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## RISK-ORIENTED APPROACH IN CONTRACT MANAGERS' TRAINING IN DIGITAL AGE

L.V. Averina (a)\*, A.A. Didenko (b), T.S. Bobkova (c), O.B. Bobkov (d) \*Corresponding author

(a) Business Education Center of Samara State University of Economics, Sovetskoi Armii Str., 141, 443090, Samara, Russia,

e-mail: alv94@ya.ru

(b) Land Planning and Cadastre Department of Samara State University of Economics, Sovetskoi Armii Str., 141, 443090, Samara, Russia, e-mail: diaa1981@yandex.ru

(c) Branch of Samara State University of Economics, Ludinovskaya Str., 23, 446000, Syzran, Russia,

e-mail: tsbobkova@mail.ru

(d) Branch of the Military Training and Scientific Center of the Air Force "Air Force Academy named after Professor NE Zhukovsky and YA Gagarin", Marshala Zhukova Str., 1, 446007, Syzran, Russia, e-mail: habol-oleg@mail.ru

## Abstract

The role of additional professional education for specialists in the field of procurement (further referred to as "contract managers") training is especially significant due to the direct indication of the Federal Law "On the contract system in the field of procurement of goods, works and services for state and municipal needs" of 05.04.2013 No. 44 and departmental regulations, adopted in order to specify the provisions on training of such specialists. In accordance with Articles 38, 39 of the aforementioned law, the contract manager or a member of the procurement commission, must have a higher education or additional professional education in the field of procurement. Moreover, the contract manager 's professionalism is specified in Article 9 of the Federal Law "On the procurement contract system ..." as one of the principles of the contract system. The data obtained allow us to identify the "problem" area of contract managers activity, the functionality of the contract manager and to pay special attention to the development and consolidation of the necessary knowledge and skills in the learning process. At this stage, we developed a risk-based approach in the training of contract managers. Despite the growing urgency of introducing innovative mechanisms in education in the sphere of procurement, a small amount of research on this topic attracts attention.

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Keywords: Vocational education, contract system, contract manager, risk management technologies.



## 1. Introduction

Analysis of the orders of the Ministry of Labor of Russia on the approval of professional standards of a specialist and an expert in the field of procurement (or contract managers) allows to conclude that the main focus is on the skills of working with documentation on bargaining, including electronic document management, on the ability to monitor goods, works, services, prices on them, and manage the entire procurement cycle.

In these professional standards, the division of knowledge, skills, abilities and the range of corresponding professional duties of contract managers (employees of the contract service) is conducted according to the following key principles:

1) analytical activity, monitoring and examination of the procurement process (procurement procedure) is within the competence of an expert in the field of procurement to which higher professional requirements are imposed, including having experience in this area for at least 4-5 years and implies management functions procurement department, if available (Abakumova, 2014; Dautova, 2013; Ermakova, 2013; Galanov, 2012; Dmitriev, 2010).

2) work with documentation on procurement, including assessment of procurement documents and offers, processing and collecting information on procurement, preparing procurement procedures and their implementation, contract execution activities are within the competence of a procurement specialist. Requirements for work experience, depending on the position held according to the professional standard of a procurement specialist, are not presented or do not exceed 3 years. At the same time, the standard clearly specifies the obligation of advanced training in the program of additional professional education in the field of procurement, including with a certain amount of hours, depending on the position and the work function performed by the employee.

All groups of occupations listed in professional standards can be divided into three groups:

- heads of organizations,
- heads of departments (services, other structural subdivisions) of organizations,
- employees.

All persons holding positions that fall into the above list, whose job duties (labor functions) include procurement in accordance with the legislation on the contractual system, must be trained in order to comply with the requirements established by their professional standard. So, in the column of the professional standard "Special conditions for admission to work" there is a direct reference to the certificate of advanced training as a document confirming the compliance of the employee's skills and competencies with the requirements of the legislation. Consequently, this regulation stresses the degree of importance of additional professional education in the field of procurement for all of the above persons (Stensaker, 2018).

Despite the presence of the departmental acts mentioned above, it is worth noting the insufficient methodological study of this issue.

We believe it is possible to consider the process of formation of the competencies of contract managers through the structuring of the constituent elements of professional competence (clusters of competencies) characteristic of employees of the contract service, contract managers:

1. Work with information (collection and analysis of data (for example, for the purpose of drawing up schedules, justifying procurements), preparing bidding documents, making decisions, including coordinating financial resources and tools) (Kirichenko, 2012; Larchenko, 2015);

2. Business development (procurement procedures);

3. Achievement of results (quality control of presented goods, works, services, monitoring and management of the procurement process, monitoring and auditing in the field of procurement) (Vorobyova, 2014).

4. Work with people (carrying out certification and control of increase of professional level of workers, preparation of explanations for counterparties under the state or municipal contract, interaction with participants of procurement procedures) (Naumova, 2009).

According to the authors, additional vocational education for contract service workers should be based on the main principle - training specialists most suited to the often changing conditions of the markets for goods, works and services that can effectively manage budget funds in the framework of procurement for state and municipal needs.

The results of our studies on a representative sample - participants of advanced training courses "The contract system in the field of procurement of goods, works and services to meet state and municipal needs" on the basis of the federal innovative site Samara State Economic University in 2014-2017 showed that new employees of companies trained in courses are quicker involved in the work, as they have mastered theoretical knowledge in the field of contract system operation, have practical skills in procurement, know modern procurement management models and are ready to solve specific practical problems.

### 2. Problem Statement

Despite the presence of the departmental acts mentioned above, it is worth noting the insufficient methodological study of this issue.

We believe it is possible to consider the process of formation of the competencies of contract managers through the structuring of the constituent elements of professional competence (clusters of competencies) characteristic of employees of the contract service, contract managers and through riskoriented approach implementing.

## 3. Research Questions

Development of a model of practice-oriented training of contract managers and the design of educational programs for their training with a high level of negative expectations and a low level of motivation with the use of E-learning technologies, modules based on risk-oriented approach.

Assessment of professional readiness level and development of competencies level of contract managers in a representative group taking into account specifics of skills set in different spheres of economic activity.

## 4. Purpose of the Study

The purpose of the study is to analyze problem issued to identify the "problem" area of contract managers activity, the functionality of the contract manager and to make conclusions in course of development and consolidation of the most important knowledge and skills in the learning process based on risk-oriented approach. The training challenges eliminated could be considered as an effective tool for quality control and for training process management.

### 5. Research Methods

To solve the research tasks and verify the initial assumptions, a set of complementary research methods were used, adequate to its subject: empirical research methods (questioning, testing, rating, conversation, expert assessment method, self-assessment, ascertaining and formative experiments), observational methods (direct and indirect), prognostic, praximetric methods (study of the experience in the formation of competence of contract managers, content analysis); modeling; methods of mathematical statistics. The reliability of the research results is ensured by the validity of the research methodology, its compliance with the problem posed; implementation of research at the theoretical and practical levels; using a set of methods adequate to the subject of the study; the possibility of repeating the conducted experimental work; the representativeness of the sample size and the statistical significance of the experimental data; the personal participation of the authors in the organization of advanced training.

## 6. Findings

Among Russian scientists studying the problem of vocational training in the procurement sphere are Shamakhov, Karanatova, & Kuzmina (2017), Karanatova & Kulev (2015). Among foreign scientists we relied on the studies of Edler & Yeow (2016) and Dufek (2015) in the procurement sphere and on studies on innovative educational approaches of Gate, (2010), Enke, Kraft, & Metternich (2015), Axelrad, Luski, & Malul (2016), Sullivan, Czigler, & Hellgren (2013), Hazelkorn, (2011), Pellegrino & Hilton (2012).

The ergonomic process of mastering soft and hard skills of contract managers in interactive technologies of pedagogical interaction is a key issue in contract managers' training.

For each of the key skills identified by the results of the survey, further monitoring of the pace of formation of competence based on IT technologies implementation such as Moodle. As educational platform Moodle allows to manage the learning process using an individually-oriented approach (Trubin, 2011).

Using the risk-oriented model based on Moodle platform in procurement brings the learning process to a qualitatively new level, opening up opportunities for optimizing the training of contract managers. For those sections of the course program in which this model was used, it helped improve learning outcomes and improve autonomous learning skills.

Thus, students performed homework, actively participated in both online discussions and in class, their interest in the topic under study increased.

We also consider motivation and desire of students to use this technology more often. It is important to take into account the fact that during the use of this training model, students began to

maximize their potential in the face of reduced classroom hours and increased hours of independent work. In general, the ability to select, work through specific educational material, demonstrate it visually with the help of interactive video allows to intensify the learning process and implement a personalized approach to learning, as well as follow the principle of nonlinearity.

As the experience of Russian and foreign educational institutions shows, the individual-oriented technology is actively used in the educational process using various online platforms and shows good consistent results in learning.

Many Russian and foreign researches consider that application of an individual-oriented approach also becomes possible when paying special attention to the spheres of economic activity of students (Middlehurst, 2002; Tatarnikova, 2007; Sullivan et al., 2013).

In contract managers training we conducted a survey during 4-year period from 2014 to 2017, the results of the survey are shown in diagrams below.

Field of activity	Percent of students			
	2014	2015	2016	2017
Employees of federal authorities and authorities of constituent entities of the Russian Federation	9	17	25	13
Employees of municipal educational institutions	36	23	18	28
Employees of municipal health institutions	24	15	17	39
Municipal employees	26	28	30	16
Other	5	17	10	4

Table 01. Spheres of economic activity of students in procurement

Note: Source: Authors.

In some ways, the data shown above in Table 1 lets us to make conclusion on trends in labour market and economic activity in procurement as it reflects need in trained specialists in different spheres of economics.

The pattern of readiness for professional activity is influenced by patterns and expectations about the risks associated with a particular function of contract manager (file function, planning function, budgeting function, etc). In procurement, these risks are connected with a multilevel regulatory framework, IT- characteristics of the budget and procurement systems (Galkina, 2011; Sklyarova, 2014).

According to our survey conducted on the basis of Samara State Economic University, the negative expectations of contract managers regarding risks of professional activity in the procurement sphere were as shown in a Table 2 below:

Table 02. Risk based approach in training of contract managers			
Risks of violations during planning	43%		
Risks of violations in the organization of procurement	21%		
procedures	2170		
Risks of breach of contract	92%		
Risks of violations during the evaluation and consideration of	11%		
applications for participation in procurement procedures	1 1 70		
Risks of breach of contract performance	78%		
Risks of violations when accepting the results of performance	59%		
of a contract	J770		

 Table 02. Risk-based approach in training of contract managers

#### Note: Source: Averina (2017).

The results of research allow to identify the "problem point" of activity of the contract manager and design individual digital track of tasks and individual-oriented tools for improving necessary skills and knowledge combined with digital tracking and assessment tools. At this point, we can design individual-oriented (essentially unique) educational product, minimizing such risks and negative patterns of the students- contract managers. Therefore, at this stage implementation of a risk-based approach in training contract managers takes place.

### 7. Conclusion

In the process of study, new issues and challenges emerged that need their solution:

1.Modern education is being transformed, integrating into the digital space. So, we can conclude, that teachers or tutors in contract managers' training should keep up with the times, developing and introducing modern information technologies.

2. Among identified limitations in vocational training are the weak motivation of contract managers to improve the existing level of knowledge and skills due to the instability of the legal field in the procurement sphere and a high degree of responsibility in the absence of a quality monitoring system and the effectiveness of contract management procedures (Pecherskaya, Averina, Kochetckova, Chupina, & Akimova, 2016).

It could be minimized by amends in law on procurement in regard of shaping the limits of responsibility and compensation mechanisms in case of breach more thoughtfully.

3.Risk-oriented approach proved to be useful in conditions of negative expectations and the weak motivation of contract managers. 78% of contract managers who studied in procurement with the risk-oriented approach implemented showed a high result of professional readiness (Menshenina, 2018) and a high level of development of competencies in procurement.

All of the above was taken into account when developing the model of the practice-oriented training of contract managers and designing educational programs for their training using E-learning technologies.

The results of the research can be used as a basis for the organization of vocational training and retraining, optimization of existing programs of professional development and implementation of innovative projects in areas of contracting, bidding and procurement.

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