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## **DEFINITION OF THE TERM «COMPETITIVENESS OF THE LABOR MARKET PARTICIPANT»**

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### **ABSTRACT**

The article concerns the problem of defining the term 'competitiveness' as applicable to the labour market participants. The author studies the phenomenon of personal competitiveness. The research shows that the most attention to it is paid in psychology and pedagogy. The competitiveness of the individual participant of the labour market is considered the particular case of personal competitiveness. After studying the published works the author summarizes the features of individual's competitiveness which include the fact that it cannot exist separately from the certain pair of the ability bearer and consumer. The author gives her definition of such competitiveness as the ability of an individual in the labour market to achieve his economic or other objectives, under the circumstances of complex rivalry. That definition is drawn from two sources. One of them is the economic category of competitiveness of any economic subject, such as a company, state, region, entrepreneur, etc. The other is the psychological category of personality competitiveness. On the other hand, the studied category can be further concretized into the specific cases within labour market, such as competitiveness of employees, freelancers, entrepreneurs, unemployed, etc.

### **KEY WORDS**

Labour market, individual, competitiveness, personality competitiveness, working practice, rivalry.

The complete set of terms and definitions for competitiveness studies as the branch of economics have never been settled and agreed upon for neither micro- nor macro level. No unified methods have been designed for complex assessment of competitiveness of an organization viewed as a system. The methods for various branches and markets are absent as well, and this includes resource markets, labour market being among them.

The phenomenon of competitiveness in the labour market and the attention to it are no novelty to the scientists as they are natural results and the important and socially minded labour market situation of unemployment and rivalry for positions associated with it. However, the studies of the scientific journals and monographs show that the competitiveness of the actual and potential employees catches the most attention from the sociologists and pedagogues, but only few economists thoroughly research this field. The sociologists actively study the personal and professional features of individuals which make them successful and competitive employee. The pedagogues pay the greatest attention to the problems of the young people, especially students and graduates of various educational organizations, reasonably supposing that their future competitiveness within the labour market is formed to the considerable degree within and due to the activities of those organizations.

However, we need to stress out that it is also important to study the competitiveness within the labour market using the concepts, instruments, and methods of economics. The labour market remains one of the resource markets, though with some unique features of the goods for the exchange and of the relations between the participants.

### **LITERATURE REVIEW**

The theory and approbation of the economics studies 'competitiveness' is one of the key concepts which, along with the terms similar for their abstraction levels and

interrelations, such as 'usefulness', 'efficiency', 'value', etc., are the specific form of manifestation of more general idea of 'performance'. It is quite obvious, that the only possible carrier of any abilities and their exponent is a living human being.

The goods, service, or company as they are cannot possess any abilities which are the possibility of self-implementation of features, and this distinguishes them from the living matter. For the purposes of the labour market, where the labour services are exchanged, they also do not possess any objective value. Only the seller and the buyer can compare the degree of objects' attractiveness, their 'competitiveness' [2]. Hence, competitiveness of anything, including that of an employee, cannot be evaluated separately from a given pair 'employee – employer (or position, or profession)'.

The matters of personnel competitiveness were attended to in the published works of many Russian and foreign researchers, such as Ya.Bazilyuk, D.Boginya, S.Bandur, N.Glevatskaya, O.Grishnova, N.Dudina, A.Kibanov, Yu.Odegov, M.Semikina, R.Fathutdinov, S.Shekshenko, A.Fedchenko, and many others.

### STATEMENT OF PROBLEM

E.A.Grishnova [5] considers the quality of the workforce to be the total of human characteristics manifested in the work process, which include qualification, personal feature and professional aptitude. D.R.Boginya [3] interprets the workforce competitiveness as the total of the quality and cost indicators of the specific product – workforce – that meet the certain needs of employers.

In psychology the competitiveness is understood as a basic personal feature formed under the influence of inner conscious and unconscious mechanisms. In pedagogy the competitiveness is presented as complex characteristics including 'age, physical and psychological health, appearance, abilities, intelligence, energy, as well as morals (values, beliefs, limitations, etc.)' [8]. Modern researchers, especially in pedagogy, pay great attention to the idea of students' competitiveness of the students and graduates of educational organizations, but this matter is closely interconnected with the competitiveness of employee, specialist. A.P.Bykova thus defines this term: 'Competitiveness of a specialist is based on the total of various abilities (gnostic, projecting, constructive, organizational, communicative, etc.) and the degree of skill formation to implement those abilities in different, changing situations and activities and everyday interactions' [4].

Abilities is something that cannot be attributed only to knowledge and skills, but accounts (provides) for their speedy attaining, preservation and effective practical application. If we see the competitiveness as one of the person's abilities, it can be implemented through certain activities, including labour and its variations like sports, researches, business, art, etc.

Then S.N.Yaroshenko [14] asks, if there is more than one type of competitiveness for human beings. The mentioned work gives positive answer to this question: one person may be successful as manager, another – as machinist, yet another – as sportsman or tutor, and so on. However, our opinion is the opposite. We should consider competitiveness from the prospect of certain situation and conditions which make it vary, but not figuratively. And such approach brings us to the idea of the only competitiveness as a complex feature of a human being in opposition to many different competitivenesses, and the individual who possesses some of them and lacks the others. We assume that it is correct to view the individual's competitiveness not within the labour market as a whole, but within its certain segments, usually available or desirable for this individual. However, we do not consider it possible to divide the individual competitiveness into type based on those segments. To some degree this argument is attributed to the fact that some of the elements included in the individual competitiveness remain the same within various labour market segments, but the others differ significantly.

Pedagogy also uses the term 'personality competitiveness'. Personality competitiveness is manifested during interpersonal or social interaction, rivalry for obtaining the desired and valued benefits, advantages in some or other field. One of the recognized

opinions on this point is that of V.I.Andreev [1] who listed the features of the 'personality competitiveness' as follows: clear objectives and values; hard-working nature; creativeness; capacity for risk; independence; leadership capacity; self-actualization; stress resistance; pursuance of professional advancement; pursuance of high quality of the obtained results.

According to E.A.Seregina and V.V.Kot [10], personality competitiveness is the integral characteristic which demonstrates the inner individual's attitude to the activities and functions performed. The study of the essence of the personality competitiveness shows its close connection to work and professional activity, as only actual use of the certain personal features within the labour market proves the person's competitiveness. Certainly, personality competitiveness may manifest itself in any activities, but we agree with the mentioned researches in two statements. Firstly, employee's competitiveness is directly associated with personality competitiveness and can be considered on the results of the latter. Secondly, despite the possibility to find and demonstrate to competitiveness in various types of activities, for instance, in studies, sports, intercourse, love, fame, etc., the only way of economic manifestation of personality competitiveness remains within the labour market and working practice.

## DISCUSSION OF RESULTS

Thus, we come to the opinion, that the following can be stated considering the individual's competitiveness within the labour market:

1) It means the individual possesses certain abilities which can be personal or professional.

2) The said abilities may be used right at the moment of the observation or not, but there should definitely be the objective possibility for their implementation, including the inner readiness of the individual to use them (recognition of them, absence of moral restrains, desire to act, etc.).

3) Not all individual's features or his abilities form his competitiveness, but only those meeting the demand from the existing or potential employers.

4) It follows from the previous statement, that an individual cannot be absolutely competitive within the whole labour market, but his competitiveness exists and can be evaluated only for certain labour market segment(s).

5) Employee's competitiveness within the labour market is the special and the only case of economic manifestation of personality competitiveness.

6) It is only possible to evaluate the individual's competitiveness by comparison with the features of another individual, for there is no absolute competitiveness.

Employee's competitiveness is supposed to be dynamic phenomenon for it cannot stay unaltered under the changing environment without considerable effort directed at personal and professional growth of the individual. A.A.Fedchenko and K.A.Danker [12] especially stress out this fact by saying: 'Staff competitiveness can be defined as developing ability to improve someone's qualities useful for his/her professional activities ... compared to the similar subjects in order to gain more attractive position within the labour market'.

Here again we need to insist on subjective nature of the competitiveness and impossibility to view is separately from the particular buyer of the goods to be exchanged (which is labour service for the case of the labour market). The definition given by A.A.Fedchenko and K.A.Danker obviously suggests, that it is very improbable for the initial moment of recruiting (or similar) for the employee to be absolutely suitable for a given position, as well as for the employee – to find the person exactly fit for the requirements set out by the former and by the staff already employed. Everything - from the deficient information available for both the employer and the applicant, and to the need for adaptation for any new position – speaks against such perfect match in the first place. However, the most competitive will be the applicant who can both demonstrate the best degree of adequacy to the position during the recruitment and selection (interview, documents presented, probation, etc.), and prove his ability and desire to be of topmost use for the company in the whole course of his future career as well as his pursuance of development of

the qualities most necessary for his functions within the company.

On the other hand, the role of the other party – company – in such growth and development should not be underestimated. It is mainly in his power to speed up the employee's adaptation, to improve his motivation, to rationally apply his knowledge and skills for the functions existing within the company, and to set reasonable personal goals for the employee, both attractive and important for him and valuable from the point of view of the whole business.

Thus, it is worth emphasizing that formation and development of individual competitiveness, and especially of the presently employed one, depends on the joint and mutual effort of the employee and the employer who is the consumer of the labour service.

So, based on the above, we can suggest the general definition for the competitiveness of the individual participant of the labour market.

*Competitiveness of the individual participant of the labour market* is systematic and progressing ability of an individual having an access to the labour market, to achieve his economic or other objectives timely and efficiently, under the circumstances of complex rivalry typical for this market, by means of mutually beneficial interrelations with the consumers of the labour services.

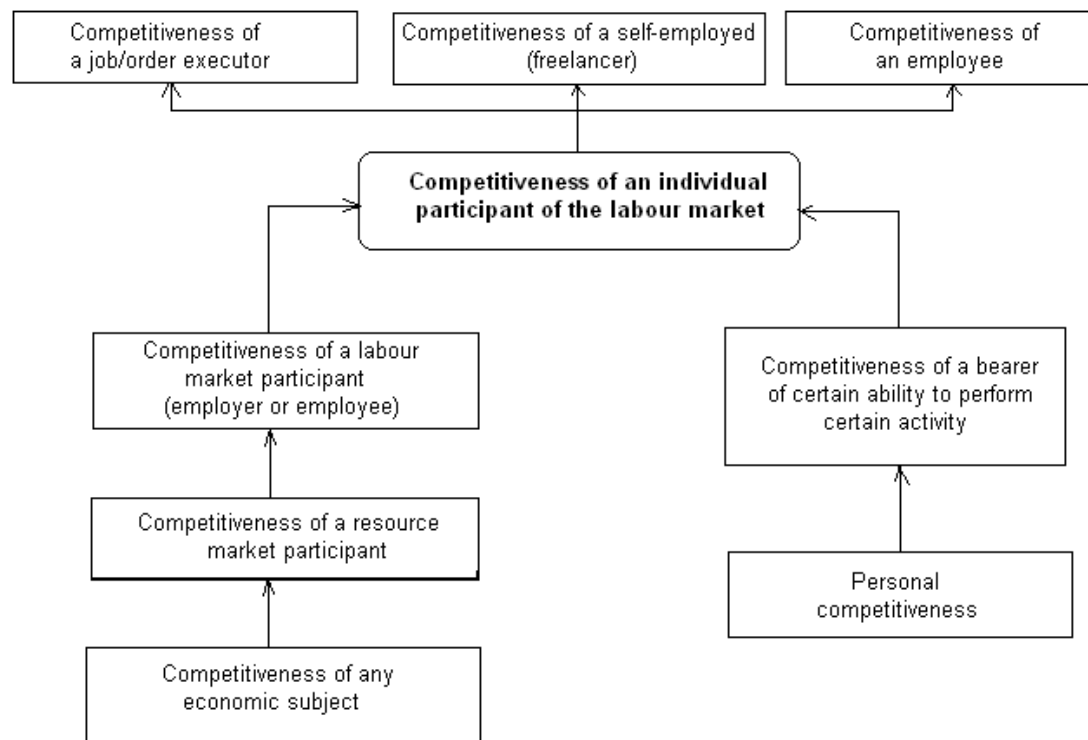


Figure 1 – Interrelation and mutual influence of application areas for the 'competitiveness' category

This definition suggests featuring the following key characteristics of the studied phenomenon:

i) the individuals compete (and/or are capable of competing) for achieving their goals set and defined by themselves and not always have economic interpretation which makes them unavailable for comparison;

ii) the competitiveness is the ability, potential which may manifest itself when the circumstance require it, or may remain latent, implicit – in such cases one may observe and evaluate it by indirect signals only;

iii) individual's competitiveness being the feature of his personality can be changed, developed or depressed, it has dynamic nature just as well as the personality itself;

iv) the competitiveness may be observed and measured in presence of actual or

potential threat from the competitors in the widest possible understanding of this term, which means it can be detected even in absence of intensive direct rivalry for the desired benefits in the market; this means the competitiveness can be only relative, in comparison with other rivals, but never absolute;

v) finally, there is always a pair consisting of the bearer of the competitive advantages and the consumer of the bearer's abilities and services. The latter is the one to decide what exactly the term 'advantages' means in this particular case, in other words, what factors and features define the individual's competitiveness. Those features are to be valuable from the certain consumer's point of view, while it is virtually impossible to compete for all possible consumers (employers) at once.

The term 'competitiveness of the individual participant of the labour market' may be concretized by the definition applicable only for the employees. Then, competitiveness of legally free employee may be defined as his systematic and altering potential ability to achieve his various, but first of all economic interests timely and efficiently, within dynamic and uncertain labour market, in comparison with the other competing participants represented by employees and owners of capital goods, by means of making mutually beneficial labour contracts.

However, we have noted before, that specifics and structure of the labour market prevents us from clearly separating wage labour from the other types of labour activities. Because of this fact it is possible to distinguish employees' competitiveness from competitiveness of the other individual participants of the labour market for some research or managerial purposes, but such distinction can only be viewed as an instance of more general phenomenon.

As a result, we outline the relation between the 'competitiveness' category as applied to various fields and subjects (bearers), demonstrated in the Figure 1.

## CONCLUSION

We draw the definition of 'competitiveness of the individual participant of the labour market' from two sources.

On one hand, it is an economic category following from the idea of competitiveness of any economic subjects such as companies, organizations, states, entrepreneurs, etc. (and in opposition to the competitiveness of goods and services). Concretizing this category into the term 'competitiveness of the resource market participants' and then – into 'competitiveness of the labour market participants' which include both people and organizations and even government, we finally get to the particular case of the competitiveness of the only one party within the labour market – the labour capacity bearers.

On the other hand, we come to the same term from the point of view of psychology, sociology, and pedagogy, starting from the category of personality competitiveness in general. Personalities may compete for wide variety of benefits and resources, demonstrating (or not demonstrating) different features and characteristics – from physical strength and genetic potential and to the ability of working within a group, and make temporary alliances in pursue of common goals. This category is concretized into the idea of personal competitiveness of a bearer of some abilities for some activities. They can be studies, sports, arts, or whatever else. Then, if we consider one of those activities to be labour, we get to the 'competitiveness of the individual participant of the labour market'.

The category 'competitiveness of the individual participant of the labour market' can also be concretized into its particular cases such as competitiveness of employees, executors, contractors, freelancers, applicants for positions, individual entrepreneurs, farmers, and so on. One of the particular cases is 'competitiveness of legally free employee'.

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