

THE NATURE OF LABOR MARKET AND ITS MAIN CHARACTERISTICS

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Аннотация

Для того чтобы подготовить школьных лидеров быть пионерами происходит внедрение технологий в школах, лидерские образовательные программы несут ответственность за подготовку и поддержку использования технологий в школах, сегодня и в будущем.

Частные страховые компании, спонсируемые правительством агентства (такие как США Overseas Private Investment Corporation), и многосторонние организации (например, Многостороннее агентство по гарантированию инвестиций) обеспечивают страховым полисам защиту прямых иностранных инвестиций от экспроприации активов, междоусобиц, войн и неконвертируемости валюты. Расходы, связанные с покупкой страховки, составляют часть премии, которая превышает ожидаемые потери фирмы.

Abstract

Private insurers, government-sponsored agencies (such as the U.S. Overseas Private Investment Corporation), and multilateral organizations (for example, the Multilateral Investment Guarantee Agency) provide insurance policies protecting foreign direct investments against expropriation of assets, civil strife, war, and currency inconvertibility. The cost associated with purchasing insurance is the portion of the premium, which exceeds the expected value of the firm's loss.

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expected value of the loss covers the insurance company's operating expenses as well as the implicit costs of moral hazard and adverse selection [3].

I think that the insurance is a worthwhile expense that decreases the uncertainty of the workers and the workplaces.

Where the possibilities for forward and futures contracting or insuring against possible losses are limited because of a lack of market development: the risk management focus shifts from financial practices to strategic moves that reduce exposures to environmental uncertainties [3].

The contracts are very important for the stability.

Many employment relations are only incompletely regulated by explicit contracts, giving employees discretion over their effort choices. In addition, these relations are embedded in a context of repeated interactions between employers and employees. We also know from a large experimental literature – which provides evidence from many different countries, from studies involving high stakes, and from nationally representative experiments – that a substantial share of the people exhibits (reference-dependent) social preferences and concerns for fair outcomes [1]. I think that sometimes the use of temporary employees and fixed-term contracts can be correlated negatively with process of innovation in some cases and at other cases it can be correlated positively with it.

The relation between labor market flexibility and innovation type is a complex one. While functional flexibility and low labor turnover is significantly positively correlated with all categories of innovation, increased use of part-time employees is negatively correlated with all categories of innovation (although only significantly so for process innovation). The use of temporary employees and fixed-term contracts is significantly negatively correlated with process innovation, as well as with the overall probability of innovating. Therefore, it is possible that the use of flexible work practices may not have such a significant negative relation with innovation for service-sector firms [2]. I think that minimum wages is an instrument that controls the fair wages.

The prevalence of fair-minded workers in the labor market may also have important new implications for policy. The reason is that policy measures may influence the reference point relative to which workers evaluate the fairness of their employment situation. We illustrate this possibility with one of the most wide-spread instruments of labor market interventions: minimum wage legislation. We discuss experimental evidence which shows that changes in the level of the minimum wage strongly affect what subjects perceive as the fair wage. In particular, a rise in minimum wages also raises reservation wages, implying that the effect of minimum wages on wages and employment may be very different from that which standard labor market theories predict. Furthermore, since the effects of increases and decreases in minimum wages turn out to be asymmetric, minimum wage policy may have effects that prevail even after the policy has been reverted [1]. Unlike control and cooperation strategies which attempt to increase the predictability of important environmental contingencies, flexibility responses increase internal responsiveness while leaving the predictability of external factors unchanged. The most widely cited example of flexibility in the strategy literature is product or geographic market diversification. Diversification reduces firm risk through involvement in various product lines and/or geographic markets with returns that are less than perfectly correlated. There is some evidence that related product diversification is more likely to achieve favorable risk/return performance than unrelated diversification. Rugman[3] found that multinational diversification decreases the variability of firms' rates of return on. I think that the firm has to adapt itself to the uncertain environment.

A firm's strategy deals with the alignment of the organization to its uncertain environment. As such, organizational strategic choices determine a firm's exposure to uncertain environmental and organizational components that impact firm performance. "Exposure" refers to the sensitivity of a firm or project's cash flows to changes in any of a number of interrelated uncertain variables [3].

The most common measures of performance in this literature are labor productivity; measures of quality and financial performance; employee turnover; absenteeism; and industrial disputes. Perhaps surprisingly, given its strategic importance to firms' competitive advantage and sustained performance, the link between human resource management (HRM) practices and firms' innovative

activities has received only minimal attention in the literature. The lack of research into this particular link may reflect, to some extent at least, the difficulties in measuring and categorizing ‘innovative’ activities, as well as perhaps the ways in which innovation is viewed by economists and management researchers respectively. While financial performance is generally regarded in both the economics and management literature as a ‘bottom-line’ measure of performance, innovation is viewed slightly differently by these literatures. In the management literature, innovation is often regarded as an intermediate variable, in particular, as a proxy for business strategy. In contrast, in the economics literature, innovation is generally regarded as a key indicator not only of firm performance, but also as an integral part of the process of economic growth at the national level. We are not suggesting that innovation is necessarily ‘pigeon-holed’ in this way in all contributions to these separate literatures, but this general pattern may nevertheless help to explain to some extent the rather different emphasis and analytical treatment of innovation across the two literatures [2].

At the firm level there are three principal means of securing flexibility. Numerical flexibility, which is the ability of firms to change the number of people they employ by making use of part time, temporary and seasonal employees, and short fixed-term contracts, freelance work, and homework or outwork (also referred to by Beatson as ‘flexibility on the extensive margin’). Such working arrangements are also frequently referred to as ‘non-standard employment’. Functional flexibility is the ability of firms to vary the amount of labor they use without resorting to the external labor market, and is accomplished primarily by having a labor force that is able to carry out a wide range of tasks – that is, the ability to move workers from one task to another (also referred to by Beatson as ‘flexibility on the intensive margin’). Wage or reward flexibility is the ability of pay and payment systems to respond to labor market conditions and to reward and encourage improved performance (for example, performance-related pay). After analyzing the use of non-standard employment from the 1998 Workplace Employee Relations Survey, “the increased use of part-time workers and short fixed-term contracts during the 1990s, together with the increased use of agency temps over the series as a whole, all ably illustrate how the character of jobs and, more particularly, workplaces has developed in recent years” [2].

Summary.

One of the most significant and consistent empirical findings in this literature is that while groups or clusters of ‘complementary’ HRM practices have large effects on productivity, changes in individual work practices have only a minimal effect. Complementarities among the following specific practices which span seven different HRM areas have been identified in particular: incentive compensation plans, extensive recruitment and selection, work teams, employment security, flexible job assignment, skills training, and labor-management communication. Adopting this entire complement of practices across all seven HRM policy areas will produce the highest level of productivity. Firms that adopt a wide range of complementary work practices are often referred to as having ‘high performance work systems’ or as being ‘high commitment’ organizations or ‘transformed workplaces’ [2].

References

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