

CORRELATION FACTORS OF LABOR FORCE FORMATION

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Abstract

Economic modeling of labor force formation processes determines the social - the change in the value of higher professional education in the consciousness of society, which predetermines the social background of consumer choice; on the other hand, economic - the modern economic consciousness of the society makes it possible to talk about the influence of the basic criteria of rational choice on consumer Preferences, including in the examination of educational services of higher professional education As the economic private and public good, and the third - demographic, as a basis for the formation of the consumer sector of the market of educational services of higher professional education. All three aspects of the process under consideration are separately defined as the social, economic and demographic models of labor force formation, respectively. Their actual interaction makes it possible to draw a conclusion about the invariable qualitative integration within the framework of a complex dynamic socio-economic system, as well as the possibility of a qualitative and holistic description only when considered within the system.

Key words: modeling, social and economic factors, labor force, correlation

1. INTRODUCTION

Modern development of the labor economics is associated with changes in society as a whole, with a gradual transition of society to an information type. Due to time discrepancies of demand for training programs formation processes of the potential workers part and the demand for trained professionals from the potential employers part the problem of structural unemployment is put even more acute, there is an overproduction of specialists unclaimed at the labor market, unemployment is rising and especially the unemployment among young people with higher education. All this determines the need for a systematic study of the young people motivation in the process of their professional competencies forming, especially the professional orientation of young people in today's socio-economic conditions, expectations of young people from obtained professional competence in order to identify current trends of social and economic behavior of youth in the process of professional development, to identify existing imbalances of their socio-economic assessment.

2. METHODOLOGY: LABOR AND EDUCATIONAL SOCIALIZATION

The essence of the information revolution is the need to transform the educational technologies which are the direct productive force of the individual's ability to generate and process the new knowledge. Modern socio-economic changes in society are considered as a transition from the "material" to the "intellectual" economy, "an economy based on knowledge" (knowledge-based economy). "Knowledge-based economy" defines scientific knowledge and specialized skills as key factors in the development of material and non-material production, reveals the problems in workforce quality, training, the formation of professional competencies, retraining and skills development; in formation of professional competitiveness, professional orientation of population; staff mobility; in the social situation of working people and their social protection. Mainly the priority areas of investment in the knowledge-based economy, economy of the post-industrial and information society are the information systems and professional training technologies. A new estimate by society of higher education, opportunities to get and to use this boon in the manpower formation allows largely predetermine the state strategy for the development of higher education system designed to help in achieving the required level of professional competencies of the workforce on one hand and on the other hand - the labor market state regulation strategy: including mechanisms reducing the structural

imbalances in the labor market; increasing the workforce quality; achieving the balance in the labor market through the formation of professional competencies of personnel that meet the needs of employers.

In the early period of the labor market transformations in Russia the attitude of the population to higher professional education is changing, namely its socio-economic importance is lost because of the high discount rate of the population, that is, expectations of rapid income with less expense. The period of labor market reform is also characterized by a high share of structural unemployment, i.e. the mismatch of the professional competence level of employees to their positions and the market needs. As the labor market develops there is public interest in professional education and the desire to develop professional competence in accordance with the existing ideas about the demand for the specialties in purpose of obtaining future revenue as payment for the acquired competencies level and its implementation at the employment place.

Educational socialization is a change (correction) of the personality and behavior of an individual during professional education reflected in self-identification and social status of an individual.

As shown by empirical studies¹, a family is indeed a key social agent influencing the change of personality and behavior of an individual in the self-assessments of respondents; a small social group (friends) occupies the second place with essential breakaway percentage-wise. Self-assessment of the significance of an educational establishment, all the more, a higher professional educational establishment as an agent of socialization during the change of the personality and behavior of an individual is very rare. Still, the very fact of receiving professional education is estimated by respondents as significant for changing their social status and receiving economic benefits, which an individual expects from the process of his professional education (work place, salary, better material position etc.).

Labor (professional) socialization is a change (correction) of the personality and behavior of an individual during professional education reflected in the self-identification and social status of an individual. Labor (professional) socialization is executed, on the one hand, within a framework of labor staff, and, on the other hand, – within a framework of professional stratification.

The process of professional stratification is multidimensional and complicated and depends on many factors, which are external toward a workplace of an individual: development of the economic system of a state; professional and economic expectations of the society; historical development of a system of professional training; degree of labor segregation; multilevel system of professional training; social expectations toward professional education; resilience of the processes of workforce development etc.

In this respect, the countries with a long period of radical social and economic transformations and reforms are characterized by mixing processes of labor and professional socialization, and, in fact, the substitution of professional socialization by labor socialization, where it is possible to achieve a high social status not during professional socialization, but during labor socialization, which does not imply professional knowledge and skills as key for entering a higher level in professional and social structure of society. The presence and enhancement of labor skills is significant and sufficient for raising labor status.

It would be possible to trace the dependence between the economic type of society and a dominating type of socialization of labor resources. Thus, labor socialization dominates in agricultural society; professional socialization – in industrial society; professional socialization based on labor socialization – in post-industrial society; labor socialization in changing type from physical (labor) skills to information skills due to the change of a dominating factor of production from labor to information.

Labor and educational socialization of youth is also important for studying, since it is directly associated with the formation and accumulation of human capital.

¹ Gnevasheva V.A. *Molodezhnyi Segment Rynka Truda Sovremennoy Rossii* [Youth Segment of the Labor Market of Modern Russia]. Moscow. Infra-M, 2016.

The last decades of the XX century — the beginning of the XXI century witness world-wide tendencies — a movement to more democracy of education, which includes the movement from elitist education putting people in unequal conditions of competence for obtaining access for high quality education, i.e. meaning discrimination of people by social, national and other criteria, to elite education, where high level education is supplemented by more openness.

In modern education, the content of knowledge about human essence does not correspond to reality, since the data of natural sciences have been represented tendentiously for many years. Thus, a human is shown as biosocial creature. In this case, it occurs there are no differences between, say, a teacher and a criminal, a terrorist. Therefore, the efforts of older generation aimed at bringing their successors up as highly moral fail.

3. MODEL SPECIFICATION

A social model of forming workforce is represented by an explainable variable – professional identification of labor resources through acquiring the benefit of “professional education” endowed with the benefits of an economic social and private benefit and regressors: a personality, agents of socialization (a family, a small social group, a university). A social model of workforce formation is defined in the social field of social economy. From social perspective, it results in the formation of the social capital of society.

Social model of workforce formation relies on general econometric prerequisites of arranging regression models and places some general demands on the regressors and an explainable variable:

- dependence is linear
- the number of observations is higher than the number of estimated coefficients
- mathematic expectation from an error in case of fixed regressors equals zero
- there is conditional homoscedasticity
- there is conditional non-correlation of occasional errors
- vectors of particular observations are independent and equally distributed
- there are no linearly dependent regressors
- estimates are efficient and unbiased

The empirical basis of the study is represented by the results of the studies of the Moscow Humanitarian University conducted in 2001-2014 to reveal students’ value mindsets and professional focus as well as the influence of social networks and agents of socialization on professional establishment².

An economic model is going to be concreted in the follow regressions.

A distinctive feature of the formation of the economic model of the labor force is not a typical allocation is expected in parallel with economic dynamics in General. In this regard, it is worth noting a significant contribution to the formation of consumer behavior in relation to the benefits of "professional education" social model of the formation of the labor force.

Values array of training programmes combined with the social transformation of society in the early 90-ies of the allowed cost should be right in the end, consumer choice, labor resources in the stabilization of the economy and society as a whole. And although in the period 2000-2012 good "educational services of higher professional education" considered from the standpoint of Veblen

² *Sotsialnye I Kulturnye Tsennostnye Orientatsii Rossiyskoy Molodezhi: Teoreticheskie I Empiricheskie Issledovaniya* [Social and Cultural Value Orientations of the Russian Youth: Theoretical and Empirical Studies]. Scientific monograph. V. A. Lukov, V.A. Gnevasheva, N.V. Zakharov, V. A. Lukov, S.V. Lukov, O.O. Namkinskaya. Editor-in-chief V. A. Lukov. Moscow. The publishing house of Moscow Humanitarian University, 2007.

goods with a high degree of exemplary behavior, it is possible not to occur in the Russian economy and society the major implications of the so-called "Dutch disease" because of resources available economy in this period, and the alignment of the production trajectory for the production and distribution of goods to form a rational consumption of this good.

Thus, the economic model of the formation of labor can be defined as follows.

The economic model of the formation of the labor force represented a dependent variable – consumption of the good "educational services of higher professional education" who have the characteristics of economic public and private benefits and is characterized by relevant economic properties of rational choice and consumption, and the regressors: the average per capita income, distribution of expenditures, the share of inclusion good "educational services of higher professional education" in the structure of consumption. The economic model of the formation of labor determined in the economic field, the youth segment of the labor market and the result of its functioning from an economic point of view is the formation of high-quality and competitive labor force. A result of functioning of the economic model of the formation of the workforce is the quality of life of the workforce.

Economic evaluation of consumer choice of benefit "educational services of higher professional education" was presented on the basis of the analysis of the period of transformation and stabilization of the economic and social reforms. In these estimates no small role, and demographic preconditions that affect empirical base, but also on the economic properties of the production and distribution of considered good.

4. JUSTIFICATION OF REGRESSORS

4.1. Personality

A personality is defined by many criterial prerequisites. Social space also influences the establishment of personal characteristics or their change as defined by activity approach of personality formation. However, the stratification of social environment also implies various degree of impact on personality, as confirmed by the results of empirical studies. The studies devoted to students report importance and influence in the self-assessment of a small social group on the behavior of young people. The significance of a family and friends enables young people to orientate in social space and follow some common social trajectory; however, a person himself has to make a final choice whether to follow this trajectory or not. In this respect, we should also note a clear-cut action of an essential approach to the formation of a personality with an accent on innate personal qualities of an individual, which define his behavior.

The School of Youth Sociology of the Moscow Humanitarian University defines a personality in a social field and uses the notion of "thesaurus": "a thesaurus has the traits of a functional system and together with other subjects provides vitality of a social subject (from personality to humanity in general) reflecting the hierarchy of his representations of the world"³.

Possibility to follow some social trajectory as the identity of "concepts" to one's own. Besides, the notion of "concept" should be understood as "denotation of the basic elements of a thesaurus"⁴.

According to the thesaurus concept, the stimulating factors of social actions are represented by "values", which, in their turn, are imperative and act as imperative regulators: "values have forcing action derived from their normative content"⁵. The results of the study confirm the similarity of established values of youth and, thus, the similarity of life positions defined by them, which is some evidence of the evaluation of the members of one big social group within a framework of a thesaurus, whose concepts are strictly defined with clear-cut dominant positions.

³ Lukov V. A. *Teorii Molodezhi* [Theories of Youth]. Moscow. Kanon+ Regional Society of Disabled People Rehabilitation, 2012. P.51.

⁴ Ibid. P. 57.

⁵ Ibid. P. 60.

Due to sustainability of establishing value and social concepts, we should underline the temporal prolongation of current life representations about professional training registered in the studies.

Summing up the studies devoted to personal establishment of a position of professional training, we should conclude that, in spite of declared independence of choice, life trajectories in this issue are predetermined by the values formed by society and perceived by young people through small social groups in their own concepts within a framework of a thesaurus; in social aspect, this process is long, therefore, these values have a tendency of similar relation defined as “a social order for professional education” for successful socialization and protection of the established social stratification.

4.2. Agents of socialization

The process of socialization seems rather complicated and still quite predictable due to known basic agents of socialization influencing social establishment and development of a personality. Within a framework Of the School of Youth Sociology including A.I. Kovaleva's works, socialization is defined as “a bilateral process (1) of constant transferring of social norms, cultural values and models of behavior by the society enabling an individual to function in this society and (2) their learning by an individual throughout his life”⁶.

Family. The significance of a family is also traced in the projections of the future formed by young people. The studies report that students see the reality and their personal, social, and professional future on two thirds through value concepts transferred by their parents, on half – developed in small social groups and on one third – predetermined by schoolteachers.

Small social group. A small social group (nearest environment) is a significant component of a social field of young people during their professional establishment. However, this agent should be treated as rather a co-participant of a common social field than an agent of direct impact on social and professional identification of young people. The estimates of the significance of this agent for changing behavior and, all the more, personal components of young people are very small.

Education establishment (university). In fact, the system of professional education itself is not included in the value concept of youth. Thus, more than 70% of respondents steadily answer the question “Do you think that higher education guarantees success in life nowadays?” negatively or give no answer. This underlines that students treat a benefit “professional education” not as sufficient in value for successful socialization, but as attributive, endowed with derived benefits, which are significant for personal, social, and professional socialization, for social protection and successful social stratification.

Most students are optimistic about their perspectives in the labor market.

Almost every second student has answered that is was going to work according to the specialty obtained in the university and believes in success (distribution of answers in this position coincides with the results of studies of 2015, 2014, 2012 and 2011).

The obtained empirical data show that assurance in professional success prevails in students' estimates of their perspectives in the labor marker, though every fifth student expresses fears about his professional perspectives.

In most students, professional education builds in life plans focused on working according to the education they receive: 64.8% (48.2 and 60.2% according to 2015 and 2014 respectively) consider such work the most attractive for them after receiving the diploma of higher education.

Rational choice of an education establishment is predetermined by students' desire to work according to their specialty.

General dynamics of students' evaluations is on the path of dynamic development pursuant to the general development of external environment and society and reflexes in youth's consciousness by changing the position in percent ratio, not by changing basic values.

⁶ Kovaleva A.I. Sotsializatsiya [Socialization]. *Znanie. Ponimanie. Umenie*. 2004. No 1. P. 139.

4.3. Social field

Social economy acts as a social field of the model under consideration. Social economy establishes the interrelations of economic and social sphere of public relations and world economic ties, reveals the criteria of modern economic space, and defines the relations between the notions of social justice and economic efficiency.

The development of social economy implies a public sector in a social state. Thus, the criteria of the formation of social economy are:

The optimal use of limited resources (economic efficiency) (principles of distribution and use of resources, property and means of production in modern society; goals and mission of a private sector of economy; criteria of efficiency of a private sector and its social significance)

Even distribution of national income (social justice) (quality of population; quality of life; social reproduction of population; needs of society; social well-being; mechanisms of evaluation of development of society; motivational model of labor and public activity of population; individual offer of labor; effect of income and effect of replacement; motivational expectations of population in distribution of income by the criteria of classification: age, level of education, sphere of activity, level of income, region of residence...)

The system of private and social interests in modern production and consummation (state, social and private responsibility in production and social relations; competitiveness of social property; criteria of defining the efficiency of state and social management of economic systems of social development; production, economic and social effect of state management of economy and society; methods of raising the efficiency of management; demonopolisation of property and means of production; mechanism of social regulation of global socio-economic relations)

No differences between social groups (professional, economic, and social identification in society, social mobility, social lift, criteria of stratification of modern society)

Scientific and technological progress is a key force of social development (transformation of the share of participation of production factors in social development, the effect of replacing labor by capital, the softization of society, widening social sector, capital output ration of productions, specialization of professional knowledge, investments in professional education)

Integration of social, private and state sector of economic and society (production and distribution of private and social economic benefits in the system of consumer demand, sociology of consummation, reproduction of labor resources, organization of activities of universities and research centers creating production for "economy of information"; faster update of events in everyday life; enhancing migration processes; frequent change of professions; general acceleration of life rhythm and growth of its quality etc.).

Generally, social economy as a special kind of economy aims at a more detailed view of a human and his economic function in the state and society. The knowledge of social economy enables to forecast the developmental potentials of the society of a particular state. In this respect, the possibility of using methodological bases of social economy for so-called "social measuring of economy" is significant and can be defined as the degree of involvement of personal and resource economic subject in social system of social redistribution of economic benefits.

The importance of this task can be defined only in modern purely economic society with legal basis of a social state stimulating the society to enter the system of social redistribution, to help the state to realize its social function in forming and developing a social sector of economy.

5. CONCLUSION

The modern Russian youth labor market as the part of the world market is characterized by an increasing gap between the employment aspirations of young people and possibilities to meet them. As a rule young people do not have the practical experience of work (or it is not sufficient) so their high requirements for wages as well as the discrepancy between the level of professional training and the requirements of employers make the search for a suitable job problematic. Evaluating the results of many modern researches one can state that the worked out stereotype of "fashion specialty" continues to attract the focus of matriculants. In response to the demand of matriculants (consumers) there is formed a list of educational programs which are offered by universities causing the strengthening influence of cobweb model of employment in the youth labor market segment aggravating the structural imbalances of youth employment. The informal sector is well represented within the youth segment of employment; emphasis here should be put on creating of young people employment preferences.

In the condition of the professional competencies formation through the system of higher professional education (HPE) the socio-economic importance of the acquired professional competence can be defined as a form of social protection of professional groups including the framework of the youth labor market segment. Among the main forms of social protection in relation to the process of formation of the workforce the level of professional competence (level of professional education), access to professional education that is the economic benefits the availability of which statistically implies the revenue level for the individual, social status, stability of employment, etc. can be noted. As a result of the author's researches the higher professional education today regardless of the level and quality of services receives predominantly the features of attributive good through the derivative (related) benefits (the prestige of the university, the presence of the diploma, the prestige of the diploma, the links acquired during the studying, employment guarantees of the university, etc.) allowing individual also to feel himself socially protected and to pretend for a higher social status upon graduation from the university receiving the diploma.

Young people representing socially vulnerable group of the population need the support including the support from the state as the guarantor of rights and freedoms, as an economic entity which is able to create competent, fair and much-needed labor market for young people. To build an effective labor market it is necessary to approach the problem of professional orientation and labor socialization of youth comprehensively evaluating all the stages of reproduction of the workforce, forming the integrated scheme of interaction of the labor market and the education market. After determining the labor suggestions as well as potential employers it is possible to generate the demanded according to the qualification requirements and professional competences workforce creating an integrated model of professional education and employment which in future will lead to the reduction and possibly elimination of imbalances of the labor market, the preservation of the youth labor potential and accordingly the whole nation.

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