessary, from their will independent relations – production relations, which correspond to a certain stage of development of their productive forces» [5]. Simple production creates value at the moment of labour, although the amount of this value is determined only at the moment of exchange. A. Smith also associated the theory of labour value with simple commodity production leading to the creation of the product of labour [2].

C.R. Mills describes the ideal conceptions of labour of artisans in Western Europe in the 13th-14th centuries: «There are no ulterior motives in labour beyond the product being made and the process of its creation. The details of daily work are full of meaning because in the mind of the worker they are not separated from the product of labour. The worker is free to control his own labour actions. Therefore, the artisan is able to learn from his own work, and to utilise and develop his ability and skill in the course of it. There is no gap between work and play, labour and culture. The way in which the artisan secures his livelihood determines and fills his whole way of life» [6].

Hired labour takes the labour process itself beyond the limits of intensiveness, true interests and intentions of a person. Thus, the labour market and the price mechanism operating on it determine the attractiveness of a profession not by a person's abilities and interests, but by the wage that a future employee expects to receive. At the same time, the further development of technology made it possible to get more and more surplus product from one person, which, in turn, led to the emergence of grounds for the complication of managerial tools. With the development of machine production, external coercion became much less favourable, as an uninterested worker could cause damage to expensive equipment, so coercion as a factor of management in factory production is practically not applied.

It is possible to make a brief comparison of the main elements of the content of the concepts of labour, wage labour and forced labour:

The key distinctions between types of labour in this case include purpose (product, surplus value or wages obtained during the labour process, remuneration external to the labour process) and subjectivity (independent decision-making on the performance of the labour process, within the limits of available technology, and the ability to use

Table 1

Comparison of the concepts of labour and its types

	Simple labour	Forced labour	Hired labour
Type of business	Simple commodity production	Extra-economic coercion	Liberal ideology, market economy
Essence of activity	Conversion of natural resources	Following instructions, orders	Sale of labour on the labour market
Entity	Man himself	Owner, commander	Employer
Process integrity	Complete, determined by man himself	Any option	Minimal, fragmentation of labour, boundaries of specialisation
Purpose	Product of labour	Survival	Receiving remuneration

one's qualifications within the limits of specialised functions defined by the employer, or complete subordination to orders, instructions).

In particular, it can be noted that in the Soviet economic model, labour was supposed to act as a form between simple labour aimed at creating a finished product and creative self-realisation, which is not included in the narrow interpretation of the concept of 'labour', since it is a spontaneous, spontaneous action, a systemic activity, but does not have the characteristic of 'difficulty' and does not imply self-management of a person, since it reflects the satisfaction of a person's own desire and inner need for creativity. Thus, strictly speaking, the work of a Soviet worker cannot be qualified as wage labour in terms of its content, and given the system of remuneration, which was largely determined by planned, tariff-based indicators, the Soviet type of 'employment' can rather be described as a contract for the exchange of labour power (hours of use of human intellectual and physical resources) for the resources necessary for its reproduction, which in the case of a number of large enterprises were covered by departmental and organisational social infrastructure in the sphere of the labour force.

Along with the fundamental economic orientation to profit, another group of approaches should be distinguished in management, which allow building organisational processes purposefully to achieve the goals of coordination and solving specific managerial issues. This basic approach, which can be called proper managerial in the narrow sense of the word, aimed at administration in general of organisational processes and, in particular, of labour activity [6]. Almost simultaneously with the main work of F. Taylor «Principles of Scientific Management» published in the USA in 1911, in France in 1916 the work of the head of a large metallurgical company A. Fayol «General and Industrial Management» was published Fayol «General and Industrial Management» [1, 3].

If scientific management and the school of human relations, which can be combined into a group of managerialist approaches, are focused on profit maximisation, then administration is aimed at maximising the return on all resources of various kinds at the disposal of the enterprise, including material and human resources. Thus, A. Fayol believed that the impact of managerial actions can be divided into the following components:

- technical production operations for the manufacture of a product constitute about 10% of the value for effective management of the assets of the enterprise;
- 10% of influence on success is given by the correct construction of accounting actions, including inventory, statistical analysis, accounting;
- another 10% of the value for effective management is given by ensuring the safety of people and property;
- 25% are financial and commercial actions to sell products and raise funds;
- and 40% provide the actual managerial, administrative actions, which consist of interaction with people, without technological or other material component [7].

Although A. Fayol's work was published in 1916, it became known only after the 2nd World War, when it was translated into English (in 1949), which allowed a wider range of economists and managers to get acquainted with the administrative approach, the essence of which was to «harmonise» and coordinate the «social body of the enterprise» [4]. The administrative approach to the activities of the enterprise assumes that management includes, among other functions, the service role of managers to ensure interaction and coordination of efforts of all participants, employees and managers involved in the organisational process.

In general, for Soviet authors in the field of labour management, socialism seemed to be an attempt to return the value of labour as an instrument of self-realisation of the individual at the individual

level and his self-identification in society [3]. M. Scheler describes labour as a tool that allowed the emergence of man as a biological species, «his mind developed only in and through labour» [1]. In the USSR, based on this idea, a complex system of labour management was formed, based on the recognition of the value of labour as the only and main means of human identification.

In particular, the whole system of compensation management built in the USSR at the level of society, not just enterprise management, was aimed at this. In particular, the USSR developed and implemented an extensive system of moral incentives, including both state, sectoral and regional awards and financial rewards (state bonuses, etc.).

The Soviet variant of labour education, training and construction of labour processes at enterprises and organisations was, especially in the first half of the 20th century, quite advanced and effective. At the same time, market mechanisms and liberal ideology ensured the success of Western countries in building a consumer society and producing the actual number and quality of goods (often of lower quality at a lower price). As a result, the Soviet system of scientific organisation of labour and management lost its advanced position, yielding to the rapid growth of consumption in the post-war years in Western countries. The liberal ideology of wage labour was taken up by society along with the illusions of perestroika and with attempts to copy and implement liberalism and market mechanisms.

Direct borrowing of Western management showed its ineffectiveness, as a result, already in 1990-2000, a lot of studies were conducted, in which the search for the causes of such ineffectiveness was focused on socio-cultural, historical, political factors. During this period, the practical results aroused a new interest in the Marxist approach and in the study of management problems and their solutions offered in Western countries, in the experience gained by them.

The basis of research on social and psychological aspects during practically the whole 20th century was the concept of alienation, which was based both on the Marxist approach (types of human alienation included alienation from nature, from one's active function; from one's own essence; alienation of man from man) and on philosophical and psychological ideas about the meaning and content of human life, in particular, existentialism and the meaning of being. For example, considering the emotional characteristics of wage labour, E. Fromm writes:

«The alienated and deeply unsatisfactory nature of labour leads to two consequences: the first is the ideal of complete laziness; the second is an underlying, though often unconscious, hostility towards labour and everything and everyone connected with it» [2]. In this sense, a number of authors describe man as a biological species not «man the rational», but «man the producer», so, A. Bergson in his work «Creation». Bergson in his work 'Creative Evolution' (1907) he used the phrase «homo faber» in the context of a more precise definition of man not as possessing intelligence, but as transforming nature: «If, in defining our species, we were to adhere precisely to what historical and prehistoric times present to us as a constant characteristic of man and intelligence, we would say, perhaps, not Homo sapiens, but Homo faber. So, intelligence, considered at its starting point, is the capacity to fabricate artificial objects, in particular implements to make implements, and to diversify infinitely in their manufacture» [1].

At the macro level of management this problem has a worldview character and is seen as the loss of the purpose and content of labour: «Labour is no longer productive, it has become reproductive, reproducing the purpose to work as an attitude of the whole society, which does not know itself whether it wants to produce something» [5].

Alienation associated with wage labour is complemented by such phenomena as fragmentation of labour and the formation of the ideology of the consumer society. Fragmentation consists in the use of specialisation and cooperation within the framework of organisational processes not only to increase labour productivity (specialised functions are performed more efficiently by a worker when competence and qualification increase), but also to form the dependence of a worker on a particular workplace: «Everyone acquires his own definite, exclusive circle of activity, which is imposed on him and from which he cannot get out» [5]. This idea is reflected both in neo-Marxist studies and in the concept of specific human capital of G.S. Becker, who points out the economic advantage for a worker to stay at the enterprise and workplace where he or she has the greatest competence within the framework of the already mastered organisational process.

The formation of consumer ideology was analysed by scientists of scientific schools within the framework of philosophy, psychology, sociology and economics. We can refer to the views of T. Veblen about the idle class, E. Fromm about the choice between «to be» and «to have», and others. The concept of consumerism [8] reflects a

lifestyle overly concerned with consumption, which is understood as the process of «choosing, buying, using, maintaining, repairing and disposing of any good or service» [1]. Even K. Marx wrote about the relegation of man to a consuming animal outside the exercise of his labour functions: «Man (labourer) feels himself acting freely only in the performance of his animal functions – eating, drinking, sexual intercourse ... and in his human functions he feels himself only an animal. That which is inherent in the animal becomes the inheritance of man, and the human turns into that which is inherent in the animal» [2].

To conclude the consideration of the concept of wage labour, we can discuss the merger in the «everyday language» of the concepts of labour and wage labour, which is shown, in particular, by Y. Lyakhova, who concludes her analysis by defining labour as «professional activity of individuals in the workplace» [2]. In her analysis, Y. Lyakhovoy demonstrates the gradual loss of the meaningful part of labour simultaneously with the spread of «pan-Laborism» as a concept that forms the idea of wage labour as the only and universal meaning of human existence in the industrial and post-industrial economy, the merging of hiring and labour in a single semantic space. The above analysis shows that this exaggerated representation does not reflect the completeness of the concept of «labour», but the illusory dominance of the market over other regulatory mechanisms inherent in the market economy and liberal ideology. Thus, within the boundaries of the labour market, the concept of labour can indeed be defined as Ya. Lyakhovoy, through the fixation of profession and workplace. At the same time, the labour market concerns only hired labour, it presents opportunities for hiring, jobs, and workers capable of performing the necessary functions: «The society of the past could be characterised as a society of labour, then at a more modern stage it has already become a society of employment» [3].

The merger of these concepts is not only terminological inaccuracy and ideological bias in favour of liberalism, but also a threat to the formation and development of human capital, which in this terminological space is reduced to a «labour resource», i.e. loses a significant part of its essential characteristics – the perception of the self-value of work, labour education, the search for motivation and self-realisation of the individual in the choice of professional path, which does not end with the choice of an educational institution and professional education, but extends to the choice of an educational institution.

As a result of narrowing down «human capital» to «human resources», organisations do not get the full value of the person who comes to work, but a truncated, routinised version of the human function that can be automated and handed over to robotics. The value of human labour consists not only in 8-hour stay at the workplace, but also in the fact that the remaining hours the employee reflects on the development of the content and process of his/her labour. The study of socio-psychological aspects of management related to the value of labour, value orientations and social attitudes of a hired worker included in the cycle 'work – free time' allows us to solve some of the problems associated with the transition to a liberal-market approach to the management of social and labour relations.

Conclusions. The study found that labour relations are undergoing significant changes under the influence of innovative transformations, digitalisation, automation and new forms of employment. Historical and genetic analysis has shown that the evolution of labour relations is closely linked to the stages of development of economic formations, dominant technologies and the social structure of society. In today's environment, there is a shift from rigid, hierarchical models to flexible, partnership-based forms of labour interaction, which requires a rethinking of the role of the employee, updating labour legislation and introducing innovative models of human resource management. The innovation economy creates demand for new competencies and favours dynamic and adaptive labour relations. At the same time, the risks of employment instability, the expansion of informal labour, and increased socioeconomic inequality are growing. In this regard, the strategic objective of public policy and employers is to strike a balance between labour market flexibility and social protection of employees.

Thus, the adaptation of hired labour institutions to the challenges of innovative development should be based on a combination of historical experience, modern digital practices and a focus on sustainable development, human capital and social justice.

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Анотація. У поданій до публікації статті досліджено історичну еволюцію відносин найманої праці та їхню специфіку в умовах становлення інноваційної економіки. Автори статті акцентують увагу на сутнісних відмінностях між простою, примусовою та найманою працею, зокрема в контексті суб'єктності, цільової спрямованості трудового процесу та умов його реалізації. Проведено історико-генетичний аналіз змін трудових відносин – від примусової праці до контрактної форми, що базується на принципах ліберальної ідеології та функціонуванні ринку праці. Значну увагу приділено радянській моделі праці, яка не відповідала критеріям класичної найманої праці через відсутність ринку, приватного власника засобів виробництва та вільного вибору працівником. У публікації розглянуто ключові підходи до управління працею – від наукового менеджменту Ф. Тейлора до адміністративної моделі А. Файоля – та визначено їх вплив на формування сучасного розуміння організації праці. Автори статті підкреслюють, що сучасна інноваційна економіка формує попит на нові компетентності, гнучкі форми зайнятості та партнерські моделі трудових відносин. У той же час відзначено поглиблення соціально-економічної нерівності, поширення нестандартних і неформальних форм праці, зростання ризиків фрагментації трудових функцій та відчуження. Зазначено, що сучасна практика ототожнення праці виключно з найманою працею звужує зміст поняття «людський капітал» до «трудового ресурсу», нівелюючи ціннісні, психологічні та культурні аспекти праці як форми самореалізації. Обґрунтовано необхідність перегляду підходів до управління людським капіталом, зокрема врахування мотивації, ідентичності, соціального контексту праці. Стаття містить міждисциплінарний аналіз на перетині економіки, філософії, соціології та менеджменту. Матеріали дослідження можуть бути використані для розробки інституційної політики у сфері праці, адаптації системи управління персоналом до викликів інноваційної економіки та формування нових моделей трудової взаємодії, орієнтованих на сталий розвиток і соціальну справедливість.

Ключові слова: наймана праця, інноваційна економіка, історичний екскурс, дослідження, лібералізм.