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### EVALUATION OF EFFICIENCY OF STATE ADMINISTRATION METHODS OF YOUTH LABOUR MARKET

**Abstract.** In the article is grounded the importance of effective methods of state administration of the youth labor market. The received results of the conducted sociological poll were analyzed. During this opinion poll were detected the effective state administration methods for assuring of balance on the youth labor market. Were proposed the measures to improve the existent state administration mechanism of the youth labor market.

**Key words:** State administration, youth labor market, effective methods.

#### I. Introduction

Assuring of youth employment is one of the priorities of the state development at the present stage of transformational change. After all, the youth exactly has a number of advantages associated with an effortless mastering of new technologies and scientific implementations, high mobility in job searching. However, being the most active part of the able-bodied population, the young people face the typical social problems, that occur on the person's way in the beginning of education and labor activity, the lack of life and work experience.

The effectiveness of the socio-political and public activities vastly depends on the attitude of the public administration to today's youth, understanding its fundamental needs and social positions. The great part of the approved at the national and regional levels programs, which would minimize the negative impacts associated

with the current economical and political situation, have a declarative character, have no practical implementation and witness the insufficiently effective youth labor market regulation, which is manifested in deepening imbalances between the demand and supply of workforce. Therefore, the evaluation of the effectiveness of measure of state youth labor market regulation in Ukraine is of current interest and requires studying.

It should be noted that due to lack of proper cooperation between employers, educational institutions and youth increases the discrepancy of the educational level and qualification to the requirements of vacant positions. The conflict of interest arises when the employer wants to get a cheap but experienced and skilled workers, and young people aim to get a successful employment without experience with high salary.

This situation is primarily concerned with the lack of incentive for employers to youth employment by the state, lack of motivation of young people to master working professions and obtain practical experience during their studies, low levels of professional adaptation of young people at manufacturing. In this aspect the scientific studies devoted the issue of formation of the youth labor market state regulation effective mechanisms, particularly by improving the quality of training of young specialists to balance the development of the education and the labor market, improving the conditions of employment and youth labor, increasing the motivation of young people get the priority.

The researches of the state regulation mechanism were made by G. Atamanchuk [1], Y. Blagodyr [2], A. Dyehtyar [3], A. Zhadan [4], V. Minenko [5], N. Nyzhnyk [6] and etc.

An important contribution to the field of researches and improving of the state regulation of youth employment have made S. Aksenova [7], N. Anishyna [8], D. Boginya [9], L. Bordanova [10], V. Gerasymchuk [11], I. Hohriakova [12], E. Libanova [7], I. Naida [13], V. Onikiyenko [14], J. Schotova [15] and others.

Meanwhile insufficiently researched problem is evaluating the effectiveness of youth employment promotion measures by the state. The supply of certain sectors experts requires balancing according to their demand on the labor market.

## **II. Task setting**

The purpose of the article is to identify the effective state regulation methods for ensuring the balance on the youth labor market.

It is sure that the level of population's unemployment and employment affects the country's economic development. Young people are the future of the state and further economy condition depend on its self-realization, development and establishment on the labor market. In this aspect not only state support for young people in the process of entering the labor market is important, but also it is important to take into account and meet employers' needs in preparing new labor, to encourage employers to participate in the education of young people and in the future employment.

The functioning of the youth labor market in the market economy transformation conditions requires the implementation of measures aimed at creating conditions to minimize an unemployment and to support youth employment.

To evaluate the effectiveness of existing measures of state regulation of the youth labor market and to identify the most effective methods of state regulation the sociological poll was conducted among two groups of respondents.

The survey array of the first group of respondents were the of young people aged 15 to 22 years which included graduates of secondary schools and students of higher educational institutions of Kharkiv region. The total number of respondents of the first group that participated in the survey was 231.

The respondents of the second group were the employers of Kharkiv region, the total number of which amounted to 66 companies.

## **III. Results**

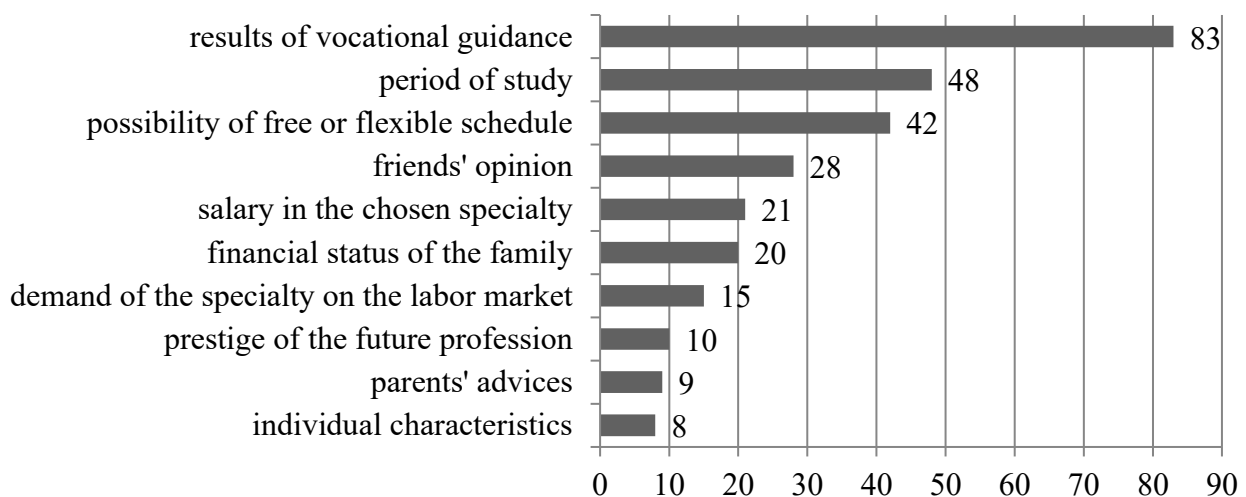
The main feature of this poll was his practical importance in the scope of the effectiveness of youth vocational guidance and of existing state regulation measures.

In general, the students face the problem of professional self-determination in the high school during the process of orientation for the future. Graduates of secondary schools need support and skilled care in their own professional choice. According to the results of a sociological survey, only 45% completely chose a future profession.

The main problem of professional self-determination is that the choice of profession is caused not only by internal factors but is also difficult because of external, which a person can't influence on.

School graduates are characterized by absence of clear professional positions. Lack of information about the status and needs of the labor market leads to the fact that the economy is steadily replenished with workers who choose a profession focusing on the prestige of the profession in the future and the level of salary.

Although according to the data of a sociological survey in choosing future profession and the direction of education the youth is focused mostly on their features, but also a significant impact on their career choice have parents (Pic. 1).



Pic. 1. Factors that influence on the career choices of secondary schools graduates.

Mostly young people are not ready for conscious self-selection of activity scope and therefore needs the support of parents and professional orientation specialists of this industry.

Generally youth employment status depends on the effectiveness of vocational work, which is carried out both an educational institution and experts employment centers.

But according to the data of a sociological survey, the professional orientation event influenced on the choice of profession only of 3% of young people, which indicates the ineffectiveness of the existent professional orientation.

Ukrainian youth is focused primarily on acquiring higher education. According to the survey, 75% of people intend to enter the university after graduation, of which 14% are planning to combine study with work, and only 21% are directed to join the technical school or college. It is believed that a higher level of education increases the chances to find well-paid work. So 40% of the number of interviewed students agreed that it's impossible to get a worthy job without a diploma. However, the existence of higher education does not guarantee secure employment that matches the skills and the expectations of young people.

Determining factors, that are decisive when selecting the university and the profession for which to train, at questioning the following results were obtained:

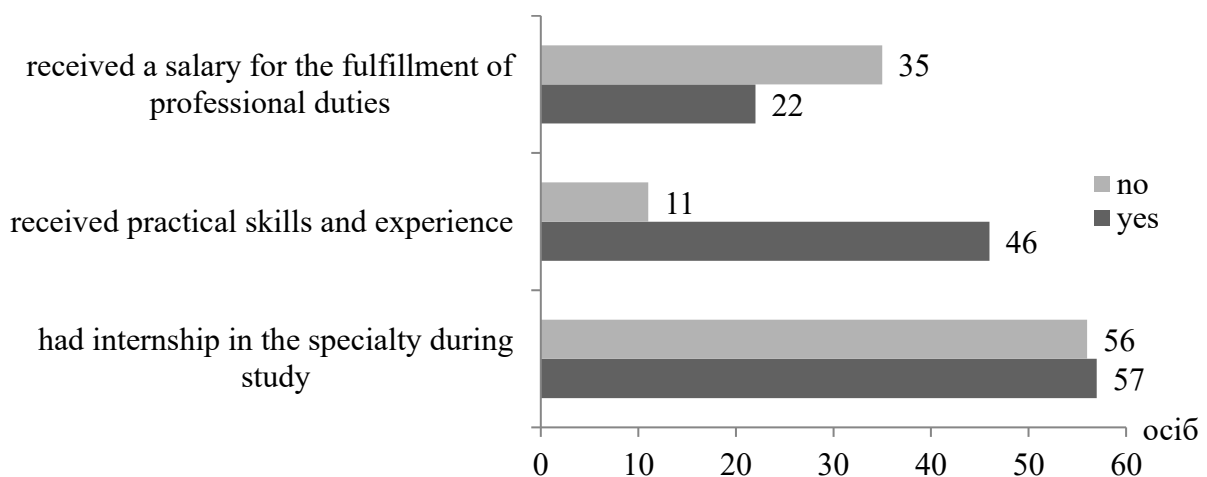
- 35% main in choosing a future profession are own desires and interests;
- 23% of youth in their choice are oriented to the prestige of the institution and profession;
- 19% are oriented to the possibility of further employment;
- 9% had chosen profession, because they think that it will allow to earn good money;
- 7% had chosen of the specialty by the advice of parents;
- 5% had chosen higher educational institution and specialty, where it is possible to study for public funds.

Based on this, idea of people around and prestige of the profession becomes almost a decisive factor in professional choice of a young person. Although generally when choosing a specialty, for which will be trained, young people are focused on their own desires, qualities and skills, but mainly the popular professions - legal, economic and creative (architect, actor, musician, designer, etc.) are chosen. It should

be noted that on the labor market in Kharkiv region there are noticeable imbalance between the demand for professions and suggestions of labor market. Thus, on January 1, 2016 in Kharkov region on 18 vacancies in the profession sales manager claimed 208 unemployed persons with relevant specialty. Other most popular nowadays specialties of graduates also have a significant deficit, including: for 550 unemployed with profession accountant was only 26 vacancies, for 10 vacancies specialty economist were accounted 211 persons which were registered at that time.

Young people have misconceptions about the future work and excessive demands on working conditions and salary. This situation influences on the increase of unemployment and impermanent employment. As a result, on the market is reduced the demand for jobs that do not require special knowledge and skills, particularly at work profession.

When entering the labor market the youth, after obtaining the higher education, is faced with the fact that to occupy the definite post and to ably perform their duties they must have practical experience and additional skills. In this aspect the practical training of young people during their specialty internship plays a positive role. According to the poll during the study, only half of young people receiving higher education held a specialty practice (pic. 2).



Pic. 2. The number of people who were trained in the specialty for which education is acquired on the enterprise (organization), received practical experience and fees for the implementation of professional work.

The purpose of the internship is to gain experience from their professional tasks and responsibilities, to improve professional knowledge and skills, to learn and master new technologies, technique, acquirement of additional competence. The effectiveness of the specialty internship during the study is confirmed with the results of the survey - 80% of people said they received practical skills and experience during an internship.

But young people agree reluctantly on an unpaid internship. Law of Ukraine "On Employment" establishes the possibility of pay to the trainee, but regulatory consolidation of this innovation is not accompanied by Monitoring compliance obligations by the employer. According to the poll only 38% received a salary for the implementation of professional work during the internship.

Considering the situation from the perspective of companies and organizations, it should be noted that employers of Kharkiv region in the majority did not agree to provide internships for students of higher and vocational institutions. Process of internship of students of higher and vocational education is economically unprofitable to the employers.

Internship takes place under the supervision of employees, i. e. workers are imposed with additional responsibility and trouble, and this adversely affects the quality of implementation of the main job that is not in the interests of employers. As for the remuneration to the person probation, it should be noted that the training is part of the educational process. Based on this, employers do not feel the need to pay for the education of young people.

Thus according the results of a sociological survey, only 27% of employers agreed to accept the young people for training, of whom 67% are willing to pay salary for trainees for implementing their professional duties.

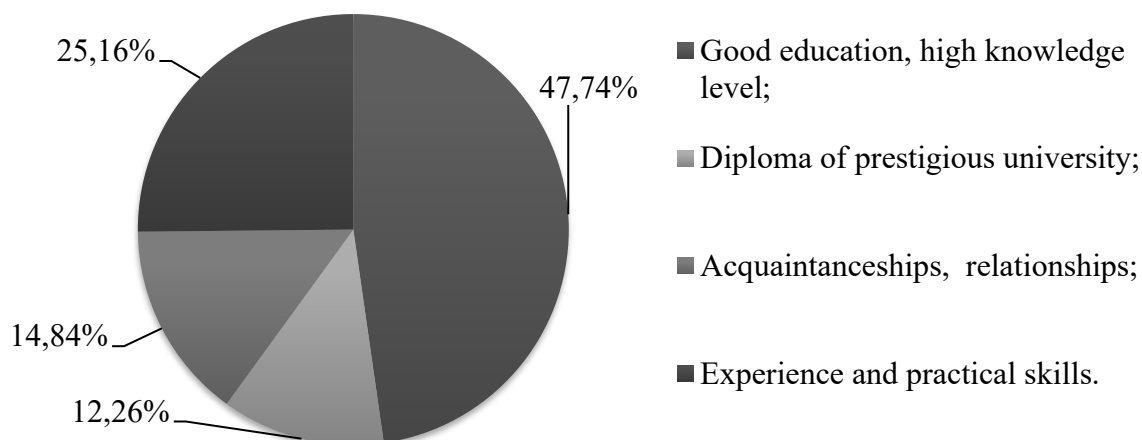
Free training does not encourage young people to self-development and learning, they want their work to be paid. For a first work experience and additional skills, students of higher institutions start working. So 5% of the number of respondents indicated having a permanent job, 26% - work which have occasionally

and 48% said they want to find a suitable job so that it will be possible to combine it with studying.

Combining work with studies is certainly a positive factor towards successful employment in the future. Getting experience in education expands the range of opportunities in the period of youth formation on the labor market and its fulfillment. However, the situation is complicated by the fact that only 19% of those who combine education with work are employed in the specialty for which they study.

To find a suitable job for running-in period during study is very hard. Employers are not willing to take students on a part-time job with flexible working hours, and if involved, they offer low salary. These factors contribute negatively on the minds of young people, reduce the enthusiasm of youth and, consequently, reduce the desire of young people to work.

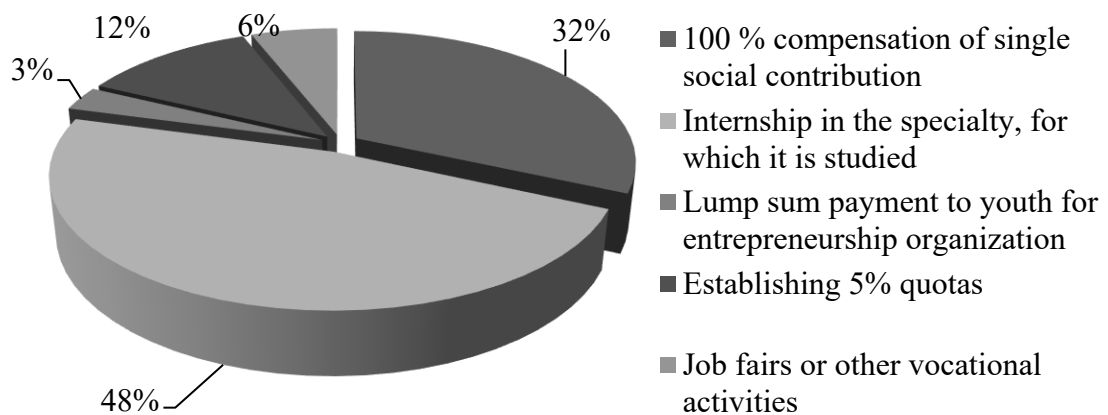
By studying the factors that encourage young people to work in the period of higher education, it was determined that the majority of young people combine study with work to obtain practical experience (64%). Due to lack of money 28% of young people goes to work and only 8% plans to stay on this job after graduation. Thereof it must be concluded that young people mostly aim self-realization, and for this are ready to work and develop. Realizing what is the employer looking for in the future young worker, youth determines that the main criteria, necessary for successful employment after graduation, is a good education and a high level of knowledge (pic. 3).



Pic. 3. The criteria required for successful employment after graduation.

No less important criteria, according to young people, to have a good job with a decent salary are experience and skills in a chosen field. But good education and practical experience is not a guarantee of successful employment after graduation. Since receiving diploma of higher education young people enter the labor market, where they have to compete with more competitive workforce. In this aspect, with the help of the state regulation mechanism promoting and encouraging the employment of citizens, which are not competitive on the labor market, should take place. However, experience shows that existing methods of regulation of employment of young people are not enough effective and require some adjustments.

In order to determine the most effective measures to promote youth employment, the respondents of the second group existing under the law were interviewed. Thus, according to employers, the most effective measure to promote youth employment is the specialty internship, for which education is acquired (pic.4).



Pic. 4. The effectiveness of existing measures to promote youth employment according to employers.

The employers identified the single social tax compensation in case of youth employment for a period of at least two years as the second effective measure of youth employment promoting.

However, the feature of this measure is that the right to compensation through employment of single social contribution quota category has only the youth who first accepted and asked to work in service employment within six months of termination or withdrawal. Such people are to be employed only in new jobs and, as a rule, employers are not willing to take on a new job young professionals without experience. The size of a single social contribution covers only part of the costs on the payment for the work of young professionals, and this is the lack of incentive for the employment of young person without work experience.

A more effective, according to employers, may be a mechanism to provide subsidies in the form of compensation for labor costs in the case of youth employment on the first job (26%). Also 19% of employers have identified practical training or youth internship during the entire study period as effective measures to promote youth employment that may be applied in Ukraine. 16% of employers find establishment of tax exemptions and issue irretrievable loans to businesses that employ young people effective. The measure of providing government loans in case of increasing employer jobs and employment for these young people seem effective for 14% of the second group.

Summing up the results of a sociological survey, it should be noted that the main criteria for successful self-realization on the labor market is the availability of youth work experience, practical knowledge and skills. Proof of this is the view of employers that internship is the most effective measure to promote employment among young people under the existing legislation.

However, due to the lack of public stimulating measures some employers do not provide the youth internship ability in their company. Also, in most cases, employers do not want to participate in social dialogue in ensuring the qualified professional training of young people and are not ready to finance or carry out their own professional training for young people.

Presently the existent youth employment state promoting mechanism in Ukraine needs some adjustments to be done.

So in order to improve the effectiveness of career guidance with students and graduates of secondary schools it is appropriate to focus on the clarification of the current labor market situation and forecasts for those professions, that with high probability will be relevant in the future.

For establishing productive cooperation between employers and higher and vocational education institutions in the training of highly skilled specialists, the development of measures to encourage direct participation of employers in the education of young people and establishing methods for encouraging employers to taking young people on internship with their further employment is necessary.

#### **IV. Conclusions**

In the course of scientific research in the field of public evaluation of activities promoting youth employment on the basis of poll were determined the most effective methods of the youth labor market state regulation. Thus to ensure a balance between demand for labor and its youth labor supply, mechanism of youth labor market state regulation should include effective measures of youth professional orientation to influence youth employment and encourage employers to hire young people.

Based on this the following was proposed:

- to establish a mechanism providing subsidies to employers in the form of compensation for labor costs for young workers to enhance youth employment on the first job;
- to develop a system of incentives for employers to provide youth internships;
- to establish control over adhering the legal laws about the internship payment in the case when during the internship period the person, referred to in the first paragraph of this article, performs professional work;
- to introduce measures to encourage employers to participate in social dialogue and directly in the education of young people, in order to get qualitative training of qualified staff that will satisfy the hodiernal needs.

The scientific novelty of the research is carried out in conducting sociological poll among the two groups of respondents, identifying and justification the effective methods of state regulation, which will achieve a balance on the labor market. The

prospect of further research and development in this area should relate to the development and improvement of the existent mechanism of the youth labor market state regulation. Now mechanism for forecasting labor demand on the short and long term and planning of specialists, sought after professions in the future, training remains poorly understood and needs to be improved.

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