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APPLICATION OF MANAGERIAL OUT-TECHNOLOGIES IN THE LABOUR MARKET

ПРИМЕНЕНИЕ УПРАВЛЕНЧЕСКИХ АУТ-ТЕХНОЛОГИЙ НА РЫНКЕ ТРУДА

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**Annotation:** *This article presents the study of managerial out-technologies on the labour market. Due to the change of traditional forms of enterprises, flexible forms of employment as out-technologies have appeared. These allow the companies to realize specialized functions as well as they are used in solving the problems related to the staff provision and its work. The use of out-technologies in the management of the personnel of organization is related to the interaction with the external environment of the organization, the use of resources from outside, the performance of some of the necessary functions by outside organizations.*

**Аннотация:** *В данной статье рассматривается адаптация управленческих аут-технологий на рынке труда. В связи с изменением традиционных форм предприятий, на рынке труда появились гибкие формы занятости в виде аут-технологий. Они позволяют компаниям осуществлять специализированные функции, а также используются для решения проблем, связанных с предоставлением персонала и их работой. Применение аут-технологий в управлении персоналом организаций связано с взаимодействием с внешней средой организации, использованием ресурсов извне, выполнение части необходимых функций сторонними организациями.*

**Keywords:** *staff outsourcing, out-staffing, personnel leasing, assessment, outplacement.*

**Ключевые слова:** *аутсорсинг персонала, аутстаффинг, лизинг персонала, ассесмент, аутплейсмент.*

**Introduction**

Labor market is an integral part of market economy. The mechanism of labor market regulation comprises the whole spectrum of economic, legal, social and psychological factors, which determine the functioning of labor market. This is realized through the system of employment, including an extended network of employment bureaus, banks of data regarding jobs, state programs for assistance in gaining professional skills and employment of unemployed persons, who are looking for a job; enterprises purpose-programs that provide a retraining of staff, in the context of modernization of production, establishing a policy of staff stabilization etc.

Currently, out-technologies are being introduced in the management of personnel. "Out" in Russian translation means "outside". Out technologies in the management of personnel with effective use can become a tool that benefits the organization. This: a positive external and internal image, the implementation of a flexible personnel policy, the achievement of economic efficiency by optimizing the number of staff and others.

### Materials and methods of research

The research methods used in writing the article: method of economic observations, namely, purposeful and organized perception of economic facts, delivering the primary material for scientific economic research, method of economic measurement, economic analysis and synthesis.

### Results and considerations

In the conditions of an informational economy, one of the important goals is not to squeeze the additional cost out of the cheap labor (or the depleting nature), but to create new opportunities for producing competitive goods and services. There is already a need for a more flexible labor force of high qualification, which requires higher wages.

The labor market is an integral part of the market economy. In the frame of it, entrepreneurs (employers) and employees jointly conduct negotiations (collective or individual) about employment, working conditions and wages. In this case, the interests of the employer and the employee intertwine or may not coincide. Employers want to get the maximum profit at minimal cost. The company's costs include the employee's salary and therefore employers are trying to reduce this expense item. Employees are interested in improving their financial situation and, accordingly, raising the wages. In addition to these market relations, almost all the socio-economic factors affect the labor market.

Different authors treat the labor market differently. Some of them consider the labor market as a system of social relations associated with hiring, offering labor, that is, its buying and selling. The interaction of buyers and sellers of a specific product (labor) is described by some authors as a sphere of employment taking into account economic and geographical space. Also, the labor market is seen as a mechanism to harmonize the prices and working conditions between employers and employees.

The structural imbalance of supply and demand in the labor market has always been existing. Employers' requests often differ from those offered by job seekers. On the one hand, employers require personnel of certain specialties and qualifications, and the unemployed workforce most often does not meet these requirements. On the other hand, applicants are not always ready for the conditions offered by the employer.

Table 1 presents data on the distribution of the population by economic activity.

Table 1. Distribution of population by the participation in economic activity [4]

Indicators	Unities changed	2011	2012	2013	2014	2015	2016
Total population	Thousand persons	3 560	3 560	3 559	3 556	3 554	3 552
of which:							
Economically active population	Thousand persons	1 258	1 215	1 236	1 232	1 266	1 273
	%	35,3	34,1	34,7	34,6	35,6	35,8
Population employed in economy	Thousand persons	1 174	1 147	1 173	1 185	1 204	1 220
	%	33,0	32,2	32,9	33,3	33,9	34,3
ILO unemployment	Thousand persons	84	68	63	48	62	54
	%	2,4	1,9	1,8	1,3	1,7	1,5

The share of economically active population varies by country. In the developed countries of the West, about 50-70% of all the labor resources are economically active, and in developing countries - up to 55%.

The data presented in Table 1 show that the economically active population in Moldova is more than a third of the population. In recent years, there has been a slight increase in this category of population (from 32.2% in 2012 to 34.3% in 2016).

A small percentage of the economically active population is due to the fact that many of the Moldovans leave the country, searching jobs abroad that are paid better, so, reducing the opportunities for implementing the concept of sustainable development. According to various estimates, between 0.5 and 1.5 million of Moldovan citizens work temporarily or permanently abroad. In search of work, there go not only people with working professions, but also highly qualified specialists.

Now, the labor market faces some changes. Small professional groups that use new information technologies in their work replace traditional production teams. At the same time, the boundaries of the traditional form of enterprise (with offices and shops) are blurred and a virtual enterprise comes into its place. It has electronic jobs linked by a computer network, and can be located in different countries (territorially disjointed).

In connection with this, non-standard (flexible, incomplete) forms of employment are widely spread on the labor market, which are characterized by the following conditions:

- flexible work schedule with part-time or a part-week work;
- division of the workplace by performers, i.e. several workers are hired for one job, who work alternately;
- temporary work (including work in projects), limiting the employment relationship a certain period or scope of work;
- remote work ("without a workplace"), implying the performance of labor duties outside the company (at home or in constant travels, etc.);
- part-time work (simultaneously with several employers), in which the total working time may deviate from the average working week;
- work "for yourself" (self-employment), in which people do not belong to any formal organizations, but independently produce goods and services;
- informal employment, which is not reflected in official documents (or only partially reflected), spreading due to the fact that state control over non-standard forms of employment is difficult.

All these forms are associated with various risks of employment, as they are not permanent.

Charles Handy's popular theory about trefoil organizations: "Shamrock is the way to make the best use of human capital" [3, p. 75]. Under the trefoil in this case, the author implies three categories of personnel, capable of performing certain duties within the same organization. These include the main employees, specialists for the performance of a non-profile work for the organization and temporary workers.

The main employees are technical specialists, highly skilled workers and management personnel. They develop strategies, make important management decisions, and implement innovations to develop the organization. For this, they are valued and stimulated by the organization not only with high wages, but also with additional benefits in the form of participation in profits, in property. Therefore, this group of personnel is extremely small in the labor market.

Specialists to perform work that is not profile for the given organization receive wages for quality work performed in a timely manner and within the established time limits. These works are necessary to maintain the life of the organization (external contractors).

Temporary workers are involved in particularly busy periods of the organization's activities or to ensure its smooth functioning [3, p. 75].

In the labor market, the named categories of personnel are implemented in the form of personnel technologies or out-technologies.

In the economic literature, out technologies are defined as forms of extra work and are conditionally divided into two groups:

- 1) associated with the implementation of specialized functions, when outside the company, "not specific employees," but certain functions or business processes are "displayed";
- 2) directly related to the provision of personnel.

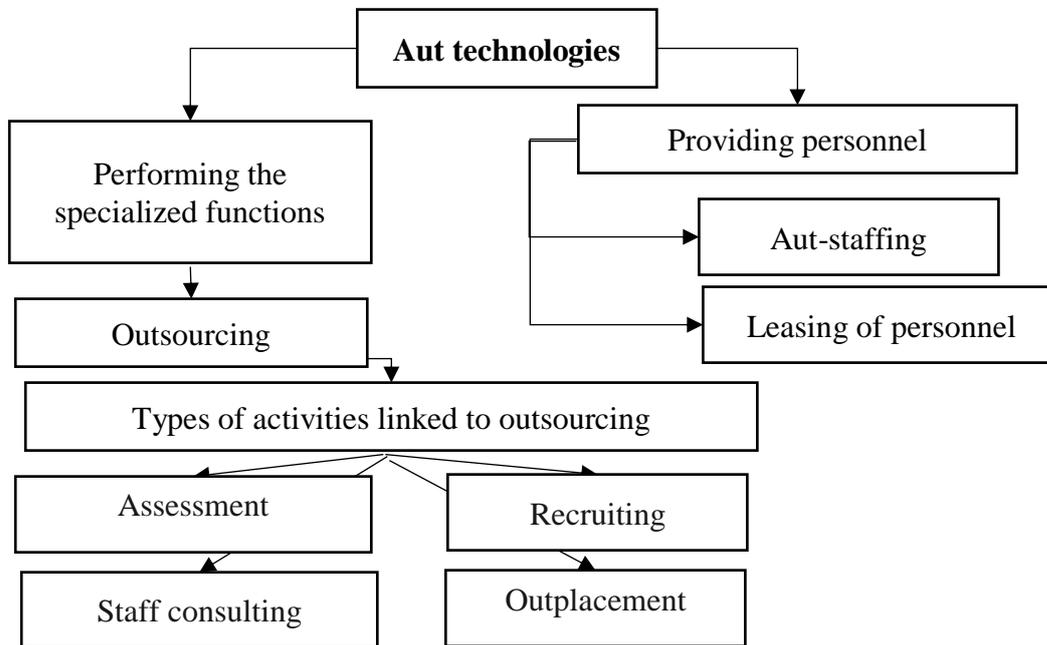


Figure 1. Types of out-technologies on the labor market [elaborated by the author]

The mechanism of borrowed labor implies the interaction of three parties: an employment agency, a client enterprise (which applies to the employment agency in order to search for and select the necessary personnel for a certain period), the borrower.

Depending on what types of activities the company transfers to a professional employment agency, the following forms of loan work are distinguished:

a) outsourcing of non-core activities (minimal outsourcing). They are engaged in auxiliary, service shops and services. Taking out non-core functions outside the company, the company enters into a long-term service contract. In this sense, this personnel technology is not much different from performing work on a contract basis. For "young" companies, this type of outsourcing is a way to survive in a highly competitive environment, for large - the opportunity to reduce costs and reduce costs;

b) outsourcing of intellectual activities (effective outsourcing). These kinds of activity include legal, consulting, recruiting, information, marketing, accounting, etc., which solve the tasks of market pricing, financial management;

c) outsourcing of production processes (radical outsourcing). It involves the creation, because of restructuring, of a shell company (a firm without production);

d) outstaffing involves the removal of a part of the staff for the staff and registration with the staffing agency-provider, which in the future formally fulfills for them the functions of the employer, but in fact they continue to work in the former company. Outstaffing technology allows you to reduce administrative costs and risks associated with the company's personnel [1, p. 14]. The main value of outstaffing as a human resources service is that it allows you to give the necessary flexibility in personnel management and align the number of employees with the real business volume [2, p. 171].

e) staff leasing implies the provision of personnel in the personnel agency staff for a relatively long period of time (from three months to several years).

Leasing is a legal relationship that arises when a recruiting agency enters into an employment contract with an employee on its own behalf, and then sends it to work in an organization for a relatively long period. There are several types of personnel.

Long-term staff leasing. - The technology involves the organization's lease of employees in the agency staff for a period of several months to several years. In general, this is practiced in cases where the services of a qualified specialist are required with a certain regularity.

Provision of temporary staff for a period of one day to several months involves short-term staff leasing. It is mainly used in seasonal "peaks" of activities, as well as for one-off shares, replacement of absent staff members. Here, as a rule, we are talking about hiring of administrative and maintenance personnel for the period of exhibitions, conferences, marketing research, and promotion actions, for the period of illness or for the leave of staff.

**Personnel consulting (consulting)** - a kind of consulting activities to provide a variety of services in the field of personnel management. Within the framework of personnel consulting, the tasks of organizing the activities of personnel services are being accomplished; development and optimization of individual procedures for personnel management (namely, documentation support for personnel management, selection and adaptation of staff, staff assessment, and incentive and motivation system).

**Recruiting** involves the selection of personnel ("recruitment", recruiting, manning the personnel of the client organization with the help of various technologies). The tasks of recruiting agencies can be conditionally divided into two groups. The first group is tasks related to the clients that employers act. In particular, the search and selection of personnel in accordance with the requirements of the employer; reliability of selection, i.e., the provided specialist; selection is strictly stipulated by the contract terms. The solution of the tasks of the second group, related to the recruiting agency itself, involves ensuring the profitability of the agency's activities, the search and training of its own personnel; creation of the name and promotion of the brand in the market of personnel services.

**Outplacement.** Its essence consists in the formation of a general employee's understanding of the situation in the labor market of the region, and in recommending him an effective way of behavior in the process of finding a new job. Organizations resort to outplacement in connection with the reduction of staff in the merger, closure or restructuring. This technology allows you to preserve both the internal and external image of the organization.

**Assessment** (the procedure for evaluating the company's personnel) is also realized through outsourcing. Unlike simple testing, the assessment is a complex professional and personal assessment and includes many procedures: psychological and professional testing, normative and situational-behavioral tests, individual and group exercises, interviews and so on. The company conducting the assessment compiles the final report on the results of the evaluation and makes recommendations.

The method that allows the most reliable and unbiased assessment of the conformity of the candidate's characteristics to the competences that determine the effective work at the planned (occupied) position is called the **evaluation-center**. The evaluation-center allows not to lose from sight the candidates with high potential, since his assignments are "not tied" to the traditional criteria of academic qualification, but are directly related to future activities in the posts.

The **Assessment Center** makes it possible to identify from those who have not approached the discussed vacancy past candidates, but who are suitable for other positions of specialists (the so-called personnel reserve). This can be called a by-product of the assessment center. The evaluation centers receive a positive evaluation from the candidates, first, because the tasks of the evaluation centers are formed from tasks reflecting the actual work in the respective position. In addition, candidates have a kind of unique opportunity to receive constructive feedback on the results of the

Center, which gives them the opportunity to use the information they received in the interests of self-development and professional self-improvement.

**Business training** is a type of activity that is a determining factor in the competitiveness and viability of a modern organization.

### **Conclusions**

In the face of increasing competition and high mobility, determined by market relations, out-technologies are gradually becoming more popular in the labor market, playing the role of tools that improve the effectiveness of organizational management. The main areas of outsourcing use as out-technology are advertising, accounting, legal services, maintenance of computer equipment, security, etc.

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