

## MANAGEMENT OF EMPLOYMENT OF THE POPULATION: A REGIONAL ASPECT

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**Keywords:** employment, region, demand and supply in labour market, management.

The process of economic reforms in Russia calls for a new approach to the issue of employment of the population. The need for qualified personnel is very high in the Vladimir region as well as in Russia in general. The structure of training specialists is inconsistent with the structure of their demand. The absence of mechanisms ensuring the interrelation of the labour market and the market of educational services aggravates the problem of job placement for young specialists. To improve the efficiency of the social policy management in the sphere of employment a state institution needs to be set up which will be responsible for the development of effective employment of the population on the basis of integration of all the members of the labour market.

The expanding process of economic reforms in Russia calls for a new approach to the issue of the population employment.

The Russian labour market needs an in-depth estimation of the employment status. Or in J. Keynes's words "one needs to have a clear notion of why under certain circumstances employment is the way as it is".

The need for qualified personnel is very high in the Vladimir region as well as in Russia in general.

The age structure of able-bodied citizens of the region is changing with a decrease of the proportion of young people. The ageing of the population takes place (fig. 1). On one hand depopulation releases the pressure on the labour market and on the other hand it does not contribute to its development.

The impact of the demographic setting on the development and use of human resources is

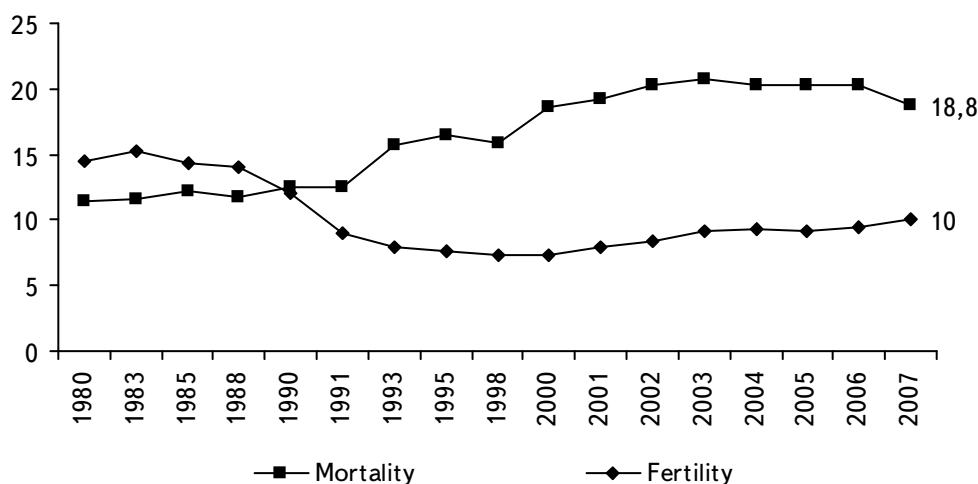
of vital importance for the region economic development (fig. 2). Lack of working hands, ageing of manpower, reduction in the general level of qualification and in the portion of key workers - these are the problems with which the directors of many enterprises and organizations are confronted today.

In recent years there has been a brisk demand for man power on the registered labour market.

The need for personnel has been manifested by approximately 6 000 organizations of various types of economic activity and ownership.

The dynamics of the demand for most claimed trades on the labour market are shown in the graph based on the data of the vacancy bank of the Vladimir region Placement Service for 2006 and 2007 (fig. 3).

The above-named professions account for about 60% of vacant positions for qualified



**Fig. 1. The dynamics of the basic demographic indices given for the Vladimir region (occurrences per 1 000 of population)**

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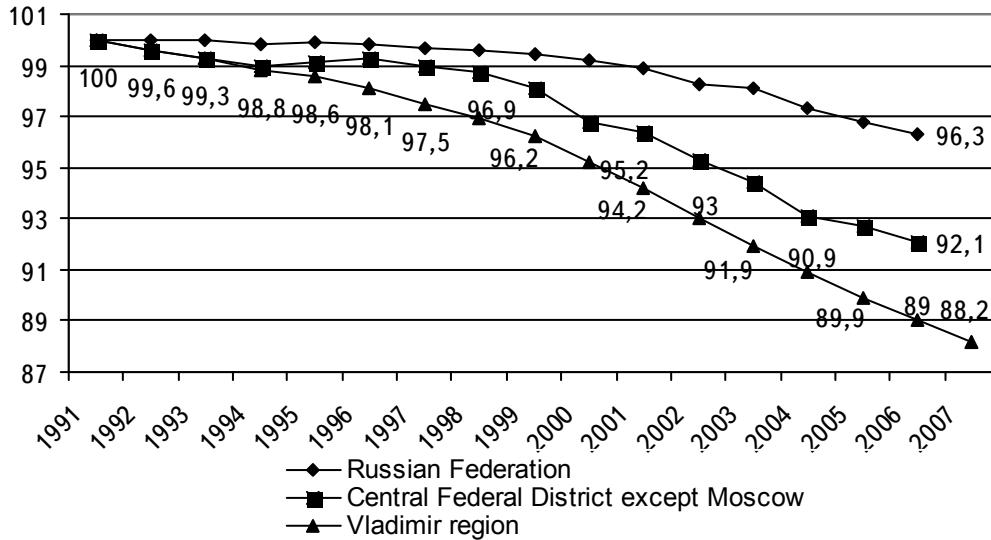


Fig. 2. The rates of depopulation in the Vladimir region, the Central Federal District and Russia

workers. The demand for these trades is approximately 3,5 times higher than the supply of manpower (table 1).

The need for experts and office workers accounted for 18,1% of the registered demand.

Nowadays engineers of various specialities, well-qualified accountants with operational experience, educators, managers are most needed on the labour market.

On the registered labour market of the region the need for specialists with higher education is 11,2% lower than the demand for them. The need for personnel with secondary vocational training is 16,1% lower, whereas the number of vacancies for applicants with elementary

vocational training is 11% higher. In 2007 the demand for personnel with vocational training accounted for 32,4% (fig. 4).

The analysis shows that the priority guidelines of the institutes of higher education in the region are training personnel in the sphere of economics, law, education and management. The region which has a manufacturing specialization trains few engineers and technicians the demand for which has increased recently.

Massive training of specialists in economics has lead to a state when the labour market is glutted with the corresponding experts. Comparing the structure of graduates with the vacancies submitted by employers to the Placement Service

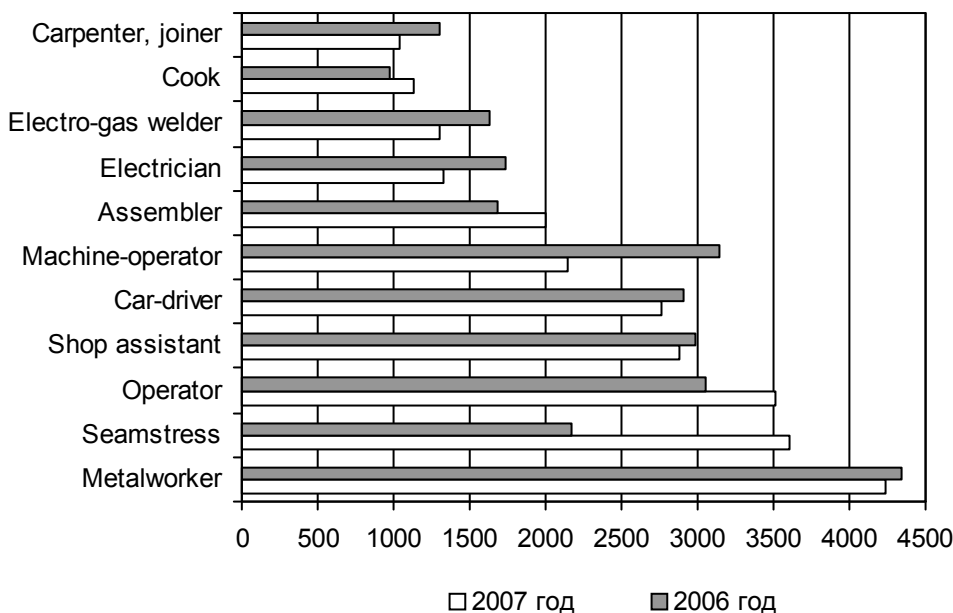


Fig. 3. Trades with firm demand on the labour market (people)

Table 1

The correlation of demand and supply of trades

The profession (trade) name	The percentage among qualified workers vacancies	The percentage of demand satisfied by supply
Metalworker	9,8	43,5
Seamstress	8,3	9,1
Operator	8,1	65,7
Shop assistant	6,6	88,5
Car-driver	6,4	57,7
Machine-operator	4,9	23,7
Assembler	4,6	19,2
Electrician	3,1	40,3
Electro-gas welder	3,0	25,5
Cook	2,6	39,9
Carpenter, joiner	2,4	42,0

allows to conclude that the structure of the graduates is far from corresponding to the structure of the demand for them. The transformation of the structural ratio in the training of specialists in the region should be based on the strategy guided by awareness of the situation on the labour market and the its development predictions.

With the object of revealing various aspects and problems of effective employment a survey of the graduates of the 9-th, 10-th grades and of the graduates of secondary and higher education institutes has been carried out to expose career-guidance plans and proper information distribution on the labour market.

According to the survey results of the higher 65,7% of respondents are going to be involved in a job connected with the received training. Every third student either is not to practice it (5,6%) or has not made up his/her mind yet (27%).

The absence of mechanisms ensuring the interrelation of the labour market and the market of educational services aggravates the problem of job placement for young specialists.

Among major difficulties the graduates are going to face while hunting for a job they name:

- ◆ lack of professional experience (32,8% of the respondents);
- ◆ lack of information about vacancies (30,9%);
- ◆ redundancy of specialists (29,0%).

To have more self-reliance on the labour market 28,7% of the respondents are getting or have already acquired an extra trade and 16,6% are planning to do it in the nearest future.

The graduates prefer professions that either are not in demand or the demand for which is very low as well as professions of great supply on the labour market, e.g. accountant, programmer, psychologist, legal expert, economist, manager. Trades are considered by students to be of no prestige.

Every third of the respondents has not chosen an occupation yet. This category of graduates needs aid in occupational choice, in career-guidance, getting information, target setting and confirmation of choice. Thus the need

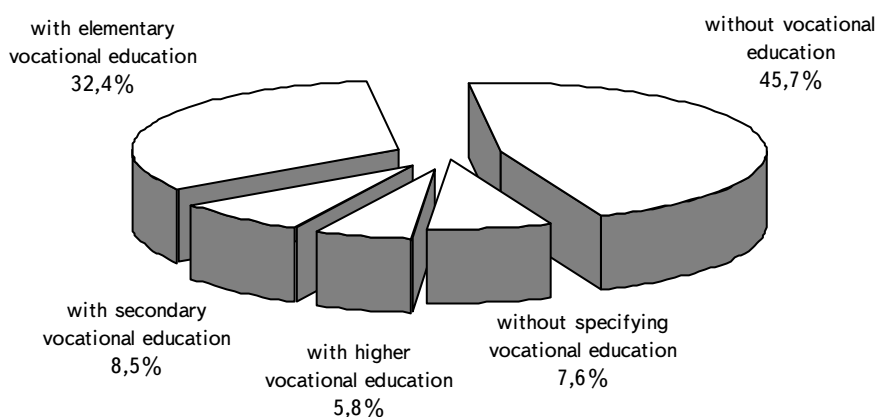


Fig. 4. The structure of vacancies with regard to the qualifying standards of vocational education of the applicants (the portion in the overall number of vacancies)

is growing for setting up a wide and available information field promoting career-guidance.

Half of all the respondent school graduates (49%) would like to get career-guidance advice. It surpasses the number of graduates who have failed to choose a profession by 18% which testifies that among those having chosen a career not everyone has properly given thought to it.

The fields of activity preferred by the graduates of the 9-th, 11-th grades are economics (15%), administration and management (13%), transport (12%), law (10%), education, arts, medicine (8% each). Only 6% of school-leavers wish to become workers.

Most students are determined to get higher or secondary vocational education - 94%. Even most school-leavers having satisfactory progress intend to enter institutes of higher education. But the situation on the regional labour market on the contrary shows the need for workers. The portion of key workers in industry is about 5%. An influx of qualified specialists needing long-term special training has to be increased.

It is obvious that occupational choice is influenced not only by the current situation on the labour market but also by an assessment of the prospects for the economic development of the country and the region. The possibility of getting public funds education calls for a particularly careful choice of future professions. Training specialists that will not be claimed by the national economy in the future is an inexcusable waste of money.

In adapting to the new conditions the vocational education institutes often have survival as their object and not solving the personnel problems<sup>3</sup>.

Within the next few years the administrations of educational institutions intend to expand the enrollment of students. The specialties to be expanded include law, business accounting and audit, finances and credit, customs business, ecology, economics and enterprise administration, software support, organization management, motor mechanic, roofer, cook, waiter. The supply of most of the indicated specialties has constantly been surpassing the demand on the labour market.

Among 600 pupils of the 9-th and 11-th grades of city and village schools of the Vladimir

region covered by the survey every third respondent takes the wish for getting high earnings as a major guiding line. The inclination of the student to a particular profession at the given moment is neither the only nor the main reason in choosing a career. While choosing the future profession the student is greatly influenced by its social prestige.

The question arises: "What state institution is responsible for effective vocational training of the personnel and is able to coordinate the interaction of all the members of the labour market in the sphere of employment?"

The analysis of the mechanism ensuring employment of specialists has shown that no such institution exists in Russia and in the Vladimir region in particular at present.

In our opinion the needed transformation should be based on the following: coordination of actions of all subsystems within the system of employment management in the region; availability of an informational analytic base of taking decisions in this field; good information distribution among all the agents as to the state of employment and the labour market, popularization of trades.

To improve the quality of the social policy management in the sphere of employment a state structure needs to be set up which will be responsible for the development of effective employment of the population on the basis of integration of all the members of the labour market. A common center for effective employment of the population should be established as a state structure and given the corresponding authorities. In that case its operation on the labour market will be effective which in due course will have a favourable impact on the social and economic situation in the country.

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