

## Human Capital Managing Skills of the Long-term Unemployed Social Benefits Receivers

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**Abstract:** Level of unemployment is not increasing any more in Latvia. Changes quality of unemployed people – there are a lot of long-term unemployed social benefits receivers. They are not using their human capital to find job, they are additional burden to municipal budget and it causes social and psychological problems to unemployed themselves. The aim of research is to find out the way long-term unemployed social benefits receivers are looking on their human capital managing skill if they are training it or not and how it connects with their career development. On the basis of the Jean Piaget cognitive development theory a questionnaire developed by author were used. Long-term unemployed social benefits receivers registered in Riga Social Service were asked to take part in the survey. The respondents were asked to describe situation in which they would and would not like to be after 4 years (who they are at that moment, what are doing being there), also they were asked to mention what they are doing now to be in that situation after 4 years. From that questionnaire author got information about level of comfort being social benefits receiver. Author got information about respondent attitude and reflection of their own personality what will help in future to make a human capital managing skills developing program for long-term unemployed social benefits receivers.

**Keywords:** human capital, long-term unemployed social benefit receivers, career, managing skills.

### Introduction

Unemployment level in Latvia by October 2014 is 8.2%, unemployment level in Riga by October 2014 is 5.2% (Bezdarba rādītāji..., 2014 ). There are 16.6% social benefits receivers in Riga for the past nine months of 2014, 37% of them are unemployed (2014. gadā Rīgā..., 2014). The level of unemployment is not that high, but Riga Social Department found out that there were more than one thousand unemployed in the city who did not receive any benefits and were potential receivers of social service benefits. It was also found that the average period of receiving benefits had been increased. There is a paradoxical tendency – the level of unemployment decreases, however, the level of the long-term unemployed social benefit receivers increases at the same time (Moors, 2012). The long-term unemployed social benefit receivers are able-bodied persons which have received benefits more than 12 times within the last three years and were jobless at least 9 months (Pētījums par..., 2007), and have been receiving social service support at least for the last six months.

Working with long-term unemployed might be hard because they might be not concentrated only on job searching process, they are not interested in developing their personality, because they see reason of being unemployed for the long period of time (Леана, Фельдман, 1995). They are feeling hopeless, more negative and destructed. There should be done huge psychotherapeutic work before involving them into groups and working on their human capital managing skills.

It's important to show and explain to long-term unemployed the reason of being unemployed especially when economic state of country is not that bad and general rate of unemployed is getting lower.

To start work in that field is important to understand what human capital really means. There are a lot of different explanations, but author is going to use following: human capital is the sum of an individual's abilities and skills, which increases the individual's economic and social potential (Latvia Human..., 2007).

As theoretical base of research author is using constructivism theory because author believes that respondents are active human beings with their experience, believes, so they can actively participate in process of creating their future (learning is the big part of creating future). Working with adults it is important to use constructivism because they will produce their own decisions according to their

experience and reasons using information that they get during process of learning (National Council for Social Studies, 1998).

Analysing survey author is using personal construct theory which was devised by G. Kelly in 1955. Asking questions to long term unemployed social benefits receivers author is expecting to get information about their personal constructs (hypothesis). Theory believes that we like scientists are creating personal hypotheses about our experience, expectations and beliefs (Kelly, 2003). Each of us creates our own reality based on experience, beliefs, learning, reality is constantly changing because of external factors, so knowing personal constructs gives to specialists opportunity to change them through the process of learning. That might help create new personal constructs in order to change future and possibilities that person might or might not be using and producing.

Before G. Kelly J. Piaget (1896–1980) started to discover and analyse how children think about objects – number, duration, speed, distance. J. Piaget called it logical structures. He was interested how the way of thinking about objects develops and how it can be changed (Campbell, 2006).

Considering about human capital and personal constructs author, according to human capital definition, accepts that human capital (or its elements) is part of personal constructs. Each individual acts in order with his personal opinion (or construct) about his skills and abilities. It is hard to change person's skills or abilities, person needs a lot of training, learning to get some new skills, but it is possible and might take shorter period of time to change person opinion (construct) about his skills and abilities. Author considers that using of human capital depends of personal constructs, so knowing personal constructs it is possible to increase level of individual's human capital.

The aim of the article is to publish the results of the theoretical and empirical research carried out by the author of the article on human capital managing skills of the long-term unemployed social benefits receivers.

## **Methodology**

The theoretical part of research consists of theoretical study of different human capital aspects as well as constructivism theory and various scientific approaches to the human capital managing theme.

To access human capital managing skills of long-term unemployed social benefits receivers as well as their view on their future and their constructs empirical part of research were invented.

A survey developed by the author consist of 4 questions which shows respondents ability to made constructs in their mind as well to understand which terms and conditions are involved in that constructs.

The participants were also asked to specify their gender, age, length of unemployment and level of education.

Research question:

How long-term unemployed social benefits receivers see themselves using human capital managing skills in a period of time?

Questions respondents were asked to answer:

1. What you want your life to be like in a one year? What are you doing right now to achieve it?
2. What you do not want your life to be like in a one year? What are you doing right now to achieve it?
3. What you want your life to be like in four years? What are you doing right now to achieve it?
4. What you do not want your life to be like in four years? What are you doing right now to achieve it?

The current empirical research where carried out in one of Riga Social Service departments. 37 long-term unemployed social benefits receivers took part in this research. The participants of research were as follows: 31 female (83.8%) and 6 male (16.2%) between age of 21 to 57 (Mean (M) = 40,5, Standard Deviation (SD) =11.2).

## Results and Discussion

According to cybernetic model widely researched by E. Glaserfeld there two questions we need to ask. First, ontological, *What is the structure of real world?* and second, cognitive, *What is the structure of our experiential world?* The key point is that we are able to analyse structure of our experience without making the unwarranted assumption that to perceive must be a process of passive reception rather than a process of construction (Richards, Glaserfeld, 1979).

This theory goes against “classical” point of view that everything that happens affects our logical construct (or our world). That means that our experiential world might stay constant through all the life if we are able to analyse structures without making assumptions that may affect our experiential world. That means that working with long-term unemployed social benefits receivers might be useless because any information from outside is analysed separately.

From one point of view it means that any consultative work with “problematic” target group is useless, but from other point of view it shows reality – many long-term unemployed individuals are taking part in different type of groups, sessions, personal training, but they still stay unemployed, regardless all of the learning and training are made in order to help them find and hold the job.

William T. Powers model of cognitive functioning can be expressed with single claim – *behaviour is the control of perception* (Powers, 1973 cited by Richards, Glaserfeld, 1979). For all specialists working with long-term unemployed individuals it means that main work must be focused on changing individuals behaviour in that way changing their way of thinking and analysing objects. This work must be done constantly, watching over the progress of individual, that type of consulting preferably need to be done in personal sessions rather than group works. Unfortunately, nowadays that type of work is not provided to long-term unemployed social benefits receivers by any of local or governmental institutions.

It is important to understand personality of long-term unemployed social benefits receiver, to understand how he is seeing himself in his own world (compare it to real world). Working with human capital managing skills comes out individuals self-concept as a main actor of managing process – how individual thinks about himself, his skills, his knowledge and how he thinks he is able to use it.

According to R. Kegan’s constructive-developmental theory adults see the world through their constructs they learn using those constructs as well (Kegan, 1982 cited by Mahler, 2011). For most of the long-term unemployed social benefits receivers it might be contradictory, because biggest part of them is in their midlife, they have strong beliefs and constructs which is hard to change. Working with them means knowing and understanding their active constructs in order to be able to impact and made some changes.

Thirty seven long-term unemployed social benefits receivers took part in a research based in Riga Social Service. Giving answers to the first question *What you want your life to be like in a one year? What are you doing right now to achieve it?* all (100%) respondents answered that they want to get a job. What could be very logical, because all of them are out of the work for a quite long period of time. Only 12 (32%) of respondents mean what kind of job they want to get or at least mean the field where they want to get a job. This results means that mentioned respondents don’t understand their own skills, don’t understand what happens in labour market – what kind of professions are highly requested and where is possibility to get a job. Seventeen (47%) respondents mean that they need to improve their level of education in one or another way – improve language skills, get another qualification, get college degree. No one of them mentioned concrete skills or type of education he/she needs. It is not logically connected with their wish of finding a job. This result as well as previous are connected and shows that they are not familiar with real situation in the labour market, they don’t have strategy of what there are doing or going to do what can show us that they are motivated only in their own minds and don’t have real action plan. No one of the respondents answered that he after a year don’t want to be a client of social service. There might be two reasons for it – first, person is planning to work and continue receiving social benefits, but in smaller amount; second, person haven’t yet realised that getting a job means dropping of social service or at least getting smaller amount of social

benefits. No one of the respondents mentioned what there are doing now in order to achieve their wishes after a year.

Answering second question *What you do not want your life to be like in a one year? What are you doing right now to avoid it?* Thirty one (83%) of respondents answered that they don't want to be in the same situation as they are right now, just 10 (27%) of them mentioned what exactly they don't want to be again in a year – they want to have a job. No one mentioned category “education”, so, it might mean that everyone, at least, would appreciate opportunity to study. Six (17%) respondents mentioned that they would like all they problems to be solved (Figure 1). That seems to be a non-human capital managing skills approach, because nothing can be solved without a plan or some ideas how to do it. Even if person need to solve problem, he need to understand what kind of problem he have, why, how it can be changed/solved and what follows next. As well as, it's obligatory to understand what kind of skills and knowledge person needs to solve it – it is possible to go through with all that we have or there is need to learn or ask for help.



Figure 1. Comparing of respondents wishes what they life should be in a one year and four years. A- I want to get a job; B-I need education; C-I know what kind of job I want; D- I don't want to be a social service client.

Answering third question *What you want your life to be like in four years? What are you doing right now to achieve it?* again, all (100%) respondents answered that they would like to have a job. In order what they are doing right now to achieve it, 17 (47%) mentioned that they need or it would be good to start some courses, college, get another degree, qualification etc. no one of them mentioned that he is doing it right now or, at least, realised where and what exactly he might do. It shows us that respondents are not connected with reality and period of time “4 years” seems to them quite long to think accurate about it. No one mentioned how he is going to structure this period of time, e.g., in first year there is goal to achieve this, in second years this...etc. It shows us low level of time management skills which is part of human capital managing skills. From respondents answers to third question is hard to define some general terms with which we might operate in analysis, because answers are more likely about global change of live, finding job. No one of respondents haven't mentioned health as resource to get job as well as resource to hold the job. Respondents are mostly in their midlife, so health issue, as a resource, should be important to them. Ten (27%) respondents answered that they don't want to be social service clients, it is very reasonable, but author expected more answers in that category, because individuals are long-term unemployed social benefits receivers, so they might be interested in switching their lifestyle.

Answering fourth question *What you do not want your life to be like in four years? What are you doing right now to avoid it?* five (13%) respondents haven't answered to this question. 18% answered that they don't want to work abroad. Twenty five (69%) answered that they don't want life to be the same as it is now. Seven (18%) respondents shows us some way of strategy thinking – they are seeing themselves working in Latvia, which is good result, that shows us part of plan that individuals have, something quite concrete and unique, in comparison with other questions. People might be influenced

by stereotype that working abroad can't give anything or they might have their own bad experience that they don't want to repeat. Except that part, answers are not concrete, without any plan, or strategy inside, that can't show us human capital managing skills or understanding themselves as persons with strengths, skills and abilities (Figure 2).

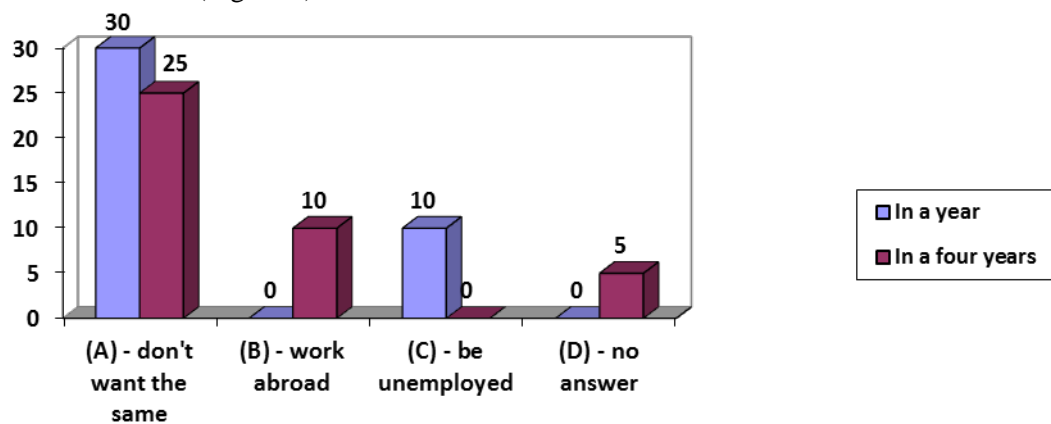


Figure 2. Comparison respondents wishes - what they don't want their life to be in a year and four years. A – don't want life to be the same; B – don't want to work abroad; C – don't want to be unemployed; D – respondents have no answer.

In general, for respondents it was easier to explain what they want towards what they don't want, it might be easily explained - people are concentrated on things they want to achieve and they can name it very fast, because they are thinking about it. Respondents have enough time to fill the form, but they haven't done it precisely, haven't filled all the lines explaining the situation. There might be two reasons for it – people are not interested in doing that or they just don't have information to fill in. mostly, answers are located in terms “education”, “job”, “change”, “social service”. Respondent group doesn't consist from very motivated individuals, so the results of research refer only to mentioned group.

## Conclusions

For social workers, career counsellors and other representatives of helping professions it is good to know that working with long-term unemployed social benefits receivers in order to improve their human capital managing skills can have some struggled and special features:

- long-term unemployed social benefits receivers don't realize what exactly human capital managing skills are and does they have them or not, so working with them means splitting big term in small, understandable definition;
- clients are not motivated to work with their inner feelings and expressions, so it might be hard to understand what exactly happens;
- most of the clients are not able to create logical constructs to change future and have some plan;
- term human capital managing skills is not included in social work system in Latvia;
- long-term unemployed social benefits receivers are addicted to social system and only small percentage want to quite being a client of Social Service;
- long-term unemployed social benefits receivers don't have logical structure of their future;
- for long-term unemployed social benefits receivers it is hard to think about what they don't want to have/explore, rather than what they want to have, what can be shown as problem with imagination and making logical structures;
- the respondents are concentrated on finding a job, but not thinking about what exactly job they are going to find and how they are going to hold it;
- the respondents understood that they need to increase their level of education, but don't have exact plan or ideas where to get education and what kind of education is highly requested now.

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