

## **Educational Outsourcing in Process Management of High School Student's Self-Determination in Trade Qualifications**

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**Abstract:** The current study presents a problem of cooperation of educational establishments with the exchange of competences for a social partnership framework. It considers the functions of the educational outsourcing as an innovative technology being optimized for the high school graduates in managing the process of self-determination in the sphere of trade qualifications. Having estimated a method for the effectiveness of outsourcing and having included the evaluation of the efficiency increase of the output (i.e., self-determination in trade qualifications) as a consequence of the implementation of outsourcing, it presents the own organizational model. Therefore, the adequate organizations prove the effectiveness of educational technology, having the opportunity to use the experience of the best service providers to optimize the institution per se and its subdivisions.

**Key words:** High school students, self-determination in trade qualifications, social partnership, outsourcing, educational outsourcing, innovative technology, self-determination process, management

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### **INTRODUCTION**

The Russian economy is experiencing a severe shortage of skilled workers. Their functions in the modern production are quite different; a concept of “worker” evolves a Foreign meaning in the present scientific and technological progress; a general logic of the labor development has been changed from the simple physical to the complicated intellectual. Life is tending to the inevitable conclusion: training of the workforce in modern Russia needs to explore the new approaches, out of the box solutions (Popovich, 2012). The changes demand the proper level and content not exceptionally for the junior professionals who are involved in the present day production but they also provide the educational support for the young people in their self-determination, appropriated for the time-warranted trade qualifications (Bridges *et al.*, 2012; Nikiforova *et al.*, 2001).

“All the students deserve to graduate from high school hopeful about their future and ready for further educational opportunities and the workforce. Students leave high school and go in many directions. Some choose to go right into the workforce” (Evers, 2013).

The success of the development of economic potential of the Russian society depends on how the situation is understood by the society, employers and professionals engaged in education. The ways educational institutions are managed do not provide high school children readiness to self-determination in trade qualifications that satisfies the requirements of the

modern labor market and employers (Zavalishina, 2001). Solving this problem requires urgent measures to modernize and implement new organizational and legal forms of interaction between educational institutions and social partners.

### **MATERIALS AND METHODS**

The method for estimating the effectiveness of educational outsourcing includes not only the estimation of the economic effectiveness of the outsourcing model and performing non-core functions by internal divisions of educational organization. It also presupposes the analysis of additional (new) strategic evaluation criteria which improves the efficiency of the output (i.e., self-determination in trade qualifications), the development of new educational services and the increased amount of self-determined seniors according to the stated objectives. The given method is based on the ratio of the indicators which characterize the benefits achieved through outsourcing and educational costs incurred in the process of fulfilling functions involving the social partners.

The researchers offer a few basic indicators to evaluate the outsourcing effectiveness. The cost ratio which is obtained by correlating the amount of costs to perform the work on their own with the costs on the same work performed by the outsourcer according to the formula:

$$K_c = \frac{\sum_{i=1}^m C_{ou}}{\sum_{i=1}^n C_{ow}}$$

Where:

$K_c$  = Input coefficient, relative index

$m$  = Amount of service costs providing by the outsourcer

$C_{ou}$  = Purchase costs of outsourcer service activities

$n$  = Amount of costs on their own educational services

$C_{ow}$  = Costs on their own educational services of specific type of work

The effectiveness ratio of the output (self-determination in trade qualifications) which is obtained by correlating efficiency before outsourcing company and after. The evaluating of the effectiveness is conducted by independent experts and is expressed in the number of votes:

$$K_{ep} = \frac{K_{ou}}{K_{ow}}$$

Where:

$K_{ep}$  = Efficiency ratio product (self-determination of high school students in trade qualifications)

$K_{ou}$  = Effectiveness of the output (self-determination of high school students in trade qualifications) when performed by the outsourcer

$K_{ow}$  = Effectiveness of self-determination of high school students in trade qualifications when using own educational resources

Coefficient of the amount of self-determined high school students in trade qualifications, obtained by correlating the number of self-determined high school students before being attracted by outsourcing company and after:

$$K_{sd} = \frac{O_{ou}}{O_{ow}}$$

Where:

$K_{sd}$  = Coefficient of the amount of self-determined high school students in trade qualifications

$O_{ou}$  = The number of self-determined high school students when attracting the outsourcer

$O_{ow}$  = The number of self-determined high school students when using own educational resources

Similarly with the  $K_{ep}$  and  $K_{sd}$  can be calculated other corresponding factors. In case, the cost ratio is less than unity and the coefficients of self-determined amount of high school students and efficiency are greater than unity, it indicates the motivation for the use of outsourcing.

The strategic use of the outsourcing is aimed at the taking strong positions in the education market which is particularly reflected in the strengthening of the educational organization.

**Main points:** Now a days, the system of education is reliant on technology. Being the most important aspect of modern life technology has a strong impact on each aspect of life. Educational institutions are increasingly becoming subjects of enhancing innovation processes in educational technologies, innovations in management (Wood, 2000). They have shown interest in the innovation for their own competitive advantage but they do not always have sufficient resources to do so. In these circumstances, the importance of the demand for the management restructuring, searching management technologies are aimed at the development of professional competencies in the educational process as an important intellectual resource institution (Nikitin and Yarochkina, 2007). These technologies include the educational outsourcing which is understood as the performance of individual functions (educational, managerial, industrial, informative, financial, etc.) by a Foreign company, accommodating resources on the basis of long-term agreement (Anikin, 2003; Baden-Fuller *et al.*, 2000).

Educational ideology of the outsourcing is currently important. It reflects the trends taking place in the socio-economic development of the society and the system of education. As a methodology for educational institution adapting to market conditions, the outsourcing can improve the competitiveness of the organization, using all opportunities of the external environment and revise management approaches to achieve specific benefits in the long-term strategic planning and development agencies (Anohin, 2010).

In terms of the problem at issue the reason for secondary schools transition to the outsourcing is focused on the improvement of the training quality of school graduates for socialization and work. It suggests the interaction and sharing the educational functions with social partners (in our experience technical institutions and production plants). The balanced exchange mechanism between the competencies of educational institutions, academic institutions and industrial enterprises which are interested in training future workers enables to achieve competitive advantages to both parties because the basic principle of the outsourcing is “do what you can and are able to do better than others and charging others what they do better and cheaper”.

In our study, the outsourcing models of the innovation process of high school students' self-determination in trade qualifications involves the

outsourcing of some functions to enterprises. In particular, JSC "Power Engineering Plant" has trained high school students a profession of a toolmaker with electric welding skills by providing the workplaces, the necessary equipment, the work wear for both trainees and trainers. Within 2 years, the teacher of a training school has given high school students theoretical classes, the workshops have been held by a craftsman to train the students at the place of production.

For our study, outsourcing strategic goal is of great interest to achieve a competitive advantage over other educational institutions with similar profile by reducing of the cost of qualified personnel on the basis of the functions delegated to the partners and conservation along those doing that. The institution ensures the quality of extended education and initial vocational training of graduates. The outsourcing allows preparing high school students not only in the role of the job seekers but also as the creators of these places. Thus, raising students entrepreneurial qualities perceived as a real professional perspective. The problem of finding a balance between the demand for the educational institution to implement socially important goals and focus on the real market relations is decided by the educational outsourcing.

The building of mutually beneficial relations within the educational outsourcing lies in the long-term strategic planning of the educational institution. It is based on modern methods of innovation management. In particular, on the basis of competence-based approach the management of the institution involves the use of key competencies and professional workers as the most important resource of educational institutions. In this sense, educational outsourcing as an organizational mechanism for the exchange of competences between the social partners can reduce the number of management levels (particularly effective in creating profession oriented classes in school) (Anonymous, 2006); provide creative work groups of teachers; identify leaders who are ready to take responsibility for the output; intensify internal and external competition in the educational institution; create a partnership management structure based on the diversification of functions and resources; convert knowledge into a formal application competence. Thus, there are following strategic directions for educational outsourcing of secondary school: participation in forecasting and monitoring of the labor market in the formation of basic training of students (formation of a regional personnel order); development of evaluation procedures of outcome quality of school education, basic training of high school children in secondary schools and institutions of extended

education; formation of public opinion about the quality of education; participate in the development and implementation of educational projects (image formation of an educational institution). It is also significant to involve the groups of students in the development of training programs such as children with disabilities (co-financing and employment); participate in the development programs of educational institutions (quality audit training, cultural and recreational activities); introduce new teaching technologies in the educational process including teaching experience scattering; the development of scientific-methodological and logistical support for areas of cooperation.

The advanced Foreign and domestic experience suggests that in the interests of the development of educational institutions to meet the requirements of modern labor market institutions competitiveness in the external and internal environment in the interests of professional and personal self-determination of high school students a carefully designed strategy for educational outsourcing leads to increased efficiency of a common goal and a particular institution. The outsourcing is defined as an important means to reduce costs and improve performance of any organization regardless of the profile (Quinn and Hilmer, 1994; Cialdini, 2008; Loewenstein, 2007). Our research has also proved that the process of professional self-determination of students occurs effectively through educational outsourcing, when it is given an opportunity to use the experience of the best service providers (in this case manufacturing enterprises of different ownership forms) and optimization of the institution itself and its subdivisions.

The established educational outsourcing model represents coordination partnership relations of state department of education authorities (Department of Education of Belgorod, Belgorod Office of Civil Defense, Department of the Internal Affairs of Belgorod, Department of Human Services of Belgorod, Employment Center of Belgorod and, etc.), educational institutions of Belgorod (35 schools of different types), institutions of primary and secondary vocational education (10 denominations), enterprises and organizations of different forms of ownership and management (39 titles) as well as regional markets of professional competency. By the organizational outsourcing model, we understand the design of organizational set-up through the diversification of functions between the sphere of basic education and social institutions. The design logic can be represented by the following chain of process control functions in high school children's self-determination in worker

occupations: goal-setting, planning, organizational set-up, resources, control-output, correlation adjustment. Thus, the main coordination mechanism in our experience is the mutual agreement of all set out functions.

The modeling is performed by creating educational infrastructure through horizontal cooperation between the training school and branch enterprises at the premises of enterprises (individual workplaces, workshops, training firms, business incubators). In our model, the educational components of outsourcing are to improve the quality of primary technical training of high school students due to its adapting to the needs of the regional market competency and places on site training delivery for high school student; interaction with employers with a simultaneous shift vector training of school graduates in the direction of training to meet the requirements of employers; encouraging students, teachers and craftsmen's mobility to improve key and professional competence; increase the contribution of primary technical training of school graduates in Belgorod in socio-economic and cultural development of the region; reducing term of apprenticeship and cost saving with the help of resources cooperation.

Passing to educational outsourcing is based on "contract decentralization", i.e., transfer of some functions from training school to production plants, professional institutions (college, technical school, etc.) and other social partners. In training school (MUK) of Belgorod and Razumensky Training School of Belgorod region the implementation of economic mechanism of the regulatory budget per capita funding of basic training programs is stimulated by the legal base of relations between the parties. This includes the signing of contracts with parents to provide educational services to train children in chosen trade qualifications; with employers to finance projects of graduates' employment; with technical institutions to accept secondary school graduates, training schools on a contractual basis. In the future, the aim is in joint advanced personnel training.

Success factor is the strategy, output-oriented, ideal programming of the stages of joint efforts, effectively addressing staff and financial assistance, cost control, transmission control competencies and most importantly, focus on getting the ultimate outcome: high school students self-determination in trade qualifications.

## **RESULTS AND DISCUSSION**

Due to the rapid formation of new infrastructure and the extended education of students, aimed at providing a system of relationships between the institutions of basic education and the coordinators of economic activities, the main feature of infrastructure is the output that takes the

form of a value services. It means that the advantage of infrastructure activity is expressed in the improvement of the quality of educational activity.

It is important to the educational market-oriented outsourcing as a management tool in the field of high school children self-determination in trade qualifications to be in demand at different levels: in the system of education and in the production sphere. The solution to this problem, in our opinion, may be determined if testing sites of institutions of basic and extended education of students are set to pilot the control mechanisms of educational outsourcing; if workshops are developed for advanced training of teachers of basic and vocational education. It is aimed at the formation and development of entrepreneurial skills in the agents of the educational process, interested in effective self-determination of high school students in trade qualifications: the heads of educational institutions and subdivisions, methodological services, heads of self-governing bodies, etc.).

As a result of mutually beneficial cooperation of the educational institution and the production company, a considerable part of the students that have passed such training (64%) in the future would like to devote their future career to the mastered profession.

## **CONCLUSION**

The problem solving of self-determination of students will accelerate if the transfer mechanism of managerial competence in the outsourcing from business structures in basic and extended education is adequate to those economic mechanisms that are currently being implemented in the system of education.

## **ACKNOWLEDGEMENT**

The research was carried with funding from grant project "Scientific and scientific-pedagogical personnel of innovative Russia" for 2009-2013. Agreement number 14.A18.21.0042.

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