

RUSSIAN HIGHER EDUCATION MEETING CHALLENGES OF 21ST CENTURY LABOUR MARKET

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ABSTRACT

The purpose of this article is to review and compare ideas about the changes taking place in the process of Russian higher education modernization. The methods used are theoretical and empirical (an analysis and synthesis of literature, interviewing, observation and analysis of the educational process at a University). As a result of the research it is shown that the modernization is complicated by such factors as insufficient financing, poor infrastructure, psychological inability of the professorial staff to comply with the demands of a modernizing society, bureaucracy, and lack of university-business cooperation. The development of Russian corporate education may bring about considerable changes in the sphere of professional training and retraining. It may trigger off a change in the role of traditional institutes of professional development. Classical universities are no longer the only suppliers of the labour force. In the contemporary labour market, they compete with corporate educational institutions. It is concluded that traditional educational institutions and corporate educational institutions will be able to collaborate effectively in post-industrial Russia. Traditional universities should record, systematize and transmit universal cultural norms and values. They should preserve cultural heritage preventing it from disappearing. The improvement of university-business cooperation promotes government-business partnership, which is well illustrated by the Skolkovo Innovation Center.

Key words: higher education, corporate education, labour market, traditional education.

Introduction

The gap between the quality of graduate education and the demands of a modernizing society is one of the causes of an education crisis both in Russia and in the world. The majority of traditional institutions of higher learning in Russia have always provided subject-centered curricula, which do not, in the views of many people in government and industry contribute to securing an adequate supply of qualified professionals required by the labour market.

Educators, politicians, philosophers, sociologists, and employers are now joining their efforts to mitigate the effects of the crisis of professional education. Negative appraisals of the present

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situation coupled with versatile ideas for overcoming the crisis demonstrate the necessity of reforming professional education.

As a result, university graduates often find themselves in a position when they feel on the one hand the lack of skill, qualifications, and experience results in their inability to cope successfully with their professional tasks and on the other hand the burden of theoretical knowledge prevents them from moral and intellectual calmness. Furthermore, 75% of university graduates feel insecure because of their uncertain employment prospects (Smirnova, 2011, p. 46). In short, university-business cooperation, which is aimed at boosting students' future employment prospects, remains an inchoate phenomenon.

The methods of research are both theoretical and empirical. Theoretical - an analysis of educational literature (monographs and articles of Russian researchers) on the problem, official documents and periodicals; empirical - interview with the members of the Russian Academy of Education, personal observation and analysis of the education process at modern universities in Russia and at Ryazan State University named for S.A. Yesenin in particular.

1. Graduate skills and employability

One indicator of this lack of cooperation is disagreement about the levels of skills with which students leave universities. There is a considerable gap between employers' assessment of their new employees' professional skills and university assessment of their graduate students' professional qualities. Universities tend to overestimate graduates' readiness for practical work since they either have a vague idea of real labour market needs or are unwilling to restructure the existing education system. They do not fully realize that there shouldn't be any gap between education, work, and life.

The results obtained in a study conducted by an analytical center *Expert* and an independent rating agency *Rate* indicate that, according to higher educational institutions, employability skills include appropriate professional knowledge, information technology skills, knowledge of a foreign language (Podsypalina, 2007, p. 175). The study shows that higher educational institutions' views on the employability of their graduates are rather optimistic. Meanwhile employers' perceptions of the skills, knowledge and characteristics which help new graduates to be employable are different. Employers expect their new employees to have critical thinking and problem-solving capacity, ability to generate ideas, team working skills, and leadership qualities alongside appropriate professional knowledge, information technology skills, knowledge of a foreign language (Podsypalina, *ibid.*). However, the post-industrial man needs other skills and abilities such as the faculty of imagination, which enables one to create and explore a new reality; reflective thinking, which refers to the processes of analyzing, articulating, and transforming experience; abilities of learning, relearning, and self-instruction; creative abilities; communication skills; moral abilities including self-awareness and value determination. In short, results of numerous studies suggest that higher educational institutions have not yet accepted the need of considering prospective employers as a factor determining graduates' employability.

If the state used to be the only employer, nowadays there are many companies of varying size and type of activity which are financially sound and willing to spend on recruitment activities and thus will determine the content and the orientation of professional training. It should be noted that universities as well as the majority of employers view the labor market through the prism of large corporations, although they employ less than half of working-age Russians.

2. Perceptions of the significance of science and education

On the other hand, some young people's desires do not meet labor market demands. Young people give priority to legal and managerial education while the labor market is characterized by excess supply of specialists of this kind. At the same time in 2010 the labor market experienced shortage of 50,000 teachers, and 40,000 medical doctors whilst 40-50% of vacancies of engineers, technologists, agriculture specialists remained unfilled (Wolfson, 2013, p. 114).

This well illustrates a wide gap between researchers' understanding of education and other people's expectations. This gap is characteristic of modern Russia. The results of a sociological study conducted by the National Center for Research and Science Statistics of the Ministry of Education and Science of the Russian Federation and the Russian Academy of Sciences, demonstrated that Russians tend to underestimate the role of education and science. Random sampling of more than 2400 people showed that 2/3 of Russians believed abiding by the law to be the key to economic development, 44% of informants highlighted the importance of political stability and only 14% of respondents noted the importance of education and science (Pavlenko, 2008, p. 108).

Another gap between employers and universities is the question of certification. The almost unlimited liberalization of non-governmental educational institutions and their obvious impotence in the late 1990s made employers distrust diplomas obtained in the late 1990s – early 2000s. Employers believe that in the 1980s graduates were better qualified, and it is difficult to contradict them, since the number of institutions that were accredited to issue diplomas of higher education is almost limitless. Nowadays in Russia there are three thousand education filial branches per every thousand university. On the average, there are eleven filial branches per every humanitarian university and three-four affiliates per every technical university. Among them there are some pseudo-universities, the so called "diploma factories" which work under the names of brand universities. It should be noted, however, that recently the number of non-governmental universities that produce competitive graduates has increased.

2. Lack of interaction of Higher Education and Employers

The main reason for the gap between employers' and universities' views on requirements for graduates is weak interaction between education and business. Research conducted monitoring education economics showed that in the mid-2000s the number of companies that had no cooperation with educational institutions grew (the number of vocational schools and academic secondary schools grew from 59% in 2004 to 67% in 2006, the number of higher educational institutions grew from 51% to 70%) ('Obrazovaniye i obshchestvo,' 2007, p. 40). This tendency can be accounted for by the critical situation Russian education experienced during that period. Since then the situation has been improving.

As for supply and demand in the labor market, specialists single out three main sectors of the Russian economy which differ in the degree of companies' involvement with education. The first sector includes traditional branches of the economy (industry, construction, transportation), which seek collaboration with educational institutions of various levels. The second sector comprises innovative branches and is very much interested in collaboration with educational institutions. The third sector (commerce, public services) doesn't actively cooperate with institutions of professional education, but requires high-skill labor.

Since the number of certified specialists in various fields is growing, the role of the third sector of the labor market will gradually become more prominent, since in recent years, economic activity has shifted from industry to service. The service sector provides university graduates with more favorable employment opportunities than the industrial sector. Thus, higher education promotes middle class formation, which is a significant component of social stability. The demand for novice specialists is gradually changing. In 2007, the majority of university graduates were employed by large-scale Russian enterprises and mixed companies. At the end of the 2000s, university graduates were mainly recruited by small-scale and medium-sized companies.

Today's labor market demands graduates of engineering, construction, and transport universities. Modern employers are keen to hire trainable employees and seem more and more willing to invest in training new staff. By the end of the 2000s many Russian companies had opened their own training centers, professional training courses, corporate universities, academies, and so forth to ensure continuity of professional education.

3. Preparing for the 'knowledge economy'

The knowledge economy, which has become the main trend in social development in the 21st century, demands personalized learning, increasing personal responsibility and initiative of learners, universal skills development, holistic approach to pedagogical process.

It should be noted that the business community does not always set universities well-defined tasks. Russian companies, unlike western enterprises, which value professionalism above all, do not give top priority to the professionalism of their employees. This may be because in Russia professions are not treated as privileged social clusters the representatives of which possess expert knowledge, have social status and social trust, and perform unique tasks. Western sociologists maintain that professions and professionalism are characterized by structural and institutional invariability. In Russia professions and professionalism are treated through the prism of applied knowledge and practical or physical abilities.

The effective solution to quantitative and structural problems of graduate education is undermined by a continuous degradation of the engineering industry, the instrument-making industry, and other industries which are supposed to promote the innovative development of a country. In advanced countries, such industries provide 30-50% of total industrial production, while in Russia they provide less than 20%. As Grinberg (2010, p. 221) puts it "there is no demand for innovations in the internal market and industries that can transform innovative ideas into innovative products disappear". Education aimed at the conservation of the image of Russia as a supplier of raw materials deprives university graduates of competitive advantages.

All these factors undermine the system of professional education and retraining and only broaden the gap between education and the labor market. The problem is especially obvious since professional knowledge rapidly outdates as a result of the increasing social dynamics, the constantly changing industrial and transport technologies, the significant economic changes. Every new generation of workers has to adapt to technological changes four or five times during their working years. In his work *Intellectual Capital. The New Wealth of Organizations* Stewart (1999: 400) says that in order to prosper in non-material economy organizations and people should master new working methods that differ from former skills as much as birds differ from stone. The formation of the innovative economy in Russia is hindered by the lack of rational methods of transferring scientific and engineering discoveries from the sphere of knowledge generation to the sphere of

production. It is important that modern universities prepare specialists who value innovation and are able to compete in the contemporary labor market and to promote the results of their work.

4. The potential for change

The absence of a systematically organized labor market and the indefiniteness of labor market perspectives hinder the effective reorganization of Russian universities. Quite often higher educational institutions are reorganized without due regard to real economic and social changes. It should be acknowledged that not all organizational decisions implemented in Russian universities (constantly changing educational standards and curricula, changing conditions of licensing and accreditation, the launching of the Bologna process without due regard to Russian university traditions) are sound. Speaking about such decisions Wolfson (2013, p. 35) refers to them as “the pestilence of reforms”. The representatives of universities believe that higher education modernization is largely impeded by the constantly growing supervision performed by petty bureaucrats. The specially designed organization bears a menacing name of Rosobrnadzor (Federal Education and Science Supervision Service), which better suits a penitentiary. Russian academic liberties can be lost before they have even evolved. There are almost no organizations that can search for and implement Russian innovation experience of higher education reorganization.

Universities are asked to develop numerous curricula and prepare various reports. It is especially detrimental since the majority of these innovation experiments are implemented not at a regional level as an experiment but at the federal level as a must. However, these innovation experiments are often curtailed for want of improvement. The educational potential of many Russian universities is not enough to introduce revolutionary changes. Specialists maintain that there is an urgent need to overcome the long-term underinvestment of higher education, the disintegration of scientific schools, the aging of teaching staff, the moral and physical depreciation of laboratory equipment, funds and so forth (Senashchenko, 2013, p. 12).

Nevertheless, Russian universities are looking for better ways of becoming competitive. They are interested in training socially mature specialists who have creative thinking and are willing to learn continuously. Universities are forming specialized departments, research laboratories, design laboratories, research parks, technology platforms, students' business clubs, business incubators, innovative companies, etc. The interested ministries, first and foremost the Ministry of Economic Development, are implementing new models of stimulating university-business collaboration.

In accordance with the requirements of state educational standards, universities are recommended to employ practicing specialists at a level not less than 5% of teaching staff. Businesses, social organizations and universities actively participate in examining curricula, state educational standards, research and innovation projects. However, the collaboration of companies and universities has only just begun and is still of an experimental character. Each system functions separately and doesn't fully cooperate with the other. Businesses cannot assure systematic collaboration with universities and are busy chaotically filling their personnel gaps. As for the system of higher education it is self-sufficient and independent [temporarily!] of business.

Examining the situation in Irkutsk region oblast, Vinokurov and Bratishchenko (2009) come to the conclusion that “the percentage of employers who strive to be and actually are engaged in active cooperation with institutions of higher learning is not very high. The other the representatives of the labor market “either do not want to spend their time on that kind of cooperation, considering

it not that useful and confining themselves to providing information about existing job vacancies, or else they are not prepared to do so for various reasons (a difficult economic position, a small organization, and so on)" (2009, p. 35). In these conditions, it is premature and incorrect to rate universities and to assess universities' activity on the basis of graduate labor market outcomes.

Education reforms bring about gradual teaching staff changes. Leading positions are being taken by those who employ different methods (often different from traditional academic ones) to mobilize funding support, to involve students, to work on their individual brand. Students and teachers are devoting a significant amount of their time to creating and presenting an image necessary for successful participation in contests, grant acquisitions, stipends for education abroad, consultation services and so forth. A successful teacher is the one who can produce new knowledge and can sell it.

Russian universities are also adopting new education technologies. Many traditional natural-scientific, medical, engineering professions join social sciences to form integrated education programs. In the nearest future faculties and departments may become irrelevant and outdated and probably will be replaced by dynamic interdisciplinary programs which will employ replaceable professorial staff in accordance with their current needs.

However, to mask the obvious fall in the importance of fundamental science and to retain their expert functions, universities will preserve some traditional departments and some commercially unprofitable professorial staff. But it will be only partial measures. Under the influence of market factors universities will assimilate into the mainstream economy and will manufacture knowledge. The conflict between university traditions and new economic challenges will be resolved in favor of market neo-practicalities.

Today's employers are not very much interested in their employees' erudition and culture level. Knowledge and skills that guarantee commercial gains are the decisive factor. Thus, in modern universities traditionally educated people may seem amateurish. The major part of professorial staff, especially people of older generations are painfully undergoing this transformation. The low remuneration of professorial work prevents young and talented researchers from joining university faculty. The social prestige of university professors has considerably lowered, which has resulted in various employee problems. The solution to these problems is an important task of education reformation.

It is obvious that faculty members of older age (50-60 years old) are not inferior to those of a younger generation in research and education outcomes, even though officials try to persuade us otherwise. The majority of senior faculty members support the idea of university modernization. New faculty development requires reasonable combination of different age groups.

5. Alternative solutions

Russian enterprises could not afford to wait for the restructuring of traditional academic education. In the last 20-25 years, Russian enterprises have established various corporate training facilities, such as training courses, workshops, retraining courses, business schools, corporate universities, corporate academies and so forth. Some of them, for instance, business schools are affiliated with classical universities. Others, corporate universities, for example, are developed by large-scale Russian companies (*Gasprom, Severstal, Ingosstrakh, Sukhoi, Rusal, VympelCom, Lukoil* and so forth) and are aimed at educating employees and at solving strategic tasks. The

purpose of corporate universities is to provide company-related business education for employees in order to meet companies' business strategies.

Russian companies do not only consume educational services but also provide them. Corporate education, which is less rigid than traditional academic education, can better adapt to the changing labor market and thus can be an important asset in overcoming educational crisis. Corporate education, being one of the modern forms of education incorporation, does not only solve companies' technical and technological tasks but improves employees' knowledge of management innovations. Traditional universities are unable to satisfy the rapidly changing requirements of the labor market, and since Russia does not have a rich experience of university commercialization, corporate educational facilities are an important asset in satisfying both present and future needs of the rapidly changing labor market.

The level of business education in particular is closely associated with the state of a country's economy and civil society's development. When the level of economy's development is high and social institutions perform their function stably, educational institutions are capable of providing high-quality academic services. It explains why the geography of business education repeats the geography of highly-developed economies. Business education has reached its highest development in Northern America, Western Europe, Southeast Asia.

The development of Russian corporate education may bring about considerable changes in the sphere of professional training and retraining. It may trigger off a change in the role of traditional institutes of professional development. In the conditions of rapidly changing knowledge and growing industrial diversification corporate educational institutions get considerable advantages. Unlike traditional institutions, which use unified curricula of professional development, corporate universities create programs specifically for a certain organization, which is know-how.

At the same time, corporate educational structures are not opposed to traditional university education. We believe that traditional educational institutions and corporate educational institutions will be able to collaborate effectively in postindustrial Russia. Traditional universities should record, systematize and transmit universal cultural norms and values. They should preserve cultural heritage preventing it from disappearing. Corporate educational institutions should try to find the balance between cultural knowledge and practical knowledge acquired through professional activities. They should be aimed at solving present and prospective tasks. We hope that in the nearest future traditional and corporate educational institutions will be able to form a successful and effective collaboration.

6. Future trends

Russian leaders understand the importance of studying foreign experience of personnel training and in adjusting it to the reality of Russian life. They are interested in commercialization of university innovations. In 2010, the Government of the Russian Federation approved the act "On measures of attraction of leading scientists to Russian educational institutions of higher professional education" and allocated about 12 billion rubles from the federal budget (allocation period being 2010-2012). One of the collaborative international research centers will be Skolkovo Business School, which promotes a new model of education. One third of students' time is devoted to lectures and seminars and two thirds to real projects, which students perform in groups of 5 or 7 in Russian and foreign (American, Chinese, Indian, etc.) companies. Skolkovo will host the largest international collaborative network of innovation commercialization.

Skolkovo Business School also allows the testing of mixed partnership in the sphere of university education. Among the founders of the school there are eighteen Russian and foreign companies and individuals. The teaching cost per student in Skolkovo Business School will be 10 times higher than in average Russian universities. It is believed that at the first phase of the project implementation there will be about 80% of foreign teachers with a vast experience in business consulting. Skolkovo Innovation Center will become a reference point for Russian modernization, a hotbed for a new generation of employees able to implement innovation in business.

The creation of the system of education which will adequately meet the requirements of modern society is a complex, long-term and money-consuming process. Suffice to say that by the beginning of the 21st century there was not a single country that had managed to create all the necessary conditions for lifelong education of the majority of its citizens.

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