

# Role of social sphere in ensuring quality of working life

Volodymyr Kyryliuk <sup>\* A</sup>; Ivan Ryabokon <sup>B</sup>

<sup>A, B</sup> Kyiv National Economic University named after Vadym Hetman, 54/1, Prospect Peremogy, Kyiv, 03057, Ukraine

Received: July 15, 2021 | Revised: August 28, 2021 | Accepted: September 28, 2021

JEL Classification: D60, J01.

DOI: 10.38188/2534-9228.21.3.08

## Abstract

This article is devoted to the study of social sphere and its impact on the process of ensuring quality of working life. Modern tendencies of social sphere and its main components development in the conditions of pandemic spread have been considered. Emphasis is placed on the fact that social sphere as an important component of society support promotes reproduction of human capital, raising living standards, formation of modern developed personality, which directly affects the rate of economic growth and social and economic progress and quality of working life. The essence and features of the relationship between social sphere and the quality of working life have been determined. Indicators of quality of working life, which characterize the level of income of employees; level of labor organization; meaningfulness of labor; employees' career advancement; development of industrial democracy; respect for the individual; perfection of sanitary and hygienic conditions; the state of relations between the trade union and the administration have been reflected. Political, organizational, technological, economic and other factors that shape and influence the level of quality of working life along with the influence of the social sphere have been studied. Subjective factors related to the presence or absence of motivational and personal characteristics necessary for the realization of labor potential of individuals have been described. The key problems of social sphere development and quality of working life in Ukraine are highlighted, among which the insufficient level of social sphere financing has been singled out, which in turn leads to reduction of social infrastructure institutions, critical condition of their fixed capital, low level of salaries in state social institutions. Possible directions of solving the main problems in social sphere in context of interaction of the state, business and society have been offered.

**Keywords:** social sphere, quality of working life, social infrastructure, quality of life, social policy.

## Introduction

As of today, Ukraine has identified integration into the European political, legal and economic space as a strategic direction of its development. This is due to the fact that European integration involves the introduction of European norms in Ukrainian legislation, which will allow stabilizing economy, ensuring harmonization of regulatory framework, moving closer to EU standards and tangibly improve the state of environment, social protection of citizens, etc., and thus ensure a high level of quality of life in the country. Reform processes

in Ukraine are increasingly gaining social orientation, in accordance with European standards, which will give the opportunity to create the best conditions for human activity and achieve social justice. It is in social sphere that the essence of social policy of the state is manifested, social protection and social human rights are realized. One of the main indicators of the development of social sphere both at the level of society and individual enterprise is the quality of working life. The solution of problems related to social sphere and quality of working

\* Corresponding author:

<sup>A</sup> Associate Professor of Socioeconomics and Personnel Management Department, e-mail: volodymyrkyryliuk@ukr.net, ORCID: 0000-0003-4840-1690

<sup>B</sup> Senior Lecturer of Socioeconomics and Personnel Management Department, e-mail: ivan.ryabokon@kneu.edu.ua, ORCID: 0000-0002-2005-6576

life has found its scientific and practical application in research of the importance of quality of working life (Mazloumi, A. et al., 2014); factors of quality of working life (Ramawickrama J. et al., 2017); theoretical

approaches to understanding social sphere (Kalnyczka, M. et al., 2017); determinants of social sphere development (Kudlayenko, S. et al., 2018); information systems in social sphere (Muczyński, F. et al., 2019) etc.

## Material and methods

In order to determine the state of social sphere and the level of its impact on quality of working life researchers use different methods and use it as a basis for making forecasts of the development of social sphere depending on the availability of alternatives. Our analysis of modern approaches to assessing the state of social sphere and its impact on quality of working life is based primarily on statistical methods (Ministry of Finance of Ukraine, 2021).

One of the statistical indicators, which partially reflects the state of social sphere, is the analysis of state budget expenditures in social sphere: education, culture, housing and communal services etc. If the state of social

sphere of an individual organization is studied, then the budget expenditures of the organization for the social needs of its staff are taken into account. In determining problems of social sphere indicators of the state, movement and efficiency of the use of fixed capital of economic activities related to the social sphere are calculated (Syta, L. et al., 2015).

Authors provided insight into different approaches to assessing quality of working life in their scientific works: with the use of a rating scale (Vijay, A. et al., 2017), on the example of higher education institutions (Vilas, A. et al., 2015), on the basis of developed key indicators (Walton, R. et al., 2016) and many others.

## Results and discussion

As of today, multifaceted and contradictory changes occur in all spheres of public life. As an important component of ensuring the livelihood of society, social sphere contributes to the reproduction of human capital, raising living standards, formation of modern developed personality, which directly affects the rate of economic growth, and social and economic progress and quality of working life. In such conditions, globalization acquires a new format, chains of social products' creation radically change, value orientations of participants in social and economic processes are being transformed, and the development of distance forms of employment and education takes place.

2021 should be seen as the beginning of a new "milestone" in the history of societies, at least of the first half of the XXI century. At this particular time first in China, and later all around the world, society encountered the COVID-19 pandemic. It is believed that man simultaneously exists in four worlds - nature, technology, economy and its institutions, and the world of people. With the onset of the planetary disaster in question, all four

worlds in which man exists, have undergone radical changes.

The scale of the problems of society's social sphere and factors of its development is due to the fact that the process of social and economic relations transformation is accompanied by partial uncertainty of the state's functional role. Meanwhile, the experience of economically developed countries and the practice of market transformations in countries with transition economies shows that the processes of forming an active social policy cannot be carried out without active and consistent state intervention.

The current trends in the development of social sphere include:

- constant transformation of social sphere due to the influence of a number of factors (institutional, organizational, administrative, social and psychological, economic, financial and resource);
- further impact of globalization processes on social sphere management at national and regional scales;
- changes in social sphere management in the

context of coronavirus pandemic spread;

- transformation of social and economic processes participants' value orientations;

- spread and development of information technologies;

- growing popularity of distance forms of employment, education, consultations, negotiations, etc.;

- the growing role of the state through the improvement of its management in social sphere, in particular through a qualitatively new concept of social policy;

- qualitative changes in social sphere management of territorial and regional levels due to conducted decentralization.

The level of social sphere development is determined by demand for services, and those, in turn, change according to the real capabilities of society at a particular stage of development. In the current context of general economic crisis, demand for many types of services has decreased due to low personal incomes, but is growing for certain types of services (informational, advertising, recreational, including tourism, health care, etc.).

The social sphere is a part of the economic system, the functional purpose of which is to provide services of social nature. In this case, the concept of "sphere" should be considered as a set of economic activities that have a clear commonality of functions, special purpose in the social division of labor and a number of characteristics that significantly distinguish these economic activities from material production, in particular: coincidence of production and consumption stages, presence of direct contact with consumer, focus on the individual consumer or society as a whole, locality of consumption due to the impossibility of transportation and accumulation of services.

The main purpose of social development, and, consequently, the planning of the social sphere is to improve the quality of life of the population, as well as the formation of human capital in general as the main productive force. It can be seen that this is a fairly general goal, which therefore cannot be modeled, although it should be taken into

account during the planning process. It serves as its basis. It is clear that the plans of the whole country regarding improvement of living standards should be complemented by the efforts of companies in social sector. At the same time, social development plans need to include indicators that would help reduce existing differentiation. At the same time, the basis of the social sphere is the social infrastructure, which is considered as a complex of objects (enterprises, institutions, organizations and structures) that provide conditions for the functioning of social production and human life support, formation of physically and intellectually developed, socially active individual. Social infrastructure plays an important role in solving such social problems as convergence of urban and rural populations welfare, levelling regional differences in people's living standards, strengthening unity in the way of life of different social groups and segments of the population. Social infrastructure actively influences the formation of a progressive structure of consumption and rational use of material production workers' free time.

It should be noted that both in material production and in social infrastructure there are economic relations, which in their economic essence are relations of consumer, intangible production. The latter manifest themselves, firstly, as economic relations of bringing material goods to consumption in social infrastructure, and secondly, as economic relations of creating services in social infrastructure. Economic relations regarding bringing material goods to consumption are relations of exchange, distribution and consumption of material goods.

The latter manifest themselves, firstly, as economic relations of bringing material goods to consumption in social infrastructure, and secondly, as economic relations of creation of services in social infrastructure. Economic relations regarding bringing material goods to consumption are relations of exchange, distribution and consumption of material goods. The specificity of economic relations regarding the creation of services is determined by the fact that the process of creating services in social

infrastructure is also a process of consumption of material goods. Therefore, relations regarding the creation of services in the social infrastructure are at the same time relations of socially organized consumption of products created in material production.

Thus, the social sphere is characterized by important features that determine the essence, content and specificity of its functioning. The social sphere includes elements that ensure its reproduction, functioning and development:

- subjects of the social sphere - a person, group of persons, organization, population, etc., who have an active role in a particular process;
- bodies that manage the social sphere;
- social connections and relations between subjects, subsystems and governing bodies;
- the needs underlying these relationships.

Forms and methods of public administration in social sphere are based on general public administration forms and methods. Government performs its social functions through the established relevant public administration bodies.

Forms of public administration in the social sphere should be understood as the external expression of the content of specific homogeneous actions that are continuously performed by public administration bodies and their representatives or officials in order to implement the state social functions.

The main properties of the modern business environment in which domestic organizations operate, are variability, uncertainty and instability. Such conditions require managers of organizations to be able to intuitively feel the problems of market economy, approach them professionally (avoid, if possible, or accept through effective management). To ensure the latter, managers must have highly professional skills, abilities and experience, must be aware of the factors inherent in their field of management, situational managerial mechanisms, etc.

There are several types of social change:

- structural social changes (changes in the structure of the family, organization, government structures, institutional sphere);
- changes in social processes (interaction of

communities, institutions, organizations; relations of solidarity, tension, conflict, subordination, which are constantly in the process of change);

- functional social changes (changes in the functions of different social systems);
- motivational social changes (changes in the motivation of individual or collective activities).

According to their nature, internal structure, the degree of influence on society, social changes can be divided into evolutionary and revolutionary ones. The former includes partial gradual changes, which are carried out as quite stable ones with a tendency to increase or decrease any qualities, elements in different social systems. All the above types of changes (structural, functional, procedural, motivational) can be evolutionary in nature. Revolutionary changes differ significantly from evolutionary ones. These are extremely radical changes that cause a drastic breakdown of the social object. They are not partial (unlike evolutionary), but universal, and usually rely on violence.

The so-called innovative changes are different in nature. It is a kind of complex process of creating, disseminating and using a new practical tool and combining with this novelty of changes in the social environment (organizational, technological changes). One of the sources of social change are discoveries and inventions, innovations that always add something new.

A more complex form of social change is cyclical social change - a certain set of phenomena, processes, the sequence of which creates a cycle over a certain period of time.

In the acceptance of social change by society, their compatibility with the existing culture plays an important role, namely:

- changes are simply not perceived (rejected) by society;
- changes are accepted with conflicting features;
- changes are accepted, accommodated and assimilated (recognized)

The study of various approaches to the classification of changes has made it possible to determine that there are a large number of their types, due to the large scale of variable processes

that can occur in the organization.

The role of the leader and the team of top managers is of paramount importance in the issues of effective management of organizational changes. It is their professional skills, initiative, leadership experience and skills, the ability to feel time and its problems, relationships with external partners, leaders and influential people, the ability to influence and solve problems are the main factors of quality change management in the organization.

If we focus in more detail directly on the leadership process, the main basic stages of change management are:

- clear identification of potential problems and appropriate actions, which is an adequate response of the organization to these problems;
- development of a program of change, which provides for the definition of clear and realistic goals and values that are necessary for the organization;
- explaining the key aspects of the program to each employee, persuading them with positive arguments about the need for change in the organization;
- formation of tasks and their clear distribution among employees of the organization, establishment of limits and level of responsibility for performance of the task and the received results;
- providing system communication of high quality, support, encouragement and motivation of employees to properly perform tasks, conflict resolution, support of proper moral and psychological climate, etc.

The effectiveness of this process depends not only on the professional skills of the control subsystem, but also on the professional and quality properties of the controlled subsystem. The success of the managerial team's efforts and the end result of changes in the whole organization depend on how subordinates treat their leaders, what moods are in the team, how they perceive the new, their ability to learn and productively realize their abilities in general. How are these criteria related to the overall subjective assessment of quality of life in general and what

are the psychological mechanisms of these criteria formation?

Most researchers interpret quality of working life in terms of meeting the needs and realization of individual's abilities through favorable environmental conditions (workplace management, working conditions, etc.), while the role and importance of internal factors have not been studied enough. Psychological researches on quality of working life use two integral criteria for assessing its subjective perception: level of life satisfaction and level of happiness. Researchers agree that these are two independent criteria, ie you can be satisfied with living conditions and be unhappy and, conversely, live in poor conditions and be happy. Researchers have not yet found an answer to this question.

Regarding the problem of studying the perception of quality of working life by a person, the criterion of satisfaction can be interpreted as satisfaction with working life (a more common concept is job satisfaction).

As for the feeling of happiness at work, it is quite rare. In our opinion, the criterion corresponding to the criterion of feeling the state of happiness in life, in case of working life will be "the level of positive emotions and feelings associated with work". This criterion, as well as happiness, in contrast to the rational criterion of "satisfaction", belongs to the sensory-emotional sphere.

In the extreme case, "the high level of positive emotions and feelings associated with work" can be interpreted as "happiness in work". In addition, in our opinion, the criterion "the level of feelings of negative emotions and feelings associated with work" has a very significant and no less influential effect on subjective perception of quality of working life.

In the light of these provisions, the concept of quality of working life formulates a number of conditions that ensure the quality of working life: interest in work; safe and healthy working conditions; fair and appropriate remuneration for work; opportunity for professional growth and confidence in the future; a decent place of work in human life and legal protection of the employee;

the possibility for employees to use the social infrastructure of the enterprise, including public and medical services; social utility of work.

The job should be interesting, ie characterized by a higher level of organization and content of work. The concept of quality of working life involves improving the workplace management to a level where all conditions are created for a broad-based employee, ready to constantly switch to new production tasks, continuously arise in connection with regular updates of equipment, technology, products and services, that is, when there is a direct opportunity to use and develop their abilities.

In this regard, it should be noted that improving the quality of working life by enriching the content of labor requires taking into account the peculiarities of technology and work planning.

Introduction of programs of working conditions reorganization contributes to improving quality of working life, as it contributes to the development of a sense of job satisfaction, reduction of absenteeism and staff turnover and improvement of product quality. Their effectiveness increases when they are understandable and desirable to employees, as well as economically feasible.

Work must be carried out in safe and healthy working conditions. These are the problems that are related to the creation of social and regulatory working conditions and hold one of the first places in the concept of quality of working life. Studies show that human potential cannot be fully realized if the physical and sanitary conditions of production are unfavorable and people are concerned about their health and safety.

The range of problems included in the concept of "working conditions" is quite wide: from the legal forms that affect productivity, to the psychophysiology of human labor activity, premises and equipment that create the material environment that harms people in physical, intellectual and mental ways.

Consideration of quality of working life in terms of rational working conditions also involves development and compliance with the regime of work and rest, the rules of workplace hygiene. All

these factors must be taken into account to create optimal conditions for an efficient work process.

The modern quality of working life necessarily includes psychological aspects as a part of working conditions. In particular, these are the problems of work discipline, technique of punishment and incentives, fight against delays and absenteeism, etc. In this case, the creation of rational working conditions requires a psychophysiological approach.

Employees should receive fair remuneration and recognition for their work. Fair remuneration for work is considered not only as a priority condition for ensuring the reproduction of the labor force, but also as a factor of labor motivation, on the basis of which higher human needs develop. The concept of "fair remuneration for work" reflects the relationship between pay for a particular type of work and payment for other types of work, whereas the concept of "appropriate remuneration for work" is related to the extent to which the employee's income meets social standards and security, and corresponds to the idea of the wealth of an individual employee. It is assumed that "appropriate remuneration for work" should take into account the needs of workers and their families, as well as economic considerations due to the level of society, economic situation, social significance of the given industry, the need to maintain high level of employment.

Recommendations on fair and appropriate remuneration for work, proposed in the framework of the concept of quality of working life, focus, as a rule, on a differentiated approach to the payment for different groups of workers.

Experience of countries with developed market economies shows that the structure of wages as the main type of remuneration largely depends on the understanding of what wage rates can be considered fair. In Sweden, for example, there is a "solidarity wage policy", the essence of which is expressed in the principle of "equal wages for equal work", and in practice there is a reduction in the gap in the level of remuneration.

Wage policy is motivated by equity, as well as the fact that small gaps in wage levels could



accelerate structural change in the economy. If all organizations pay equal wages for equal work, despite the level of income, then it means that it is difficult for those organizations in which things are going badly to survive. Therefore, the unproductive activities of enterprises cease even faster than if they could compete at low wages. At the same time, highly productive organizations and industries are developing even faster than in the case where they were to raise wages at the expense of high profits.

Thus, the policy of solidarity in the field of wages is fair (essentially, equal pay for equal work) and at the same time promotes faster growth of labor productivity in contrast to the situation where wages are fully determined by the market.

Recognition of the employee's work by society has not only a material but also a moral and ethical aspect, which is expressed in the use of such a criterion of quality of working life as the social utility of labor. Employee must know that his organization does useful work for society and performs it in the best way, otherwise many employees lose sense of usefulness of their work, lose self-esteem, which leads to reduced productivity.

This idea is considered in the concept of quality of working life due to the fact that the effective realization of employee's labor potential is impossible without his professional growth. With regard to these circumstances, the concept of working life should include the following measures:

- creation of conditions for the employee for increasing his professional qualification level, ensuring constant updating of knowledge and improvement of skills;
- appointment to the position should be made with taking into account the prospects of growth, that is, the position provides for planned training and retraining;
- the possibility and necessity of promotion as a result of recognition of professional success of the employee in the eyes of colleagues, family and society as a whole;
- a sense of confidence in the future in relation to his employment and income makes the

employee's work more productive, allows him to realize his potential. Calculations show that full employment is much more profitable than dismissal, reduced working week, transfer of employees to another place, restrictions on hiring new employees, etc.

Nowadays employees have no idea about their future career, its formalized image. Creating such images seems very important, because they allow employees to assess themselves in the process of work more objectively.

The initial premise is the fact that there is a clear and direct link between the quality of working life and quality of life in general. Numerous studies conducted in developed countries with market economies show that the process of formation and development of labor potential is not limited to the place of production or training, but begins in everyday life, during rest and leisure, depends on the flow of information in society, the degree of civilian and political freedoms of the individual, from the degree of involvement in all social and economic processes occurring in society.

Experience of industrialized countries shows that, ultimately, there is a direct link between quality of life, living standards and consumption patterns. Changes in the qualitative characteristics of the labor force have led to changes in the nature of personal consumption. Person's capacity for work depends on timely reimbursement of energy expenditure produced by the body during work, so it is necessary to provide conditions for the restoration of physical and spiritual strength of the employee, his preparation for full dedication in the production process. Changing the conditions of labor reproduction in industrialized countries has led to a significant change in the structure of consumption. In particular, such items of consumer spending as spending on recreation, entertainment, cultural needs, passed into the category of priority, physiologically necessary ones. In this situation, one of the important problems is the creation and use of social infrastructure to maintain and develop the ability of the employee to work. Social infrastructure can

be used by employees both individually and collectively, if it is created within the organization.

According to almost all indicators, quality of working life of the vast majority of employees in Ukraine does not meet modern requirements. It has deteriorated significantly over the years of the deep socio-economic crisis of the 90's compared to Soviet times. This indicates, first of all, the low efficiency and unsatisfactory state of social and labor relations in the country as a whole and at enterprises in particular, and, accordingly, the need to solve the problem of improving their efficiency. The future welfare and stability of society depends on the solution of these questions, because the concept of "quality of working life" in practice expresses a set of conditions that determine the degree of effective realization of labor potential of society as a whole, enterprises and each individual in particular.

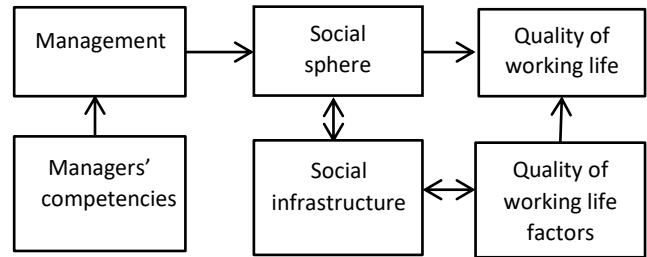
The concept of quality of working life is based on the creation of conditions that ensure optimal use of human labor potential, which is realistic only under conditions of appropriate social infrastructure creation and effective management in social sphere. Quality of working life can be improved by changing for the better any parameters that affect people's lives. This includes, for instance, employee participation in administration, their training, senior executives training, implementation of promotion programs, training of employees in methods of more effective communication and behavior in team, improving organization of labor and others. As a result, labor potential receives maximum development, and the organization receives a high level of labor productivity and maximum profit.

The basis of quality of working life concept is formed by:

- employee's self-realization of satisfaction with achievements at work as the main motive compared to salary and career;
- the principle of labor democracy (industrial democracy), which at the enterprise level means expanding autonomy of employee's personality and the possibility of his\her participation in enterprise's administration;
- employee development in quality of working

life concept provides opportunities for continuous professional growth, development of his/her various abilities.

Quality of working life is an integral indicator that reflects the level of social sphere development and its management effectiveness (Figure 1). This level is influenced by economic, social, demographic, geographical, environmental and other conditions. The more objective and subjective working conditions provide a fruitful use of mental and physical abilities from which a person derives pleasure, the higher quality of working life is. Quality of working life improvement is facilitated by a veracious system of work motivation and employees' social needs satisfaction.



**Figure 1 – Relationship between social sphere and quality of working life**

*Source: built by the authors*

Quality of working life indicators include those that characterize: employees' income level; level of labor organization; meaningfulness of labor; employees' career advancement; development of industrial democracy; respect for the individual; perfection of sanitary and hygienic conditions; the state of relations between the trade union and the administration, etc. It should be noted that all indicators of quality of working life are interconnected and interdependent.

Factors of quality of working life can be divided into the following key groups (Table 1): political, organizational, technological, economic and others.

At the same time, an important role is given to subjective factors related to the presence or absence of motivational and personal characteristics necessary for the realization of labor potential of individuals and ensuring a high level of quality of working life of individual



employees. Subjective assessments are an integral part of a person's perception of quality of life, as the needs and interests of certain people are always individual and are reflected in subjective feelings of individuals, their personal assessments. These indicators are evaluated by subjective methods (algorithms), which are formed in the field of human psyche, which evaluates quality of life, and depend on the accumulated knowledge and established criteria

for evaluating objects, subjects and phenomena, as well as value guidelines regarding the surrounding world.

Subjective factors influencing quality of working life include, first of all, professional competence of employees, their attitude to work, degree of awareness of their own responsibility, motivation to work, level of organization and discipline, creativity in solving tasks, capacity for work and health.

**Table 1 – Factors influencing quality of working life**

Group of factors	Characteristics
Political	level of democratic freedoms development, degree of public consent, presence or absence of political stability, conflicts, wars
Organizational	related to labor and production organization, workplaces organization and maintenance, regulation of rights, duties and responsibilities of employees; these factors also include internal organizational factors that stand out - working conditions (workplace ergonomics), level of wages (employment income), state of social guarantees provision, promotion opportunities, participation in enterprise administration, planning and allocation of resources, interpersonal relationships in a team
Technological	related to the degree of technology development which allow create advanced tech, work equipment.
Economic	conditioned upon presence or absence of conditions necessary for economic growth, human capital development, efficient use of all types of resources
Social	caused by the presence or absence of conditions necessary for omnifaceted human development (including housing and community and health services), employees' training and retraining, provision of public freedoms, social relations harmonization
Cultural and spiritual	related to ensuring the implementation of value orientations, ethical and moral norms inherent in a certain stage of society development
Information	related to mass media development objectivity of information acquisition, provision of access to global information systems and modern communications
Ecological	related to direct impact of the environment on health and general well-being

*Source: built by the authors*

Deterioration of external-economic situation, preservation of outdated international specialization of the country due to globalization, significant volumes of migratory outflow of skilled labor are exogenous factors that negatively affect quality of working life. At the same time, it is necessary to take into account the effect of exogenous factors of positive influence in the direction of quality of

working life improvement (spread of innovative development model, acquisition of innovative practice by skilled workers who worked abroad). On the other hand, quality of working life deterioration is caused by such economic impact factors as inconsistency of structural reforms in the economy, increasing financial instability, constriction of the capacity of the domestic market against the background of

weakening of the impact of consumer demand on industrial production.

Absence of real employment restructuring has also deepened the crisis in the Ukrainian economy, making it much more difficult to adapt labor relations sphere to market conditions. During the crisis negative trends in labor market development have intensified not only due to the presence of significant structural imbalances in economy, but also due to the lack of a state strategy to minimize the impact of the global economic crisis on employment sphere. As a result, a scenario of realization of a number of internal threats related to the preservation of a significant share of unprofitable enterprises, savings on the cost of technological re-equipment of production in favor of cheap unskilled labor, inefficient privatization processes formed. Discriminatory restrictions on access to work and weakening of social security have also stimulated the growth of social threats associated with social instability.

Technological factors that influence quality of working life hold an important place in the hierarchy of factors. Intensification of innovation processes in economic systems necessitates provision of a close correlation between changes in organizational and technological structure of enterprises in manufacturing sector and their employees' professional qualification level dynamics.

One of the most important problems in the development of social sphere of Ukraine is the lack of funding for facilities in this sphere, which in turn leads to a reduction of social infrastructure institutions, critical condition of their fixed capital, low wages in public institutions of social sphere, and as a result - low level of services they provide.

Financing of social sphere facilities as of today is a rather difficult and painful issue (Table 2). After all, most institutions of this sphere provide their services in the non-profit sector of economy, and therefore, their activities are aimed not at making a profit, but at ensuring the social effect of the services provided. However, for successful operation and development, they require significant investment.

Among the types of economic activity that belong to social sphere, only the objects of wholesale and retail trade, temporary accommodation and catering are able to function and provide quality services on their own without state aid. A small niche in the commercial sector of economy was occupied by private health and education institutions, organizations of cinematography, television and radio broadcasting, book publishing and distribution, show business, producers of audio and video products, which became independent subjects of social services market and are able to accumulate funds for their own development.

**Table 2 – Expenditures of the state budget of Ukraine for the development of social sphere**

	2020, millions of UAH	% to total expenditures	2021, millions of UAH	% to total expenditures
Total expenditures	1288016,7	100,00 %	1643351,7	100,00 %
Housing and communal services	88,5	0,01%	1,6	0,00%
Healthcare	124925,3	9,70%	22172,7	13,49%
Spiritual and physical development	9826,4	0,76%	1117,8	0,68%
Education	52857,3	4,10%	81080,0	4,93%

*Source: built by the authors*

And although the table shows that the funding of certain complexes of social sphere has been increasing over the last year, expenditures on social sphere in comparison

with neighboring more economically developed countries are insufficient. Thus, the rest of the social infrastructure facilities need financial support from state and local authorities. Given

that the current mechanism of social sphere financing does not give desired results, an urgent need to develop new ways of financing social facilities in Ukraine arises.

The mechanism of social facilities financing should be understood as a set of conditions, forms and methods of creation, distribution and use of funds with the purpose of ensuring financing of existing social institutions, as well as building new ones for proper implementation of state social standards for provision of social services to the population. In Ukraine state financial support for social infrastructure institutions is carried out mainly from the consolidated budget. Allocated budget resources are sufficient only for maintenance of buildings, payment of utility bills and wages. That is why it is extremely difficult to consider the possibility of expanding the network of social sphere institutions in country's regions solely at the expense of budget funds.

## Conclusions

It should be noted that effective development of domestic social sphere is complicated by the following factors: lack of clear strategic priorities of social policy, insufficient funding, weak social orientation of fiscal policy, deep social stratification and high-income polarization, inefficiency of state transfer policy, significant demographical characteristics deterioration, living conditions deterioration. At the same time, society restores the understanding of inherent worth of human capital, advanced science, education, culture, health care, which determines economic future of the country, its prospects in the world economy. The best solution to the problem of financing the construction of new social infrastructure facilities is to utilize a cluster approach with the use of public-private partnership mechanism.

It is most likely that a public-private

Therefore, today the issue of determining the sources of funding for social sphere facilities, such as targeted funding, sponsorship, paid services, charity, business activities, entrepreneurship, patronage, loans, grants, auctions, international investments, support funds, tax credits and rent benefits, requires proper regulation. However, it should be understood that abovementioned factors of extra-budgetary revenues growth cannot be considered as a source of social sphere organizations' well-being, especially construction of new institutions.

Thus, long term efforts of the state should be focused not on reducing state expenditures on social sphere functioning, but on improving the efficiency of budget funds application. Because only with budgetary support of social sphere industries it is guaranteed that social tasks that every civilized state sets will be reliably carried out.

partnership can be implemented with regard to construction of innovative social sphere institutions and modernization of existing ones in accordance with world standards of technical and functional parameters for such facilities.

The main goal of social sphere development should be achieving high quality of working life in all its components. After all, if at least one functional complex of social sphere designed to ensure a high level of a particular component will work inefficiently, the overall quality of working life will immediately reduce. In other words, social sphere development should be based on the study of quality of working life in all its components and not only prevent reduction of achieved quality of working life level, but also improve it by creating favorable conditions for effective development of social sphere functional complexes.

## References

- Bimber, B., Gil de Zuniga, H. (2020). The unedited public sphere. *New Media & Society*, 22(4), DOI:700-715, 10.1177/1461444819893980.

- Expenditures of the state budget of Ukraine 2020. Retrieved from: <https://index.minfin.com.ua/ua/finance/budget/gov/expense/2020/>
- Expenditures of the state budget of Ukraine 2021. Retrieved from: <https://index.minfin.com.ua/ua/finance/budget/gov/expense/>
- Ilyash, O. (2014). The principles of state regulation in the sphere of socio-economic security of Ukraine, *Economic Annals – XXI*, 7-8(1), 24-28.
- Kolot, A., Kozmenko, S., Herasymenko, O. (2020). Development of a Decent Work Institute as a Social Quality Imperative: Lessons for Ukraine. *Economics and Sociology*, 13(2), 70-85, DOI: 10.14254/2071-789X.2020/13-2/5.
- Kurunmaki, L., Mennicken, A., Miller, P. Quantifying, Economising, and Marketising: Democratising the Social Sphere? *Sociology Du Travail*, 58(4), 390-402.
- Kutsenko, V. (2019). Mechanisms for promoting sustainable development: location and role of social sphere. *Scientific Bulletin of Ivano-Frankivsk National Technical University of Oil and Gas (Series: Economics and Management in the Oil and Gas Industry)*, 1(19), 96-108, DOI: 10.31471/2409-0948-2019-1(19)-96-108.
- Lisohor, L. (2012). Quality of working life: factors of influence and directions of improvement. *Demography and social economy*, 2, 43-52.
- Mazloumi, A. (2014). Quality of Working Life Assessment among Train Drivers in Keshesh Section of Iran Railway, 6(2), 50-55.
- Mishchuk, H., Bilan, S., Yurchyk, H., Akimova, L., & Navickas, M. (2020). Impact of the shadow economy on social safety: The experience of Ukraine. *Economics and Sociology*, 13(2), 289-303. DOI:10.14254/2071-789X.2020/13-2/19
- Muczyński, F., Dawidowicz, A., Żróbek, R. (2014). The information system for social housing management as a part of the land administration system – A case study of Poland. *Land Use Policy*. 86. 165-176, DOI: 10.1016/j.landusepol.2019.04.039.
- Ramawickrama J., Opatha H.H.D.N.P., PushpaKumari M.D. (2017). Quality of WorkLife, Job Satisfaction, and the Facets of the Relationship between the Two Constructs, *International Business Research*, 10 (4), 167-182, DOI:10.5539/ibr.v10n4p167.
- Sytar, L. (2015). Current state and problems of social sphere of Ukraine. *Efficient Economy*, 4, 36-48.
- Vijay A., Development of a six sigma rating scale for measuring the quality of work life of teaching staff working in Saudi universities, *International Journal for Quality Research* 11(2), 397-418, DOI:10.18421/IJQR11.02-10.
- Vilas Boas A., Morin E.M., *Open Journal of Social Sciences*, Emotional Intelligence and Quality of Working Life at Federal Institutions of Higher Education in Brazil, *Open Journal of Social Sciences* 7(2), 255-274, DOI:10.4236/jss.2019.72020.
- Walton R.E. (1974). Quality of Work Life: Indicators: Prospects and Problems *Studies in Personnel Psychology*, 6(1), 7-18.