Modern Trends of Russian Labour Market: Employers and Employees Expectations

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Abstract. This article discusses trends in the Russian labour market which reflect changes brought by digitization, changing gender roles, generational characteristics of the labour force, etc. Special attention is paid to the processes of flexibilization, which, in particular, result in such a phenomenon as “precarious employment”. The authors consider the horizontal career as one of the trends, which allows maintaining motivation and involvement when reaching the “ceiling” of a vertical career, as well as the specifics of working in a remote format and the attitude of employers to this format of work. The conclusions in this paper are based on the data from a sociological research conducted by the headhunting company Kontakt InterSearch Russia in 2019-2020.

Keywords: Digitalization · Generation Z · Horizontal career · Labour market · Remote work

1 Introduction

The modern world is increasingly dynamic in its development and imposes new demands on social processes and areas of community life. Noticeable changes are also taking place in the sphere of labour and employment, affecting the employee-employer relationship, influencing their motivation to work, changing the requirements for professional competences, amount of labour, workers’ ability to change, etc. The modern reality has shifted the most of activities into digital environment affecting all of the economy’s fields. Intensive digital processes require fundamentally different skills. For example, Polyakova points out in her publication that digitalization has accelerated decision-making processes, which brings some benefits, but puts the individuality at risk [12]. A new generation of employees, the so-called generation Z, appears on the labour market and begins to play a significant role in it, the specifics of which have to be considered by employers. These and many other issues require a comprehensive analysis and conceptualization.
2 Methodology

In this paper we used a number of sociological researches conducted by the head-hunting company Kontakt InterSearch Russia (https://kontakt.ru) in 2019-2020 and employed the methods of desk research:

1. “Expectations of employers and young professionals from each other”. Where there were two audiences surveyed: students, and graduates of Moscow universities aged 18-23 (1,157 respondents), and owners, CEOs, and HR Directors of Russian companies (584 respondents) [16].

2. “Generation Z: myths and reality”. Where there were the following surveyed audiences: CEOs, HR Directors, senior and middle-level managers of Russian companies (778 respondents) [17].

3. “Restarting Careers: What do CEOs do when their maximum is reached?” Where there were the TOP-managers surveyed of Russian companies: owners and CEOs, mainly medium and small businesses (373 respondents) [15].

4. “Additional education of managers. Required competencies”. Where there were the TOP-managers of Russian companies from different surveyed industries (556 respondents) [14].

5. “Women and men in leadership positions: diversity, career development, family roles”. Where there were the TOP-managers surveyed of Russian companies: Members of the Boards of Directors, General Directors, Directors with various functions (876 respondents) [9].

6. “Involvement, motivation, control of teleworking teams: what do employers do?” Where there were the HR-Directors and TOP-managers surveyed of Russian companies (452 respondents) [8].

3 Results

Our analysis of the above-mentioned studies revealed some trends distinct for modern Russian labour market. First of all, we would like to point out the considerable influence of such motivation factors for job search or job change as prospects for professional and career growth. Moreover, this trend is typical for various categories of employees: for young professionals (who work in junior positions and those who have just started integrating into the labour market), and high-level managers. In the research “Expectations of employers and young professionals from each other” the results show that young employees prioritize career prospects as the most important factors in their work (65% of respondents), followed by career development (56% of respondents), and then income (52% of respondents) [16]. Employers are in solidarity with young applicants, although to a somewhat lesser extent: career prospects are the most important factors for young professionals: 56 per cent of employers, career prospects are 51 per cent and income level is 37 per cent. [16]. A similar trend has also been observed in the study of career orientations of managers (CEOs) [15]. According to them, top-level employees sacrifice many things when changing their careers, including their income (43% of respondents) and their position (32% of respondents), but they
still do not regret the decision they made. According to experts, the opportunity for development and professional growth is very important for managers, because the higher the degree of manager’s involvement is, the easier and more effective it is for them to motivate their employees. However, it is difficult to do so [15].

Secondly, the horizontal type of career development is becoming increasingly relevant in contrast with the vertical one. As mentioned by the researchers, Grishaeva, Makarova: For many professionals in a mature age, the ceiling of a vertical career has been reached, and the volume of knowledge, skills and abilities has outgrown their current position [6]. In such a case one of the ways to motivate the employee to work would be the possibility of performing a switch to horizontal career. The data obtained from surveys conducted by Kontakt InterSearch Russia confirms this trend for both mature and young professionals. Thus, the company’s experts note, that dynamic development and project activities are important for young professionals, which gives an opportunity to constantly learn something new and solve various tasks outside of their usual scope [16, p. 7]. Alikperova, Yarasheva, Vinogradova noted “… readiness of young people to change the type of professional activity” [1, p. 226]. Shafranov-Kutsev, Cherkashev, who have studied young people’s focus on competition and entrepreneurship note that « … professional development, continuous and purposeful self-education, acquirement of professional, entrepreneurial, and business competences transform educational, innovative potential into a special competitive advantage ensuring competitive power [19, p. 118]». According to the results of a survey of 556 managers of Russian companies from different industries [9] 64% of respondents decided to get additional education in order to expand their functionality, i.e. to increase the possibilities of their professional realization also in related fields. 29% of managers are starting their own business after deciding on career changes [15]. It should be noted that the issue of horizontal careers is gender-specific [9]: 39% of female executives versus 36% of male executives believe that they have achieved the highest position in the company they currently work for, and 16% of female executives versus 5% of male executives stated that they do not want to grow in current company and plan to develop in another place/direction. In addition, women noted other factors as obstacles on their path to further development: uncertainty and fear of change to be the main obstacles to further development (22%), discrimination (17%), ignorance of prospects (12%) and consider lack of experience and knowledge (11%). At the same time, 48% of women said that nothing prevents them from growing further, while men gave such answer in 81% of cases [9].

Thirdly, flexibilization of processes is becoming widespread, resulting in, among other things, precarious employment, i.e. “non-standard labour relations that result in unstable social status for employees, an uncertain and unguaranteed degree of involvement in labour activities, unstable forms of distribution of surplus product and arbitrary remuneration”, - Popov [13, p. 156]. This instability of the socio-economic situation requires a change in the behaviour of employees towards the transformation of their professional competencies and significantly changes the modern Russian labour market [2]. According to Shevchenko and Shevchenko, it is the education that is appropriate to the needs of the market that can increase the market value of an employee and their competitiveness [20]. This trend is understood by employers when hiring young professionals: two-thirds of respondents, employers’ representatives, note
that their companies have a development programme for young professionals, naming the following types: internship programmes (36%), trainings conducted by direct supervisors (23%), and management-trainee programmes (4%) [16]. This seems to be logical, because according to Hohlova and Hohlov “precarious employment, the so-called precarization, which is a main characteristic of the modern era, mostly affecting young people who have not yet had time to acquire a permanent profession” [7, p.90].

It is interesting to note that the assessment of specialized higher education is not equally evaluated by employers and young employees. As a mandatory requirement for young specialists, the presence of “only specialized education” is suggested by 40% of respondents against 5% of responded young applicants [16]. 46% of employer’s states that “orientation on the result” is the most demanded competence for young specialists [16]. Other competences, however, with named by a smaller number of employers, we also called in demand. Those are: “Client orientation” – 19% of respondents, “ability to work in a team” – 13%, “Analytical mindset” – 11%, “Leadership” – 8%, “Sociability” – 5% and “Stable performance at work” – 4%. As we can see, Soft Skills are the first to become in demand, but in combination with profiled education. Flexibilization processes also affect the leaders who have to improve their educational level constantly: “investing in education is one of the key areas for improving the competitiveness of employees”, Golenkova, Kosharnaya, Kosharnyy [4]. The survey of managers showed that 95% of the surveyed managers received some form of additional education, which, according to the majority (82% of respondents), helped them in their career development [14]. The rating of the most demanded managerial competencies (according to the respondents) is as follows:

- ability to react very quickly to changes/stay ahead of changes – 86%,
- ability to look at the problem comprehensively – 75%,
- ability to work in the environment of an increase in budgets cuts – 50%,
- knowledge related to the digitization of business, understanding the principles of digital channels – 48%,
- ability to build work of a division/Department/company remotely – 27% (the study was conducted in 2019, before the coronavirus pandemic),
- ability to work according to the principles of holacracy – 11%.

As you can see, the most demanded competence is directly related to adaptation to the processes of flexibilisation. We see that all changes and trends in the market influence the requirements for the competences. Flexibility, the ability to quickly adjust strategy, multitasking, and the ability to learn quickly come to the fore. These qualities allow us to solve problems in the current crisis conditions: everything changes every day, new technologies are forced to appear, and we have to quickly adapt to these changing circumstances – says Tulubenskaya [11], partner at Kontakt InterSearch Russia.

Fourthly, a new generation of workers is entering the labour market, the so-called generation Z, which has grown up in the digital age and, due to these circumstances, has some specific characteristics. The appearance of this new generation coincides with technological changes in the economy, and “if these two processes (technological structure change and generation change in the economy) occur asynchronously, it threatens social stability”, says Sadovaya [18]. There are many recommendations in the
literature to employers on how to behave with members of the generation Z. However, there are studies that question many of these recommendations [3]. According to the results of a survey of 778 respondents (CEOs, HR Directors, senior and middle-level executives of Russian companies) [15], it turned out that most of the characteristics of young employees are not related to the generational theory, but are specific to all young professionals due to their lack of experience. The majority of respondents sufficiently agreed that generation Z has a more pronounced focus on work-life balance compared to the employees over the age of 30 (an average score of 7.5 on a 10-point scale), they strive for instant success (7.4), and flexible schedules (7.3), and that it is more difficult for them to deal with routine tasks (7.1) in contrast with older employees. However, when working with new generations of employees, it is certainly necessary to take into account the areas and directions in which young professionals feel most organically – for example, they have advantages over others in areas such as digital communication, social media marketing, programming and information systems administration.

Fifthly, digitalization, and now the coronavirus pandemic, have outlined another trend in the labour market – “working remotely”. According to the results of a study conducted by Kontakt InterSearch Russia between April 6 and April 15, 2020, [8], 20% of the companies are ready to leave their employees to work remotely even after the restrictions are lifted. At the same time, a significant share of respondents (30%) note that the efficiency of employees after switching to remote mode has decreased, 35% of respondents believe that their efficiency in this regime has not changed, and 18% of respondents note that it has increased on average. It is safe to assume that they are the backbone of those companies that are willing to leave their employees working outside the office for good. Of course, employers understand that telework requires other tools of motivation and control: according to Kontakt InterSearch Russia partner “… careful work with each employee, constant monitoring of burnout and loyalty levels comes to the fore” [8, p. 4].

According to the respondents, the most frequently used control tools “on remote”, are the following:

- focus on micromanagement: creating tasks for the day and monitoring their completion during the day – 42% of respondents,
- regular calls – 39% of respondents,
- chat check – 31% of respondents.

It is interesting to note that the next most popular response about the used control instruments used (it was chosen by 21% of the respondents) – “not controlled at all”. In our opinion, this can be explained by the fact that evaluation (and, consequently, control) is carried out based on the results of work in any case. As noted by Staseva partner of Kontakt InterSearch Russia: “Remote communication leaves a crunch from the most important working questions, on which it is easier to assess the real involvement of an employee in the performance of their functions” [8, p. 4].
4 Discussion

The list of presented trends is not exhaustive. There is a noticeable imbalance between the education received and the immediate needs of the labor market, leading to youth unemployment [1]. The data obtained by Kontakt InterSearch Russia in the study “Expectations of employers and young professionals from each other” confirm the existence of this imbalance [16]: 52% of the surveyed managers name the lack of professional knowledge among graduates as the main difficulty in selecting young professionals. Assessing the level of knowledge that University students receive, employers do not show optimism: 73% of respondents believe that “Universities do not provide applied skills”; 56% of respondents believe that “Universities do not keep up with changes in technologies and approaches”, and 21% of respondents do note that “Universities only provide a document necessary for applications”. Only 8% of respondents are optimistic (“Universities provide an excellent base”).

Another labour market trend discussed in the academic literature is a more active policy on employment of people with disabilities [11]. The trend we have already mentioned, caused by flexibilisation combined with the trend towards distant work, leads to an increase in the number of freelancers, whose specific work activity is also strongly condemned in the scientific community.

Strebkov, Shevchuk point out that freelancing is often more positively assessed in the ordinary mind than it should be, as an opportunity to be freed from organizational hierarchies and to strike a balance between work and life [21]. But not everything is so optimistic: By “choosing independence and autonomy, freelancers are trapped in flexible employment. According to the apt expression of Gorz, self-exploitation and self-sale of “man-enterprises”, innumerable “I-JSC” take over the place of exploitation” [5, p. 13].

5 Conclusion

The trends identified in the Russian labour market will allow to creating forecasts that meso-, and micro-level of labour relations management. In our opinion, digitalization is the dominant factor of changes in these levels. It changes the expectations of employees and employers in relation to each other, the nature of the labour relationship, and labour legislation. At the same time, the processes of digitalization interact with many other social changes, which are not always correlated with each other. In our opinion, the speed of social changes in the modern world leads to a constant modification of all types of social relations in general and labour relations in particular. Therefore, constant monitoring of trends in the sphere of labour and employment is the most important area of interest for scientists in various areas and managers.

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