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HUMAN CAPITAL MOBILITY AS A FACTOR IN THE COMPETITIVENESS OF LABOR

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Abstract

The article considers human capital mobility as one of the key factors affecting the competitiveness of labor resources, which is formed and implemented in the process of labor resources reproduction, unity and interaction of processes carried out in the production, distribution, exchange and consumption of labor resources. Undoubtedly, the effectiveness of the organization as a whole depends on their effectiveness. Several approaches to the definition of "labor resources competitiveness" are considered. It is revealed that such a variety of approaches causes the absence of a holistic definition of the concept and it is rational to consider determination of labor competitiveness with regard to and under condition of adequate work level creation. Given the motivation for productive labor, the employer must take into account the need of the employee in the basic conditions upon which the employee will be able to independently determine the degree of job satisfaction in each case. Job satisfaction is often considered with reference to studies of attitude to work, work motivation, quality of work life, although there is no consensus on this indicator either. The article also notes that in recent decades there has been the problem of human capital "reinvestment" when under gained qualification an employee cannot find employment, which leads to loss of skills in the long term, while the cases of under-investment in human capital, when education is insufficient in relation to the job, are less common, but they are quite numerous.

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Keywords: Labor resources, human capital, competitiveness, labor mobility, education, satisfaction level.



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1. Introduction

Human capital use efficiency depends to a large extent on the mobility of labor resources - carriers of human capital. Human capital should respond quickly enough to changes in the global economy and adapt to those activity areas in which its productivity is higher.

On the one hand, for the development of skills each person needs to create favorable conditions, on the other – increase of human capital competitiveness depends on ensuring social sectors.

Labor resources competitiveness is formed and realized in the process of labor resources reproduction, unity and interaction of processes carried out in the production, distribution, exchange and consumption of labor resources.

It is revealed that competitiveness is a phenomenon which implies stability of social and professional mobility of labor resources associated with formation of such professional qualities of the individual, which not only promote performance of professional production functions, but also promote their active implementation (Muhametlatypov et al., 2015; Bogatyreva, 2019)

Human capital mobility is one of the most important objects of investment in human capital, along with education and health. Any investment in education will be meaningless in case if the person who received the education does not have the opportunity to apply his knowledge in the workplace due to the lack of appropriate workplace or conditions for starting an independent business in a certain region. A person "chained" to his place of residence limits his own economic opportunities and becomes less competitive.

It is impossible to overstress the importance of human resources for the success of any organization. Employees are some kind of human capital of the organization, and their effectiveness is a key indicator of the organization in achieving goals. Employee performance is one of the most important tasks in terms of organization management (Campbell et al., 1990). Creating the necessary conditions and opportunities for successful development, professional self-realization, building the effective work of "social elevators" allows us to overcome the mismatch between supply and demand for labor, reduce the share of illegal employment, and increase labor mobility.

2. Problem Statement

It is precisely the labor resources mobility that to a large extent determines the efficiency of the human capital use in an organization. Human capital should respond quickly enough to changes in the global economy and adapt to those activity areas in which its productivity is higher. Human capital mobility is one of the most important objects of investment in human capital, along with education and health. Investment in education will be meaningless in case if the educated person is unable to apply his knowledge due to the lack of a suitable workplace or conditions to open an independent company in a particular region. A person unprepared for change (who has no mobility) and experiences "fear of change", limits his financial capabilities and becomes less competitive.

3. Research Questions

According to foreign experts, Elnaga and Imran (2013): "employees are the most expensive asset for any organization, as they can create or destroy the status of the company, can have an impact on the profit of the organization". Other experts – Aktar et al. (2012) suggest that:

performed work is influenced by various factors, such as personnel policy of the organization, training and development of employees, corporate climate, employees interaction. Employee performance in an organization can be improved in a variety of ways. Employee performance plays an important role in a competitive environment where good performance leads to success, while poor performance can lead to failure. (p. 11)

Over the past decades, a lot of studies have been conducted on employee performance in different sectors of the economy. Sherman and Snell (1998) believe that:

this is due to the increasing role of human capital as a tool to achieve the goals of the organization. High human capital can also transform other resources (such as money, machinery, methods and materials) for production or service. In addition, staff-oriented training is necessary to achieve a positive result, strengthening the ability of staff to compete in the market and be successful in a turbulent environment. (p. 67)

Raffee (2001) in his writings states that: "training is the most important factor to achieve high results, and achieve the desired result. It is important to train the appropriate people in the appropriate field to "be adaptive to the environment" (p. 92). The purpose of employee training is the ability to influence employee productivity. He believes that achieving the effectiveness of the organization involves professional training and development of employees (Raffee, 2001). In addition, technological advances and changes in organizations have gradually led the employer to understand that the success of any business is entirely dependent on the skills and competencies of its employees. This phenomenon has led to increased investment in employee training and development (Beardwell & Claydo, 2007).

Competitive advantage arises when an organization creates value for consumers, chooses markets in which it can outperform competitors and represents a driving goal for the latter. The most important factors in achieving the competitiveness of the organization: innovation, quality and cost management, which depends on human resources quality in the organization (Shagalina & Burdyugova, 2017).

Organizations aiming to take a high position in the market, in a competitive environment, need highly qualified personnel. Specialists should have the necessary skills and abilities to ensure the effectiveness of the production and management process.

Gerchikova (2009) states that:

high level of employees competitiveness is not only one of the conditions for the effective functioning of the organization, but also provides its owners with a certain level of personal

economic security and social stability. Effective and competitive organizations are the key to an economically prosperous state, which in turn is the fundamental basis of social and economic security. (p. 36)

Scientists of various economic areas also interpret the essence and content of labor mobility in different ways.

Smith (1962) in his study "Research on the nature and causes of the wealth of nations" as the main source of labor mobility identified the social division of labor and the economic isolation of individuals. He believed that certain mechanisms of market relations limit labor mobility and the scale of competition (Smith, 1962). According to Granovetter (2010), labor mobility is a specific process of labor moving from low demand industries to higher demand industries.

Domestic research scientists Dobrusin and Efimova (1988) considered labor mobility as a necessary quality of the labor force, which recreates the determination and desire to meet certain changing demands of the labor market.

According to Volkov (2016), labor mobility denotes the process of movement in the world of work, i.e. the process of changing occupation or workplace, in certain conditions, movement to another locality.

Smith (1962), in his papers, note that the human capital model can be used to understand and predict employee-initiated mobility. This model views voluntary mobility as an investment where costs arise at some early stage in order to realize the benefit over a longer period of time. If the present value of the benefits associated with mobility exceeds the monetary and moral costs, then we assume that people will decide to change jobs, move or do both. If the discounted flow of benefits does not offset the costs, people will decide not to make such changes (Makarova, 2008).

In all considered approaches, various definitions of the labor mobility process are presented, and this can be defined as the process of movement in the space of the labor sphere.

In modern conditions of social and labor relations development, two main functions of labor mobility assume particular importance. Firstly, it is an economic function, which helps to provide the economy with labor resources and increase the market economy efficiency. Secondly, the social function realized through the modernization of the social structure of society, the fulfilment of the requirements of workers in the labor field (Makusheva et al., 2013).

Table 1 provides an overview of the different types of labor mobility.

Table 01. Overview of labor mobility types

Name	Summary
Professional and qualified	It is characterized by the process of moving from the less difficult to more difficult sphere of activity, from the performance of unskilled low-paid work to the performance of more highly skilled
Territorial	It is observed among certain economically developed cities, districts and within them. Promotes the specific skills formation, labor skills transfer, professional qualities development
Sectoral	It is caused by separation of specific activity spheres and economy branches, their originality which is expressed in labor activity features

Thus, labor mobility is determined by the transformation rate of certain characteristics of the employee, which set the rhythm of his labor mobility in a certain socio-economic environment, and the ability to attract and retain human resources of the required qualifications is one of the key factors for the successful development of the organization. The level of development of the organization, brand recognition, image of the organization, corporate culture attract human resources, and also contribute to the prevention of staff turnover. Based on the aforesaid, there is a need for a detailed study of the workforce of the organization as a factor of its competitiveness.

4. Purpose of the Study

The purpose of this study is a comprehensive study of labor mobility of human capital and its impact on the competitiveness of labor resources.

5. Research Methods

In carrying out this study, the method of collecting empirical data, grouping and comparative analysis based on statistics, the method of graphical analysis of dynamic series are used.

6. Findings

Thus, labor mobility is determined by the transformation rate of certain characteristics of the employee, which set the rhythm of his labor mobility in a certain socio-economic environment, and the ability to attract and retain human resources of the required qualifications is one of the key factors for the successful development of the organization. The data analysis of the all-Russian research of the NAFI Analytical center, conducted in July 2019, shows that the labor mobility of Russians is growing.

Results of answers to the question and willingness to move to another city/region of the country for better employment (higher wages, more interesting work, etc.)?" presented in table 2.

Table 02. Survey findings of the respondents to the question: "Are you ready to move to another city/region of the country for better employment?" (in % of all employed Russians, by age)

	18–24	25–34	35–44	45–59	60+
Yes, I am ready	56	44	37	25	8
No, I am not ready	43	55	61	72	91
Neither agree nor disagree	1	1	2	3	1

The study results show that the willingness to change the place of residence depends on the age of workers, i.e. about half of employed Russians aged 18 to 34 years (44–56 %) are ready to move for employment. The employed population from 45 to 60 years more rarely considers the possibility of changing the place of residence for employment (25 %).

The issues of labor mobility of young citizens are of particular importance, as this category is one of the main factors in ensuring the development of Russian society.

Youth is a group of people aged 14 to 30 years (in some cases up to 35 years), which receives and realizes opportunities to build their future and the future of the country.

Indicated age period includes processes of active formation, getting of basic and vocational education, the beginning of labor activity, intensive adaptation to various forms of social relations. Perhaps in this case, labor mobility can be considered as a positive phenomenon that contributes to personal growth and increase the material and social status of the working population.

However, not everything is so clear in the labor market with regard to fairly qualified personnel. They do not always manage to realize the accumulated human capital in the industrial relations system, which causes their outflow in different directions – from moving from organization to organization to moving across the territory of both the Russian Federation and abroad. In this context, it is necessary to link them with the degree of work satisfaction among skilled workers.

Given the motivation for productive labor, the employer must take into account the need of the employee in the basic conditions upon which the employee will be able to independently determine the degree of job satisfaction in each case. In figure 1, we presented a scale of factors that are of key importance in the motivation formation during the work process.

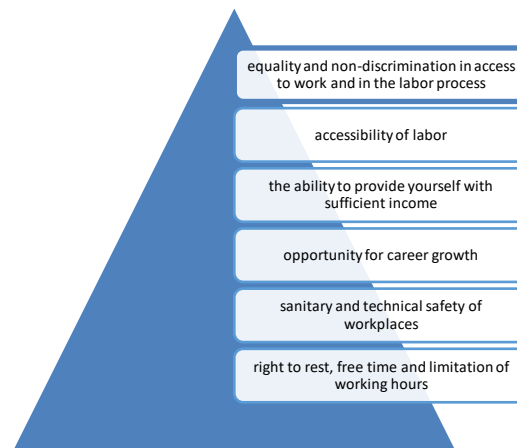


Figure 01. Factors influencing the degree of job satisfaction

In the view of the above-mentioned, participation level in the labor force, in our opinion, most accurately reflects the level of job satisfaction, because otherwise the labor resource remains unclaimed. In the regions with the most optimal conditions, the number of economically active population will also be higher, this factor is also reflected in this indicator.

Job satisfaction is often considered with reference to studies of attitude to work, work motivation, quality of work life and so on. There is also no unity of views regarding job satisfaction, but in general, the authors of studies on this topic recognize the complex nature of this phenomenon: integral subjective characteristic of labor activity is job satisfaction (or dissatisfaction) as a whole, which expresses, on the one hand, the attitude of the individual to his work through "consideration" advantages of some elements and disadvantages of the others. In assessing job satisfaction, we correlate the estimates of the obtained results and the corresponding costs. On the other hand, this indicator shows the conformity degree of human ambitions and his real work conditions (Monusova, 2008).

In recent decades there has been the problem of human capital "reinvestment" when under gained qualification an employee cannot find employment, which leads to loss of skills in the long term Cases of reinvestment in human capital, when education is excessive in relation to the performed work, observed

approximately every fourth of the Russian workers. Cases of underinvestment in human capital, when education is insufficient in relation to the performed work, are less common, but they are quite numerous, covering, according to various estimates, up to 10-20% of workers (Kapelyushnikov & Lukyanova, 2010).

7. Conclusion

Cases of underinvestment in human capital, when education is insufficient in relation to the performed work, are less common, but they are quite numerous, covering, according to various estimates, up to 10–20 % of workers (Kapelyushnikov & Lukyanova, 2010).

Thus, labor mobility is a complex multilateral concept, which is of special interest for research in modern conditions, and in order to increase the level of human capital competitiveness, it is necessary to adjust the state policy in the field of education. As a mechanism of implementation, it is possible to introduce in the programs of entrance examinations the classification of the proposed areas of study in Universities depending on the degree of demand for them in the regions with the allocation of groups "highly demanded", "vaguely demanded", etc.

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