THE INFLUENCE OF ORGANIZATIONAL AND ECONOMIC MECHANISMS ON THE REGULATION OF EMPLOYMENT OF YOUNG SPECIALISTS

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ABSTRACT

Russia’s economic development and social stability to a significant extent depend on its population’s employment level. It is extremely important to form a modern mechanism for ensuring employment of the population, which is a socially useful activity of citizens that does not contradict the law and brings them, as a rule, labor income. The study aimed to substantiate the organizational and economic mechanism of employment regulation and determine its structural components. To achieve the goal, the method of theoretical generalization, the abstract logical method, and the expert survey method were used. The paper identifies the tasks and strategic fields of employment regulation, the main socio-economic measures to regulate employment, the main tools for regulating employment, and the mechanism for regulating youth employment. The authors conclude that the use of economic instruments of employment regulation will contribute to the solution of the main goals of ensuring the development of the general economic system of Russia.

Keywords: Labor market, Employment, Unemployment, Government regulation, Youth.

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INTRODUCTION

The current stage of the development of the Russian economy assumes the restructuring of the management of various structures, enterprises, organizations, and employment of the population as a way to ensure economic growth. An important role in this process is assigned to the scientific substantiation and forecasting of the employment policy of the population and the creation of an effective labor market. Employment and the labor market are priority areas of general economic processes and act as active tools for solving economic problems. The labor market is associated with such an economic category as employment, which has the greatest impact on the entire complex of labor relations (Aliev et al., 2019).

Employment of the population of the country and regions is an important parameter of the development of the economy, society, and the standard of living. Reflecting the state of development of the labor market, employment is a factor expressing the degree of integration of the population into the economic life of the state and the level of satisfaction of social and personal needs (Korovkin, 2018). That is why the organizational and economic mechanism of employment management is a relevant scientific problem.

LITERATURE REVIEW

In modern literature, there are well-established definitions of the terms "employment", "full employment", "effective (or productive) employment", "labor market", and "workforce market". Employment in general should be understood as the participation of the population in labor activity, covering education, military service, housekeeping, and caring for children and the elderly (Prozorovskii, 2023). Employment is the most important phenomenon of the socio-economic life of society, covering the rational use of labor, ensuring a decent standard of living for the population, and meeting the needs of the national economy in the workforce, considering its quantity and quality, formation of employees' professional attitudes that may require vocational education and obtaining sufficient qualifications, social support in case of job loss, etc. (Allagulov & Allagulov, 2018; Vysheslavova et al., 2022). Thus, employment is an activity of citizens related to the satisfaction of their personal and social needs, which does not contradict the law and brings them labor income (Kyazimov et al., 2015).

An important methodological concept in the theory of employment is full employment. Considering the principle of voluntary work, full employment does not mean the maximum possible involvement of the employable population in the labor process, but the sufficiency of jobs for everyone who wants to work (Efremova et al., 2016). According to I.V. Shatskaya
The influence of organizational and economic mechanisms on the regulation of employment of young specialists

(2019), full employment is the provision of professional work that brings income to the individual and a decent existence for themself and their family. Such employment is possible only with the effective use of personnel in existing workplaces (Kolesnikova, 2019). In this case, there is no cyclical unemployment in the labor market, but its natural level remains the same due to frictional and structural unemployment (Abdurakhmanova, 2014). In such circumstances, full employment reaches 94-95% of the employable population, but it is achieved only if the labor market is balanced according to the following parameters: the number of jobs is equal to the number of employable workers, and the number of job seekers is equal to the total number of available jobs (Dural & Furceri, 2018). In this case, the labor potential of society is used fully and effectively (Gretchenko et al., 2020). Studies show that full employment is practically unattainable (Pashin & Kalmykov, 2018).

The concept of rational employment is similar in content. In a broad sense, it is employment justified from the point of view of the processes of formation, distribution, and use of human resources (Yumashev et al., 2020), considering their gender and age structure, modes of reproduction of the employable population, and its placement throughout the country. In a narrow sense, it is the share of productively employed out of the total economically active population (Kharkin, 2019). Socially useful employment is determined by the number of people not only employed in such work but also military personnel, students (of working age), and those engaged in household management, caring for children, sick relatives, etc. (Postnikova & Bessonova, 2022).

From the point of view of employment regulation, it is appropriate to elaborate on the concept of what effective employment is. According to D.S. Saralinova (2020), effective employment involves minimizing cyclical unemployment and exists if sufficient labor reserves exist for structural maneuvers in production. From the standpoint of market regulators, such employment means its compliance with market expectations, regulations, and standards. The effectiveness is determined by the ratio of the effect obtained, that is, the degree of achievement of the chosen goal and the costs of its implementation. With effective employment, the production potential corresponding to the real volume of products that the entire economy or a separate enterprise can produce will be fully used (Gonzalez-Rozada & Ruffo, 2016).

Thus, employment is a complex, multifactorial system, covering a variety of means, methods, and techniques, a categorical apparatus, and a regulatory mechanism. The central categorical concept in our case is employment regulation, which is characterized by relative novelty (Maslova, 2017) and requires clarification and justification in practical terms of analysis.
An increasing number of scientists are inclined to believe that modern regulation of socio-economic processes, including employment of the population (Zolin, 2015), is being transformed from a management science into a complex, integral system that permeates all aspects and levels of life of society and individual citizens (Salnikov, 2021). Thus, in the modern understanding, employment regulation is not only a type of management but also a system that considers the specifics of the human factor and tries to use it as effectively as possible for both the individual and society (Bobkov et al., 2016).

Thus, the purpose of the study is to substantiate the organizational and economic mechanism of employment regulation and to determine its structural components.

In connection with the purpose of the study, we tried to answer the following research questions:

1. What are the objectives and strategic directions of employment regulation?
2. What are the main socio-economic measures for employment regulation?
3. What are the main instruments of employment regulation?
4. What are the main tools for youth employment regulation?

MATERIALS AND METHODS

Considering the research purpose and questions, we chose a mixed approach to the study.

The theoretical basis of the study was the dialectical method of cognition and the systematic method of studying the organizational and economic mechanism of labor market regulation and systematization of study results brought up in research papers on this issue.

Following the purpose of the study, at the first stage of the study, we conducted a selection of scientific sources on the research problem, which was carried out based on the international databases Web of Science and Scopus with a restriction on the publication date (not older than 10 years). Based on the analysis of scientific sources and practical examples, we identified measures and tools for their implementation aimed at employment regulation.

Here, we used the methods of theoretical generalization and the abstract logical method.

In the second stage of the study, a pool of experts was selected. The selection criterion was work experience in government employment services in senior positions and research experience in the field of labor relations of at least 10 years. Selected experts (69 people) were sent emails with an offer to participate in the survey. 63 people expressed their consent to take part in the survey, after which they were sent emails with a proposal, depending on the level of significance of a particular socio-economic measure or employment regulation tool, to place
The influence of organizational and economic mechanisms on the regulation of employment of young specialists

them on a scale of order, assigning points. After that, the rank of the survey items was determined, according to the scores given by the experts and the weight of those items, the final values of which determined the significance and advantages of a particular field of integration. The experts were also asked about the main tools for regulating youth employment.

RESULTS

Summarizing the results of the study allowed us to form the main ideas of the program documents on employment regulation (Table 1).

<table>
<thead>
<tr>
<th>Objectives of employment regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Stimulating the demand for workforce</td>
</tr>
<tr>
<td>2. Stimulating the supply of labor</td>
</tr>
<tr>
<td>3. Balancing supply and demand</td>
</tr>
<tr>
<td>4. Diversification of the economy towards the development of innovative industries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tasks of employment regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Stimulating the creation of new jobs in various sectors of the economy</td>
</tr>
<tr>
<td>2. Improvement of working conditions and the level of pay at existing and newly created production facilities</td>
</tr>
<tr>
<td>3. Increasing the competitiveness of the labor force in the internal market</td>
</tr>
<tr>
<td>4. Ensuring social protection for individuals in case of unemployment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Methods to regulate employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Implementation of tax, monetary, investment, budgetary, social, foreign economic, and innovation policies to expand the scope of labor, ensuring full, productive, and freely chosen employment</td>
</tr>
<tr>
<td>2. Determination of the development indicators of the labor market and employment of the population in national, regional, and local programs of economic and social development and their evaluation based on the results of the implementation of such programs</td>
</tr>
<tr>
<td>3. Inclusion of measures to introduce incentives for Russian production to create new jobs in priority sectors of the economy in the labor market regulation system</td>
</tr>
<tr>
<td>4. Creation of a system for training, advanced training, and professional re-training of the workforce</td>
</tr>
<tr>
<td>5. Promoting self-employment of the population by stimulating the opening of businesses</td>
</tr>
<tr>
<td>6. Forecasting and evaluation of the impact of the labor market regulation policy on the labor market.</td>
</tr>
</tbody>
</table>

Source: summarized by us based on (Salnikov, 2021).

The results of theoretical generalization and expert survey allowed us to determine the most preferred socio-economic measures for employment regulation (Table 2).
Table 2. The system of socio-economic measures for employment regulation

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of the measure</th>
<th>Rank</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Development and financing of an extensive system of state employment service, vocational guidance, training, retraining, and advanced training of personnel</td>
<td>2</td>
<td>0.17</td>
</tr>
<tr>
<td>2</td>
<td>Provision of subsidies, bonuses, and tax benefits to entrepreneurs for hiring additional labor or transferring a part of the employees to a reduced working day</td>
<td>1</td>
<td>0.25</td>
</tr>
<tr>
<td>3</td>
<td>State support for non-traditional areas of employment</td>
<td>8</td>
<td>0.03</td>
</tr>
<tr>
<td>4</td>
<td>Encouraging entrepreneurs to train, retrain, and further employ additional workforce</td>
<td>4</td>
<td>0.13</td>
</tr>
<tr>
<td>5</td>
<td>Attracting private (both Russian and foreign) capital to areas with a stable unemployment rate</td>
<td>6</td>
<td>0.08</td>
</tr>
<tr>
<td>6</td>
<td>Measures for the establishment of job quotas for representatives of the most vulnerable groups in the labor market and interest-free loans provided to the unemployed who would like to start a business</td>
<td>7</td>
<td>0.06</td>
</tr>
<tr>
<td>7</td>
<td>Organization of social (public) works by regional or local authorities in cooperation with individual enterprises or institutions</td>
<td>3</td>
<td>0.15</td>
</tr>
</tbody>
</table>

Note: The assessment was carried out based on the expert survey; the value of the concordance coefficient $W = 0.70$ ($p < 0.01$) indicates a strong consistency of expert opinions.
Source: Compiled by authors

The results of theoretical generalization and expert survey allowed us to determine the most preferred economic instruments for the implementation of measures to regulate employment (Table 3).

Table 3. Employment regulation tools

<table>
<thead>
<tr>
<th>Employment regulation tools</th>
<th>Rank</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for the policy of social partnership, when the unemployed are encouraged to open businesses with the state providing benefits for registration, micro-crediting, and training in entrepreneurship</td>
<td>2</td>
<td>0.17</td>
</tr>
<tr>
<td>Creation of new jobs by the state through the opening of new enterprises and modernization of old ones</td>
<td>1</td>
<td>0.25</td>
</tr>
<tr>
<td>The state covers part of the costs of creating vocational training centers at large enterprises</td>
<td>8</td>
<td>0.03</td>
</tr>
<tr>
<td>State financing of the system of vocational guidance, vocational training, and retraining of the unemployed through the development of specialized programs following modern economic requirements</td>
<td>4</td>
<td>0.13</td>
</tr>
<tr>
<td>Providing financial support to the unemployed and their families, encouraging them to start a business</td>
<td>6</td>
<td>0.08</td>
</tr>
<tr>
<td>Development and financing of programs to stimulate the employment of certain groups of workers (youth, disabled people, women)</td>
<td>7</td>
<td>0.06</td>
</tr>
<tr>
<td>Development and financing of self-employment programs for all or certain groups of the population in all or certain sectors of production of goods and services</td>
<td>3</td>
<td>0.15</td>
</tr>
<tr>
<td>Preferential taxation of regions with high unemployment</td>
<td>9-11</td>
<td>0.01</td>
</tr>
<tr>
<td>Support for Russian manufacturers that make end-use products with a high added value</td>
<td>9-11</td>
<td>0.01</td>
</tr>
<tr>
<td>Development of a system of credit incentives and preferential taxation for new effective jobs</td>
<td>5</td>
<td>0.10</td>
</tr>
<tr>
<td>Financial incentives for employment services and private recruitment agencies</td>
<td>9-11</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Source: Compiled by authors
The influence of organizational and economic mechanisms on the regulation of employment of young specialists

Note: The assessment was carried out based on the expert survey; the value of the concordance coefficient $W = 0.70$ ($p < 0.01$) indicates a strong consistency of expert opinions.

According to the experts, the highest priority measures and tools for regulating employment are the creation of new jobs by the state through the opening of new enterprises and the modernization of old ones, support for the policy of social partnership, and the development and financing of self-employment programs (Table 3).

Based on the measures and instruments of employment regulation proposed by us (Tables 2 and 3), the experts made proposals to regulate youth employment as young people are one of the least protected categories of the working population. The result was a generalization of economic instruments for regulating youth employment:

a) motivational (increasing economic interest) and activity (development and implementation of the planned activities) components of youth involvement in the field of public production;

b) the fields of the desired activity and institutional changes for each component of youth employment regulation (Table 4).

<table>
<thead>
<tr>
<th>Component</th>
<th>Fields of activity</th>
<th>Institutional changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing the economic interest of enterprises in expanding youth employment</td>
<td>1. Creation of economic prerequisites for the expansion of jobs for young people by increasing the demand for the products of enterprises with the status of enterprise active in youth employment; 2. Adoption of additional financial measures related to the use of youth labor; 3. Implementation of measures aimed at the development of vocational training of young people in the workplace</td>
<td>1. Granting enterprises the status of enterprise active in youth employment; 2. Creation of financial and economic conditions for enterprises with tax benefits and the right to accelerated depreciation; 3. Reduction of the amount of expenses subject to income taxation; 4. Reduction of the amount of profit tax at the enterprise in the amount of additional costs for expanding the use of youth labor</td>
</tr>
<tr>
<td>Development of youth entrepreneurship and self-employment</td>
<td>1. Expansion of opportunities for obtaining financial and material resources required for the formation and accumulation of primary capital; 2. Creating favorable tax conditions for entrepreneurship; 3. Creation and development of a special sector of business infrastructure;</td>
<td>1. Payment of one-time assistance to young people in need; 2. Provision of preferential targeted loans; 3. Provision of state guarantees for repayment of loans and interest on them; 4. Encouraging banks to provide loans to young people; 5. Preferential terms of lease for young entrepreneurs;</td>
</tr>
</tbody>
</table>
4. Creation of special conditions for the development of self-employment of young people

6. Introduction of tax benefits for young people

Source: Compiled based on the expert survey

**DISCUSSION**

As our results have shown (Tables 1 and 2), employment regulation is based on two interrelated spheres (social and economic). The most important criterion for the social orientation of the economy is the attitude to employment, which is an integral part of a comprehensive social policy (Shatskaya, 2019). The following social aspects of employment should be considered: the indivisible connection of employment with the most important constitutional human right, i.e., the right to work; the determining role of employment in shaping the standard of living and decent living conditions; the formation of new motivation for highly effective work as the basis for the growth of the well-being of everyone and society as a whole (Pashin & Kalmykov, 2018).

An important means of regulating employment is investment, which has two levels of influence on the employment of the population. At the first level, investments are considered as a share (the most dynamic and significant one) of total costs, which affects the formation of aggregate demand and determines the prerequisites for the formation of quantitative and qualitative composition of jobs at enterprises and in industries that create means of production. Investment costs directly and immediately affect the volume of employment of the population. The second level of their impact on employment is the creation of new and modernization of existing jobs with the help of equipment and other means of production created as a result of the first level of impact. Today's investments form the quantitative and qualitative characteristics (capital strength, productivity, etc.) of tomorrow's jobs and will determine the demand for labor in the future (Gretchenko et al., 2020).

An integral component of the employment regulation system is the orientation of foreign economic policy not just to support Russian producers, but primarily end-use products and high-tech goods (Dural & Furceri, 2018).

An important place among the economic levers of employment regulation belongs to the tax system. Taxes affect the volume of household consumer spending, investment, and net exports, which increase with a decrease in tax pressure. Tax cuts cause not only an increase in aggregate demand but also an increase in the supply of factors of production such as entrepreneurship and labor (Saralinova, 2020), which ultimately increases employment.
The influence of organizational and economic mechanisms on the regulation of employment of young specialists

The expansion of productive employment should become the highest priority of society since it determines the state of the economy, all components of economic recovery, and, most importantly, the welfare of the population. The workers' welfare increases due to wages, the entrepreneurs' welfare – due to the growth of entrepreneurial income, and the welfare of the retired, disabled, unemployed, etc. – due to an increase in the filling of budgets and targeted social funds. It is impossible to agree with the approach of some researchers, according to which employment relations are passively dependent on the state of the economy and therefore should be dependency-derived in the system of socio-economic priorities (Abdurakhmanova, 2014).

The economic subsystem of employment regulation includes methods of state influence on the volume of aggregate demand and aggregate supply and is aimed at preserving and creating jobs and improving them. Each method is based on the use of a set of tools (regulators, levers), with the help of which the components of aggregate demand and aggregate supply change. These include investment policy, tax policy, monetary policy, regulatory policy on entrepreneurship, export-import policy, etc.

The most important component of the employment regulation system is social partnership. At the local level, we are talking about attracting the unemployed to self-employment by creating favorable conditions for their registration as entrepreneurs, microcredit, and participation in the activities of business centers and business incubators (Postnikova & Bessonova, 2022). At the local level, it is advisable to introduce a system of rapid response to group release (from three or more employees), like taking intensive preventive measures while they are still employed (immediately after receiving information about staff reductions). This system should include familiarizing employees subject to dismissal with the information from employment centers about vacancies available at other enterprises, providing them with psychological advice, and facilitating participation in seminars on job search techniques, professional development, and retraining activities. All this, first, will speed up employment and, second, will reduce psychological stress and moral discomfort of employees.

The state employment policy involves the development of employment promotion programs. These programs may cover, among other things, certain categories of the population, primarily marginal groups, like youth, women, disabled people, etc. Concerning the regulation of youth employment (Table 4), the mechanism proposed in the paper for regulating youth employment is a set of mutually agreed conditions, methods, forms, means, and tools of organization and management, the practical implementation of which ensures the employment of young workers either in their professional field or in the field where they wish to work.
Our results are confirmed by the conclusions of (Saralinova, 2020), according to which measures to regulate youth employment should also include preferential taxation of enterprises employing young professionals. In (Saralinova, 2020), the authors conclude that enterprises where from 30 to 40% of employees are graduates of educational institutions with no work experience should carry out their activities on the rights of preferential taxation. This measure will facilitate the employment of the least attractive part of the workforce for employers, as their hiring is associated with additional training costs. In the case of preferential taxation, these expenses will be offset by tax deductions.

CONCLUSIONS

Unemployment entails both social and economic consequences. Therefore, public policy should be focused on achieving and strengthening effective employment that allows containing unemployment within socially applicable limits.

Employment regulation is a process of influencing the labor sphere to achieve the goals that are normatively determined by the subjects of regulation. The paper states that the organizational and economic mechanism of employment regulation should be characterized as a set of organizational and economic components, through the subjects of regulation designed to facilitate the coordination of economic relations between the subjects of the labor market to ensure the performance of their social functions. The use of economic instruments of employment regulation will contribute to the attainment of the main goals of ensuring the development of the general economic system of the state.

The limitations of the study include the quantitative limitations of the expert pool, which does not allow us to make the conclusions fully generalized. The prospect of further research is associated with the study of regulating the employment of disabled people as the least protected category of the population.

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The influence of organizational and economic mechanisms on the regulation of employment of young specialists


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