

THEORETICAL BASES OF QUALITY OF A MANPOWER IN NATIONAL ECONOMY

Nataliya Makovskaya
Belarusian State Economic University, Minsk, Belarus

Abstract

High qualification, professional flexibility and adaptive ability of employees become the basis of their social protection: such workers are the most competitive and mobile in the labour market. Changes in modern approaches to understanding the quality of labour in the national economy are associated with UNESCO recommendations on the transition to the concept of human competence and the provisions of the national system for assessing the quality of specialists. In this regard, the term „competence” becomes leading in assessing the level of quality of labour, the most important criterion of vocational training and an integral indicator of the quality of the workforce.

Key words: labour resources, human capital, labour market, labour productivity, professional qualifications.

JEL: J01.

Introduction

In the conditions of a market economy and its innovative component, the criteria for the quality of labour resources are constantly expanding and supplementing. High qualification, professional flexibility and adaptive ability of employees become the basis of their social protection: such workers are the most competitive and mobile in the labour market.

Expansion of the production profile of employees is one of the conditions for the fullest use of the achievements of scientific and technical progress, increasing the efficiency of the use of labour in a market economy. At the same time, it is necessary to take into account that the market economy, along with the identification of interrelations and the integration of individual professions, strengthens the tendency to differentiate knowledge and skills and further specialization.

As practice shows, with the development of forms of ownership, the requirements imposed on workers in the labour market also change. Previously, the employer proceeded from the accounting of 3–5 social, professional and psychological qualities and characteristics of the employee being hired. At present, their number has increased by 2–3 times, and the main criterion is the competitiveness of the employee, his high professionalism.

If before higher education was enough for 20–25 years of practical work, today the optimal term of its effectiveness is 5–6 years, and in the sectors determining scientific and technical progress – 2–3 years. This means that in some industries, innovation cycles are shorter than the time for training specialists, which again confirms the need for continuing education.

The quality of labour resources is a set of professional, educational, psycho-physiological characteristics that make a person capable of performing labour functions of one or another complexity.

Until recently, the main criteria for the quality of labour resources were: the level of education of the employee; the level of professional training of the employee; the level of employee motivation to improve professionalism and quality of their own work; the ability of the organizational structure of an institution (enterprise) to disclose all the qualities of an employee.

The quality of labour resources is characterized by such indicators as general and professional work capacity and availability of labour potential of workers. The integrated quality indicators are: gender, age, social and educational level, psycho-physiological indicators.

The modern labour economy offers the quality of labour resources to evaluate through the „prism” of the availability of formed human capital [2]:

1. Human capital is the basis of labour productivity of workers included in the production process. Productivity of labour is manifested through quality criteria (ability to work, qualification, etc.). The productive capacity of a person, that is, his capacity for work, is determined by the age, state of health and education of the individual, is the basic sign of the category „labour resources”. The presence of the formed human capital reflects the quality of labour relations between employees and employers regarding wages, social preferences, employment, etc.
2. Human capital is inseparable from its carrier-worker. The employer leases this economic resource for the purpose of using it as a production factor for the wage rate. The higher the quality of this resource, the greater the economic effect of the producer. In this case, the quality of the labor resource is related to the fact that human capital has a value that is determined by the volume of services expected from the employee in the

organization. The ability of human capital to create added value determines its value (and value) for the employer and the level of income for the employee. For an employee, his human capital is a commodity that he offers in the labour market, and for the employer it is the capitalized value of the cost of capital spent on selecting and hiring an employee. With the appropriate investments (money, time, efforts of the worker himself), human capital will increase its quality (value), and also retain the ability to generate income through additional types and methods of activity.

3. Human capital at the expense of capitalization increases its quality, which is a factor that ensures its preservation and effective use, both at the individual level and at the level of the enterprise, industry or a combination of industries, region and country.
4. The quality of human capital is associated not only with investments in education and further industrial training, but also with personal qualities of a person. Investments in the professional development of the quality of human capital give a longer integral social and economic effect over time.

The quality of human capital is linked to the notion of internal norms of bestowal. They are built by analogy with the rates of return on capital and allow us to assess the effectiveness of human investments, especially in education and production training. The rates of return act as a regulator of the distribution of investment between different types and levels of education, as well as between the education system as a whole and the rest of the economy.

There are two main approaches to calculating the rates of return.

The first is based on a direct measurement of benefits and costs. For example, the income from higher education can be represented as the difference in the lifetime earnings of those who graduated from college and those who did not go beyond high school. In the composition of costs in addition to direct costs include lost earnings, that is, income received by students for years of study. The internal rate of return will be a discount rate at which the given values of the benefits and costs of education will be equal.

The second approach is based on the evaluation of the parameters of the so-called „production function of earnings”, which describes the dependence of a person's earnings on the level of his education, length of service, length of time worked and other factors. The development of this class of functions is connected with the name of J. Mincer, who proved that within the framework of such a model

the coefficient before the educational variable will be equivalent to the value of the internal rate of return. This greatly simplified the assessment of the effectiveness of investment in education [1].

Calculations show that the profitability of human capital is usually higher than physical. This testifies to the assumption of the rational behaviour of students and their parents. In the United States, estimates of the rates of return of primary education reached 50–100%, the average – 15–20%, higher – 10–15%. In the 1970s, the effectiveness of higher education dropped to 7–8%, which gave grounds for talking about the overproduction of the graduated labour force, but in the 1980s it returned to its previous, higher level.

There are different rates of return for different categories of workers: for men they are higher than for women, for the white population is higher than for colour. International comparisons show that with the growth of per capita income, the effectiveness of investment in a person decreases, but in the richest countries it moves up again. Thus, the relationship between the level of economic development and the norms of the impact of education is U-shaped.

The quality of human capital that underlies the labour force depends on investment in workers and the degree of their payback. In this connection, the issue of risk assessment and economic efficiency of such investments arises.

The main problem faced by modern enterprises is the evaluation of the effectiveness of investments in human capital. The difficulties arising in this case, to a certain extent, are explained by the fact that investments in human capital have a number of features that distinguish them from other types of investments [8–9]:

1. Return on investment in human capital directly depends on the life of its carrier (on the duration of the working age). The earlier investments are made in a person, the faster they start giving returns. But you need to keep in mind that better and longer-term investments bring a higher and more lasting effect.
2. Human capital is not only subject to physical and moral deterioration, but it is also capable of accumulating and multiplying. Wear of human capital is determined, firstly, by the degree of natural wear and tear (aging) of the human body and the psychophysiological functions inherent in it, and secondly, by the degree of moral (economic) wear due to obsolescence of knowledge or changes in the value of the education received. The accumulation of human capital is carried out in the process of periodic retraining of the worker and the accumulation of production

experience. If this process is carried out continuously, then as the human capital is used, its qualitative and quantitative (quality, volume, value) characteristics are improved and increased.

3. With the accumulation of human capital, its profitability rises to a certain limit, limited by the upper limit of active labour activity (active working age), and then sharply decreases.
4. In the formation of human capital, there is a „reciprocal multiplier effect“. Its essence lies in the fact that in the learning process the characteristics and abilities not only of the learner improve, but also those of the person who trains, which subsequently leads to the growth of earnings of both the first and the second.
5. Not every investment in a person can be recognized as an investment in human capital, but only those that are socially appropriate and economically necessary. For example, the costs associated with criminal activities are not investments in human capital, as socially inappropriate and harmful to society.
6. The nature and types of investments in a person are determined by historical, national, cultural characteristics and traditions. Thus, the level of education and the choice of profession by children largely depend on family traditions and the level of education of their parents.
7. Compared to investments in other different forms of capital, investments in human capital are the most beneficial both from the point of view of the individual and from the point of view of the whole society.

The driving forces for changing the quality of labour resources include those that are external to this quality: political, economic, demographic factors, etc. The study of the influence of factors on the change in the quality of labour resources allows us to understand the internal sources of their development. External factors affecting the change in the quality of labour resources can be divided into three groups:

- factors of direct action directly affecting the quality change;
- factors of indirect effect that affect the quality change indirectly;
- the conditions in which the factors determining the force of their action and direction act.

Factors directly related to labour activity and influencing the degree of realization of a person's ability to work are factors of direct action. They are closely related to the quality of working life. Factors influencing the process of transforming potential labour resources into real ones are categorized as factors of indirect action. They affect the change in the quality of labour resources involved in the labour process and affect the overall level of quality of all labour resources: the state of the education system (as a factor in the formation of labour resources of a certain quality); the supply of labour in the labour market; demand for labour in the labour market; the price of the labour resource, which is formed in the labour market (wages).

References

1. Kapelyushnikov, R. *Modern bourgeois concepts of the formation of labour: critical analysis*. Nauka. Moscow. 1981.
2. Becker, G. *Human capital: theoretical and empirical analysis, with special reference to education*. N Y. 1964.