

**RESEARCH ARTICLE**

## **Unemployment, Youth Leadership Ambitions and Tasks of the Modern Russian University**

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### **Abstract**

The Russian economy undergoing a crisis and dealing with sanctions, students of Russian universities are becoming increasingly worried about their further career paths. There has been a significant increase in competition for jobs which are connected with the “middle class” standard. To overcome the crisis, there is an urgent need for energetic and purposeful specialists. Under these circumstances, it is vitally important to create the environment for bringing up leaders among young professionals. They must be ready for solving challenging tasks set by modern markets. Due to these factors, a training institution for future managers has been altering both its mission and its strategy.

**Keywords:** *Unemployment, Crisis, Youth Employment, Leader, Career, A Russian University's Main Tasks.*

### **Introduction**

Recently Russia has been facing a crisis. It can hardly be compared to the 1992 crisis which resulted in tragic events for the USSR and almost ruined Russia. It can hardly be compared even to the 1998 crisis following a default. In the first place, because a new generation is emerging - those who were brought up in a different environment compared to their parents. A drastic change of ideology has taken place. Apparently, the way the new generation handles the current political and economic situation will define the future of this country. What is the modern Russian youth aiming at? Who is “a leader” and who is “a loser”? How are these concepts related to choosing a career path in general and what to learn in particular? What kind of role does a university play in this process? The authors from PFUR's Department of Marketing have attempted to figure it out on the basis of studying students of the Economic Faculty.

### **Problem Formulation**

For amending a university's strategy, it is necessary to understand the way modern young people see their career prospects, the way they see a leader and what they expect from university studies.

In recent times the question is raised about the quality of education in Russia universities. Especially it concerns the areas of training of specialists in the field of management. Quality of education - it is always a two-way process. On the one hand - this is the activity of the university, on the other - the position and understanding of the situation by the students themselves. To change the management of the preparatory process, it is necessary to understand how the today's youth sees his professional future and what it expects from the learning process at the university.

### **Research Methods**

The theme of leadership is relevant in the preparation of young specialists in the field of management. Traditional theories and models of leadership, as well as modern concepts of-expression in T. Peters studies, D. Goleman, V. Vroom and Ph. Yetton, P. Hersey and K. Blanchard, K. Lewin, H. Yukl, I. Adizes, D. Kelley, R.Sharma finds practical reflection in organizations. Preparing young professionals with leadership potential allows companies to be more efficient, which is essential for the variables Russian companies.

In order to identify the relation of students of faculty of management to its future career and how they understand who the leader was carried out research. The results of respondents' opinions were compared with statistics on employment and unemployment among the youth, as well as the presence of vacancies in the labor market in Moscow and the Moscow region.

The study used two main methods for gathering information: desk research, statistics data headhunting agencies and survey of students the Faculty of Economics of the Russian Peoples' Friendship University. The sample consisted of 250 persons from among the students of the 2nd - 4th year studying in the special-ness "Management", "Marketing", "Human Resource Management".

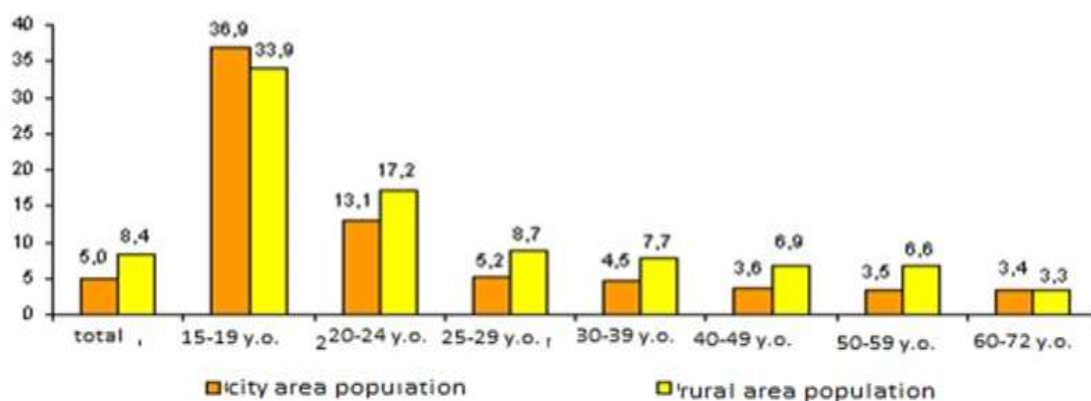
It was revealed some contradictions between the desires of the future demand for managers and professionals in the labor market. It becomes obvious that the direction of training of the future leaders of the economy need to be adjusted.

## Research Description

### Labor Market and Youth Employment

In December 2015, the Russian government summed up on the current labor market situation and unemployment rate. According to the Russian Statistics Committee, the total rate of unemployment amounted to 5,8 %. Among young people (aged before 25) the average unemployment rate was 23,8%, which is a considerably large figure. Job seeking seems to be particularly hard for 15-19 year-olds. The unemployment rate among this group is 35% (pic. 1). The coefficient of youth unemployment rate growth (aged before 24) as compared to the unemployment rate among those aged 30-49 is 3,3 including city population - 3,5 and rural population - 2,7.

Among the unemployed, 24,6% are accounted for by people with no work experience. This means that people with work experience and a certain education account for more than 75% of the unemployed, which is 3,4 million people who have not found their professional realization. The number of unemployed citizens without work experience includes 15,2% of young people aged 15-19, 49,4% - aged 20-24, 16,6% - aged 25-29. These figures enable us to draw a conclusion that the age period from 20 to 24 is somewhat critical for job seeking and self-determination. Almost 50% of young people are unemployed and it is only by the age of 25 when this rate starts decreasing.

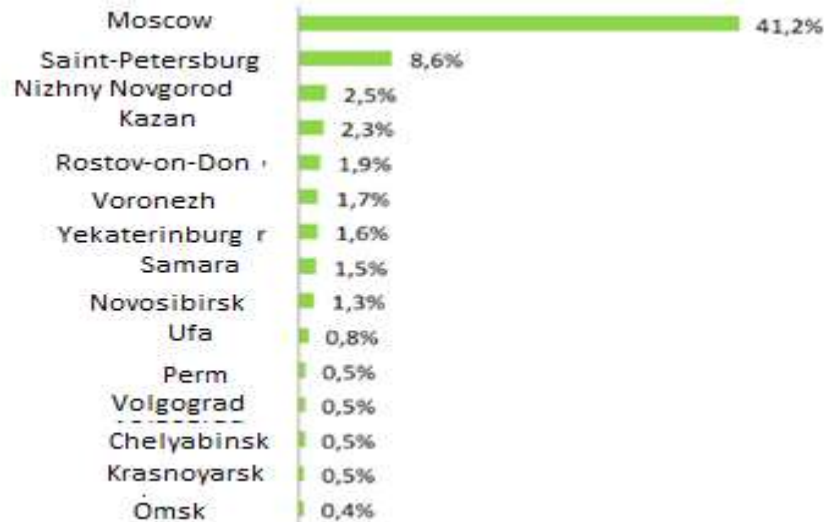


**Figure 1: Unemployment rate by age groups and population types, December 2015.**

Source: The Russian Statistics Committee. [www.gks.ru](http://www.gks.ru) [1]

Russia is an economically diverse country. Large cities are absolute leaders in “consuming” labor resources. Fig. 2 shows a list of the most attractive cities for job seeking. The

obvious leader is Moscow offering about a half of the whole range of vacancies nationwide. This is such an imbalance!



**Figure 2: Russian cities' rating according to the number of vacancies for young specialists (%).**

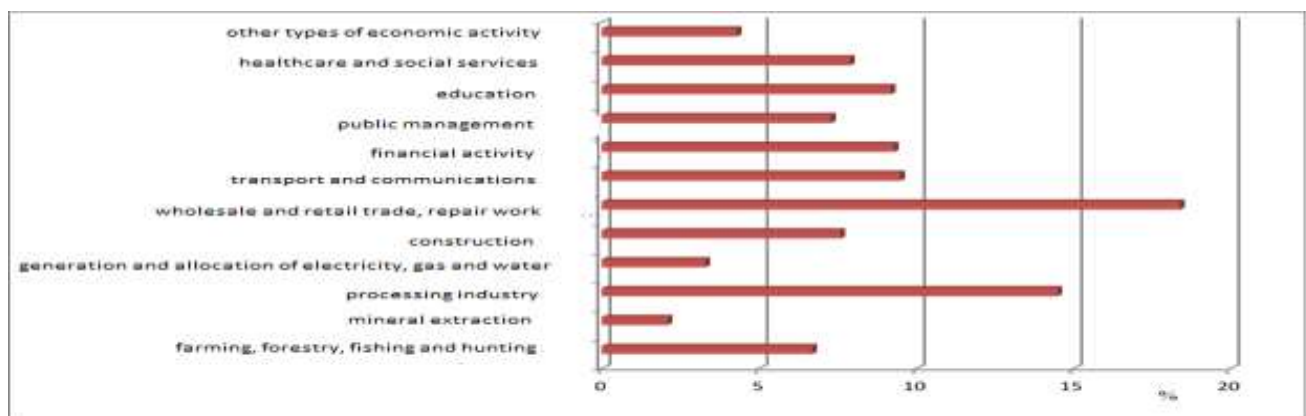
Source: Career. Ru. <https://career.ru/article/14578>

According to the 2015 statistical data, the most highly-sought activities include trade, repair services and various manufacturing industry jobs (Fig. 3). The least number of people are involved in mineral extraction. Such division misrepresents the actual situation because referring an activity to a particular industry is based on the Russian National Classifier of Economic Activities which takes into account the formal side of employment. For instance, mineral extraction assumes a lot of organizations and companies which formally have nothing to do with mining as such but in reality are reliant on this sphere. However, the general picture is quite clear: non-manufacturing spheres account for more than 50% of the total number.

The study of the Russian labor market in 2014 conducted by a head-hunting company "Agency Contact" (Agentstvo Kontakt)

suggested that almost three quarters of employers can feel the signs of crisis this year. It predominantly touched such sectors as banking and investment services, tourism, hotel business, insurance, construction, fashion industry, manufacturing and car production, transport and logistics. Today, those specialists who some years ago were considered irrelevant and non-prospective have become more demanded. Here is a list of the most future-proof professions in Russia in 2014-1015:

- Highly qualified manual workers: electricians, welders, millers, electrical engineers.
- Engineers in various fields,
- Programmers,
- Doctors and medical attendants who are in demand not only in their field but also in related spheres.



**Figure 3. Types of full-time economic employment of population (08.05.2015).** Source: the Russian Statistics Committee.  
[www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/wages/labour\\_force/](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/wages/labour_force/)

In September 2015 one vacancy was generally claimed for by 9 candidates and this figure keeps growing. Competition on the Moscow region labor market has become more complicated and is now exceeding the 2014 figure almost twice. The number of vacancies published in November 2015 turned out to have decreased by 15% as compared to August 2014. There was a 6% decrease in demand within a year's period. [2].

The largest number of vacancies in November 2015 was published by retail companies, IT firms and enterprises engaged in non-food consumer goods. The year 2015 saw a rapid growth of IT vacancy market accompanied by a stable increase in supply.

As for the current job seeking situation, the largest number of CVs (based on the data of Sept. 2015) was placed in such spheres as "Career start, students" and "Sales" (15% and 11% respectively). The sphere "Administrative personnel" ranks third - 8%, "IT" ranks fourth and "Accounting and Finance" completes the Top 5. Unfortunately, the unpopularity of professions in industry and production may be clearly observed.

### **Where Would We Like to Work and Where to Work as Little as Possible?**

Moscow is a leading provider of education services. Every year, the market is flooded by a great number of young specialists graduating from the Russian capital's universities. In 2014\2015 academic year 227 universities functioned in Moscow including 87 public and 140 private, where 924 thousand students were trained. Every young specialist faced a question: where to find a job? Many of them having received degrees failed to find jobs in accordance with their specialties. Therefore, the Mayor of Moscow Sergey Sobyenin decided to open a Common youth employment centre in May 2016. [3].

During the study period, many students prefer doing odd jobs. Nowadays it has even become trendy. Combining lectures and specialty-related seminars is pretty hard, so students have re-sorted to various ways of organizing their time. They work as couriers, administrators, waiters. At the same time, experts advise to look for specialty-related traineeships. Statistics suggest that

the number of working students in Moscow has doubled. According to various surveys conducted among young people aged before 20, the top most popular areas of work for youth is as follows: civil service, the financial sector, manufacturing, trade, information technology, media, art, consulting / marketing / advertising, extraction, medicine / pharmaceuticals, education.

Let us consider a list of the least sought-after professions in the labor market [4]. Ironically, this list is headed by the civil service sector which sees the strongest decrease in the number of vacancies. Due to the crisis in Russia, it is this sphere that has suffered most. At the end of 2015 the competition amounted to 30 candidates for a vacancy. Next comes the extraction sector, to be more specific, oil-and-gas. An aggravating political and economic situation - imposed sanctions, lifting the oil embargo from Iran and a drop in oil prices below historical lows - has badly affected this sector with no further demand for employees. The third position is held by the banking sphere and accounting when the Central Bank has to close down a considerable number of banks which is followed by considerable lay-offs. The crisis has resulted in banks losing their credibility among population, term delays in credit payments have also increased. But the main reason for this sphere's low demand is lowering rates of economic development. Another sphere which has suffered from the crisis is construction (architects and planners). Due to the real estate market decline, construction projects' returns are indefinitely postponed.

The list is closed by the sphere of tourism which has considerably suffered due to a sharp decline in money's purchasing power, growth of prices for other goods and services and the closure of the main holiday destinations - Turkey and Egypt. Domestic tourism has not yet covered the market decline.

Comparing the two lists-where people want to work and where there is the least demand for labor resources - we can clearly see a problem. First of all, the percentage of those who wish to work for civil service is too high for the younger generation. It is common knowledge that jobs in public sector enter

prises provide certain security and stability, therefore those who aim to work in this sphere are mainly not self-confident people unsure of their future. Does it mean that a considerable percentage of Russian young people subconsciously feel insecure? This is an alarming tendency for the future of the Russian economy. The financial sector ranking second in the list of the most aspiring jobs, one may notice a pursuit of an “unstrained” life.

However, the young generation is supposed to be active, energetic, risk-taking thus developing the economy. Young people must, at least, want to benefit not only to themselves. Enthusiasm is a feature of the young without which everything is doomed to fail. Something has happened to the modern youth's minds, which reveals a pursuit of a “calm and unstrained” life in the shelter of public structures. With this in mind, a question of leadership arises. Who may become a leader in the current situation and how can this leader be brought up?

### **What is the Russian Youth Aimed at or Who is a Leader?**

The rate of changes happening in modern Russia keeps growing. Innovation technologies, consolidation in various economic and social areas and political alliances increase the importance of non-formal actuators of interpersonal relations in organizations. Therefore, the phenomenon of leadership is becoming particularly relevant in business environment, the way it is presented by social psychology specialists and the way it is perceived by the modern Russian youth. As for its definition, leadership is, first of all, an ability to affect people through non-coercive forms of influence, i.e. by way of motivation, inspiration, interest, teamwork, etc. At the same time, the supporters genuinely share the values and principles of their leader and follow him on their own conviction and initiative. The scale of leadership may be different – from satisfying personal needs and ambitions in small groups to developing whole industries and even states. The disclosure of leadership potential occurs with a gradual increase in the scale of problems to be solved by an individual, the results and the ability of self-motivation and self-improvement.

The worldview that today's young people develop will largely determine the development of the Russian economy. For educational institutions it is crucial not only to provide knowledge and practical skills, but also to shape the principles to be observed during the whole life. This is the most important task of an educational institution. In order to assess young specialists, at the beginning of 2016 Peoples' Friendship University of Russia carried out a study among students of the Economic Faculty. The purpose of the survey was to determine the expectations of the modern student. How do young people see their future?

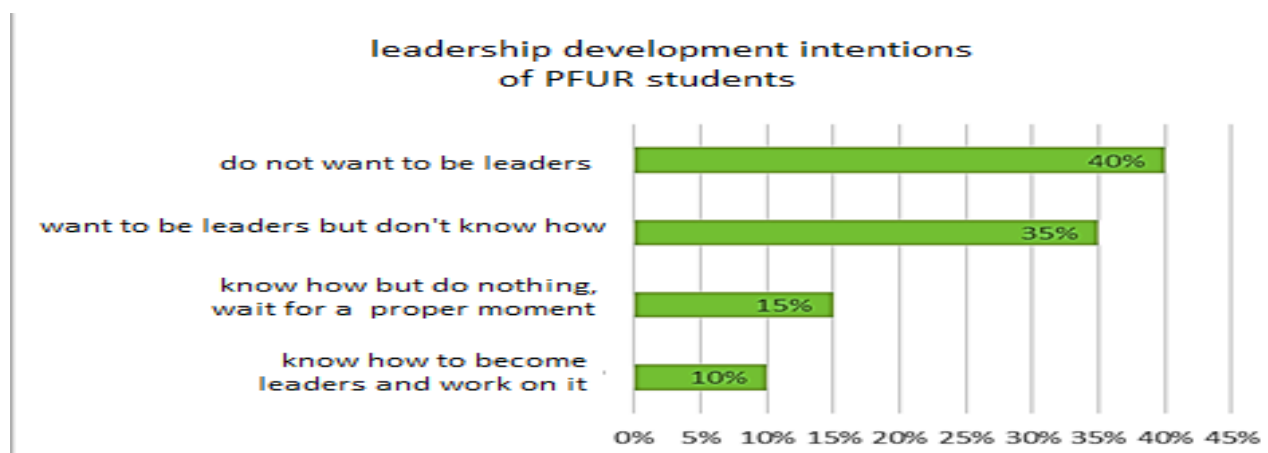
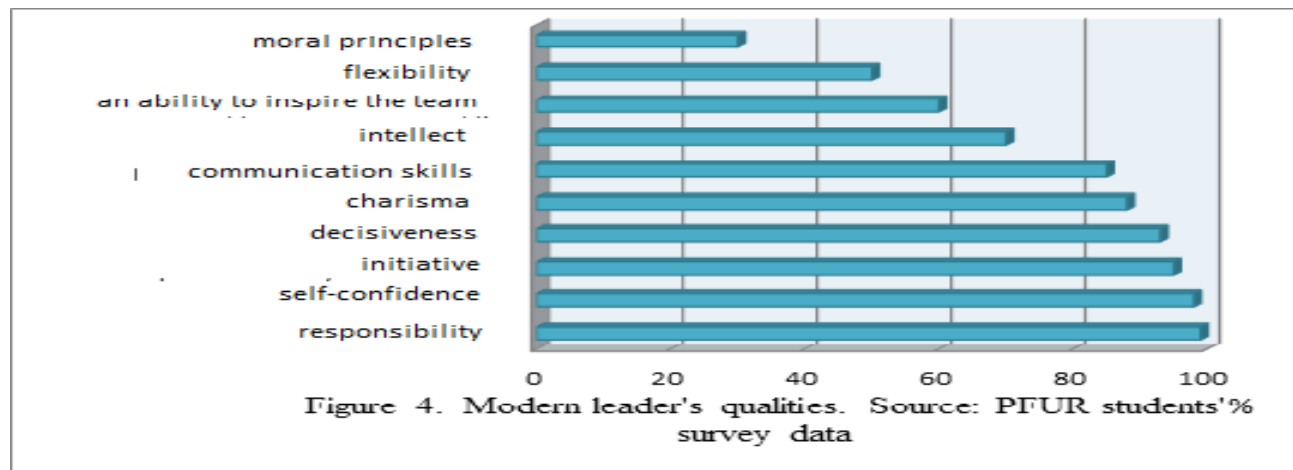
A lot of young people aged 20-25 start to learn in. A pursuit of personal significance makes students consider the following question: who is a leader and could I possibly become one? Thus, students were asked to list qualities necessary for a modern leader. Pic.4 presents the result and shows that a leader is someone self-confident, charismatic and decisive. One could imagine a person aimed at saving the world from destruction or a company from bankruptcy. A leader in the eyes of young people is a decisive and active hero. At the same time, moral principles rank last and intellect is far from being first as well.

The study also suggested that only 10% of students develop their leadership potential. One can assume this to be the actual number of intending specialists who will develop the country's economy. 35% would like to develop leadership qualities in themselves. As a rule, these are students influenced by leadership popularization who see leadership as a key to success and happiness in life but hardly imagine how to apply foreign theoretical knowledge to themselves.

Another 15% of students are not pro-active so as to reveal a leader. These are potential critics of every beginning. As a rule, it is them who know for sure how things should have been done. The rest 40% do not aim to be leaders linking this quality with extra waste of energy and responsibility. It is vitally important to help them become responsible and efficient specialists. It does make sense to influence students who would

like to become leaders but do not know how, in order to transfer the two-thirds of this

category in the country's pool of leaders.



**Figure 5: Students' intentions for developing leadership qualities. Source: PFUR students' survey data**

The Russian business environment is interested not only in informal leadership but also in integrating non-coercive forms of influence in the formal aspect of management. In other words, developing informal leader's qualities in formal managers and assigning a company's formal authority to an informal leader. Such kind of authority allows both enhancing influence on the team to get a synergy effect and using it more effectively.

A modern Russian student is largely attracted by career promotion by means of developing informal leadership components. In most CVs writing about their personal qualities, students mention good communication skills and analytical mind, independency and being a good team member, ambition and responsibility, creativity and stress resistance as the most typical leader's qualities. Professional knowledge is

confirmed by a particular university's diploma which is a certain quality mark for the employer and a factor for considering the graduate as a potential employee.

Today's Russian universities are aimed at training specialists for various areas focusing, in the first place, on knowledge deepening and systematization. However, modern Russian business prefers recruiting young specialists paying more attention to personal and behavioral factors, i.e. leadership potential or, at least, an ability of self-organization. The knowledge obtained

by young specialists in companies is of a relevant applied character and is adopted for companies' specific goals. There are different forms of employees' training in companies – from seminars and trainings to corporate



university programs. Therefore, last year students often show low motivation for getting knowledge at university.

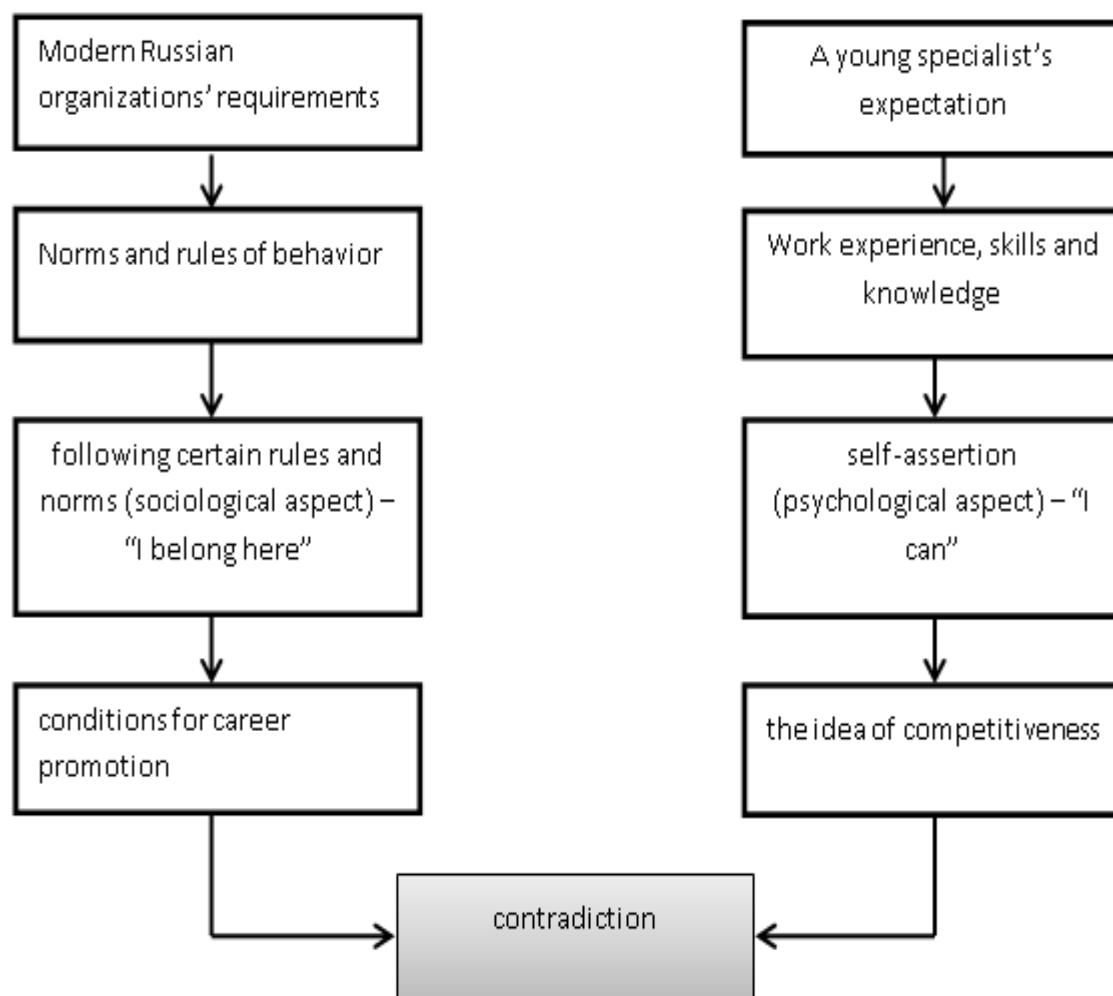
Students' and employers' assumptions of each other's expectations are controversial. Table 1 compares their mutual expectations.

**Table 1: Mutual expectations of students and employers**

<i>A graduate's expectations towards an employer</i>	<i>An employer's expectations towards a young specialist</i>
the high knowledge level obtained at university allows getting the best work	trusts internally obtained knowledge
professional knowledge is more important than personal characteristics	personal characteristics are more important than professional skills
conforming to the company's requirements and norms will help in career-making	situational flexibility allows getting career promotion
To fulfil tasks in accordance with the algorithm set	to choose a right direction for development
template thinking	systems thinking
my knowledge and skills are numerous	a graduate's knowledge and skills are next to zero

One should also keep in mind the socio-psychological controversy that arouses as a young specialist comes to an organization. The organization's requirements for corporate behavior start to conflict with the graduate's actual behavior. An ideal workplace picture where the young man

with his knowledge is a highly sought and irreplaceable employee is replaced by the awareness of a newcomer's real position in the company, where his further development is defined by personal competencies rather than by his knowledge.



**Figure 6: Principles of socio-psychological contradiction of a company and a young specialist**

Fig. 6 schematically shows the nature of socio-psychological contradictions. In view of the excessive supply of specialists with higher education in the Russian labor market, having knowledge and skills does not guarantee the competitive advantage sought by a young specialist. There is a need for social skills to be combined with knowledge and, most importantly, with the ideological position which is largely developed during university years.

Returning to the survey of students, it demonstrates that while answering the question about developing a successful career, practically everyone bears in mind the same model of behavior: studies and starting from the 2<sup>nd</sup> year of study – search for work but rather for getting experience than for earning money. It is hard to find a good job without work experience. A typical answer is: “When I am a second-year student, I’ll start looking for some simple work, for instance, a sales advisor”.

In view of this, answering the question “what do you expect from the university?” most students say they would like to get employment assistance, referrals for internships, joint research work, practical experience for getting a good job and connections. Knowledge proves to be far from the leading factor. A university is seen just as a compulsory stage for getting a good job. It is worth mentioning that with such an attitude to career development, students become less demanding to the knowledge they must receive. Professional growth is related to the opportunity to get work experience. In practice, many Russian students view the university not as a source of knowledge and skills but as a necessary condition for getting skills and abilities but somewhere else.

To sum it up, most Russian students begin to get professional experience during the third year of study. It is this period that reveals a certain dissonance – years of effort to receive various knowledge and competences do not add to students’ competitiveness. This effort only turns out necessary in order to meet the requirements and standards of the youth labor market which have considerably increased during the past decade. Therefore, by the time of

their graduation, young people feel already tired and demotivated towards any work in general.

### What should a University Do?

The current situation is not critical, time will restore the balance, still, with a properly planned interaction between a university and business, the transition from studies to work may be made less painful and more resource-efficient. Therefore, a modern university must amend its mission.

One of the approaches contributing to the problem’s solution is a university-company joint development of practice-oriented programs to be realized during the whole period of study. The company may attract a certain number of students on a weekly basis for solving operational tasks. The student still being at university will have a chance to embrace the activity of three-four companies and draw some conclusions on personal development in view of actual organizational processes. The realization of such joint programs will bring the following benefits:

#### ○ Benefits for the University:

- Direct requests for specific training of intending specialists
- Quick prompt adaptation to real sector changes
- Motivated and responsible students ready to get knowledge and skills
- Compliance of training programs with business environment’s demands
- Competition for potential leaders
- Growth of the university’s status and increase in the demand for its services

#### ○ Benefits for the Company:

- A chance to recruit young specialists with minimal costs and risks
- A reduction in staff turnover due to recruiting specialists sharing the company’s values
- Training and retaining potential leaders
- An ability to synthesize the practical experience obtained in the course of the company’s operation with the latest scientific theoretical approaches
- Enhancing the company’s competitiveness



○ Benefits for the Student:

- A chance to study actual requirements for young specialists in several companies within a short period of time
- Developing skills for a prompt adaptation to real sector changes
- Enhancing motivation for studying at university being aware of knowledge application
- Finding “your type of company” from the viewpoint of values and principles
- Reducing negative consequences of a failure due to internal focus on studies
- Understanding the benefits of using your own personal advantages [1-4].

## Conclusion

To sum up the research, we can draw a conclusion that, on the one hand, we see young people's willingness to find a decent “middle class” job, on the other hand, their unwillingness to take risks and learn something new and unknown. Among the most attractive professions are those in management,

banking sector, civil service, IT technologies.

The enthusiasm of Russia's older generation is in the past. All the professions are linked with the aspiration to the middle class standard which has recently appeared in Russia and has already taken root in the minds of many young people. Yet, these understandable and logical aspirations put us on guard as life is losing the element of healthy adventurism without which we can hardly hope for the development of the Russian economy leaders. Young people who see their future in management have almost no entrepreneurial drive, no idea of organizing their own business of creating a team for achieving a goal. Therefore, universities should timely amend their missions adding sociological aspects of training. They should also look for ways of cooperating with the Russian business community, develop a desire for innovation and independency. Fulfilling these tasks will take time but without proper solutions Russian management hardly has a future.

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