

Improvement of Forms and Methods of Labour Potential Formation in Komsomolsk's Accelerated Economic Development Zone

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Abstract— Economic and social challenges of the Russian Far East and its industrial centre, Komsomolsk-na-Amur, in particular, make it necessary to rethink traditional approaches to the regional human capital formation. The implementation of modern approaches based on the creation of accelerated economic zone (FSIC PSEDA), cluster establishment, replication of the best practices in most cases are hindered by the challenging lack of human capital. The conducted research is aimed at the follow-up monitoring of targeted PSEDA programs and the development of approaches and methods to address the paramount problem of staff resourcing by elaborating an effective policy aimed at human capital development.

Keywords— *labour potential; human resources potential; accelerated economic zone (FSIC PSEDA) innovative projects.*

I. INTRODUCTION

Russia has an extensive experience of successful new territories development with the Far East being one of them. At first, military formations constructed Cossack posts that later became villages, towns and cities because of civil population growth. The settlers were exempt from serfdom and military service by the Tsar government, they received relocation bonus and resettlement allowance.

In the Soviet time the development of the region was also conducted under the auspices of the State, international conflicts with Japan and China also made their contribution. In 1930s in dense marshy forests in 400 km from the border the industrial centre of the Far Eastern region (FER) was built. Komsomolsk-na-Amur has aircraft-, ship- and machine-building plants, iron and steel industry, oil refinery, electrical, technical and chemical industry, forestry, mining and wood-processing, agriculture, and consumer services.

II. ACTUALITY.

By early 1990s the resident population of the FER was 7,4 mln people while Komsomolsk-na-Amur had 300,000 people. Nevertheless, later in the economic reformation era the previous production and labour capacity of the region was partly lost. During this period the output capacity in city-forming plants reduced exponentially, the regional population

reduced by 1,2 mln people and Komsomolsk-na-Amur lost 51,800 people.

By early 2018 Komsomolsk-na-Amur with 248,200 residents occupied the 79-th place among 1112 Russian cities and the 4-th in the Far East after Vladivostok, Khabarovsk and Yakutsk. The city has one fifth of the Khabarovsk Territory's population, including one third of the urban population. Starting with 1993 the city loses from 1,000 to 1,500 people every year. This said, migration is the main factor of population reduction.

III. MATERIALS AND METHODS.

Various Federal, Regional and Municipal targeted programmes implemented in the Far East do not live up to expectations. The existing trend towards population reduction and growing deficit of labour resources persists. In order for the region to function efficiently it is necessary to invest not only in production and social infrastructure but also in human capital. This is why one of the main goals at the present stage of the Far East region's development is finding ways to improve the formation and utilization system of staff resources in companies in the mid term and raising the number of residents in the region in the long term [1, 2, 7].

The main factor in the city's population decline is the migration flows to the central part of Russia that has a more appealing climate, better social infrastructure, more comfortable housing conditions and in most cases higher salaries. Quantitative indicators are shown in the publication [10].

Three fourths of the city's population decline is attributed to migration. The fact that mortality rate is higher than birth rate also contributes to that. In 2017, 3564 people died in Komsomolsk-na-Amur while only 3244 were born. Thus the natural decrease in population is 340 people a year. Moreover, the number of young people under 20 years is consistently going down and today they account for less than one fourth of the population.

The general condition of the labour market in the city can be characterized by the relation between labour force demand and supply. The research of supply and demand fluctuations

was conducted on the basis of official statistics data of Job Centre in Komsomolsk-na-Amur.

Every year about 10,000 people apply to the Centre looking for a suitable job. Thus the average staff reserve of the city in 2001-2017 is about 10400 people a year. It is worth mentioning that about 12% of the applicants (2700 people) already have a job but want to find another one and only 7500 among them are unemployed.

In the structure of gender demand for jobs at the labour market there is a consistent trend towards the preponderance of men. In 2017 5947 men were looking for a job while only 2791 women wanted to find employment.

Every year the temporally unemployed need various training and retraining programmes, professional development programmes. Their number is not higher than 10% of the total number.

It must be said though that employers' aggregate demand for additional labour resources in late 2017 finally increased to 12485 people a year in comparison with the same period in 2016; and labour market supply at the same period was only 8500 people a year. Labour resources deficit at the municipal market is more than 30% of companies and organization demand and it will only grow along with further rise in business activities of economic entities.

IV. THEORETICAL PART.

Labour and human resources potential in the latest publications [4] is interpreted as a general, quantitative and qualitative characteristics of human resources as one of the production resources types that is connected to fulfilling its relative functions that correspond to the goals of a territorial economic system or a company on the one hand, and tangible or potential probable results of employees' or a whole integral team and staff system's labour that are used or can be achieved in the future.

Terms "labour" and "human resources" potential in most sources are used as syn-onyms with the majority of experts insisting that they are equivalents. However, some suggest that labour potential must be defined as the sum of physical characteristics, theoretical knowledge, practical experience and individual traits of an employee, while others view it as existing and potential abilities of an employee to use their quantitative and qualitative characteristics in certain social, economic, production and technical environment [3, 8, 9].

The need for theoretical proof and scientific understanding of the labour and human resources potential formation, for the development of new methodological basis for their analysis and assessment that would take into account peculiar impact of the combination of political, legal, social, economic, demographic, scientific, technical and other factors is growing, especially in case of companies in labour-deficit regions such as the Far East as a whole and Komsomolsk-na-Amur in particular.

In economic theory [5] labour resource is a key concept. A. Smith considered qualified professionals to be part of national wealth, Karl Marx studied it from the point of view of

cost and consumer cost of working force, Theodore Schultz and Gary Becker founded the theory of human capital. Many Russian and foreign experts made publications on the study of economic, social, demographic and others issues concerning the use of human resources and their labour potential.

Despite the professed equivalence of the terms "labour" and "human resources" potential in a broad sense of the word, the latest works distinguish their use for economic systems on different levels. The category of "labour potential" is more often used on the macro-level (national or territorial economic system), while "human resources potential" refers to the micro-level of a company or an organization.

Different components of the concepts "labour" and "human resources" potential as a source of qualitative shifts in economic development that ensures elaboration and implementation of innovative programmes and projects enables us to come to a conclusion that the main element of these notions is the employee as the main productive force that determines productivity and effectiveness of his or her activity as well as his or her personal traits.

The analysis of the changing theory and methodology of labour resources management helped the authors to formulate conceptual framework of transformational approach to company staff management in dynamically changing environment on the basis of a new definition of the term "human resources potential".

In accordance with the proposed concept human resources potential of a company is the aggregate ability of physical and intellectual traits (knowledge, skills, capabilities) of the best employees who possess necessary competencies to achieve in a given environment long-term best results of productive activity, to self-improve in labour activity and solve innovative problems that arise in continuing transformation of an organization.

V. PRACTICAL PART.

Today's business environment is changing quickly and dramatically in all areas and this in its turn results in changing requisitions to the staff support of transformations (reorganization) and the search for new approaches to the elaboration of staff policy in both state and municipal governance bodies and existing organizations as well as companies being established. Conceptual framework of effective human re-sources policy of a company on the basis of rating and scores staff analysis and assessment system is shown in these publications [6, 10-12].

Business entities in labour-surplus regions reduce staff training and development expenses preferring to employ the needed number of workers with necessary qualification in the labour market. Moreover, through the system of primary, secondary, higher and post-graduate education and Job centres it is the state that bears the cost of staff training and retraining.

But the possibilities for the implementation of this human resources policy in newly established companies in PSEDA are considerably reduced in view of labour deficit. Thus these companies have only two options: to develop the potential of

existing staff or to employ qualified professionals from labour-surplus regions. Either one of these options calls for considerable initial expenses that must be taken into account when assessing the investment appeal of innovative programmes and projects in PSEDA.

VI. CONCLUSION.

It must be said that market forms and methods of self-regulation of activities conducted by economic systems of companies and territories are of little use when it comes to addressing the strategic challenges of ensuring the defence capacity of a country and comprehensive development of pioneering territories similar to the FER.

The preservation and development of the Far Eastern region's potential and the implementation of large-scale innovative and cross-cutting programmes similar to the PSEDA is possible only when the methods of centralised state planning and management are used.

In order to reduce the outflow of FER local population and to attract additional labour resources it is still necessary to continue to make up for unfavourable life conditions in the region by offering benefits and wage premiums, including in business entities.

In order to further develop the FER labour potential it is crucial to prioritize the implementation of projects in health, education, culture, sports, transport services, utilities, redevelopment and environmental protection in its territory.

Companies, entities and organizations that operate in the FER need to develop and implement an effective human resources policy aimed at labour-saving technologies and rating assessment of performance, professional qualities and competencies as well as personal traits of employees, to elaborate career growth programmes for employees with high ratings, professional development programmes and retraining for employees with average ratings and individual development programmes for workers with beginner's ratings as well as social support and labour community stabilisation programmes.

A "guest worker" or a poorly educated "misfit" with criminal tendencies and radical religious views while being a temporary labour resource cannot represent the human resource potential of a territory or an organization.

In order to foster organizational environment to attract local population, young people from other regions, to provide for continuous training, retraining and professional development in Komsomolsk-na-Amur on the basis of universities it is vital to create an educational cluster with the participation of primary, secondary and higher vocational education institutions with coordinated educational training

curricula and activity plans and with the required number of priority state-funded places.

The implementation of proposed measures will help to change the negative trend of labour resources outflow and to provide organizational prerequisites for a successful implementation of innovative programmes and projects in the FER as a whole and in PSEDA "Komsomolsk" in particular.

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