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**EVALUATION OF MECHANISM OF MANAGING A REGIONAL
DEVELOPMENT BASED ON HUMAN CAPITAL**

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Abstract

Regional development in modern conditions is impossible without the effective formation and use of human capital in the region, which can ensure the competitiveness of the regional economy, ultimately, a qualitatively new standard of living for the population of the region. In this regard, the development of an effective mechanism of managing the socio-economic development of the region using human capital is a topical issue. In the article, the author proposed the definition of a "mechanism of managing regional development". In contrast to the existing approaches, we suggested considering the management of the socio-economic development of a region through the effective use of human capital from the standpoint of matching the interests of regional government bodies, business and society. The developed mechanism of managing regional development is based on a new management paradigm, the priority of which is to realize the fullest use of the potential of human capital in the region and harmonize the interests of the region (socio-economic effect) of society (improving the quality and standard of living of the population of the region) and business (minimizing costs and maximizing profits). This article also presents the results of testing the methodology for the effectiveness evaluation of the mechanism of managing regional development using human capital.

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Keywords: Evaluation, mechanism of managing a regional development based on using human capital, system of managing a region, effectiveness, region human capital



1. Introduction

It is well known that the socio-economic development depends on its effectiveness of a region's management system. The insufficiently effective management of regional development reduces the effectiveness and competitiveness of regional economy, forms an inefficient institutional and business environment, exacerbates social climate in a region, which in turn are the main constraints on regional development (Yangirov & Yusupov, 2017). The system of management of regional economy in the Russian Federation that emerged during the transition period is characterized by an incompletely formed model, management mechanisms, excessive state participation expressed in market monopolization as well as little participation and involvement in the regulation of business structures and society. So it does not meet the "challenges" of time. This all shows the relative low participation of governance in the regions of the Russian Federation and the existence of the following problems and shortcomings: imperfection of the legislative base; poor scientific validity of decisions made; duality of management; priority to administrative methods, not economic incentives; decision making without taking into account regional peculiarities, inconsistency of measures (especially long-term and short-term policies); resource management problem; lack of consideration of a large number of uncontrollable variables; difficulty evaluation the measures taken, etc. (Mannapov, 2010, Magdanov & Padey, 2011, Afinogenov, 2013, Kuznetsov & Kuznetsova, 2015, Antoshin & Ershov, 2015, etc.).

2. Problem Statement

In dynamic development of regions, the main condition is not only the availability of resources and potential of the territory, but also their effective use for the formation of competitiveness of the region. Therefore, the search for an effective mechanism and methods of managing the socio-economic development of the region is a serious scientific, practical and managerial task. The central element of management of the socio-economic development of the region is its mechanism as an effective tool for achieving management objectives. At the same time, many economic researchers are unanimous in their opinion that there is no understanding of the mechanism of managing regional development, the region's management system is poorly organized, which is characterized by fragmentary solution of regional problems and duplication of functions of the regional authorities of the Russian Federation at the state level. Therefore, it is important to consider the need to modernize the mechanism of regional management in the conditions of the transition of regions to an innovative model of development and transformation of the management paradigm. So, some researchers call the mechanism based on public-private partnership (Buresh & Iskhakova, 2012) as the basic condition for achieving the goals of effective management of the socio-economic development of the region, and coordination of authorities' actions at all levels of government (Akhtariyeva, 2011).

In our opinion, the mechanism of managing regional development is a set of targeted organizational-regulatory and economic-stimulating processes and public authorities' impact on the conditions of social activity based on the coordination of the interests of government authorities, business structures and public institutions.

The shortcomings of the regional management system need to develop a mechanism of managing regional development, where special attention should be paid to the efficient use of human capital. As

practice shows, there is a lack of attention to the integration human capital into the modern system of managing regional development, which makes it impossible to theoretically substantiate the key task of the regional economy - the practical use of the entire complex of resources of the territory.

3. Research Questions

In our opinion, the basis for the effective functioning of the regional development management mechanism is the consistency of government bodies' interests, business entities and public structures in terms of developing high-quality human capital (Yangirov & Mukhametova, 2017). In this regard, each management entity must have its own interests, goals, area of influence, resource base, etc. So, the interests of modern business are the possibility of profit-maximizing. In modern conditions, business entities can solve this problem only with a high-quality human capital. Improving the quality of life, ensuring equal rights and opportunities for the formation and realization of the human potential are the main public interests. The main instruments of the society influence on the development of human capital are the formation of public consciousness about the improvement of intellectual and creative abilities, the increasing of scientific specialties' prestige and status, etc. In turn, the authorities of the constituent entity of the Russian Federation are interested in the development of business, entrepreneurial initiatives and abilities, which allows to achieve sustainable development of the territory (Valinurova, Kazakova, Kuzminykh & Rossinskaya, 2015).

The present stage of regional development is characterized by an increase in the budget deficit in the context of the need to expand the amount of funding for social programs. That is why the activities of the authorities of the constituent entities of the Russian Federation aimed at developing and stimulating entrepreneurial initiatives of the population (especially small and medium), which can ensure income growth regional budgets. At the same time, it should be noted that currently, within the framework of existing programs for supporting small and medium-sized enterprises, the focus is on financial, property, infrastructure, information and consulting forms of assistance to entrepreneurial initiatives (Solodilova, Malikov & Grishin, 2017). However, as practice shows, today this is not enough. In our opinion, for entrepreneurship to develop more actively in the region, it is necessary to fully utilize such a development resource as human capital. For example, to develop a system for collecting and analyzing information, forecasting human resource requirements for a business over the long term, a mechanism of public and private procurement to train demanded rare specialists in universities of other regions and abroad on a contract basis, etc. Accordingly, the regional authorities should promote these projects by facilitating entities procedures to regional resources, developing regional infrastructure, supporting for small and medium-sized enterprises, developing a system of benefits and preferences, reducing administrative barriers, promoting innovation and social entrepreneurship, etc.

In the context of the above, the development and justification of an effective mechanism of coordinating the interests of government bodies, business entities and public structures in the process of human capital development must be clearly worked out. The result of this work should be an understanding that only an innovative model of regional development is most capable of satisfying the aggregate interests of government, business and society. Thus, the main point of conjugation of interests of all management

subjects is the rate on innovative development of the territory, which is impossible without the formation and effective use of human capital in the region (Mukhametova, 2017).

4. Purpose of the Study

The purpose of the Study is identifying and solving a set of problems of organizational and economic support for the effectiveness of the regional development management mechanism based on a systematic approach. The approach allows building trajectories of a region's development considering factors that have both positive and negative effects on the management models based on the efficient use of human capital. A methodology for the effectiveness of the mechanism evaluation of managing regional development based on the use of a human capital is proposed.

5. Research Methods

The most important task in the design of the mechanism of managing regional development based on the use of human capital is an adequate evaluation of effectiveness. In this regard, it seems appropriate to develop a methodology for determining the readiness of regions to implement the strategic directions of the innovation paradigm of the socio-economic development of the region based on the effective use of human capital.

The proposed methodology for evaluation the effectiveness of the regional development management mechanism bases on the use of human capital in the region and has the most significant indicators reflecting the integrated development of the constituent entity of the Russian Federation. Moreover, in our opinion, the assessment can be an addition to the methodology approved by Decree of the President of the Russian Federation of November 14, 2017 No. 548 "On performance evaluation of the executive authorities of the constituent entities of the Russian Federation". It allows to evaluate not only static models, but dynamic ones. The basis of the methodology is the scoring method. It is universal and easy to use; it has the objectivity of the obtained estimates, the possibility of practical application. The strategic indicators reflect the quantitative and qualitative characteristics of the region's human capital (Table 01).

Table 01. The strategic indicators of effectiveness evaluation of mechanism of managing the region development based on using human capital

№	Indicators	Symbol	Value	
I	Indicators of region human capital's population component (D_r)			
1.	Quantitative characterization of region human capital (thousand pers.)	d_1	Decreased or not changed	0
			Increased to 0,5%	1
			Increased from 0,5 % to 1 %	2
			Increased by over 1 %	3
II	Indicators of region human capital's "health" (Ph_r)			
2.	Life expectancy (years)	ph_1	Decreased or not changed	0
			Increased to 0,5%	1
			Increased from 0,5 % to 1 %	2
			Increased by over 1 %	3
3.	Number of people involved in sports clubs, sections (thousand pers.)	ph_2	Decreased or not changed	0
			Increased to 5%	1
			Increased from 5 to 10 %	2
			Increased by over 10 %	3

III Indicators of the educational component of the region human capital (E_r)				
4.	Graduated students with a certificate of basic and secondary education (thousand pers.)	e_1	Decreased or not changed	0
			Increased to 5%	1
			Increased from 5 to 10 %	2
			Increased by over 10 %	3
5.	Output of middle-level specialists (thousand pers.)	e_2	Decreased or not changed	0
			Increased to 5%	1
			Increased from 5 to 10 %	2
			Increased by over 10 %	3
6.	Output of bachelor students, specialists, master students (thousand pers.)	e_3	Decreased or not changed	0
			Increased to 5%	1
			Increased from 5 to 10 %	2
			Decreased by over 10 %	3
7.	Number of teaching staff in universities and institutions (pers.)	e_4	Decreased or not changed	0
			Increased to 5%	1
			Increased from 5 to 10 %	2
			Decreased by over 10 %	3
IV Indicators of the “entrepreneurial ability” of the region human capital (B_r)				
8.	Number of individual entrepreneurs by regions of the Russian Federation (thousands)	b_1	Decreased or not changed	0
			Increased to 10%	1
			Increased from 10 to 20 %	2
			Decreased by over 20%	3
9.	Proceeds from the sale of goods, products, works, services of individual entrepreneurs in the constituent entities of the Russian Federation (billion rubles)	b_2	Decreased or not changed	0
			Increased to 10%	1
			Increased from 10 to 20 %	2
			Decreased by over 20 %	3
V Indicators of the research component of the region human capital (S_r)				
10.	Number of researchers holding degrees (pers.)	s_1	Decreased or not changed	0
			Increased to 5 %	1
			Increased from 5 to 10 %	2
			Decreased by over 10 %	3
11.	Number of postgraduate students and doctoral candidates	s_2	Decreased or not changed	0
			Increased to 10 %	1
			Increased from 10 to 20 %	2
			Decreased by over 20 %	3
12.	Granted patent (piece)	s_3	Decreased or not changed	0
			Increased to 10 %	1
			Increased from 10 to 20 %	2
			Decreased by over 20 %	3
13.	Volume of innovative goods, services, works (million rubles)	s_4	Decreased or not changed	0
			Increased to 10 %	1
			Increased from 10 to 20 %	2
			Decreased by over 20 %	3
Criterion of efficiency				
14.	Criterion of region human capital’s efficiency	$M_r = \text{БПИ/ЧКР}$	Decreased or not changed	0
			Increased to 5 %	1
			Increased from 5 to 10 %	2
			Decreased by over 10 %	3

For each indicator, growth rates (reductions) are calculated and a certain number of points is awarded in the range from 0 to 3. To obtain an integral point estimate of the effectiveness of the regional development management mechanism based on the use of the region human capital, all points are summed up. Further, using the developed scaling table of the obtained points, it is possible to determine the level of efficiency (table 02).

Table 02. Rating scale of efficiency levels

Efficiency level	Number of points	Result
High	From 35 to 42 points	All the necessary and modern conditions and institutions for the effective use of human capital has been created in the region.
Above the average	From 26 to 34 points	All the necessary conditions and institutions for the effective use of human capital has been created in the region, but at the same time, it is necessary to introduce additional initial enabling activities.
Average	From 17 to 25 points	The basic conditions and institutions for the effective use of human capital has been formed, but they are not sufficiently applied. It is necessary to develop a program to improve them.
Low	From 9 to 16 points	Institutions for the efficient use of human capital are poorly developed.
Critical	From 0 to 8 points	Conditions for effective use of human capital are not created.

6. Findings

The effectiveness of the regional development management mechanism based on the effective use of human capital in 2016 compared to 2015 for the regions of the Volga Federal District was studied. The purpose was an analysis of the state of regional economies in selected territories before implementing the proposed strategic directions.

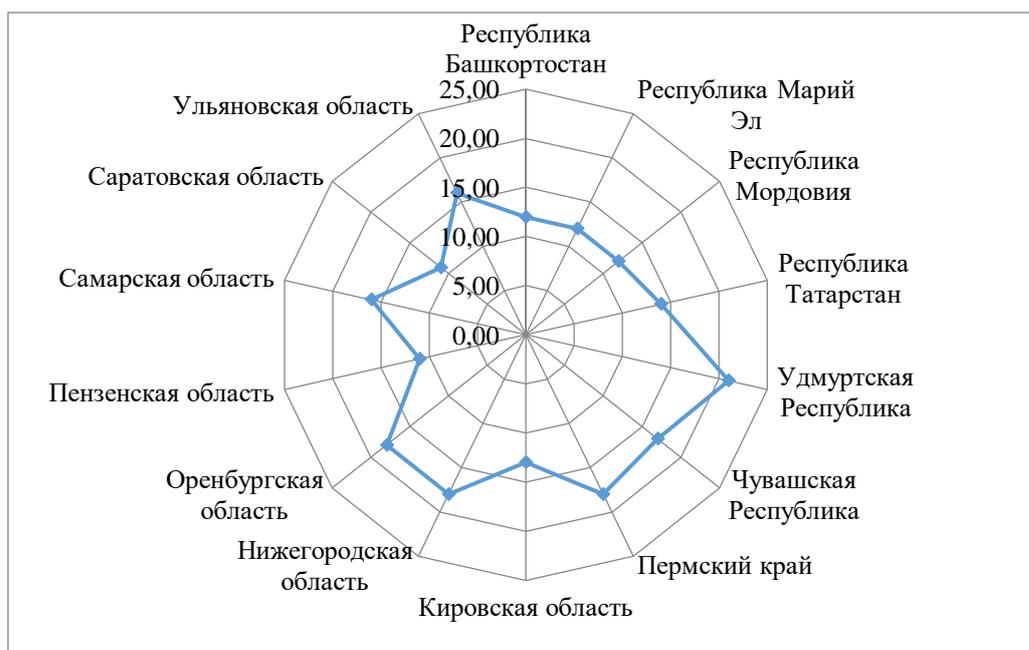


Figure 01. Integral evaluation of the effectiveness of the mechanism of managing regional development based on the use of human capital, 2016

Nine regions of the Volga Federal District, including the Republic of Bashkortostan (12), are identified to the group with low efficiency. The Republic of Bashkortostan has gained a low threshold of values. In our opinion, it shows that the government measures taken are not effective to increase the innovative activity of the region over the past few years. (Buresh, & Pryadkina, 2011) However, efficiency have not been identified in the regions of critically low, above average and high levels. It is a matter of concern that such leading regions in socio-economic development in the Volga Federal District as the Republic of Tatarstan and the Republic of Bashkortostan received low marks on the scale of the

effectiveness of the mechanism of managing regional development using human capital. At the same time, for example, the Republic of Bashkortostan, according to the comprehensive (quantitative and qualitative) evaluation of the human capital development, ranks first among the regions of the Volga Federal District. So, having high-quality human capital, the region is not effectively managing the socio-economic development using human capital. This is evidenced by the fact that in the Republic of Bashkortostan 10 out of 15 proposed strategic indicators had negative growth rates, including such indicators as the number of postgraduate students and doctoral candidates (a decrease of 37.82%), quantitative and qualitative characteristics of human regional capital (–36.43%), the volume of innovative goods, services, works (–12.75%), granted patent (–31.82%), the output of bachelor students, specialists, master students (–17.58%), etc. In our opinion, the critically low growth rates of the strategic indicators in 2016 are due to the low efficiency of the mechanism of managing regional development based on the use of human capital. Such situation can later lead to the unsustainable use of region human capital and serious economic losses.

7. Conclusion

It is advisable to use this methodology for annual monitoring of the effectiveness of the mechanism of managing regional development using human capital. The monitoring results can be used to justify a set of measures aimed at a more efficient use of human capital in the management of the socio-economic development of the region.

Thus, the practical implementation of the author's model will make possible to build a regional management system focused on the innovative type of development of the regional economy through effective use of the potential of human capital in the frame of regional economic policy. In turn, it will enhance its competitiveness. Positions in the interregional, national and global economic space.

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