

# Regional Problems of Employment of University Graduates in Conditions of Low Entrepreneurial Activity

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**Abstract.** The problem of unemployment among university graduates is a consequence of changes in the structure of production and the economy of Russia, the weakening of state control and regulation. University graduates face a lot of problems when searching for jobs, being insufficiently in demand on the labor market in conditions of low entrepreneurial activity. This problem has socio-economic nature and is relevant for decades, requiring attention from the state and business communities, as well as the implementation of measures to resolve it and assist university graduates in finding work. The article is analytical and aimed at identifying the main problems of employment of graduates of Russian universities in conditions of low entrepreneurial activity, in particular, in Volgograd and in the Volgograd region. In achieving the goal, these tasks were solved: the main aspects of the employment of university graduates were studied; the main problems of employment of university graduates in conditions of low entrepreneurial activity were identified; the main directions of solving the problems of employment of university graduates on the example of the Volgograd region are proposed. The object of the research is graduates of Russian universities, in particular, universities of the city of Volgograd. The subject of the research is the influence of various factors on the process of employment of university graduates in conditions of low entrepreneurial activity. The results and conclusions are characterized by novelty, scientific and practical importance in terms of solving the problem of employment of university graduates in conditions of low entrepreneurial activity.

## 1. Introduction

In recent decades, Russian society as a whole has transformation in the economy, in the structure of all sectors and directions of the country's economic activity, which has exacerbated the problems of employment of the population, especially among youth and university graduates. Young professionals occupy fairly low professional and official levels and mainly belong to the group of part-time workers (in the secondary labor market) or to the group of the unemployed [1, 2].

It is especially difficult for university graduates to enter the labor market for the first time. The social changes of the past during last three decades have affected the interrelationships of universities and enterprises not in the best way. The state doesn't distribute university graduates to workplaces; so in these conditions there is an excess of first-time specialists in the labor market who do not have

sufficient entrepreneurial competencies and entrepreneurial experience in demand as a result of the transition to an innovation-type economy. This is facilitated by the fact that about 70% of high school graduates currently receive higher education, it is significantly higher than in times of a planned economy [3].

Non-compliance with modern requirements of employers and the level of professionalism and experience of university graduates is largely due to the fact that the university training of specialists is focused mainly on the growing needs of the population, rather than on activation of business activities in various sectors of the economy. As a result, in Russia as a whole, there is a disproportion in the structure of professional education and employment — over 30% of graduates are employed in a field of activity that differs from education. This fact entails significant financial and temporary losses, since the costs of specialist retraining are more than 250 billion rubles per year and the duration of retraining is more six months. Moreover, the expectations of the graduates themselves do not correspond to the real market offers and the challenges of entrepreneurial activity. Thus, a huge number of young specialists, having graduated from a university, focus not on the received specialty when choosing a place of work, but on the level of remuneration and on the possibility of employment [4, 5]. It determines the relevance of our research.

## **2. The main aspects of employment of university graduates in the aspect of entrepreneurial activity**

In modern economic conditions, the search for a decent job requires a lot of time and effort - this is a generally recognized fact. All employable citizens may be in the unemployment zone, but this is especially true of young people. Unfortunately, the forces of a graduate, which were used to get an education, often do not bring the expected result. After receiving a diploma of higher education, a graduate has problems finding a job, as a result of which he begins to have doubts about the feasibility of receiving education in the direction that he chose [6, 7, 8].

Difficulties in finding a job can be explained by the fact that for most employers the determining criterion is work experience of specialist who do not have it after the university ending. As a result, many employers prefer to accept specialists with work experience, and novice specialists have no chance to find a suitable job. The reality is that only a small part of graduates manage to leave this “vicious circle”, and, despite all the difficulties, take a good job in accordance with their education [8, 9]. In the situation of a developed business sector in the state economy, the problem of graduates' employment is solved more effectively, because the main one has a high motivation for entrepreneurship. However, modern socio-economic conditions encourage university students to combine study and work (part-time work), often at the expense of the quality of the study. A part-time job is almost the only way to match the requirements of the employer and to form entrepreneurial competencies, since other opportunities for entering the profession (manufacturing practice at enterprises, companies, participation in joint projects, etc.) are strictly formalized. It is important for any university graduate not only to find a job in the received specialty, but to realize the entrepreneurial potential - to create own business. However, in practice, everything is quite the opposite. From the latest data of Rosstat, it follows that only 40% of the population work in their specialty, and 10% of citizens work in a specialty close to received specialty [10], about 20% of graduates would like to become entrepreneurs. And this is an extremely small part.

This fact creates prerequisites for problems in various sectors of the economy and causes low entrepreneurial activity. First of all, a person entering a university should choose the direction to which he is most interested, and seriously approach the value of his future activities for himself and for society and be ready to start his own business. It is necessary to adequately relate your level of knowledge, skills and means to the level of competence in terms of the complexity, importance and accessibility of business activities in the framework of the chosen profession. It often happens that the student already in the first month of study understands that the direction of training that he chose was not right. In this case, the student has problems associated with the confrontation of his desires and reality, which he himself chose some time ago. The student loses interest in the disciplines that he

studies, and he does not see the point in further training. Then he stops learning altogether, only by spending time and money or he still studies to the end without enthusiasm to get at least some degree, but plans to work in a completely different field in the future, realizing that learning in this direction is a waste of time for him. In these conditions, the young man has no motivation for entrepreneurship at all. In order to identify the most effective way of employment and inclusion in business activities used by graduates, in 2018 a sociological survey was conducted at the Institute of Architecture and Construction of the Volgograd State Technical University, in which more than 700 graduate students took part. As a result of the survey, in which students had to name a few of the most effective ways of employment, these are [11]:

- Educational institution and its units (graduating department, dean's offices, department of promoting student employment and graduate employment) – 21%;
- Relatives, acquaintances – 18%;
- Personal appeal to companies, enterprises – 17%;
- Online job search – 16%;
- Use of mass media – 12%;
- Appeal to the employment service – 9%;
- Appeal to recruitment agencies – 7%;
- Creating your own business / enterprise – 9%.

The results of the study indicate that future graduates rely heavily on the assistance of the university in matters of employment [11].

### **3. Identify the main problems of employment of university graduates in conditions of low entrepreneurial activity**

Not all Russian universities in their policies and in the organization of the educational process provide for the preparation of their graduates for entrepreneurial activities and further employment after graduation from the university in the field of entrepreneurship. Moreover, some universities have a negative attitude towards combining study and student work, since the work leads to a decrease in the quality of knowledge of the student and only distracts him from the educational process. Therefore, combining secondary employment with obtaining practical experience in the future specialty is not possible for students of all universities. In the past few years, employers have become interested in academic performance, the content of final qualifying works of a potential employee. As a result, the employer is looking for a graduate who has not only successfully mastered the university's curriculum in his specialty, but has an active life and civic position, and he is ready for change and innovation, and has entrepreneurial competencies [12].

Based on Rosstat data, it can be argued that in recent years, unemployment among university graduates has increased. One of the reasons for this may be the transition to the European education system. Using former education system, our universities trained specialists, and using the European system - bachelors. Practice shows that employers are not serious enough to graduate-bachelor, because they consider that bachelor degree is incomplete higher education. Also, according to the graduates themselves, one of the main factors hindering quick employment is the lack of work experience in their specialty and vacancies corresponding to the graduate's request. This is confirmed by the results of a sociological survey conducted in 2018 on the website - the questionnaire "Anketer", which was asked: "What do you think, what difficulties do university graduates most often find when applying for a job?", and 91% of respondents chose the main answer "the lack of experience and practice". Also in this survey, respondents identified other reasons that university graduates face when looking for a job: lack of demand for a specialty (25% of respondents), age not corresponding to the required employer (16.7%); non-recognition by an employer of undergraduate higher education (16.7%); the inability to work full time (18.4%); the lack of a military ID (12.5%) and the lack of prestige of the university (8.3%) [13].

In the conditions of low entrepreneurial activity, the problems of finding jobs for graduates of Russian universities, the most complete realization of their professional and personal potential, are becoming increasingly relevant. Young specialists are required not only by the ability to apply their theoretical knowledge in practice, but also the ability to accept and master innovations, to expand their field of activity and the desire for continuous self-development. Moreover, employers have the following increased requirements for a specialist applying for employment in a managerial position: knowledge of new technologies; management decision-making skills for complex schemes; risk appetite; communication skills; high flexibility of mind; ability to work with various motivation systems; knowledge of people to choose employees; the ability to lead people, etc.

However, among positive factors which increase the competitiveness of young professionals, there are reasons why employers are wary of graduates. The reasons for this can be the following: 1) lack of professional experience combined with exaggerated requirements for labor conditions, salary, increased, unreasonable ambitions; 2) the uncertainty of labor and professional skills; 3) social, psychological, emotional instability [5, 14] and low motivation for entrepreneurial activity.

#### **4. The main directions of solving the problems of employment of university graduates in conditions of low entrepreneurial activity**

Practice has shown that there are factors affecting the effective resolution of the problems of employment of university graduates and the provision of regional enterprises with qualified specialists, which include the following [15, 16]:

- quality of specialist training in universities and entrepreneurial competencies mastered by them;
- development of innovative training programs that take into account the trends of development of entrepreneurship in the perspective of a particular industry and the economy as a whole;
- structure and volume of specialist training in universities of the region, focused on the current and future needs of the real economy in the development of entrepreneurship;
- development of the integration of universities in the business networks;
- development of entrepreneurial initiative and self-employment of graduates;
- assistance in the process of adapting to changes and innovations and creating your own business as part of programs to support entrepreneurship and small businesses;
- creation of an environment for self-realization and self-development of the entrepreneurial potential of young people, support for entrepreneurial initiatives, successful creative, professional and personal growth of young professionals, etc.

It is possible to suggest that one of the ways to solve the problems of graduates' employment in conditions of low entrepreneurial activity is the creation of a unit in the universities of Volgograd. The current education system imposes higher requirements to the level of entrepreneurial and professional competencies, skills acquired during the training, and the level of development of the graduate personality. The characteristics of a graduate's personality that are formed in the process of training include: the ability to make independent decisions in difficult situations, the ability to take personal responsibility for their decisions and predict their possible consequences. Therefore, the problems which belong to future university graduate, often relate to a greater degree of personal growth and personal relationships and skills to realize their entrepreneurial potential [17].

The importance of trainings and consulting support in recent years is especially great, as the qualitative solution of the problems in the existing system of higher education is impossible without the participation of qualified trainers and consultants in the training process who provide psychological support for the personal development of students, implement an individual approach to each future graduate helping to reveal his inner and entrepreneurial potential, to get rid of fears and gain self-confidence [18, 19].

The next stage on the way to solving the problem of graduates' employment is the presence in the university of their specialized department or unit dealing with projects and programs for the employment of future graduates and the opening of their own business. As an example of successful practice of the functioning of such a department within the university - student interfaculty business incubator of the Lobachevsky Nizhny Novgorod State University. The experience of this incubator, the rapid development and rapid growth of the number of business incubators prove the effectiveness of using this form in many countries of the world to solve this problem and other to increase the business activity of the regions, develop domestic markets, diversify the economy; growth in the number of small enterprises and the most complete use of regional resources, including labor, production, technology, and natural resources; the creation and strengthening of relations between small business and other sectors of the economy (large business, government, financial sector, etc.), as well as interregional and international relations that contribute to the strengthening of economic systems; the growth of employment and living standards; stimulation of entrepreneurial behavior among young people.

At the Institute of Architecture and Construction of the Volgograd State Technical University, a similar business incubator is only being created and for now all support for the development of entrepreneurial projects and graduate employment is provided by the department for the promotion of student employment and graduate employment which cooperates with many regional companies. Currently, this department solves the following tasks: 1) development and implementation of a mechanism for cooperation and interaction with enterprises, companies and other business entities - potential and existing employers for students and graduates; 2) networking and interaction with regional and municipal authorities, territorial departments of the employment service, public companies and university employment assistance centers; 3) the promotion of temporary employment of students during the period of study; 4) facilitating the employment of graduates and their entry into business activities.

The department for the promotion of student employment and graduate employment holds events that contribute to the employment of graduates, job fairs, which are attended by representatives of the city employment services of Volgograd and the Volgograd Region. In the framework of such fairs, future graduates have the opportunity to find out the activities of enterprises and companies, with the requirements that employers make to applicants, and, moreover, future graduates leave their resumes and questionnaires for companies of interest to them and pass interviews with representatives of personnel services. Within the framework of such events, employees of the "HeadHunter" employment portal and the "Ankor" personnel holding company repeatedly conduct training seminars for the students of the Institute of Architecture and Construction of the Volgograd State Technical University on the topic "Secrets of successful job search" and "Legal aspects of employment of a young specialist". Through such seminars, future graduates have the opportunity to learn in as much detail as possible about real and effective methods of finding employment, the specifics of preparing a resume, key rules for interacting with the employer and employment behavior, and even get legal advice on employment problems [11].

Undoubtedly, to succeed in finding a job in today's dynamic environment it is necessary to be active, ready for changes and innovations, sociable and capable of continuous learning and retraining, creating their own business and realizing entrepreneurial potential [20].

## **5. Conclusion**

The main instrument of state policy should be regional programs to create competitive jobs for the younger generation of specialists and "green corridors" for small business. Government intervention should be carried out mainly through economic, legal levers, with the maximum involvement of business structures, and non-administrative measures [12]. Employment of a university graduate is an important step in his professional life. Entering the labor market the social expectations of graduates can not met, it can lead to disappointment in the profession that has been gained to stress and depressive psychological states. That is why psychological service is so important on the basis of

universities, where trainings will be held with future graduates on career planning and social adaptation in the labor market, realizing entrepreneurial potential and creating their own business.

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