

# Development of the Qualification Institute as the Strategy Element of the National Employment Policy: Impact Factors in the Conditions of Coronavirus Infection (Covid-19) and Innovative Economy

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## ABSTRACT

Large-scale changes in employment patterns caused by the digitalization of labor and the new coronavirus pandemic (COVID-19) have seriously affected the pattern of labor demand.

The key skills that the new generation of workers possessed were gradually shaped during the fourth industrial revolution and the requirements to them continued to become more complex, creating new obstacles to the realization of the right to work. The identification of workable ones, new type skills and abilities, information technology competencies and their comparison with the capabilities and abilities of the majority of the population shows that labor today is the privilege of the elite. And it is not only about the mental abilities of each person, which, of course, are individual, on which the choice of activity and profession depends, but also becomes a consequence of social inequality, which predetermines the possibility of each individual's contribution to his or her future and career.

Today, the International Labor Organization recognizes the inevitability of the changes and in its assessments assumes that work can be organized on different contractual bases, expanding along with the traditional regulators of labor relations, including non-standard forms. However, according to the International Labor Organization, the main task of the states in this process is not to standardize all forms of work, but to make any work worthy.

**Keywords:** *qualification, employment, skills, pandemic, economy of knowledge, digital technologies*

## 1. INTRODUCTION

In solving the adaptation problems of workers to frequently changing working conditions and increasing their chances to take "a decent job" one of the key positions is the issue of professional training and further vocational education.

The ILO Decent Work Concept has formulated the following key criteria for decent work: employment, social security, respect for workers' rights and development of social dialogue [1].

And guarantees in the field of vocational training of workers are directly related to the category of decent work, and to a greater extent to the above criterion of employment. In studies offering methodological approaches to the decent work evaluation, among its indicators one can find guarantees of skills improvement [2].

Conversely, the negative consequences of atypical employment spread are associated, first of all, with the absence or reduction of social security, guarantees of workers' labor rights, with the lack of prospects for professional development, as the employer is not

interested in investing in the employee's professional development [3].

Today a wide range of subjects, even among those employed under an employment contract, do not have such guarantees. This list of persons, who do not have such guarantees in the sphere of skills formation and improvement, is now expanding at the expense of persons involved in precariatization employment.

But when the worker status employed on Internet platforms, self-employed, volunteers and others will be determined, the issue of their right to vocational training in the direction of the employment service will arise, because on the one hand, new forms of employment require a person to constantly acquire new knowledge, and on the other hand, they assume such a relationship that does not contribute to the expansion of opportunities for training workers.

The traditional approach of obtaining one formally necessary education for employment and building a career on this basis is not in the interests of employers or the government as a whole. Rapidly automated work processes will inevitably create gaps in the workers' knowledge and skills, which can only be eliminated through continuous staff training [4].

In this situation, it is the government's responsibility to mitigate this contradiction. Now, according to Clause 7.1-1. of the Employment Law passing of vocational training is guaranteed to unemployed, and from among the employed only to the women who leave to care for a child till reaches three years and from among the unemployed, only to citizens who, according to the legislation of the Russian Federation, appointed old-age pension, and who seek to return to work [5].

The international community's priority is to focus on vocational training as an element of labor law and labor legislation.

Thus, the issue of lifelong learning sounds among the fundamental values proclaimed by the International Labor Organization: January 22, 2019 at the presentation of the Global Commission report on the labor law future, the proposal to formally recognize the universal right to lifelong learning and to create an effective system of lifelong learning was made [6].

## 2. RESEARCH METHODS

Gradual changes in the content of labor and its organization forms, occurring in modern conditions under the influence of the spread of information and communication technologies, require new approaches to income regulation, employment management, development of vocational education system.

It is necessary to focus on the analysis of a number of factors that today may have a significant impact on the advanced training institute of workers, which is expressed in the change of qualitative characteristics of this institution, and the impact on the rate of such changes and their social consequences.

1. Demographic changes undoubtedly affect the labor force, which creates new challenges to the formation of an approach in the field of the workers competencies.

Thus, in developed countries, there is intensive aging of the population, while in developing countries the labor market is annually replenished with young personnel. This requires that young people have appropriate skills that attract investment and create jobs, while older workers will continue to work as long as they learn and improve their skills.

2. The basic education of job seekers today is crucial as a guarantee of a decent job, especially in recent decades in the context of the advent of the economy of knowledge. This reflects the increasing availability of jobs to those with the appropriate level of education and the significant difficulty for low-skilled workers in finding jobs in an increasingly competitive labor market.

At the same time, the participation of people aged 25 to 64 in the educational process has increased slightly over the last decade to 11.1% by 2018, and only a few member states have managed to achieve more significant improvements (Sweden, Finland, Denmark) of 23% to 25%. And the number of individuals involved in the learning processes of the same age group who do not have

an education or have low qualifications remains particularly low (4.3%) [7].

3. With globalization, the availability of workers with appropriate qualifications has become a determining factor in many respects. Labor has become more mobile internationally, providing greater opportunities for labor migration. This, in turn, increases the demand for individual skills in a wide range (e.g. knowledge of languages and intercultural communication) as well as for occupations with international standards (trade, industry).

4. As the nature of work changes and its mobility increases, the organizational structure of many companies, which today increasingly offer opportunities for distance working, increases. These changes increase the need for teamwork, initiative, leadership, management skills as well as interpersonal and intercultural communication skills.

5. The development of digital technologies has increased the demand for higher level skills, as well as the pace of change in the demand for skills. This dynamic is especially evident in the employment structure of advanced countries, where the number of jobs that meet the economy of knowledge has reached 25%. In Russia, the demand for "new" skills is significantly lower than the abovementioned level, which is primarily due to the preservation of the existing economic structure, which continues to be predominantly a raw materials-based economy focused on natural resources exports [8].

The demand for skills today is not only in the field of high-tech production. The impact of technology and innovation is also felt outside the high-tech industries in other areas, such as services.

To date, there are studies that assess the ambiguous potential impact of new digital platforms, which have created competition for traditional employment on the labor market, on the educational demand of job seekers. It has been noted that individuals with low levels of education could benefit significantly from the digital economy of collaboration due to the special nature of interaction and information sharing. Conversely, according to other economic theories, less educated people are less likely to have access to employment opportunities offered by digital labor markets. Understanding the relationship between education and access to digital platforms for collaboration and the impact on social and economic inequalities is crucial for the design of future public policies that promote social justice [9].

6. The transition to green technologies has also generated demand for "new generation" professionals. These processes are changing skill requirements within existing professions, creating new demands for professions and skills, and objectively creating a need for retraining and professional development.

Although these factors already have a significant impact on the demand and supply of skills around the world, with differences depending on the level of economic development of countries. Therefore, it is important to shape the competences of employees in the future based on the expected needs considering these factors.

### 3. RESEARCH RESULTS

For a long time it was difficult for the country to intensify the transition to a new type of economy due to various circumstances. In addition to the previously mentioned reason for the lack of demand for knowledge and skills of the new type, we can also name the following consequence: the lack of appropriate supply on the labor market. Today, there is a serious talk about the target model of future employee competencies as a set of key universal competencies necessary for effective transition to the innovation economy: the ability to think critically, to work effectively in a team and interact with other people, to quickly adapt to changes, to make decisions, to organize activities independently, to be able to work with huge data sets. Researchers cite the lack of training for the economy of knowledge as the reason for Russia's being basket case behind leading countries in the transition to innovation development. The school system is not receptive to change and teacher training does not keep up with modern educational standards. Higher education in most of higher education institutions has lost its quality but has become "universal": between 1993 and 2015, the number of places in higher education more than doubled, while the bunch of university applicants was reduced by 36%. At the same time the educational system "does not hear" the business, as a result of which 91% of employers note the lack of practical knowledge among graduates, and a quarter of diploma holders go to work in positions that do not require their level of education. There is also no practice of lifelong learning: most people stop learning when they reach the age of 25, and professional development is often formal [10].

Thus, insufficient attention to the formation of the approach to competence development has led to a significant gap between the competence of employees and the modern technology level.

One of the most recent and extremely acute challenges has been the new coronavirus pandemic (COVID-19), which, due to the need to reduce social contacts, has prompted a transition to a distance learning and work format.

The abrupt forced transition revealed, on the one hand, the state's material and technical unpreparedness for a remote format in business, labor relations and education, and, on the other hand, revealed certain shortcomings of such a transition.

In organizational terms, the overwhelming majority of teachers (84%) believe their workload increased with schools switching to distance learning; 59% of respondents said the workload for children also increased [11].

The lack of digital competence among the teaching staff revealed a lack of readiness for the format of education.

Only in the pandemic conditions, the revealed omissions were considered and in order to reorient and develop digital competences, the training express-courses for teachers were launched within the framework of the Institute for Progressive Education, which unites experts in the education and science sphere in order to improve the quality and accessibility of the education system as well as to develop educational technologies [12].

In the foreign version of the changes taking place against the background of the restrictions associated with COVID-19, there are extremely negative views on the "future of education" from the side of the teaching community. So, among the pedagogical respondents in Great Britain, most of them expressed concerns about the rapid transition to online provision and the availability of only initial digital pedagogy skills. In general, they suggest that moving to an online space creates significant dysfunction and disrupts their pedagogical role. They also point to "online migration" as a serious challenge to student enrollment, market sustainability, academic labor market and local economy [13].

For these reasons, the irrationality and unreasonableness of a full transition to distance learning has been emphasized. Thus, the development of workers' professional skills should not "follow the trail" of changes in economic conditions, but be ahead of them.

Advanced training should be a strategy for governments in their overall employment policy to identify the skills needs of the labor market in the future, thus helping to avoid the gap between the demand for skills and their supply [14].

Despite significant improvements in the level and quality of education and training for workers, there is a widening gap between skills required and skills acquired in many countries, with high economic costs and social consequences at all levels, from individual to public administration.

Economic costs mean additional economic and time costs for an employer to train his or her employees and develop the skills they need from scratch. The social consequences are expressed in the form of structural unemployment, as it makes it difficult for low-skilled or poorly qualified workers to find jobs in an increasingly competitive labor market.

### 4. DISCUSSION OF FINDINGS

Currently all preconditions of advanced training system formation due to the increased flexibility of the modern employee, which is expressed in his readiness for retraining, advanced training, and in general for lifelong education.

Recent changes in the legislation of the Russian Federation just aimed at developing a mechanism that would provide this flexibility.

Thus, the Government of the Russian Federation has developed a new special program of vocational training and additional vocational education of pre-pension age people, which provides for a plan of action to organize vocational training and additional vocational education of persons aged 50 years and older, as well as persons of pre-pension age for the period up to 2024 [15].

The situation caused by the coronavirus pandemic is a new unpredictable factor for the development of the qualification institute. To overcome this situation due to the long downtime in the economy, a number of responses were envisaged, some of which also concern the education system, including additional vocational training. Thus, by

the order of the Government of the Russian Federation from September 1, 2020 in 14 regions of Russia will be conducted an experiment on the introduction of "digital educational environment" in schools and colleges, the main element of which is testing the possibility of transferring individual subjects from full-time to remote form.

Also during the coronavirus pandemic, a resolution was signed to facilitate the retraining of women with children under three years of age, which simplified the procedure for allocating funds to pay for appropriate training for this category of population who applied to the employment service. The employment services in the regions will now be able to conclude direct subsidy agreements with organizations or individual entrepreneurs that conduct training and retraining programs under the Demography national project [16].

Thus, involvement in the sphere of labor employment for certain groups of people who have difficulties in finding jobs will become more accessible if these mechanisms are actually implemented.

## 5. CONCLUSIONS

Modern education and training systems have increased opportunities for the middle class in a number of developed and developing countries. But they lack the capacity to achieve the scale and speed necessary for the new digital society to work. In a period of rapid and unexpected changes in the digital economy and labor market, a different approach to human resources is needed to ensure current and future social mobility while ensuring stability in the labor market.

Demand for key skills and qualifications is directly related to the economic situation: the economy quality and the pace of development, while supply depends on the characteristics of the population and education, socio-demographic situation.

Foreign studies consider the lack of conditions for skills development as a criterion of unstable employment [17]. Closer cooperation between the government and enterprises and education specialists, as well as the use of innovations in education, can improve the efficiency and opportunities for professional development and retraining, thus ensuring the stability of labor relations, both for the employee and the employer.

In most countries, government statistical services collect data and publish indicators that provide the government with the necessary information on unemployment and job vacancies recorded by the government employment services, along with data from printed, online media, directly reflecting which occupations and skills are in demand.

Labor market surveys and household surveys are used in many countries as a key data source for developing skills for advanced learning. They can provide information on the structure of the population by age, education and labor force status, as well as sectoral and professional structure of employment. Additional information and labor market

indicators can be obtained from household surveys that cover a wide range of individuals employed in the informal economy.

Thus, an important aspect in labour market analysis is the availability of as many indicators as possible, which provides an objective picture and insights into the different aspects of skills needs.

Particular attention in the forecasting of skills needs should be paid to comparing past and current trends in labor demand, which are assessed by the following methods:

- quantitative employment indicators by sectors of the employment economy;
- qualitative indicators;
- analytical data obtained through employer surveys;
- examining data on graduates and their employment patterns.

Quantitative model predictions are a traditional method of labor market research in many countries (e.g., Australia, Canada, Cyprus, Czech Republic, Germany, Ireland, Netherlands, Philippines, United Kingdom, United States, and Vietnam) whose results are used in shaping public employment policies.

While quantitative forecasts focus on the analysis of one probable state of the labor market or several well-defined quantitative scenarios, qualitative forecast indicators (Foresight - method) are used to form a creative approach that includes many possible future states of the labor market and skill needs on a systematic basis.

This method, which uses quantitative, qualitative, or mixed input data, allows the development of medium- and long-term forecasts and the formulation of policy strategies accordingly.

Typically, this method involves the development of a road map that includes planning for effective employment policy transformation interventions, considering the identification of skills needs and outcomes of education and training. In implementing this method, the advantage is active interaction with representatives of education and science, educational institutions, and private sector enterprises.

The method of forecasting and planning of skills is used in their employment policies of Australia, Brazil, Denmark, Finland, Germany, Japan, Republic of Korea, and the UK.

The study of skills needs on the basis of enterprise surveys and organizations provides unique data on the demand side of skills needs and use of skills, and those occupations that are difficult to access.

In other words, such surveys provide first-hand information, identify current skill gaps for young professionals and difficulties in finding staff, report on the training needs of their staff and provide information on their short-term human resources policies.

The disadvantage of conducting such surveys is that, firstly, it is an expensive exercise, and secondly, it is a complex process requiring considerable knowledge and experience.

Positive experience of some large HR and recruiting companies, which also conduct surveys of enterprises, can

be noted, reflecting in their publications short-term sentiments of employers and their intentions in the recruitment issues.

Programs of study among graduates in the form of feedback can provide useful information from only those involved in the labor market – graduates, about their qualifications and skills and how they use their qualifications, and whether it meets the needs of employers. Many countries, including Germany, Hungary, Montenegro, Romania, and Serbia, use national monitoring systems based on surveys of educational institutions [18].

Certainly, there is no single universal solution for all countries, but the proposals of the International Labor Organization and the experience of countries should be heard and interpreted by the national legislation considering the specifics of a particular situation.

## 6. CONCLUSION

The government needs to think about the future and begin to form programs of labor force renewal in accordance with the needs of the future labor market. It is seen that labor renewal programs should have a focus on skills as a key element of labor qualification.

Systematic forecasting of skill needs and evidence-based explanations of the positive effects on business, individuals, economy, and society should become important in program design. This should be done in close cooperation with the education system, which still has the competence to create appropriate training programs for qualified specialists, but on the basis of evidence-based forecasting of skills needs.

It should be noted that the stage of legislation development in this direction in the Russian Federation was the introduction of the employee qualification institute and subsequent work on professional standards. This work is undoubtedly a positive step while maintaining rather inflexible conservative mechanisms of forming professional competencies required by the employer. We are talking about an apprenticeship agreement (Chapter 32 of the Russian Labor Code), which remains the only named way to obtain education, acquire the necessary skills of the employee, but it is not sufficiently developed and flexible.

Thus, in the development of an advanced training system in the context of the qualification development of employees (as well as applicants), respectively, the following steps are necessary:

Inclusion in the Labor Code of the Russian Federation of the concept of advanced training in the context of the necessary skills obtaining method by the employee in the course of work and/or in the previous period, based on the forecast of the situation on the labor market.

The next step could be the formation of stages for implementing advanced training measures in the acts of the government of the Russian Federation and relevant ministries.

Creation of resources to assess trends in demand for certain key skills and competencies, as well as supply at the labor market. At present, the needs of the labor market are analyzed by the Federal Service for Labor and Employment and published on the official website in the form of reports.

An additional action within the framework of the advance mechanism could be analytical work to assess not only the current situation but also trends in demand for certain skills for the relevant period (from 3 to 5 years). It is this period that seems reasonable in terms of time spent on training, which currently ranges from 4 to 5 years in most areas of vocational training.

Thus, advanced training today becomes not just one of the tasks set for the state, which in 2008 was evaluated by the International Labor Organization of ILO as a comprehensive system of training and skills development, but a measure to prevent mismatch of skills with the requirements of the labor market in the corresponding period of intensive technology development. Therefore, it is impossible to speak about advanced training in the context of "plans for the future", and already now, based on foreign experience, to develop this direction as an important element of the strategy of public employment policy.

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