

FLEXIBLE FORM OF EMPLOYMENT: PROSPECTS OF DEVELOPMENT

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Abstract: The need for the study is justified by the development of flexible forms of employment in the economy with new job opportunities for the international division of labor. The paper analyzed new job opportunities and risks associated with flexible form of employment for the workers, employers and the state individually as well as in relation to each other. The study investigated the future prospects of flexible forms of employment along with its impact on the economic opportunities for the enterprises and workers and conclusion has been drawn. The impact of flexible employment was also investigated on the welfare of the population and the development of national economies in the context of globalization. Three forms of flexible employment: temporal flexibility, spatial flexibility and functional flexibility have been identified to achieve the research goal.

The prospects of flexible form of employment for the enterprise and employee were assessed based on the subjective approach. The rapid assessment and empirical analysis method were used to track the population dynamics and their interest in flexible forms of employment. The results show that the increase in the share of flexible employment in the economy is justified by the increased importance of creative labor in the labor market. Flexible workers represent a diverse population group in terms of the socio-economic structure. The active development of flexible forms of employment has been considered as a manifestation of the self-regulating economy and as a form of adaptation of the population to the changing socio-economic situation. The new agile business integration can reduce the costs of hiring a full-time employee and increases employees' motivation level. The state needs to institutionalize new forms of employment in order to ensure the competitiveness of the national economy and to ensure budget revenues.

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Introduction

The most important development in the sphere of social and labor relations at the present time is the radical transformation in the forms of employment. Flexible, "non-standard" employment models (temporary and part-time work) are used everywhere. Integration of economies, scientific and technological innovations have a direct impact on the dynamics of such changes. These are the key factors that set a new stage for the development of society (Barhatov et al.,).

Some unresolved problems have always been present in the labor market of most globalized countries for e.g. a mismatch between the demand and supply of workforce, disguised unemployment, low labor mobility, strict administrative and legal restrictions, lack of effective government regulation and higher expectations from the prospective employees. New forms of precarious work should be considered in more detail as these forms have development prospects in labor markets. It was revealed that country wise average participation in flexible forms of employment varies from 18% to 60% (International Labour Organization, 2016). In such a situation, the employee must quickly adapt to stay competitive, as these changes will affect his /her position in the job market. The economic system as a whole largely determines the state of the internal labor market and the development prospects for the individual forms and models of employment. Thus, there is a need to explore the possibility of flexible forms of employment as a tool to balance supply and demand.

The standard model of labor relations does not correspond to the emerging requirements of the world market since it is based on a contractual interaction. The cut throat competition in the "globalized" economy highlights the need for increasing adaptability of the production processes and labor resources as well as to increase the share of production outsourcing and competitive pricing.

Date and methodology

The above discussion indicates the relevance and timeliness of scientific research on this topic. The purpose of this study is to examine the development prospect of flexible forms of employment for an employee, organizations and the state. To achieve this, following sub-objectives have been formulated: to identify the most common forms of employment and related conflicts of interest use; to identify risks and opportunities in increasing the share of flexible forms of employment. In addition, to study the change in motivation level and to suggest methods of regulation by the state for the sustainable development of economic systems.

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There are no standard formats of flexible forms of employment owing to the heterogeneity in the structures of the economy and the labor markets; the economic conditions and development stage; as well as the institutional environment across the region. The requirements of the modern labor market are employment in the formal sector, sufficient social benefits and guarantees, the observance of all labor rights, the minimum risk of job loss, the indefinite nature of the employment contract and a stable income. Employment in formal sector of the economy provides job security to the employee. Flexible employment need not to comply with all the requirements.

Table 1: The mechanisms of flexible forms of employment	
Criteria	Basic mechanisms
Number of employees	Dismissal of workers on the initiative of the administration for economic reasons A fixed-term employment contract Contracts for a fixed amount of work Unregistered employment Agency labor
Working time	Shorter working week Flexible working hours Summarized time tracking Overtime work, part-time work Termination of employment on the initiative of the administration
Labor organization	Temporary transfer to another job, relocation, or a combination of both Performance of labor functions not specified in the contract or job description
Workplace	Work from home Remote working Mobile Working

Source: Authors

Based on the formulated mechanisms of flexibility (Table 1), three flexible forms of employment have been identified for the study: temporary flexibility, spatial flexibility, and functional flexibility. The study considered the forms of employment that are used or can be used in all spheres of economic activity. An assessment of the prospects of flexible forms of employment for the enterprise, the employee and the state based on a subjective approach was carried out. In addition, data have been analyzed to compare the distribution of flexible forms of employment in the industry and age groups of workers in the labor market to indicate the reasons for the development of a flexible labor market. The study is based on a comparative analysis of data from the International Labor Organization (2020), Rosstat (2020), The World Bank (2018), and United Nations (2018). The rapid assessment and empirical analysis method were used to track the population dynamics and interest in flexible forms for economic growth at every level.

Literature review

Scientists and economists consider non-standard forms of employment from different perspectives as there is no standard approach to understand its concept and impact on the state. According to the researchers, flexible forms of employment are associated with uncertainty, instability, and lack of social security for the employee and with many other risks (Kalleberg, 2011). Tangian concludes that stability decreases due to increased employment flexibility. (2007). Non-standard forms do not possess any of the following characteristics of standard employment: one employer, full-time work, full social security benefits and guarantees, compliance of all labor rights, minimum risk of job loss, indefinite employment contract and stable income (Cranford, 2003). Accordingly, flexible forms of employment are non-standard and are at risk. But in countries with developed social support system, it does not mean a situation of risk and uncertainty. Flexible forms of employment can also correlate to "flexibly employed" individual entrepreneurs (there is no connection to the employer, the use of own or borrowed means of production etc.), shift workers, and so on.

Few scholars have mentioned the positive effects of flexible employment. Haidt (2006) maintains that precarious forms of employment and working time regimes contribute to lower unemployment rates. In

addition, there have been several studies on the positive relationship between the use of flexible forms of employment and enterprise productivity. Hill et al. (2008), Breaugh & Frye (2008), Dumas & Sanchez-Burks (2015) believe that the use of flexible forms of employment has a positive impact on the performance of each employee of the enterprise. On the contrary, Van Dyne et al. (2007) have identified the negative impact of using flexible forms of employment on firm productivity.

As a result, all studies carried out in the last decade confirms the relevance of the chosen subject. The present study also consider the positive impact of flexible employment, and emphasize that it is necessary to separate flexible forms from non-standard forms of employment. There are risks of further negative transformation (Standing, 2014), but these risks can be turned into an opportunity. Studies offer conflicting results, which require further specification in the context of industries, activities, and professions. It is necessary to analyze the growing role and responsibility of intermediaries in recruiting personnel as a separate type of promising business.

Results and Discussion

The tendency towards flexibility in the economy is necessary for the development of the system's ability to respond to external influences, to maintain controllability and functional balance when external conditions change. Undoubtedly, flexible labor market is a modern form of the human resources market and a set of measures are required in socio-economic, production, and legal environment for the rapid adaptation of enterprises to the changing conditions.

The formation and development of a flexible labor market is an important condition for the accumulation and optimal use of human capital (Barkhatov et al., 2016), without which it is impossible for the enterprises to achieve high competitiveness under modern conditions (Barkhatov et al., 2018). According to a study by International Labour Organization (2016), the flexible labor market includes temporary employment, part-time and on-call work, multilateral labor agreements, and disguised labor relations. The working time of these forms of employment are not mutually exclusive and can complement each other.

Consequently, various forms of conditional employment differ on parameters like involved parties, application areas, self-realization possibilities for personnel, social security and guarantees, and responsibilities of the employment agency, and integration of these forms into the corporate structure, etc. are different.

The emergence and development of new non-standard forms of employment are inevitable. The pace of globalization is shaping non-traditional forms of employment that affect the demand and supply of jobs. Numerous factors particularly changes in the required working conditions of the employees throughout their working life, the need for periodic updation of knowledge, expansion of the professional profile and the ability to choose suitable working hours are contributing in the flexibility of the labor market.

Reasons	Consequences
Strengthening of role and importance of the financial markets Growth of foreign investments	Changes in the placement of jobs Widespread of "remote" work
Development of Information technology	The transition from full time employment at large enterprises with a well-defined job description to the flexible modes of employment based on computer technologies Increased independence Global Workforce
Increase in the cost and quality of labor for scientific and technical development	The differentiated approach to "domestic markets of work" Investments in the human capital
Demographic and structural shifts in the sphere of employment	Revised principles of employment Development of alternative sources of recruitment for the organization More emphasis on the flexible and independent work forms

Source: Authors

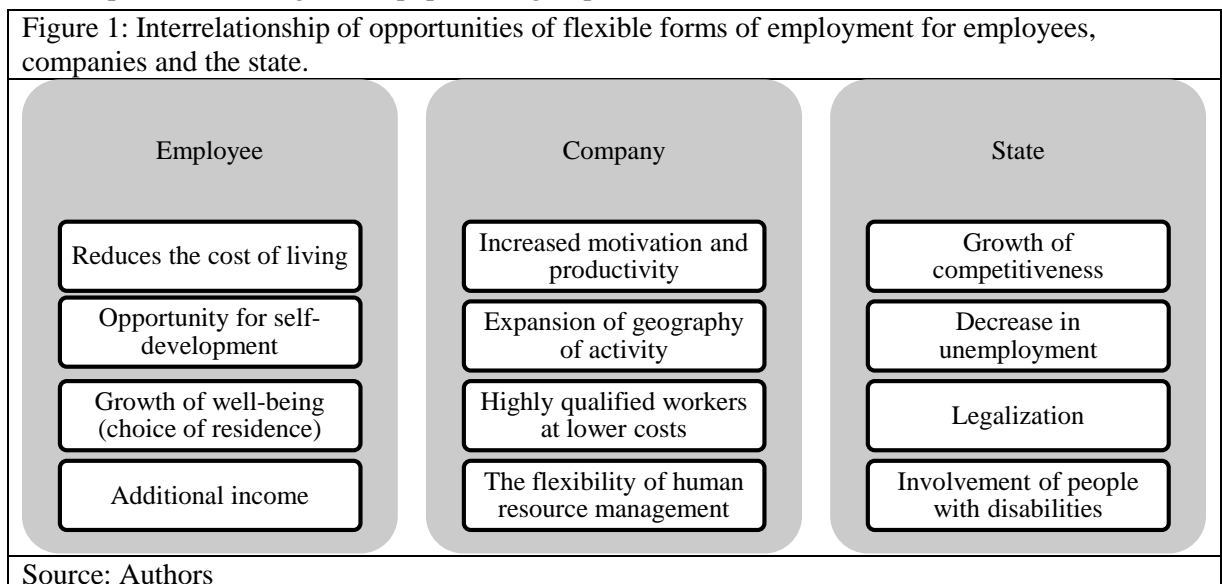
The study proposes four main reasons and the consequences of the development of flexible forms under globalization (Table 2).

It is important to investigate the reasons for the development of flexible form of employment and their respective consequences. Firstly, globalization is characterized by contradictory processes such as increasing disparity in the labor market segments (Benz & Silova, 2017). Structural changes are taking place in the world economy, which lead to an increased application of information and computer technologies and telecommunications between industries. This situation explains the uneven spread of flexible forms of employment across the industries (Standing, 2014). According to the official indicators in the world, flexible forms of employment accounts for a large share in the service sector (8-34%), followed by manufacturing industry (6-16%) and construction (15-30%). Part-time workers in the hotels and restaurants, wholesale and retail trade remains the main form of flexible employment.

An important fact is that there are many fast-ageing countries, signifying a decline in the labor supply. It is estimated that at the turn of the century, 8% of the world's population was above 65 years of age or older, and in 2030 this age group will make up 20% of the world's population (in Russia it will be 26%). Flexible forms of employment are one of the solutions to labor market shortage. For example, in Russia, there are not enough such jobs per person. According to surveys, 67% of citizens in the pre-retirement age group are interested in flexible form of employment. Also, young population is more interested in the flexible forms of employment. The number of young people under 25 years of age is quite large. Flexible forms of employment, such as temporary or part-time work and flexible working hours, can become an opportunity for the students to gain work experience and to some extent reduce the financial burden on the family while studying.

A research from Statista highlights the importance of flexible employment. According to the report, in the year 2014 around 40% workers around the world were interested in flexible forms of employment and this percentage increased to 65% in the year 2017. Therefore, the flexible forms of employment at state level will result in decline in the rate of unemployment in the vulnerable strata of the society.

In the past two decades, flexible forms of employment have been widely used around the world, particularly in Russia. The motivation is not increased efficiency, but the well-being of the workers. It is opined that, as a rule, precarious work exists in the world it is insignificant. People employed in flexible forms represent a heterogeneous population group in terms of the socio-economic status.



Flexible forms of employment offer promising opportunities to the employees. The ability to work remotely reduces the cost of living by shifting to the less costly regions, in addition, it provides wider opportunities for self-development, as they can independently manage their time and location; improved well-being owing to the choice residence, and additional income. On the part of the state, it ensures competitiveness of the national economy under globalization due to the utilization of national resources in the economic activities, it also ensures a decrease in unemployment rate by offering a variety of employment opportunities. It should be bear in mind that a de facto flexible labor market needs legalization in order to increase tax collection.

For enterprises, it ensures high motivation level and increased productivity with a flexible approach in attracting personnel, geographical expansion of business and saving costs of maintaining remote offices and branches. In particular, it becomes possible to hire highly skilled workers who are unable to work full-time for family obligations, as now they can maintain a better work-life balance with flexible form of employment. Part-time work is just as productive as full-time work, and in some cases its more. According to the analysts, productivity of part-time workers is more and better than the full-time workers. The opportunities of flexibility of the form of employment for the organization and the employees has been compared in Table 3.

Table 3: Opportunities of flexible forms of employment to the enterprises and workers

Opportunities to the enterprises	Opportunities to the worker
Temporary flexibility (temporary work)	
Adaptability to changes in demand for work Low impact of seasonal fluctuations Reduce transactional expenses	Additional earnings, Suitable for persons who cannot work full day
Spatial flexibility (homeworking; teleworking/telecommuting)	
Reduce costs of the maintaining offices, involvement of top managers and highly paid workers Reduce the burden of social costs	Additional earnings Work- Life balance Reduced possibility of job-related migration Reduced commuting hours and stress
Functional flexibility	
Utilization of highly productive workers in different production functions	Additional earnings, Self-realization, Accretion of competitiveness

Source: Authors

Flexible forms of employment allow the most efficient use of human resources in the organizational productivity. Employment on the platform is effective, although in most cases it is assessed negatively. Under such a situation, where people are hired for a specific job, and are not permanently employed, it becomes possible for the organizations to ensure flexibility in the headcount of employees as per the requirement. In the labor market today, there are various technologies to choose from, for the optimum utilization of the personnel. However, there is a need to assess the effectiveness of the employee motivation. The development of bonus systems is now changing the attitude towards earning income. Bonuses to fixed salaried employees are paid not only to the top management but also to the employees at all levels. Under flexible forms of employment, the workers do not earn a stable income, but it integrates them into the business.

Nevertheless, the growth of precarious work confirms both the interest of employers in it and the efficiency of such workers for each specific firm. An employee can control financial flows if he refuses to accept the stereotype of non-standard forms of employment as defective. It is in this sense that flexible forms can guarantee the financial stability even in difficult conditions by contributing to the development of innovative employment and actualizing personal potential. Within the framework of this approach, the primary task of education should be to develop cognitive skills, self-learning capabilities, and willingness for lifelong learning.

Thus, the relevance of the paper is confirmed by the increase in the proportion of workers flexibly employed in enterprises. There are prospects for the development of flexible forms of employment for an employee, organizations, and the state, and they are given due consideration. The attempts to legitimize flexible forms of employment by the state indicate the recognition of such forms. This is confirmed by the policy of states aimed at working with patents. At the same time, information systems are serving as a long-standing job aggregator of those people who are ready to occupy a niche in flexible forms, and those who are willing to hire such workers. Thus, the market is actively moving forward, promoting units of the information system, although not every state legally recognizes flexible forms of employment. Such units are sites that perform work in relation to market needs and labor supply. Organizations that were engaged in recruiting cannot carry out further competitive activities because of the presence of reputational risks, associated costs and are rendered incompetent because of new online job search methods. The direct recruitment system is developing, so the features of the standard model are disappearing thanks to the online platform. All this leads to an unorganized labor market.

Conclusion

The present study examined the flexible forms of employment and highlighted its advantages and disadvantages to the workers, enterprises and the state. It is stated that with the transformations in the labor market, workers increasingly want to work away from the employer irrespective of working hours. Non-standard forms of employment represent certain forms of interaction between employer and employee, have specific features and capabilities.

Summing up, the active development of flexible forms of employment can be considered as a manifestation of the mechanism of self-regulating economy and as a form of adaptation of the population to the changing socio-economic situation. Business integration based on flexible forms of employment allows an organisation to reduce the costs associated with hiring a permanent employee and increase their motivation level. The benefits of flexible employment for an enterprise are related to attracting and hiring highly qualified employees at lower cost and increased flexibility in human resource management and subsequently, meeting customers expectations effectively.

The development of flexible forms of employment is becoming an important regulatory problem, the solution to which will not only increase the income level and quality of life of the population by reducing unemployment, but will also lead to optimum utilization of the labor potential. Flexible forms of employment can become a significant contributor in the economic growth and development but subject to the development of a regulatory framework ensuring strict control over personnel recruitment activities.

Flexible forms of employment are attractive to many organizations because it provides them an opportunity to save money and increase employee motivation. For organizations, the flexible forms of employment with spatial flexibility are promising. Quantitative and qualitative changes in the migration processes of countries, the dynamics of the cost of working hours arising from flexible forms, will be the focus of the future studies. These forms of employment enable the geographical expansion of the enterprise without the need to hire skilled workers by leaving the premises; and allow optimal utilization of labor.

In general, flexible forms of employment offers global opportunities to the companies. Since it allows broader access to the skills, qualities, and abilities of the human capital in unlimited space, i.e. on the territory of the entire information and telecommunications space. In addition, it eliminates risks in various industries. Flexible forms of employment can be compared to the types of self-employment, since the participant assumes risks, receives a super-profit when working on the platform. As a result, a more efficient employment model for the market is developed, that allows increased flexibility, but at the same time, the goal of capitalist and socialist economy, namely the social security is failed to achieve.

On the whole, it is evident from the analysis of the flexible forms of employment is under research area. Nevertheless, the findings from the study will provide an impetus to the discussion on the structure and future directions of research in this area. The state needs to timely institutionalize new forms of recruitment to ensure the competitiveness of the national economy and ensure budgetary revenues.

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