Present Day Developments on the Labor Market of the Russian Federation and Peculiarities of Its Competitive Environment

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Abstract. The study presents the analysis of the modern day labor market of the Russian Federation from the point of view of the major challenges. The researchers focus on the regulation tools of the labor market and classification of the impact factors that affect the performance of the market and its regulation as well as competitiveness of the human resources, including the employees of a separate enterprise. Along with the methodology of the labor market regulation, much attention is paid to the elaboration of the index system which reflects the level of labor market development and effectiveness of its regulation and can be subject to statistical analysis, which, therefore, allows to evaluate the condition, tendencies and peculiarities of the labor market and define trajectories in its regulation. The impact factors targeting improvement of the competitiveness of the employees make a pattern comprised of the elaborated steps aiming for the efficient human resources management and business management.

1. Introduction
Currently, competitive advantage of the economy and opportunities for its modernization to a great extent rely on the efficient human resources management. Hence, education, qualification and experience of the workers play a major role in the technological, economic and social development of the society, provide for the competitive advantage of domestic enterprises as related to their counterparts in the economically developed countries and ensure their leading positions at the regional level.

Therefore, the competitiveness of the employees depends on the quality of the human resources and their ability to meet the demand for highly skilled workers. The competitive advantage gained in relation to the competences of the human resources functions as a marker of labor stratification depending on the realized and potential labor capacity and ability to grow professionally.

2. Background
Studying the conditions in the labor market and the impact factors that define its competitive environment is scientifically relevant and requires finding a workable solution.
When dealing with the same problem, the majority of the researchers divide the impact factors of the employees’ competitiveness into several groups, according to a level. Both theoretical and experimental research in the field has been carried out by G. Standing [1] and Y. Ueda [2] who focused on the problem of the efficient human resources management and enhancement of the workers’ competitive ability and Russian researchers V. E. Gimpel’son, R. I. Kapelyushnikova [3, 4], O. A. Kolesnikova [5, 6], N. A. Volgina [7] and others who contributed to the study of competition and development of the labor market concept.

Certain aspects of the competitiveness development connected with the peculiarities of the competitive environment in the labor market have not yet been included into the scope of the modern research done in the field. Thus, the purpose of this article is to explore the factors that make an impact on the competitive environment in the labor market in the conditions of the market-oriented development and to define the present day tendencies as well as prospects for further development.

3. Focus of the research
The complexity of the solutions to the challenges related to the efficient labor market performance is explained by a number of obstacles including the imperfect competition, inefficient price mechanism applied for employee motivation and inadequate gaps between the remuneration and cost of labor.

The modern day major factors influencing the processes in the labor market include economic restructuring as most of the development processes currently occur in the service segment; slowdown in the economic growth; entrepreneurial capacity development; global informatization; state regulation of the labor capacity development and employment [8].

Over the last years, Russia’s labor market has been going through a transformation which has lead to a number of negative consequences, i.e. productivity loss, deteriorating working conditions, increase in the non-standard forms of employment, etc. The disproportion between supply and demand in terms of highly skilled workers on the national labor market results into greater pressure on the regional labor markets, rise in unemployment and social strain.

For instance, as of March 2020, the total workforce from the age of 15 and older equaled 74.9 million people, 71.4 million being classified as such engaged in the economic activity and 3.5 million as unemployed. The data collected in 2020 in many aspects resembled the previous year’s statistics. For example, the workforce participation rate, i.e. the employed population or those looking for a job as related to the total population aged 15 or older remains at 62%. The employment (59.1%) and unemployment (4.7%) rates are on a par with the indices from the corresponding period (March) in 2019. The analysis of the data from 2019 and 2020 shows that over the last 15 months the average rate of unemployment stayed within the range of 4.6 – 4.7 %. The highest rate was registered in January 2019 when it amounted to 4.9%, i.e. 3.7 million people, and it was the lowest in August 2019 at 4.3% (3.3 million people) [9].

The above tendencies clearly show the urgent need for the development of the up-to-date tools of labor market regulation. Evidently, the most efficient tools in the current conditions are such that provide for the balance in the labor market while the the employment patterns undergo transformation and such that involve forecasting, labor market development planning, improvements in the field of professional training of the workers according to the market demand and R&D advancements and employee motivation.

4. Solutions, results and recommendations
Studying the theoretical background and methodology allowed working out a theoretical and methodological approach to the scope of the research which concerns labor market regulation (Figure 1).

The methodological challenge lies in defining the impact factors affecting labor market performance and regulation as well as their categorization into socio-economic, scientific and technological, political and legal, production and institutional ones.
Figure 1. Theoretical and methodological approach to the problem of labor market regulation.  

Source: compiled by the authors [10 – 14].

The socio-economic impact factors are closely connected with economic restructuring and affect the quantitative changes in the consumer demand composition. The socio-economic factors have an impact on the economic activity of the population, which results in high supply of labor force in the labor market. The condition of the labor market also defines the living standards and quality of life.
(wage rates, availability of workplaces with hazardous health conditions or unsafe conditions, accident rate, level of financial assistance, improvements in the career development, level of job satisfaction, social welfare payments, employment rate, etc.).

The socio-economic factors include the socio-economic environment, quality of life, working conditions, material conditions, social security, etc.

The scientific and technological impact factors manifest themselves through the acceleration in R&D and result in the informatization and digitalization of the economy. In the current economic conditions, the production technologies are changing, the share of the information resources in the composition of employment is expanding and new alternative forms of employment keep emerging. In addition, the scientific and technological factors affect labor capacity, work culture and work behavior. For instance, such features as openness for innovations, initiative, creative approach and willingness to develop professionally and learn new skills are often attributed to the modern day professionals.

The political and legal impact factors demonstrate the dependence of the processes inherent to the labor market on the state policy regulating different spheres of social life. The political and legal factors affect employment rate, regulate the legal aspects of the labor relations and use of labor resources and encourage businesses to create more jobs.

The legal and political factors include the international regulation of the labor market performance, its institutional base, the international experience of standard setting and decision making contributing to the integration processes, interaction between the legislative and executive powers, social and labor rights and guarantees that reflect the workability of laws and guarantees as well as financial, credit, tax, antimonopoly, international and social state policy, etc.

Production factors impact the labor market regulation through the economy’s production structure, its transformations and development as well as through innovation processes at the level of enterprises [15]. These factors manifest themselves through the level of technological development and production technologies, implementation of innovations, demand for professionals working in a certain narrow field as well as demand for extra workforce, professionals with news skills and employees for workforce substitution and rejuvenation [16].

The institutional factors define conditions, rights and guarantees of employment in the labor market, the mechanism of employment, social security of the population ensured by the social institutions’ regulatory activity and the system of legal support in the field of employment [17, 18].

Thus, it is reasonable to classify the impact factors of the labor market regulation according to the following categories:

- depending on the nature of the impact: objective (the effect of the objective economic laws defining social development, i.e. steady growth in the social labor productivity, well-planned and systematic organization and development of public production, growth of public demand, economy of time, effective use of developing capital goods accompanied by a decrease in labor input, production and labor socialization, changes in labor, costs, demand and supply [19]) and subjective (methods of conscientious management of labor market and employment regulation which mostly involve administrative tools as well as some elements of the market economy mechanism, i.e. demand, supply, price, competition [20]);
- depending on the range of influence: exogenous (the external factors, i.e. the economics of location, efficiency of the economic mechanism, technological and organizational levels of production, capital productivity, financial and material resource productivity and trajectories in policy-making) and endogenous (those having effect within the labor market, i.e. rational social division of labor, labor productivity, labor effectiveness and intensity, effective correlation between the amount and quality of the workforce and the number of workplaces, workplace management, territorial and professional mobility of the workforce, efficient reproduction of labor power, wages rate, etc. [19]);
- depending on the level of administration (federal, regional, industry, enterprise or personal levels).
5. Conclusion

Studying the modern day condition of the labor market of the Russian Federation and the major tendencies in its development lead to the elaboration of the theoretical and methodological approach to the issue of labor market regulation whose major methodological challenge lies in defining the factors having impact on the performance and regulation of the labor market as well as their categorization.

Summarizing the discussion above, the level of competitive ability of the workforce is greatly influenced by the socio-economic, scientific and technological, political and legal, production and institutional factors as well as the factors that have been categorized according to the nature of the impact (objective and subjective), the range of influence (exogenous and endogenous) and the level of administration (federal, regional, industry, enterprise or personal); all these factors can also be classified into external and internal ones.

As a solution providing for the efficient development of the competitive environment in the labor market, its adequate performance, regulation and development according to the modern innovative patterns in the economy, we may suggest further development and implementation of an efficient labor market regulation mechanism, elaboration of the recommendations targeting improvement of the state policy in terms of labor market regulation and rationalization of the scientific and methodological base of the labor market development strategy. The state policy should focus on the promotion of the ideas and models of social partnership between the state, employers and employees.

Particular attention should also be paid to the transformations in the present day composition of employment which to a great extent influence the environment, efficiency, performance, condition and development of the national and regional labor markets.

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