

RISKS OF STUDENTS' EDUCATIONAL FAILURE FOR THE LABOUR MARKET AND ECONOMY

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Abstract

One of the functions of higher education is the production of human resources for the economy. The main resource of the new type of economy is young people with relevant competencies, capable of personal development and innovation. However, higher education produces not only human capital, but also the risks associated with it. One of these dysfunctions of higher education is the risk of educational failure of university students. The article shows how these risks can realize their destructive potential in the Russian economy and labour market. The empirical base of the article is the results of expert interviews with representatives of Russian educational organizations and employers (2020). The author also used the results of a secondary analysis of data from studies of higher education, the labour market, and the labour behavior of employees. The article presents an obvious risks of students educational failure: lack of quality labour resources; low productivity; reduced competitiveness of organizations; reputational risks and increase the time and financial cost by the employer on retraining the employee. It was found latent risks: entering the labour market of a large number of employees characterized by dishonesty, deformed labour ethics, and «belligerent» unprofessionalism (dishonesty competition in organizational careers).

Key words: risks of educational failure of students, labour market, labour resources, human capital, higher education

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Introduction

In recent years, higher education in Russia has been developing in the context of neoliberal politics and «New Public Management». One of the destructive consequences of this policy was the increase in the number of unsuccessful students at Russian universities [Zborovsky & Ambarova, 2019; Klyucharev, 2013]. These students demonstrate a low level of basic and professional knowledge, lack of educational and achievement motivation. They are characterized by unstable professional orientations and a tendency to academic fraud. There

are unsuccessful students at universities in many countries. Some of them use technologies to support and provide educational assistance for such students [Kuh *et al*, 2011; Malau-Aduli *et al*, 2020; Tinajero *et al*, 2020]. This situation is in the focus of attention of teachers, university management, and the government of these countries, because it produces a lot of risks for the economy, culture, and social sphere.

Overcoming the educational failure of Russian students is not in the interests of the state, the Ministry of Higher Education and university management. The phenomenon of students' educational failure is masked and not widely discussed in the public sphere. In this regard, the probability of risks of educational failure increases, primarily for the country's economy. At the same time, the Russian economy needs a highly qualified workforce more than ever before. Human capital in a «coronavirus» economy becomes the main factor of economic growth.

The theoretical framework for studying the risks of educational failure of students is based on the conception of human capital and risk theory. Modern interpretations of human capital take into consideration the influence of various factors on it, including different types of investment in it [Barro, 2001; Wang & Liu, 2016]. This is the investment of the government, parents, employers, and students' self-investment in their education.

In the analysis of the risks of educational failure of students, we use the interpretation of risks proposed by U. Beck. He understood risk as a product of public life, regularly produced in the interaction of society with various threats and dangers [Beck, 1992]. At the same time, the production of social risks is often the result not only and not so much of the collision of society with the natural world, but also the result of decisions made by various social actors. This is the type of social risk that will be discussed in our article.

Research on the transfer of unsuccessful students from school to university and further to the labour market [Klyachko *et al*, 2019], the elaboration of optimal educational policy [Cremer & Pestieau, 2006], the quality of training and the problem of employment of university graduates [Prosekov *et al*, 2020; Byrne, 2020] made an important contribution to the development of the topic of risks of educational failure.

1 Methods

The aim of this paper is to analyze economic risks of educational failure of Russian university students. The article shows how these risks can realize their destructive potential in the Russian economy and labour market. The lack of statistical data reflecting the research

problem caused the authors to turn to the methodology of qualitative research. The empirical base of the article includes the results of semi-structured expert interviews with employees of educational organizations (2020, n=30) and employers (2020, n=15). The selected educational organizations present the main levels of the Russian education system (school, secondary vocational, higher education). The selection of experts in organizations was carried out in accordance with two criteria: work experience in the field of education for at least 10 years and the availability of the necessary competencies (knowledge and experience) to evaluate education from certain disciplinary positions (pedagogy, psychology, social psychology, sociology, economics). The sample was formed by the «snowball» method. Its quantitative parameters were determined by the moment when repeated information was received. The interview transcripts were analyzed by allocating them into statements about the risks. Then the statements were grouped and generalized. To supplement and clarify the content of risks and their impact on the economy, the authors also used the results of secondary analysis of research data on higher education, the labour market, and labour behavior of employees in Russia.

2 Results and Discussion

2.1 Obvious risks of students' educational failure that pose a threat to the economy and the labour market

The *first group of risks* is the emergence of barriers to the development of the continuing education system in Russia, which ensures the formation of a post-industrial economy. Modern science-intensive, innovative production makes the main requirement for the system of professional education: it should form the future employee's ability to learn throughout life. Students who are not successful in their education are mostly deprived of the main predictor of inclusion in the practice of continuing education – positive educational motivation and self-education skills. Here is a fragment of an interview with the expert:

«An important role is played by the attitude of students to education, to learning new things. If they initially learned to learn, then it will be easier for them to learn something new and build a career. If they have not been able to learn it, are lazy, and do not assimilate the material well, then they will have problems with it in the future. The employer often offers: come on, we will train you, send you to an internship. But the employee must also be able to do something, know and strive to learn» (G. Sh., psychologist in college).

According to the results of our previous research, the share of students with deformed educational motivation is 45% on average [Zborovsky & Ambarova 2019]. Educational failure makes it difficult for them to continue moving from one level of education to another. It shortens their educational trajectory and thereby reduces the opportunities for enriching their human capital and professional development. A survey by the consulting company BCG and the Network in 2019 showed that only 56% of Russians are ready to retrain (in other countries – an average of 67%) [Russians are less willing..., 2019]. They were satisfied with the level of education they already had, so they did not want to take additional courses and get new knowledge and skills.

These data explain why Russia ranks very high in the 4th place in the world in terms of human capital (in terms of coverage of the population at different levels of formal education), but only 42nd in terms of inclusion in continuing education. At the same time, according to such an important indicator for economic growth as the availability of qualified workers, Russia ranks 89th in the world [The Global Human Capital, 2017].

The *second group of risks* is the maladaptation and precarization of employees in the current global economic crisis. This risk, which is associated with a low level of professional competence and a lack of positive educational motivation, is already being realized in the context of the global and Russian economic crisis caused by the coronavirus pandemic. The desire to learn, master a new profession, improve skills in order to keep a job or find a new one, becomes one of the main conditions for adapting to the current economic situation. The lack of such motivation leads to maladaptation. Here is the expert's statement:

«The labour market is already changing, and the situation is becoming more serious every day. The quarantine is hitting small and medium-sized businesses hard. as a result, we are facing a wave of bankruptcies and massive cuts. Candidates from the service sector, event management, tourism, air transportation and entertainment will enter the labor market. Some of them will find themselves in related fields, but the demand for work will still exceed the supply. The competitive environment encourages candidates to improve their skills and learn new skills, so after the coronavirus pandemic in Russia ends, the labour market may be more qualified. At least, many people will learn the skill of remote work» (A. L., head of a marketing company).

Experts' statements indicate that maladaptation will be associated with increased precarization of youth labour. Unmotivated for professional development and poorly trained graduates are doomed to employment in the secondary or shadow segment of the labour market. Another risk is associated with an increase in the social group of the NEET-

generation due to unsuccessful students who dropped out of universities. As you know, this group increases the economic burden on the working population, since it is dependent on social benefits and transfers from the family.

The *third group of risks* includes a shortage of highly qualified labour resources in almost all spheres of public life – production, management, education, culture, and healthcare. The risk of educational failure developing into failure in the profession and work is assessed by experts as very high. Despite the apparent overcrowding of the labour market, Russian employers are experiencing an acute shortage of professionally trained, conscientious, and motivated employees. Russian employers constantly demonstrate dissatisfaction with the quality of higher education. They are wary of students who have not graduated from the university, who have left before their time:

«Now there are a lot of applicants with incomplete higher education. The reasons why they suddenly quit training is a subject for discussion. Perhaps, in some situations, this will be a stop sign when hiring» (E. U., HR-director of the company).

Summarizing expert opinions, we have highlighted the obvious risks of this group. These include: low labor productivity in the economy as a whole and a specific organization, as a result – a decrease in their competitiveness; reputational risks and an increase in the employer's money and time spent on training an employee; a decrease in the prestige of professions, the carriers of which become a noticeable majority of unsuccessful employees. There is an obvious risk to the life, health, and well-being of clients from the activities of unsuccessful specialists. As an argument, we will give a fragment of the interview:

«What good will this student be to society, who has been dragged "by the ears" all the time? After spending money on it, society will end up with an unfit professional. It will be a danger to society in the literal sense, especially if it is the sphere of medicine. In recent years, there have been complaints about the low level of training of medical school graduates. Previously, those who were given deuces were mercilessly expelled, but now they are given threes, pulled and pulled, and then they come [to medical organizations] and heal people, not out of malice, of course, just because they are incompetent. The same goes for lawyers, economists, and managers. Now there is a huge wave of graduates with this education. How many of them are real professionals? Accordingly, what kind of economists, such and economy, what kind of lawyers, such and law. This also applies to "effective" managers» (E. G., university professor).

2.2 Latent risks of students' educational failure that pose a threat to the economy and the labour market

A specific risk, poorly studied in the Russian context, is caused by the academic dishonesty of unsuccessful students. Models of dishonest behavior of students are then transferred to the sphere of professional labor. Those students who are used to cheating at University tend to follow the same pattern of behavior in the workplace. Experts pointed out that often the signs of deception appear already at the stage of employment:

«One time the applicant wanted to deceive us by specifying a university in the questionnaire, which, apparently, did not finish. But when we asked him to provide a diploma, he assured us that the document was lost and is now being restored. We asked him to come, when the diploma is restored, or provide any other evidence that he graduated from this university. Naturally, we never saw him again» (O. T., HR-director of the language center).

When faced with such behavior of the applicant, employers are sure that the young employee takes out models of such deviant behavior from the university environment. Here is an excerpt from an interview with an employer:

«I decided to conduct an experiment and invited eight graduates with no work experience to an interview. On the appointed day, ONLY two people came to discuss the training plan and the start plan! The "applicants" who didn't show up didn't even bother to call back and notify me of a change in their decision. Here is the main factor of distrust – optional. And after that, how do I treat the student applicants? As negligent slackers who hang out on web forums, and when it comes to business, they can't even get a job properly and try to pass a trial period. They also need a fixed salary, access to the Internet. And what about the quality of work?» (A.V., owner of the company).

Accordingly, employers no longer trust a university that has trained a professionally unsuccessful employee, who also constantly violates the principles of responsible and decent behavior. Distrust extends to other graduates of this university.

Expert opinions revealed another latent risk. It is associated with the entry into the labour market of workers characterized by «belligerent» unprofessionalism. This term is used by experts to describe the phenomenon of unfair competition in an organizational career:

«If a person could not master the curriculum, then... it shows how undisciplined and non-executive he is. And among them, "flyboys" are more common. They did a bit of work here and didn't do anything special, they did it elsewhere with the same effect. They are used to jumping on the top without investing in any business, but they run from one organization to another, where competitors will pay two rubles more» (A. P., college teacher).

«Belligerent» non-professionals implement the model of simulation of adaptive behavior. The risk of spreading «belligerent» unprofessionalism and incompetence in the field of management is evidenced by an interview fragment:

«...People who are not professional, but who know how to adapt, will try to support others like them. They very often do not see an increase in professionalism, but an interest in career growth by any means. Unsuccessful people these ways [of imitating behavior] already mastered, adapting to the requirements of the university, simulating success. And we will have a generation of non-professional managers who will manage successful professionals. Such a talentless person will occupy places where qualified employees are needed in actuality, because they are quite active and have a better command of the ways of competition compared to those who have knowledge, but do not have punchy qualities. This is destructive» (A. Z., university teacher).

According to experts, a successful but not ambitious university graduate often loses to an unsuccessful in education, but ambitious and unscrupulous competitor. Using unethical methods of career promotion (cheating the employer, personal ties, stealing the results of someone else's intellectual work), the «belligerent» layman often occupies a higher position, economic status. The result of this situation is the deformation of the socio-professional structure and the destruction of work ethics. The influence of these factors, in turn, negatively affects the economy.

Conclusion

The aim of this paper is to analyze economic risks of educational failure of Russian university students. This phenomenon has become significant and has a clear and latent impact on relations and processes in the economy and labour. The authors concluded that the educational failure of Russian students produces personal risks – for graduates of Russian universities and young employees. Educational failure creates organizational risks for employers, as well as macroeconomic risks for the national economy. The problem is that this factor is not taken into consideration in the public educational policy and in the elaboration of the country's socio-economic development strategy.

The focus of our research has turned out to be a very complex and socially acute problem. The prospects for its theoretical and empirical research are related to the search for directions for changing public policy in higher education. Overcoming the educational failure of students should be one of the priorities of this policy. Another area of research is the

generalization of world experience in solving this problem and the elaboration of technologies for educational support of unsuccessful students. The risks presented in this article require further detailed study. We associate this research area with the study of the processes and mechanisms of transfer of educational failure from school to university and then to the labour market.

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