

Problems of Interaction Between the Labor Market and Universities: A Systematic Approach

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ABSTRACT

The purpose of this study is to research the problems of interaction between universities and the labor market in current Russian conditions, as well as to propose measures to improve its efficiency. The paper highlights the problems of interaction between the labor market and universities, which actualise the need to eliminate the professional and qualification imbalance in the modern labor market. The necessity is substantiated and the results of applying a systematic approach to solving complex socio-economic problems of the labor market, based on the principles of applying the "black box" model, are presented. The article also proposes the author's interpretation of the term "strategic partnership" of labor market entities and outlines the essence of strategic partnership, which allows solving some problems of the labor market arising from the lack of interaction of its subjects.

Keywords: Labor market, Strategic partnership, Universities, Systematic approach, Professional and qualification imbalance.

1. INTRODUCTION

The market mechanism for regulating supply and demand existing in the conditions of the modern Russian labor market has caused the formation of a professional and qualification mismatch between the demand and supply of labor. This situation causes a shortage of workers in certain professions and qualifications. Still, it does not reduce the number of unclaimed workers in the labor market, which leads to a decrease in the efficiency of social production as a whole and the emergence of some socio-economic issues.

The results of the study revealed the absence of systemic interaction between the labor market, the state and universities. Such a situation of isolated development of each of the stakeholders causes a mismatch between the demand and supply of labor in the professional and qualification context and actualises the need to solve this problem.

2. RESEARCH METHODOLOGY

Analysing the interaction of the subjects of the Russian labor market in current conditions, necessary to highlight the key stakeholders who have the functions of regulating the labor market (figure 1).

Among such subjects: the state, employment services, labor exchanges, employers' unions, trade unions. The institution of unions of employers, trade unions, as well as state employment services in Russia is underdeveloped. The result is a bad influence on the indicated subjects of the labor market (this situation is presented in figure 1 using a dotted line reflecting the relationship between the subjects). Actors such as workers and employers are singled out in a separate circuit since they seek to consider mutual interests without government interference.

Based on the data in figure 1, we can conclude that the labor market is a set of interrelated elements that represent a single whole. Therefore, it can be considered as a complex socio-economic system [1]. Also, the labor

market can be called a socio-economic system, since it is a set of interrelated social and economic subjects and relations arising in connection with the consumption and distribution of material and intangible resources, goods and services [1].

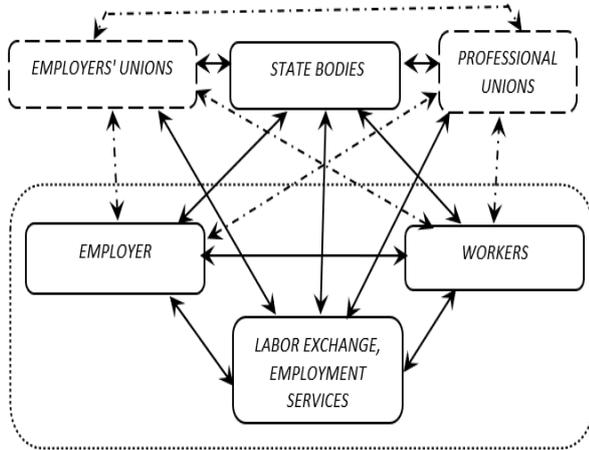


Figure 1 Scheme of the labor market's subject interaction.

The problems of the labor market can be called semi-structured since they are not always possible to describe at a qualitative level [2].

These statements allow us to conclude about the relevance of applying a systematic approach to solving complex socio-economic problems of the labor market. Let's model the labor market system considering the basic principle of the systemic approach - the so-called "black box" principle, presented in Figure 2, and the need to strengthen the relationship between the subjects indicated in figure 1.

In figure 2, the input to the system is determined by the initial problem data that exists at the labor market level in a particular region. For example, employment services at the regional level inform the higher government bodies about the need to reduce the unemployment rate by creating additional jobs in the region.

According to figure 2, the process of the system concerning the subjects of the labor market will be the adoption by state bodies of a normative act that helps to reduce the unemployment rate and provides tax incentives to enterprises that create additional jobs. In this case, the output of the system will be a qualitatively or quantitatively expressed management decision that has both a certain degree of adequacy and a degree of risk. For example, we can talk about a decrease in the unemployment rate.

The factors of the external environment will include both the micro-level and the macro-level factors that influence the adoption of managerial decisions in the labor market. In this case, these are demographic,

economic, political, environmental factors affecting the labor market.

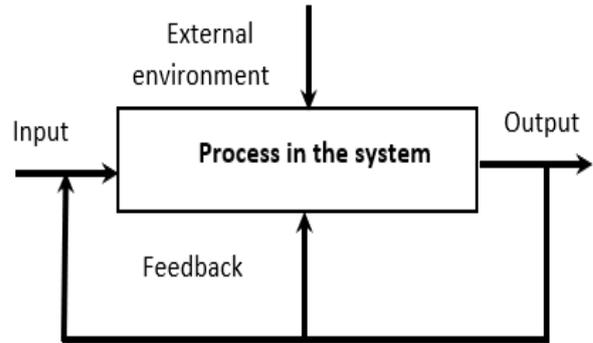


Figure 2 The concept of the system approach's "black box" principle.

According to figure 2, feedback is information coming from end-users to the person who made the decision (decision of state bodies at the "process in the system" level) or to the person from whom the information about the need to solve the problem was received (information from employment services at "Entrance"). At the stage of "feedback", it is possible to refine the management decision considering the additional information identified in this process [1].

Thus, we can conclude that to obtain a high-quality management solution at the system's "exit" it is crucial to have a high quality of the "input of the system", "process in the system" and the "external environment of the system".

Thus in the "labor market" system if the quality of the "entry" is excellent (employment services will instantly respond to an increase in the unemployment rate in the region and inform the higher government bodies about it), and the quality of the "process" is satisfactory (government bodies will adopt measures to reduce the unemployment rate in the region, which in practice will turn out to be incapable), then the quality of the "exit" will be unsatisfactory (the unemployment rate will not decrease, the tension on the regional labor market will increase).

And vice versa if the quality of the "input" is satisfactory (employment services will not respond to the increased unemployment rate in the region and will not transmit this information to a higher level), then no matter what potential in the block "process in the system" is (the possibility of adopting regulations to reduce the unemployment rate in the region), the quality of the "exit" will still be unsatisfactory (the actual unemployment rate will not decrease).

Thus, the data presented once again substantiate the relevance of applying a systematic approach to solving complex socio-economic problems of the labor market.

3. RESULTS AND DISCUSSION

The article highlights the critical problems of the partnership between universities and the labor market, which are the reason for the increase in professional and qualification imbalance in the labor market. Among them the insufficient focus of the educational process of the university on practice is especially relevant, requiring an increase in the efficiency of interaction between subjects in such areas as business development and corporate education, the introduction of a quality support system for universities, etc. [3]. The tendency to strengthen the practical component of the university educational system is also due to the labor market requirements [4]. Currently, the emphasis is on the need to match the competencies of university graduates to the requirements of employers. No less important is the problem of graduates obtaining the practical knowledge required by the employer. In this case, the very fact that an employee has a higher education is assigned a secondary role [5].

In such a situation, it becomes evident that graduates of Russian universities need to learn how to adapt quickly to the requirements of the labor market, acquire new knowledge and improve their qualifications.

The study of the current situation on the labor market made it possible to present a scheme of interaction between subjects of the personnel training system (figure 3).

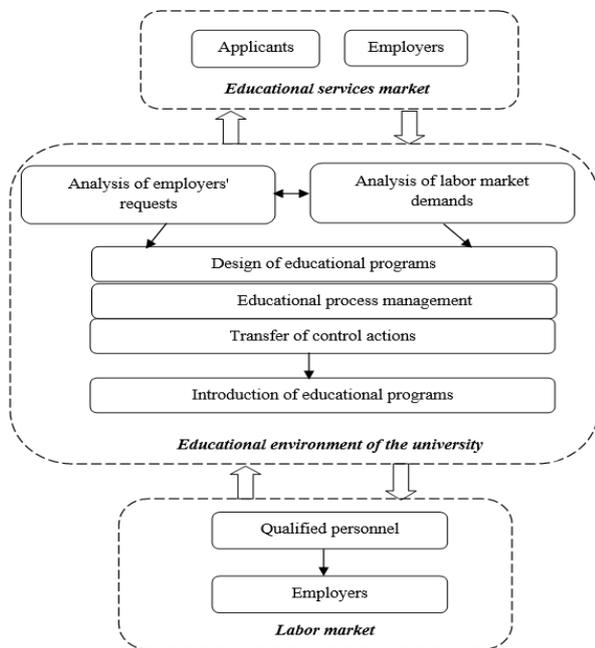


Figure 3 Interaction of training subjects.

According to figure 3, the labor market interacts with the educational services market through the education system. When designing and implementing educational programs, the requests of employers and the labor market, which are in constant interaction, are considered. Further management of the educational process ensures

the implementation of educational programs through control actions [6].

Figure 3 shows the main areas of interaction between the labor market and the universities. It shows that increased interaction of the universities with the labor market will lead to mutual benefits from the partnership of both participants.

Figures 4 and 5 show the critical aspects of the interaction of universities with the labor market, as well as a scheme for monitoring the quality of training of university's graduates which indicates the relevance of the approach formed based on assessing the competencies acquired from university's graduates and required by the employer to solve professional problems.

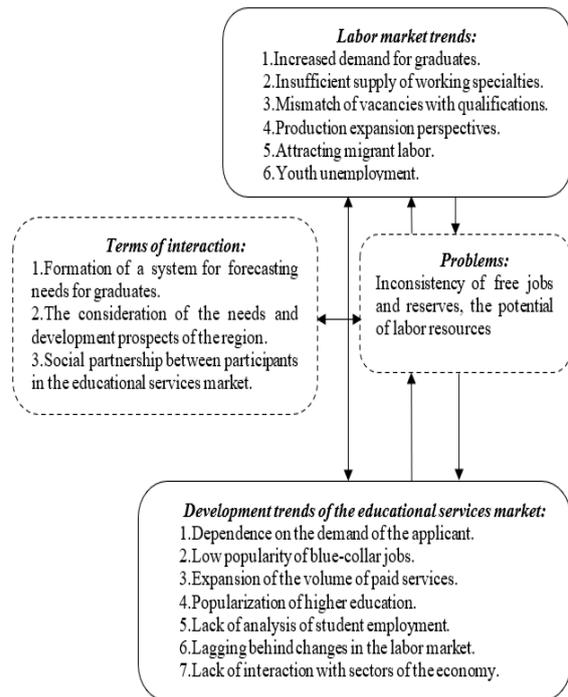


Figure 4 Basic aspects of the relationship between the labor market and universities.

Since employers assess the competencies of university graduates in the process of solving some practical issues, then if they are insufficient or absent, it becomes necessary to adjust the content of educational programs [1].

In modern conditions of transformation of the interaction of universities with the labor market, the following areas come to the fore: organisation of scientific and practical conferences with the involvement of employers, industrial practice with the involvement of university's graduates, training of teachers at enterprises [8,9].

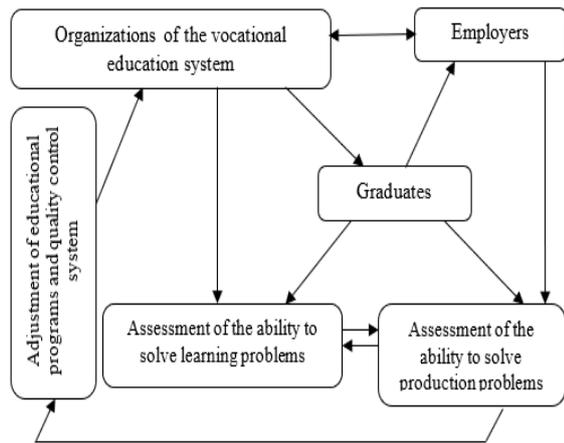


Figure 5 Quality control scheme for training university graduates.

The data presented in figures 4 and 5 demonstrates a lack of consistency in the interaction of employers with organisations of the education system in the modern labor market [7].

The study of existing forms of relations between the labor market and universities revealed the need to solve the problems of increasing the efficiency of their interaction, in connection with which the authors propose the concept of strategic partnership. The difference between the concept of strategic partnership of labor market entities from those previously proposed in the literature [10,11] is concluded in the author's interpretation. The strategic partnership is understood as a form of pooling the resources of the labor market subjects, which implies their effective and long-term and mutually beneficial interaction. As a result - both strategic goals of its subjects and the general strategic goal are achieved, which is of critical importance for the subjects of partnership [1].

The overall strategic goal, which is of critical importance for the subjects of partnership, in this case, will be to reduce the professional and qualification imbalance in the labor market.

The strategic interests of universities include employment of graduates, increasing the competitiveness of graduates, increasing the intellectual potential and infrastructure of the university.

Among the strategic interests of employers, one can single out: the rapid adaptation of university graduates to professional activities, maximising profits, increasing labor productivity, and providing employers with qualified employees.

On the part of employers, the strategic partnership will manifest itself in the following forms:

- ✓ orders for scientific research, participation in scientific conferences.

- ✓ strengthening the material and educational base of universities.

- ✓ provision of places for internship and employment of graduates.

- ✓ establishment of scholarships for students, participation in the board of trustees of universities.

- ✓ participation of employers in the educational process of the university.

On the part of universities, strategic partnerships will take the following forms:

- ✓ carrying out research and development work.

- ✓ targeted training of students by order of employers from the state.

- ✓ training and professional development of employers' representatives.

- ✓ participation of the state in the financing of research work and the educational process of universities.

As a result of the strategic partnership between employers and universities, the following effects will be obtained:

- ✓ training of specialists in demand on the labor market.

- ✓ increasing the competitiveness of graduates.

- ✓ development of research work of universities.

4. CONCLUSION

Solving the problem of professional and qualification imbalance in the Russian labor market it is crucial to increase the effectiveness of partnerships between the labor market and universities. This requires the use of a systematic approach considering all the diversity of existing relations between the subjects of the labor market.

Strategic partnership as a tool for minimising professional and qualification imbalance in the modern Russian labor market is a form of social and labor relations, the critical task of which is to meet the interests of labor market participants and increase the efficiency of interaction between the labor market and universities.

The strategic partnership should be based on the principles of long-term, voluntary, consistent, mutually beneficial and synergistic interaction of labor market actors.

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