

UNIVERSITY "Ss. CYRIL AND METHODIUS" in SKOPJE



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AND JURIDICAL RESEARCH



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FOREWORD

Dear readers,

With this edition of the “Annual of ISPJR” we started a new decade in publishing the journal.

Last period approved that our journal became a significant opportunity for scientific public in Macedonia and in the region to publish their papers. On the other hand, we are sure that past issues attracted a lot of readers because of the fields that have been covered and the way of presenting used in the papers.

Continuing with our editorial policy in this first issue for 2017 we choose papers from various social research and scientific fields.

Human resource management, including the influence of occupational stress on the employees, the problems and the priorities of the Macedonian young generation, organizational science, entrepreneurial management, needs of new relevant strategy at universities for their marketing policy, political issues as referendum in United Kingdom and its consequences, religion and even personal experiencing of the Macedonian epic folksong are the areas that authors give affords to explain their attitudes and research findings.

All papers have been selected by double-blind peer review from two experts of the proper field. It gives special treatment to the papers and their meanings in sciences that covered.

We hope that your interest as readers will be fulfilled by this issue of our ANNUAL.

Editor-in-Chief
Mirjana Borota Popovska, PhD

Milka Kabranova Josifova, PhD Student

Adient

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NONFINANCIAL PERFORMANCE MEASURES

Abstract

Nonfinancial performance measures have attracted significant attention in the managerial accounting literature. The purpose of this essay is to distinguish some of the reasons for growing attention for nonfinancial metrics in the literature and to identify the major characteristics of the nature of nonfinancial performance measures and their implementation. The paper provides brief overview of the literature of performance measures and the emergence of interests for nonfinancial metrics. The paper further identifies the key aspects of nonfinancial performance measures and their implementation, and provides evidence in literature of their practical use in industries. Furthermore, the paper itself presents some of the main benefits and drawbacks in implementing nonfinancial measures for evaluating organizational performance. Finally, the paper provides brief discussion on the possibility and the advantages of combining financial and nonfinancial performance measures in strategic decision-making.

Keywords: performance measures, financial measures, nonfinancial measures

INTRODUCTION

The following work is an overview of the recent academic literature on the issue of nonfinancial performance measures. The fast pace of changes in global business environments dictate the need to be flexible and critical when assessing efficiency and effectiveness of organizations in order to sustain competitiveness. Managers are pressured to develop meaningful and comprehensive metrics of performance in order to justify business strategies and attract future investments. Therefore, the purpose of this work is to provide an outlook on the emergence of relatively new performance measures based on non-financial parameters. This paper begins by summarizing the major topics in literature on the issue of performance measures. The emergence of nonfinancial performance measures in literature is further discussed. Next sections present the key characteristics of nonfinancial performance measures and discuss their implementation with references to the practical examples. Furthermore, possible benefits and drawbacks of nonfinancial measures are reviewed. Finally, a discussion on the combination of financial and nonfinancial performance measures is introduced as an alternative strategy of business evaluation.

OVERVIEW OF PERFORMANCE MEASURES LITERATURE

Literature on performance measures is abundant and provides discussions concerning various aspects of evaluation of business execution. The work by Gunasekaran et al (2015) offered rich description on the nature of performance measures, the foundations of metrics, as well as modern criteria for the performance measures in new business environment. According to Chow & Van Der Stede (2006, p. 1), measures on performance play important roles in organizational management:

“These include translating strategy into desired behaviors and results, communicating these expectations, monitoring progress, providing feedback, and motivating employees through performance-based rewards and sanctions.”

Gunasekaran et al (2005) provided insights into requirements of measuring the effectiveness of operations in new enterprises, with a focus on accounting-based and contemporary metrics. Giachetti et al (2003) offered a complex overview of the measurement bases of flexibility and agility metrics of company performance. The work created by Goknur and Turan (2010) discussed the components of performance measures, while Alan et al (2017) highlighted emerging trends in the implementation of performance measures from the perspective of process

management in the supply-chain systems. These works indicated the most relevant issues in the tactics for measuring organizational performance and potential use of alternative measures to the accounting-based metrics.

EMERGENCE OF NONFINANCIAL PERFORMANCE MEASURES

1. Attention towards Alternative Performance Measures

According to O'Connell and O'Sullivan (2016), accounting-based calculations on the returns-on-investment, unit costs, earnings etc. have been traditionally used to assess the level of business performance at any given period of operations. However, modern business environment demands competitiveness through flexibility, customization, quality management (i.e. TQM), and timeliness (i.e. JIT) that can no longer be assessed only through conventional financial measures but require alternative and more qualitative approaches (Chow & Van der Stede, 2006). Dikolli & Sedatole (2007) noticed that a growing amount of research is dedicated to explore the possibilities of nonfinancial measures, to evaluate performance, and to present these measures as future financial performance indicators. Said et al (2003) stated that growing attention towards nonfinancial measures emerged from the desire to overcome the limited applicability of purely financial metrics and their short-term predictions, and to offer more detailed and substantial description of organizational operations. According to Said et al (2003), nonfinancial performance measures became more deeply investigated under the promise that they could contribute to quality-oriented management and improve assessment of competitiveness in the marketplace.

2. Nonfinancial Metrics in Management Compensation

The article by HassabElnaby et al (2007) noted that there is a substantial volume of literature dedicated to the use of nonfinancial performance measures for evaluations of reward levels for management. Kelly (2007), Said et al (2003) and HassabElnaby et al (2007) observed that literature on expectancy and agency theories has contributed to increased attention towards performance measures, as ways to motivate managers to maintain and improve performance in order to receive appealing compensation packages. According to O'Connell and O'Sullivan (2016), nonfinancial measures such as customer and employee satisfaction, product/service quality, productivity and market share have been increasingly combined with financial results in order to determine management compensation based on the delivered business performance. Therefore, managerial motives for better rewards and appraisals have also contributed to the increased interest for nonfinancial

performance measures in the literature. Examples of articles discussing the implementation of nonfinancial performance measures in compensations include O'Connell and O'Sullivan (2016), Gibbs (2008), HassabElnaby et al (2007), Kelly (2007), Lau & Moser (2008), Sliwka (2002) etc.

3. Nonfinancial Performance Measures in Accounting Teachings

The article by Buttross & Schmelzle (2008) examined the emergence and importance of nonfinancial measures concept in the managerial accounting study programs. Authors discovered that nonfinancial performance measures were introduced to study programs as innovative topics and their knowledge was considered important and relevant to managers and accountants, wishing to be well-informed of the trends in the competitive business environment. Buttross & Schmelzle (2008) noted that there is a need for greater attention to the teachings on nonfinancial performance measures and more reference in the professional and academic literature in order to keep up with the pace of developments in the performance evaluations in real-life industries. Similarly, Gibbs (2008) pointed that there is a growing literature on nonfinancial measures, and its promotion is important in order to be in line with the contemporary managerial job requirements and to meet conditions by performance-based work appraisals and compensations.

KEY ASPECTS OF NONFINANCIAL PERFORMANCE MEASURES

As stated in Savsar (2015), the emergence of nonfinancial performance measures is linked to the "Balanced Scorecard" evaluation system, which introduced examination of descriptive variables to organizational performance evaluation, not obtainable from the traditional financial reports. Johnson et al (2009) explained that the key value of nonfinancial measures to performance assessment is the assumption that they stimulate and describe performance through cause-and-effect principle. For instance, typical nonfinancial measures, such as customer satisfaction, can be assumed to stimulate positively customer loyalty, which in turn increases repetitive purchases, decreases transaction and market costs, and influences positively the final financial outcomes (Johnson et al, 2009). In similar way, other typical nonfinancial performance measures such as product quality, customer responsiveness, delivery timelines, employee satisfaction, productivity etc are believed to contribute positively to the financial performance of organizations (O'Connell and O'Sullivan 2016, Said et al, 2003; Campbell, 2007, Ittner & Larcker, 2003). Furthermore, an article by Sliwka (2002) suggested that such nonfinancial measures are considered to display the effectiveness and efficiency of business strategies, especially strategies

directed towards innovation and market growth. According to Frigo (2002; p. 6):

“They are at the heart of describing strategy and of developing a unique set of performance measures that communicate strategy clearly, and they help in its execution.”

According to O’Connell and O’Sullivan (2016) although the nonfinancial performance measures are often described to play only a supporting role to the financial measures of business performance, they provide deeper understanding of the drives of effectiveness and efficiency along organizational processes and operations.

The work by Said et al (2003) suggested that besides playing important role in the “Balanced Scorecard” performance evaluation system, nonfinancial measures are also associated with the Total Quality Management (TQM) practice. According to Said et al (2003), TQM is often implemented as nonfinancial framework of performance assessment and leads to positive performance evaluations, greater flexibility, and positive stock market position. Moreover, Frigo (2002) revealed that because of this various nonfinancial performance measures being employed by organizations, it is possible to create the evaluation of the future investment opportunities.

IMPLEMENTATION OF NONFINANCIAL MEASURES

The article by Ittner & Larcker (2003) provided a set of guidelines for successful implementation of nonfinancial measures in performance evaluation. Authors suggested that causal model, which explains the relationship between organization’s strategic plans and critical performance areas, is the first step to nonfinancial measures implementation, which insures that evaluations will be meaningful and relevant to the objectives of the organization. Furthermore, authors stated that it is necessary to collect and analyze data reflecting company’s progress towards strategic goals from information systems and qualitative and quantitative corporate reports and even conduct new internal research, in order to have detailed picture of the causality in the organization and action-effect overview of initiatives. Moreover, Ittner & Larcker (2003) argued that continual revision of the causal relationships and their modification should be performed in order to reflect the changes in the competitive environment (some nonfinancial indicators of performance become obsolete and new ones emerge and need to be included in the evaluation). Authors also stressed that in order for the nonfinancial performance measures to have positive effects on future financial performance, these nonfinancial results should be

used as bases in decision-making and be acted upon. Ittner & Larcker (2003) stated that once insights from nonfinancial evaluations are implemented in the strategy, their effectiveness to produce favorable financial results should be also measured in order to prove the accuracy of selected metrics and relevance of measured operational areas to performance. Finally, authors noted that environmental forces surrounding organizations should be considered when implementing nonfinancial-based performance evaluation in order to avoid misleading conclusions (Ittner & Larcker, 2003, p. 93):

“Since the performance consequences of nonfinancial measures may be contingent on exogenous variables, the ability to draw inferences about the performance consequences of using those measures might be affected by specification errors.”

Additionally, HassabElnaby et al (2007) suggested that is important to adjust nonfinancial performance measures to the characteristics of the organizations, so that they will be relevant to the operations and processes and corresponding to the interests of the organization towards areas of improvement. Said et al (2003) further stated that selection and implementation of nonfinancial measures should correspond to the organizational strategy, while Rodgers (2011) and Fleming et al (2011) agreed with this requirement and provided examples of nonfinancial performance measure implementation in healthcare. Similarly, Medrado and Jackson (2016) provided example of the implementation in the hotel industry and Campbell (2007) referred to the example in the case of fast-food restaurant.

BENEFITS & DRAWBACKS OF IMPLEMENTING NONFINANCIAL PERFORMANCE MEASURES

According to Said et al (2003), nonfinancial measures have the benefit to organizational performance by motivating managers to improve their actions and initiatives along the specific operations and processes assessed by these measures, which produce great impact on the organization as whole. Said et al (2003) also suggested that evaluation systems which include nonfinancial performance measures make strategic objectives more comprehensive to managers and allow them to see how the processes, employees, resources, and objectives are inter-related, which makes improvements in performance easier to spot and implement. Additionally, some of the nonfinancial aspects of organizational performance can be assessed at any time during operations,

which allows managers to use nonfinancial performance measures to take corrective actions on time when needed and direct them to the precise sources of performance problems (Kelly, 2007). According to Ittner & Larcker (2003), this also allows managers to have a general idea of the organizational progress before the financial results are available and so avoid waste of resources invested in inappropriate performance areas. They also stated that nonfinancial performance measures provide the benefit of allowing employees to understand better the overall organizational performance and participate more in the efforts towards accomplishing strategic objectives. Said et al (2003) added that because of this instant effect, nonfinancial performance measures have the advantage of being less vulnerable by manipulations, which are more possible in financial reports. Furthermore, Ittner & Larcker (2003) suggested that nonfinancial performance measure such as customer satisfaction can be a good reference to the company's current market value. However, authors noted that this qualitative measure cannot be related to the indicators of company's financial performance results. Finally, Kelly (2007) suggested that organizations which have greater portion of investments in intangible assets (such as branding, R&D, human capital etc) can derive greater benefits from implementing nonfinancial measures to evaluate performance, as they can be more easily linked with these intangible assets and improve decision-making.

Although nonfinancial performance measures display numerous benefits, they also possess several drawbacks. According to Kelly (2007), nonfinancial performance measures are considered to have lower power to improving organizational performance unless they are paired with other managerial incentives that would motivate managers to base their decision-making on them. Since managers are more likely to direct performance efforts to the nonfinancial areas directly linked to their compensation, this can cause biased evaluation in areas of interest and negligence in other fields of operations (Kelly, 2007). Furthermore, Dikolli & Sedatole (2007) argued that some nonfinancial measures such as customer satisfaction are difficult to define and require too complex schemes of metrics which often result in confusion and sometimes to not carry any substantial value for the firm. Thus, Dikolli & Sedatole (2007) argue that nonfinancial performance measures alone should not be considered as bases for strategic decision-making regarding investments and performance improvements. Finally, Ittner & Larcker (2003) warned that nonfinancial measures may provide reports that overestimate organization's progress, and therefore might misguide future operation strategies and produce more harm to performance than evaluation based only on accounting measures.

POSSIBLE COMBINATION OF FINANCIAL AND NONFINANCIAL PERFORMANCE MEASURES

The Work by Baiman & Baldenus (2009) focused on review of the possibilities for combining financial and nonfinancial measures in evaluating organizational performance. According to them, the implementation of nonfinancial performance measures makes sense only if it can be tied to the financial performance indicators in the relevant operational areas. O'Connell and O'Sullivan (2016), supported this view and suggested that nonfinancial measures are complementary to the financial data, and reveal performance explanations not available in accounting calculations. Furthermore, O'Connell and O'Sullivan (2016), stated that once nonfinancial measures are added to the traditional metrics, both financial and nonfinancial performances of the organizations are improved. Chow & Van der Stede (2006, p. 7) added:

“This inference is supported by our finding that the different measure types are seen as having different strengths and weaknesses (e.g. encouraging risk taking vs. supporting decision making). While some types can be used occasionally as substitutes for others, it may be best to look at the different types of measures as complements to each other.”

Kelly (2007) explained that while intangible factors such as customer satisfaction, innovation, and quality-orientation form organizational values and reflect its achievements, accounting-based performance assessment cannot report on them on its own. Therefore, it requires combination with the nonfinancial parameters in order to monitor performance and produce advice for improvements with the long-term strategic view. Finally, research by Said et al (2003) stated that higher market returns were reported by companies which incorporated use of both financial and nonfinancial performance measures to evaluate their progress and make decision for future improvements and investments.

CONCLUSION

Nonfinancial performance measures emerged as alternative indicators of performance due to changing requirements in competition, increased focus on quality, and greater use of performance-based compensations and incentives. Key aspect of nonfinancial measures is the assumption that they are based on causality models of processes and operations in organizations and can report on progress in the specific segments of business, including intangible ones. Implementation of nonfinancial measures requires strategic focus and clear vision of the

causality of performance effects in the organization. Benefits of these measures include better and timely understanding of drivers of performance (especially its intangible factors) and guidance for specific performance improvements. However, nonfinancial measures should be used with caution since they may overestimate the overall level of organizational effectiveness. Therefore, literature strongly supports the idea of combining accounting and non-financial performance measures to have the optimum understanding on the performance drivers in organizations and greater support in strategic decision-making.

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**THE UNITED KINGDOM REFERENDUM AND
KNOWLEDGE MANAGEMENT UTILIZATION
FOR OVERCOMING EUROPEAN
MISUNDERSTANDING**

Abstract

The referendum carried out in the United Kingdom of Great Britain and Northern Ireland for leaving the European Union (EU) revealed the existence of Euro-skepticism and the dilemmas concerning their own future. This paper discusses the development of European integrations and the conflicts arising from existence of varied approaches to the current issues. This paper particularly emphasizes the interest of the United Kingdom (UK) on focusing on its own sustainability and the values acquired by applying the capacities of knowledge management. Aided by the Geographic Information Systems (GIS), this paper gives an in-depth and thorough analysis of the crucial features of the UK and the EU following the referendum outcome. Application of GIS makes it possible to reach better decisions, but GIS are also means that allows gathering, storing, analyzing and presenting these spatial data. Intentions and pursuit to reach a state of self sustainability can not be accomplished unless there is appropriate climate and culture that ensures creation and implementation of knowledge, accompanied by permanent improvements of the applicable knowledge and its usage in new and better products and services.

Keywords: Knowledge management, Sustainable development, Geographic Information Systems, the United Kingdom of Great Britain and Northern Ireland, the European Union

INTRODUCTION

At the end of June 2016, the United Kingdom of Great Britain and Northern Ireland drew the world public attention with its referendum on remaining in or leaving the European Union. The UK is a highly developed country, former owner of a whole host of colonies, located on the island of Great Britain and partly on the nearby Irish island, whose northern part is referred to as Northern Ireland. With its territory Northern Ireland is an integral part of the United Kingdom, thus creating with Great Britain their political union. The Kingdom of Great Britain was established as early as in 1707 by uniting England and Scotland. Both of the Islands are located in the north of the European continent. The United Kingdom (UK) covers the territory of 5.56% of current European Union (EU28). The constituents of the UK are England, Wales, Scotland and Northern Ireland whose area is 243610 km². England's share is 53,47% from the territory of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the United Kingdom (UK), whereas Wales', Scotland's and Northern Ireland's share are 8,51%, 31,98% and 5,8% respectively.

On June 24th 2016 the Electoral Commission of the United Kingdom officially announced the results of the referendum conducted. The referendum was carried out by initiative of the Government of the United Kingdom and its purpose was to establish to which extent the British voters wanted to continue their cooperation and membership in the European Union (EU). The question was very clearly defined, asking the voters whether they wanted their country to remain in or to leave the European Union. According to the data presented by the polling stations, the number of voters was 33577342, out of which 16141241 voters, i.e. 48,07% of the voters who had voted, had wanted the UK to remain in the EU. 51,85% of the voters, i.e. 17410742 voters, had chosen for Britain to leave the European Union. There were also 25359 non-valid ballots. Out of the total number of people eligible to vote, 72,2% had decided to vote. Based on the above mentioned results which reflect the wish of the voters, the conclusive outcome was that the United Kingdom decided to leave the European Union.

On this occasion, a survey was carried out in order to look into the reasons why the United Kingdom of Great Britain and Northern Ireland decided to conduct a referendum, and the likely future consequences thereof. The strategic goals and intentions of the UK, which are associated with successful application of knowledge management for reaching its desirable sustainability, were also studied. The results of the referendum were analyzed and particular emphasis was put on the significance of the application of the Geographic Information Systems (GIS), both for carrying out the referendum and for making crucial decisions. As well as

this, there is a thorough historical depiction of European integrations and British correlation with them.

INTEGRATION PROCESSES IN EUROPE AND IN THE UNITED KINGDOM

The idea for current European integration dates back in 1948 with establishment of the European Movement International. Its basic role at that time was to represent a kind of a response to the growing nationalism and to enhance development of mutual trust among European leaders. That was basically a lobby organization whose purpose was coordination of associations and national councils. with a view to promoting European integration and enabling exchange of information. As a matter of fact, the very beginnings date one year earlier, in 1947, by establishing the Anglo-French United European Movement, which was aiming at realizing after World War II the necessary cooperation among the organizations that had been established then.

Work on these ideas continued till 1950, when the French Minister of Foreign Affairs Robert Schuman announced the Declaration for Establishment of the European Coal and Steel Community, which was equally enthusiastically worked on by Jean Monnet (European Commission 2013). In the year to follow, 1951, by signing the Treaty of Paris, the European Coal and Steel Community (ECSC) was officially founded. Its primary purpose was, by application of the international law, to recover the economy on the European continent. It was supposed to act as a preventive measure for future prospective wars that might occur on European territory. It was expected to create and offer conditions for peaceful development, and in the long run, it would contribute to sustainability of European economy. Those were the reasons to encourage and foster coal and steel production in France and in West Germany, pointing out over and over again that it was for mutual industrial benefit for both countries.

The next step was founding the European Economic Community (EEC), which was implemented with the Treaty of Rome dated March 25th 1957. It was signed by its establishers: Belgium, France, Italy, Luxemburg, the Netherlands and West Germany. This Treaty regulated the customs duties, and thus a customs union was formed among the Treaty signees, which basically meant laying the foundations of European integration. Put in other words, this implied that from then on goods, capital and people could move freely and smoothly, which indirectly meant drastic increment in the variety of services and products. Additionally, an Agreement was reached to commence working together on mutual policies concerning European

transportation and agriculture. European Commission and the Social Fund were also established.

The next significant event was the Maastricht Treaty signed on February 7th 1992 by the member countries of the European Community. It is also referred to as the Treaty on European Union (TEU) and it came into effect in 1993. European Union and European citizenship were established with this Treaty. This led to laying the foundations for the three so called European pillars: the European Union (comprising as well the European Coal and Steel Community and the European Atomic Energy Community), Justice and Home Affairs (JHA) and Police and Juridical Cooperation in Criminal Matters (PJCCM), and the third pillar was the Common Foreign and Security Policy (CFSP). This Treaty was amended with the amendments from London Treaty which entered into force in 2007. It considers the constitutional basis of the European Union (EU).

Concerning the United Kingdom, what is of particular significance for it is the Treaty of Lisbon, Portugal, dated December 13th 2007, which took effect the same year. It was signed by the 28 member countries of the European Union, and it is commonly referred to as Reform Treaty. This Treaty strives to establish a more powerful European Parliament, introduces the right for each member state to leave the European Union at its own discretion, offers the European countries the right of re-accession, and a procedure for carrying it all out is introduced (Treaty of the Functioning of the European Union, 2012). It is exactly this right for a member state to leave the European Union, that allowed the United Kingdom, on proposal by its Prime Minister and the Parliament, to announce a referendum regarding this issue for June 23rd 2016, it took advantage of Article 50 which says that “Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.” (Treaty on European Union 2012). This was actually a check of the trust of the full age citizens of the United Kingdom in the reformed institutions of the European Union.

Another proof of the United Kingdom’s taking advantage of this opportunity is the referendum in 1975 on “whether to embrace further European integration” by accessing the European Economic Community. The results obtained then were totally different from those now – out of 64,62% of voters who used their right to vote, 67,2% voted for accession. However, the latest outcome of the referendum in the UK reflects another situation with the relations between the European Union and the United Kingdom. These are most clearly expressed in the varied views and attitudes of some European states regarding the referendum (Möler and Oliver, 2014).

So, with reference to the referendum conducted, Germany sent a message to the UK that in the course of the negotiations for leaving the EU, the latter will not be

given the right to choose which European privileges it will be allowed to accept and which to reject, even though we speak about negotiations when it is almost always possible to reach mutually acceptable agreements. Italy thinks that negotiations on leaving the Union are possible only after putting into effect Article 50 from the Treaty of Lisbon. This view is supplemented with Vatican's endeavors to find new creative ways of enriching the Europeans' living together. At the same time, there are proposals for giving wider powers and independence to the European Union member states, which would prevent and hinder some secessionist movements in Europe.

The European Parliament invites the UK to commence the process for leaving the EU, which basically means negotiations for the conditions for withdrawal from the EU, with duration of two (2) years (a Declaration was adopted with 395 votes for, 200 votes against and 71 votes abstained, which clearly defines and specifies the position of the EU after the referendum in the UK). In this context fairly important is the official attitude of Scotland which itself conducted a referendum in 2014 for withdrawal from the UK, with support of only 45% of voters, i.e. the majority chose to stay within the UK. Scottish government expressed its opinion that the Scottish Parliament might veto the UK's withdrawal from the EU, and points out that if Scotland wants to leave the UK, a new referendum will be imperative. Poland, in turn, proposes reaching a new Agreement for sovereign states within the EU.

The view of France has always been of great significance. Its remark is that there are ongoing changes in the world which should be addressed by the EU, and it especially refers to EU's competitiveness. Therefore changes, reconsideration of the current Agreements and addressing the issue of radicalization that is going on in Europe, are a must. France threatened not to obey the Treaty of le Touquet dated 2003, which deals with the bilateral relations between the United Kingdom and France (Blunkett and Sarkozy, 2004). Another comment is that the UK possesses highly developed, advanced and worthy skills and techniques. Canada's comment is that the UK is its important friend and strategic ally. These are two countries that have historically created inextricable bonds. They have always worked on reaching mutual agreement and creating common values, regarding them all as their own capital. Regarding this issue, the position of the USA is of great importance, since the USA has always had a special approach when it came to their European ally. Many of the UK's decedents work and live in the USA nowadays. That is the reason why the USA accepts the UK's decisions with full respect and understanding. The USA perceives its relations with the UK as something permanent and lasting. Quite similar views were expressed by Australia and the Commonwealth.

General conclusion regarding the turmoil in Europe and the referendum conducted by the UK is that there are disagreements and difficulties in reaching

a consensus when talking about accession to the EU by some countries. The same applies to reaching the stipulated European standards, development and enhancement of economic performances, and the ways of reaching consensus within the European Union. There are some objections with regards to the way of carrying out the reforms (Emerson, 2015), the occurrence of obstructions directed towards the prospective EU member states, instead of developing mutual respect and cooperation. The current situation necessitates clarification of the EU accession criteria, in order to realize the integration processes, and overcoming of the disagreements and differences in the approaches related to the issue of EU expansion.

As well as the above, there is an appreciable rise in EU-skepticism in Europe, which in turn heightens the position of the parties that advocate withdrawal from the EU. This would inevitably lead to carrying out the necessary reforms within the Union. Some of the remarks are concerned with undervaluing and neglecting the fundamental values that underlie the EU, that they are either inappropriately or insufficiently practiced, which might be the major cause for the way the UK voters voted. Investment related problems are also mentioned. There is an obvious irregularity in the development of the EU member states, and some economic sectors have drastically underperformed. Election standards have also dropped, which is reflected in the insufficient (low) number of voters when voting for the European Parliament (in 1997 the percentage of voters was as high as 61,66%, whereas in 2014 it was 42,54%). Another very obvious drawback is the noticeable and indisputable dissatisfaction with the strict saving measures and the fiscal discipline policy, which have resulted into problems with deficiency of profiles for some jobs and inability to reach the desired economic growth.

THE RELATIONSHIP OF THE UNITED KINGDOM WITH THE EUROPEAN UNION

The very size of the EU area (EU28,4381376 km²) is a factor that by itself causes turbulences and a feeling of uncertainty. The changes introduced in the past, the acceptance of the insufficiently clarified relations in the EU itself, the occurrence of the Middle East crisis with the surge of refugees, the internal migrations within EU and the increased need for wider and deeper know-how (with a view to reaching self sustainability and better position at the market), these were all the causes that made the UK conduct the referendum. On proposal of the Prime Minister of the United Kingdom (which was announced by him previously in the course of his election campaign), a referendum was conducted for the UK's leaving or remaining within

the EU. The position of official London was to remain in the European Union. Namely, even the ruling party itself got interested in conducting a referendum so as to clarify and resolve the differences in addressing some of the problematic issues in the EU. The citizens of the United Kingdom were put in a position to decide on the steps to take, since the EU was “insufficiently prepared” for changes, i.e. to decide whether to continue accepting further degradation of the UK’s sovereignty, whether to stick to their own currency or to opt for the Euro etc.

The reasons for the referendum conducted might also lie in the wish of the United Kingdom of Great Britain and Northern Ireland to be able to control its development and future itself, to make higher investments in its economy and to create grounds for implementation of its own policies that would match its own needs and interests. In that way the UK would be able to protect and defend its welfare and wealth acquired, based on its historical background, and consequently to foster its own economy. The outcome of application of such a policy should be higher number of job vacancies, provision of its own financial autonomy, improved care for and control of its businesses, housing, family planning, transportation, healthcare and justice.

Other reasons for conducting the referendum and voting for withdrawal of the UK from the EU could be considered as a protest against increased migration, constant banking policy, dissatisfaction with the efficiency and effectiveness of the European institution and their policies, as well as due to redefining the relation towards the globalization processes and the steps taken regarding handling the Greek debt (in less than a year, the debt in 2016 grew by 8%, i.e. amounting about 188% of GDP). Furthermore, there is a substantial growth in the number of businesses closed down, feeling of uncertainty concerning the issues related to Scotland and fluctuations in the real estate prices. In addition to this, some citizens expressed their dissatisfaction regarding the extent of protection from the migrants, expansion of the European Union towards East, social expenditures, and in particular reaching and maintaining sustainable development.

Accordingly, some of the British voters got a feeling that the EU acted as an authoritative organization that constantly imposed measures which, as per the opinion of the voters, did not meet the wishes, requirements and interests of the UK. Therefore a referendum was conducted, aiming at taking control over its interests, reducing the feeling of being disempowered and downtrodden, heightening its sovereignty and deciding itself on its own headway. Thus, in a way, the United Kingdom of Great Britain and Northern Ireland wanted to show that it had serious intentions to work on its own sustainability and capacity for competition.

The country in question, the UK, has been a member state of the European Union since 1973. It is known to be the third (3) nuclear power in the world, a country

with a huge number of colonies in the past, a country famous for its mariners who had discovered and conquered many countries. In addition to that, the UK is the fifth (5) industrial power in the world, former imperial country which currently cooperates with a number of overseas territories, some of which it owns (Bowden, 2007). Table 1 below presents the major features and data concerning the UK's relations with the European Union.

Table 1: Major data concerning the relations of the United Kingdom of Great Britain and Northern Ireland with the European Union

	Total in EU 28	The United Kingdom of Great Britain and Northern Ireland	Put in %
Citizens	508293358 ¹	64767115 ¹	12.74
Employed at European Central Bank²	2650	160	6.04
Number of European Parliament seats²	751	73	9.72
Employed at the European Commission²	30009	1126	3.8
Contribution to EU budget in 000000 €³ (Oliver, 2013)	143940	11341.6	7.88
Expenditures from EU budget for the EU member states and the UK, in 000000€³	128564.9	6984.7	5.43
The difference between how much Britain gives and receives from the EU budget, in 000000 €³	209.3 ⁴	4356.9	3.38

Source:

¹ Eurostat, Estimate for 2015: <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tps00001&plugin=1>;

² Official Journal of European Union: European Commission;

³ Georgieva, 2015;

⁴ UK Corection for 2014.

The crisis in the Union was perceived by the citizens of the UK as a threat arising from the migrants' surge with problems in application of Dublin Regulation (Schulz and Shater, 2013), cases of misunderstandings regarding the directions of development of the UK (i.e. those who regarded domestic issues more important

than international ones), and emphasis on the differences concerning competencies over policies that directly affect the citizens. There are also significant differences in Gross Domestic Product (GDP) between the bigger and the smaller EU member states, cultural differences, drain of funds from the UK, as well as differences that are concerned with human development, welfare, employment, income etc. Apart from that, there are expectations which are associated with different competencies of the EU, UK's reserved behavior as regards Euro zone and Schengen zone whose member it is not, the position of the powerful British currency, the UK's geopolitical position and future status of the English language in the EU. The British public also feels uncertain in regard to the possible accession of Turkey to the EU, and Germany's welcoming treatment of the refugees.

Unlike the opponents of the withdrawal from the EU, those who ran the campaign to leave the EU were apparently delighted and thrilled, maintaining that this meant regaining independence and that it was a historical victory. What basically happened was that, for the first time in modern history, one highly developed and former colonial country expressed its desire to leave multiethnic EU, which was founded after World War II in order to keep peace in Europe. Immediately after announcing the voting results, the withdrawal supporters came up with comments that it was a "Freedom Victory" (words used by the leader of an opponent party in France), adding that similar referendums are to be held in other EU member states. This comment confirmed the indications and warnings that there was Euro-skepticism within the European Union itself.

Carrying out the referendum for the UK to leave the EU brought about a whole lot of consequences, some of them being resignation of the UK Prime Minister and appointing a new one, disagreements in the major opposing party, heated discussions and misunderstandings in the European Parliament, drop in the rate of the British pound in relation to the Dollar and the Euro, and instability of the financial markets. The event was accompanied by a variety of emotions, starting with disbelief, shock, protests and advocating a new referendum in the UK (which was supported with a few million signatures), i.e. appeal to remain within the EU. There were also comments supporting the need to strengthen and heighten the European identity, at the same time having full respect for the differences existing among all the EU member states.

The referendum conducted in the EU spurred the other EU member states to reconsider the idea for conducting an identical referendum in their own countries. For instance, the Netherlands carried out a survey regarding the people's wish to have a referendum on leaving or remaining in the EU, and the survey showed that 54% were in favor of carrying out such a referendum, whereas only 48% of the Italian citizens had supported that idea. Unlike these countries, as to the Balkan

countries, 60% of the citizens in Serbia, for instance, had made it clear that they would support their country's accession to the EU, with an additional comment that UK's leaving the EU might affect the Serbian citizens' views.

REFERENDUM FOR THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND'S LEAVING THE EUROPEAN UNION

The major features of the United Kingdom of Great Britain and Northern Ireland are presented in Table 2, featuring: name of the country and its constituents, its size in area, its population, nominal gross domestic product per capita, share of ethnic groups in per cent, and the per cent of votes for and against leaving the EU. The data presented refers to the United Kingdom and its constituents. From the separate results provided, it is possible to obtain the consolidated results for its constituents, where England with 53,4%, Wales with 52,5% and South East parts of England with 51,8% have voted for leaving the EU, whereas Scotland with 62%, Northern Ireland with 55,8% and the capital of Britain, London with 59,9% have voted for remaining in the EU.

Table 2: Major features of the United Kingdom of Great Britain and Northern Ireland with the results of the referendum conducted

Name of state and Constitutive Units	Area ¹ (in km ²)	Population ¹ (Cen. 2011)	Nominal GDP Per Capita ²	Ethnic Group ³ (Cen. 2011)	Remain ⁴	Leave ⁴
United Kingdom of Great Britain and Northern Ireland	243610 ⁵	63022532 ⁶	\$43771 ²⁻¹	87.1% White 7% Asian 3 % Black 2 % Mixed 0.9%Other	48,1%	51,9%
England	130281	53012456	\$50566 ²⁻²	85.4% White 7.8%Asian 3.5% Black 2.3% Mixed 1% Other	46,8%	53,2%
Wales	20732	3063456	\$26008 (£17573 ²⁻³)	93.2% White 1.3% Asian 0.6% Black 1.02% Mixed 3.88% Other	48,3%	51,7%

Scotland	77925	5295400	\$39244 (£26516 ²⁻⁴)	96% White 2.6 % Asian 0.7% Black 0.4% Mixed 0.3% Other	62%	38%
Northern Ireland	14135	1810863	\$26982 (€23700 ²⁻⁵)	98.28% White 1.06% Asian 0.2% Black 0.33% Mixed 0.13% Other	55,8%	44,2%

Gross Domestic Product (GDP)

Source:

£1=\$1.48 (USA) - 23.06.2016, Sterling against the dollar, DBS Research GF Group report titled 'Brexit – First Impact' dated 24 June 2016; GBP USD chart Financial Time.

€1=1.1385 (USA) - 23.06.2016, Bloomberg Markets 2016 Euro USD Spot Exchange Rate, <http://www.bloomberg.com/quote/EUROUSD:CUR>.

¹ Encyclopedia Britannica, Inc., <https://www.britannica.com>;

² International Monetary Fund, 2016; England GDP estimation for 2009; Welsh Government; Scottish Government 2016; Eurostat, 2016.

²⁻¹ International Monetary Fund 2016 Report for Selected Countries and Subjects. World Economic Outlook Database. Retrieved 15 April 2016.

²⁻² England GDP estimation for 2009.

²⁻³ Welsh Government.

²⁻⁴ Scottish GDP for 2015 including a geographical share of all offshore and overseas activity, Scottish Government 2016 Economy and Labor Market. *Quarterly National Accounts* 4-2015. A National Statistics Publication for Scotland Retrieved 01 September 216.

²⁻⁵ Eurostat (2016) Eurostat Regional GDP, Eurostat. Retrieved 12 April 2016.

³ UK Home Office 2015 2011 Census Analysis: Ethnicity and Religion of the Non-UK Born Population in England and Wales, Office for National Statistics 18 June 2015; Tim Ellis 2014 Scotland's Population: The Registrar General's Annual Review of Demographic Trends. National Records of Scotland, 160th Edition, 20 August 2015; Northern Ireland Statistics and Research Agency 2012 Census 2011: Key Statistics for Northern Ireland, Department of Finance and Personal, December.

⁴ Official result of the EU Referendum is declared by Electoral Commission in Manchester – <http://www.electoralcommission.org.uk/i-am-a/journalist/electoral-commission-media-centre/news-releases-referendums/official-result-of-the-eu-referendum-is-declared-by-electoral-commission-in-Manchester>;

⁵ Central Intelligence Agency, <http://www.cia.gov>, (includes Rockall and Shetland Islands);

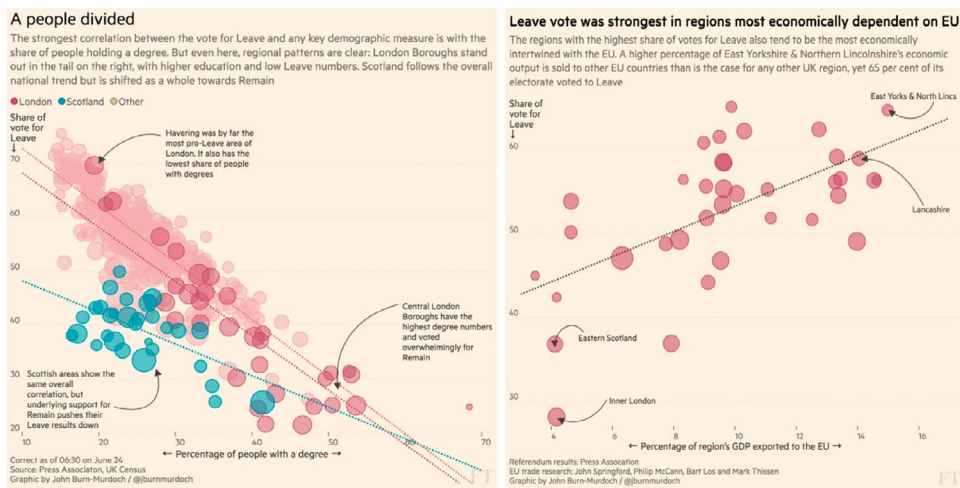
⁶ Eurostat, <http://ec.europa.eu/eurostat/tgm/table>.

do?tab=table&init=1&language=en&pcode=tps00001&plugin=1;

The data indicates that there is a significant discrepancy among the citizens of the United Kingdom regarding their role and function in the European Union, as well as the future course of development of the country. That is why it was essential to elaborate the reasons that had made the British take this step, and which voters had voted for and which ones against leaving the EU. The data presented is official and was obtained from the United Kingdom Electoral Commission and the institution in charge of keeping British statistics – Office of National Statistics.

The documents published by “Financial Times” do not include the correlation coefficients, although they are said to be important.

Graph 1 shows the type of correlation dependence existing between the percentage of voters who had voted for leaving the EU, and the percentage of voters as per their qualifications who had voted for leaving the EU. This type of correlation dependence was studied and presented for the capital of the country London, the North of Great Britain – Scotland, as well as the other regions of the United Kingdom. From the data presented it is obvious that most of the voters who had voted for UK’s leaving the EU come from those electoral points where the voters have lower qualifications. This applies to all the constituents of the UK, whereas in those electoral points where the majority of the voters have higher qualifications, the voters have voted against leaving the EU, although their number is not very high. This correlation tendency as per Graph 1 for Scotland amounts $Y = -0.606X + 54.84$, and for the other regions of the United Kingdom it is about $Y = -1.055X + 83.87$. Y denotes the variable which shows the percentage of those who had voted for leaving the EU, whereas X denotes the variable that shows the percentage of those who have appropriate qualifications. On the Graph each of the circles stands for one voting area. The research was made monitoring 382 voting areas.



Graph 1: Type of dependence between the qualifications of the voters and the choice made when voting

Graph 2: Dependence between the voters who had voted for leaving the EU and the level of regional GDP exported in EU.

Source: <http://blogs.ft.com/ftdata/2016/06/24/brexit-demographic-divide-eu-referendum-results/>

Similar tendencies have been registered with the relationship between those who had voted for UK's leaving the EU and the voters' average pay. Namely, it is noticeable that there is a correlation between the voters' average monthly pay and their way of voting, i.e. the voters with lower monthly pays have predominantly voted for leaving the EU. In this case, that correlation is $Y = -0.416X + 92.67$.

Accordingly, it is easy to draw a conclusion that if the level of qualification of the British voters were higher and if they were better acquainted with the European issues, since the difference between the leave votes and remain votes is quite tight, the outcome might have been different. However, the result is such as it is, and it may contribute to deepening the misunderstandings within the EU. In the case of voters aged about 30, most of them had voted for leaving the EU. This is in accordance with the previous conclusion that the youth, who are at present gaining their qualifications and are not employed yet, are mostly the ones that are dissatisfied with the relationship between the UK and the EU. On the day of voting this correlation was approximately $Y = -X + 2,67$.

Graph 2 presents the choice made by the voters coming from regions that in the past had exported goods (maybe even funds) to the EU, presented as part of the regional GDP. The Graph clearly shows that the export realized had varied and had depended on the regional exporting activity. In other words, those regions of the United Kingdom which had been economically better connected with the EU member states (particularly those that had reached an export between 9-15%), had shown higher tendency toward leaving the EU, and this correlation amounts $Y = -0.416X + 92.67$.

The results of the referendum can lead to occurrence of a number of consequences, such as economic consequences, consequences affecting the EU budget, consequences for the macroeconomic situation of the UK etc. Economic consequences may refer to future reduced export from the UK to EU, decline in the trading of the country, drop in the value of the pound, and general turbulences on a global level. As to the budget of the EU, it is well known that each member state of the EU is obliged to pay in certain funds in the EU budget. There are clearly defined and agreed mechanisms for further distribution of this budget, and in the case of the United Kingdom, the exchange rate with the UK is negative and it is presented in Table 1. In other words, the UK was a member state that allocated to the EU budget more funds than the former received, and the UK was among those countries that made very regular contributions to the EU budget.

Macroeconomic situation in the UK features drop in unemployment rate from 7.8% in 2010 (Johansson and Lang, 2012) to 5.2% in September 2015 (Allen, 2016) and the percent of unemployed under-25-aged is 13.5%. In fact, the UK succeeded in

reaching the unemployment figure of 5.4% from the year 2000. Unlike the UK, the EU 28 unemployment rate for the year 2014 was 10.1% (Brandmüller and Onnerfors, 2015). The United Kingdom has a high level of Gross Domestic Product (GDP) which for the year 2014 was 1817234 million GBP. All this was achieved with government deficit of 4.4% from GDP for the year 2015, and government debts amounting 89.2% from GDP (Allen, 2016). Export rate in correlation to the import rate amounts 1.65 for the year 2013, i.e. the UK has a surplus in its trading activities of 89 billion Euros. This rate is 1.33 in the EU, i.e. the EU has a surplus in its trading activities of 173.2 billion Euros for the year 2013 (Coyette, Montaigne, and Standell (Eds), 2015).

Possible consequences for the UK as a result of its leaving the EU might be losing jobs that are connected with activities throughout the European continent, more restricted access to the European financial markets, and drop in the index at London stocks market. Immediately after announcing the results of the referendum, there was a drop in the shares value of the UK's leading banks (on average by 12.6%) and there was a temporary break in trading with them. This resulted in loss of the market capital of the leading corporations, which at that time was higher than the net contribution of the UK to the EU.

Additionally, taking into consideration the recent events with the referendum in Scotland, there are possibilities for occurrence of disagreements within the United Kingdom alone, regarding European integrations. Another possibility is recession followed by drop in gross domestic product caused by increased uncertainty, which, in turn, might affect the extent of investments. Further on, chances are that trading conditions will deteriorate owing to reduced growth of world economy, GDP of the Euro zone, poor growth of the American economy and retaining of low interest rates, even though the UK is bound to do its best to avoid this situation.

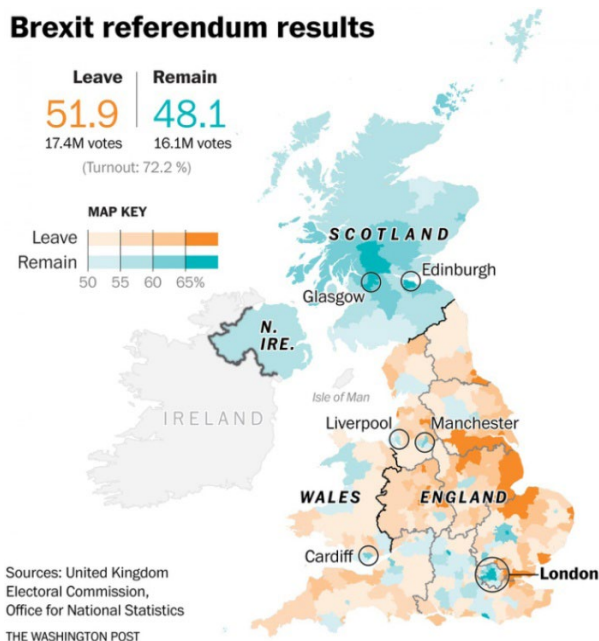
One of the issues that will matter for the remaining EU member states (taking into consideration the present way of communication) is the usage of the English language in the EU. For professionals, it will be most interesting to see how Article 50 from Treaty from Lisbon will be activated and whether the UK will at all commence the process of leaving the EU. The first official announcements are that the UK citizens' decision will be obeyed and that the UK has no intentions of leaving Europe.

SIGNIFICANCE OF THE GEOGRAPHIC INFORMATION SYSTEMS (GIS) AND THE REFERENDUM IN THE UNITED KINGDOM

In the process of elaborating the causes and consequences of the United Kingdom's leaving the EU, data previously obtained and analyzed by Geographic Information Systems (GIS) was used. This system allows access

to the data, their integration, as well as linking the data with the voting results obtained from the regions throughout the UK (Fotheringham and Wegener, 2001). This system made it possible for the professionals in charge to have an insight into the data and to access it in a manner that will reveal the reasons why the voters had voted for leaving the EU. Additionally, it was possible to understand and analyze the changes in the UK's approach to the EU and the former's aspirations toward new challenges that are expected to bring the UK to the desired future sustainability.

Graph 3: GIS and the referendum results related to the UK's constituents.



Source:

<https://www.washingtonpost.com/news/worldviews/wp/2016/06/24/this-map-shows-britains-striking-geographical-divide-over-brex/it/>

Geographic distribution of the voting results obtained, per constituent units of the United Kingdom, are presented in Graph 3. GIS was applied with the purpose of providing support in the process of presenting the distribution of the voters (depending on their voting for or against leaving the EU) in the UK regions, exemplifying the capacities of GIS when there is a need of integrating the political and developmental processes in the EU, and highlighting the speed with which GIS is able to provide specific information for elections and other political processes.

This research was also aimed at pointing out and clearly presenting the way know-how is obtained, applying both the electoral and spatial basis, and in this case it refers to the United Kingdom (LeGates, 2005). During the process, the referendum results were localized, which made it possible to realize the associations deriving from the data available. They are useful for further processing and analysis of the future intentions. In order to do this, some commonplace geographical attributes were applied, such as the data concerning the location of the electorate.

By reaching knowledge and information based on available referendum results, this data can be grounds for construction of strategic values and knowledge which can later be stored in databases. They will be highly valued by the government leadership in deciding on the future strategic directions (Cambell and Masser, 1995). Exploitation of GIS is based on computer based information systems and their application. The intention was to explain the possibilities that GIS offers of managing the spatial data obtained from the British referendum. Application of GIS allows better decision making and offers ways how to gather, store, analyze and represent the spatial data. Based on GIS data and offered analyses, discussions and data, an ambitious reader would be able to draw his/her own conclusions that would allow him to get familiar with the current economic and political reality in Britain and the surroundings it exists in.

In fact, we are talking about a technology that supports the mobile needs of its user. It uses the computers for organizing and using data, but at the same time it is used as a means for making decisions based on the data associated with specific geographic locations on the Earth (Masser, 2004). It can be web-based and linked with other applications, which makes it possible to appropriately present the spatial referendum data and the associations derived from them. Nowadays they are successfully applied and used when presenting voting results related to spatial data.

GIS systems can also be used as means for developing access and statistic models that can be used for predicting future developments (Moore, 2001) and movements or for valuing the results obtained. Thus the public can be acquainted with the events going on in the EU. Nowadays GIS is widely and successfully used for the needs of spatial (physical) planning, for research projects (including those financed by government institutions and for their needs), as well as for the needs of economic and political-election processes, which is in fact the case with the UK.

Based on data arranged and organized by applying GIS, it is possible to boost the process of making decisions and analyses which necessitate a definite location, i.e. a site where the events happen (Crossland, Wynne and Perkins, 1995). GIS provides visual display and thus it acts as cognitive guidelines, i.e. a tool enabling coupling of the spatial to the attributive data. The objective is storage and later usage of this data, with a possibility of having it additionally virtually presented in

the form of maps that would be supplemented with a variety of graphs, tables and figures. During the process of making analyses, GIS allows connecting the location with the relevant data, allowing thus finding solutions which, in turn, would ensure sustainability of the organization.

GIS allows visual presentation of the data, which helps in establishing the location of the entities, presenting them like dots, polygons and lines, and then later additionally connecting them with the attribute dimensions, such as, for instance, the information on base entities and objects. This ensures making all sorts of decisions, such as non-structured, semi-structured or structured ones. Apart from this, GIS enables operational, tactical, strategic and management control, improved and more efficient operational planning, strategic planning, identification of various regions, offering aid in emergency cases, assessment of potential risks, appraisal of future needs, network analyses and spatial and statistical analyses. All these activities can be performed by processing the information and analyzing the spatial and attributive data, which additionally can later be complemented by mathematical, statistical, geographical and mapping methods. These are activities that are taken when searching for answer to questions regarding a specific location.

For the needs of this research, information from a number of sources was used, such as city, regional and voting points. The objective is to present the data on variability of the votes in some particular regions and voting points. Put in other words, it was possible to quantify the outcome and to see how the variations in the responses were managed, following a number of criteria: education, geographic location, export, region and income. Additionally clarifying, an analysis was made identifying the interconnections among the British commitments, their promotion and the geographical location, using in the process some of the demographic data such as the size of the British area, the time, allocations of funds for the EU activities as well as feedback benefits, the UK's direction of movement, its processes which are proposed for development etc.

This paper also makes a brief analysis of the efforts made by the UK for its inside and outside sustainability, by including the world trends, the differences that had occurred among the voters, their location, the needs of the electorate, the pressure imposed by the refugees, migrants and foreign employees. The paper specifies the knowledge related to the geographic location and its surrounding areas which affect the planning based on the results of the referendum obtained, with some variations of the voters in the UK regions, marking these regions and penetration of the European ideas. They are important in the decision making process, simultaneously performing the operation control (which becomes obvious with improved management of its people, property and services), the management control (which is related to various needs, charging of the services, a wide range

of promotional activities, control in emergency cases and the like) and strategic planning related to spatial distribution of British interest, mutual relations and achieving demographic control.

Introduction of GIS was with a view to presenting the results of the UK referendum in a more sophisticated graphical manner, which offers visual clarification of the events going on in the UK and its surroundings. It was made possible by presenting the geographic map of the UK, usage of the database which was created during the process of preparation and realization of the referendum, as well as the spatial analysis. Additionally, there was processing of the data which was already announced and presenting it like a graphical presentation (where the problems and differences in the UK are visually presented), aiming at enabling further improved interaction with the object of the research.

The benefits of the referendum results and of application of GIS can generally result into future better planning (Tomlinson, 2007). This particularly refers to the approaches and manners of its investing and exploitation of its potential. As to the referendum results, they clearly express the wishes of the majority of the UK population, the priorities imposed and the actions taken. All this will support the leadership in making proper future decisions that will foster sustainability.

The proposed way of storing spatial data enables integration between the clients' applications and physical storage of such data. The methods used in tracking the spatial data have the dimension of the location (in this case it is the regions of Great Britain, London, the geographic area and its size). Using the information on the location helps in directing sustainability, which is associated with provision of continuous markets, development of the markets, enlargement of the range of products and services offered, both for domestic and for foreign (EU) needs and even wider.

Reaching added value is associated with application of spatial components when analyzing a problem, with usage of the Global Positioning System (GPS) and digital mapping. That means linking the location to the attributive data, the purpose of which is becoming profitable and reducing external pressures. This shall be supplemented with strategies for networking, constant measuring of the achievements, prediction and understanding of its own capacities which in the case in questions could take the UK to new values, with the support of the usage of digital networks.

The referendum conducted made it possible to gather (quickly and in a short period of time) information about how the British public responds to the changes and the developments going on in the EU. This especially refers to the investments happening in the EU, the introduction of new products and services, the cultural events and the new European relations resulting from the enlargement of the EU,

migrations of the labor within the EU member states, migrants' crisis etc.

This was accomplished by means of the spatial data bases which make possible linking the data with its geographic location which is accurately defined with its coordinates. Thus, efforts were made to explain the support for the referendum process and the chances for further making decisions crucial for the country. They are usually used for operational needs, but for strategic and tactic purposes, as well. In that way it is possible to identify the issues that require research, geostatic analysis and connection of the geographic data. Generally speaking, we tried to explain how GIS is used for making better decisions which involve space, location and time data, i.e. data that involve distances and there is not direct contact with these locations, but there is an indicator that can lead us to certain data regarding the object being researched, as well as the location from where this data is to be provided.

KNOWLEDGE MANAGEMENT AND THE EUROPEAN SUSTAINABILITY

The events that had been happening in the EU since its establishment to date were intended to shift European economy from industries based on capitalism towards knowledge-based industries (Jacob, 2014). These processes were accompanied by development and application of information-communication technologies (ICT) as a response to the needs of the modern European society that was striving to accomplish its predefined targets of reaching self sustainability and acquisition of advantages on a global level. Those were the grounds for creating of approaches and strategies that would allow application of knowledge and information managements. Hence the need of developing people and their knowledge, commonly referred to as human capital (Becker, 1993). In order to reach this state, it is a must to develop a comprehensive learning process culture in the companies which are active in Europe and in the society itself, being simultaneously aided by the technologies for sharing knowledge.

The United Kingdom is fully aware of the fact that in order to be able to achieve such goals, it is of crucial importance to find and involve people with outstanding capacities, people who possess the know-how and skills needed, people fitted with the identities and values required for performance of complex tasks in a constantly competitive international environment. Additionally, the UK realizes the necessity of involvement of individuals with an extraordinary ability to respond to the requirements regarding preservation of the sustainability of the European, but in particular, of the British companies. This would mean provision of appealing gains

and job perks, apart from remarkable fees and impeccable working conditions for those contemporary employees, all that in exchange for the plethora of knowledge and capacities they are armed with.

Nevertheless, Britain is equally conscious of the fact that possession, investment in and usage of highly talented individuals with exceptional knowledge is by itself not sufficient for reaching goals related to its long-lasting sustainability. Britain insists on that knowledge that is being applied in the international processes of doing business, and the competition which leads to creation of acceptable competitive challenges at the international markets. This, in turn, means working on products that incorporate advanced knowledge. And in order to achieve this, there must be cooperation and application of multidisciplinary and its functionality. For practical realization of this, it will be necessary to coordinate the employees' knowledge based on knowledge related to work processes in multinational companies which are geographically distributed and are supported by such working systems and processes. Therefore it is an imperative to implement different organizational forms and working processes.

The British point out that these commitments and endeavors are unlikely to be reached without provision of appropriate climate and culture (one that provides creating and implementation of knowledge) of successful employees management based on knowledge which is basically to underlie the sustainability of its international companies. That is why it is very important to strive to keep this profile of employees, having in mind that the demand for them has drastically grown and the competition on a global level has also risen. This profile of employees are not only armed with enormous knowledge and ready to apply it wherever needed, but are also capable of intensive upgrading themselves and expanding their know-how which will, again, be used for the needs of the country they serve. Succinctly put, they are highly educated individuals capable of putting into practice scientific theories and achievements and applying complex data in situations when more often than not they are expected to make their own decision on fairly complex issues.

Another equally valued view is that realization of this type of sustainability on a global level is impossible with mere application of traditional sources such as the location, availability of the facilities or of natural resources, which are generally supported by hierarchy systems and structures; all these have to be complemented and supplemented with constant improvements in applicable knowledge in new and advanced products and services. Accomplishment of these goals is possible by application of integrated systems for upgrading which have to be associated with the work and the peoples' individual capacities. All this has to be enabled and supported by the design and the structure of the organization, as well as by the organization's performance. Such activities should contribute to development of new products and

services. The outcome of these transfers and applications is supposed to result into achieving of the desired sustainability of the UK companies. They are increasingly based on knowledge and know how to upgrade their employees who are competing on the world markets.

This, in turn, creates conditions for complete realization of the knowledge processes such as gathering the companies' knowledge, enhancement of the research capacities of the UK's international companies and designing new products that match the market needs. These operations are impossible to perform without application of advanced knowledge databases. This is something the UK is aware of and is striving to reach. And in order to create advanced knowledge databases, it is necessary to use the social capital (Sherif, 2008) and organizational forms which support patenting, licensing, and enable cooperation, joint investments, new achievements, coalitions and projects that tend to foster the UK's sustainability. It must rely on continual adjustment to the new environment and to enhance internal cooperation and cohesion.

As a matter of fact, it is even impossible to structure this type of organizations without previously providing such culture that will suit the needs for provision of knowledge and its development. It is culture that will constantly enable and support organizational learning, aided by the information systems that manage the organizational contents (Holsapple and Joshi, 2002), knowledge preservations, knowledge transfer and management, all that aiming at reaching the desired sustainability of the organization. It is the UK's intention to cultivate and advocate individual capacities for its employees, so that they could get better acquainted with their organization and would approve of development of such culture that promotes the organization's performance. This can be achieved by dedication to gaining such knowledge, its further deepening and expanding, by development of one's own and shared knowledge, by understanding the processing going on in the organization and occasionally reviewing them, as well as by confirming the knowledge already acquired.

Due to the above mentioned, the international organizations operating nowadays are surrounded by constantly changing and developing environment, which requires from them an ongoing adaptation to the market needs. This situation makes an imperative the existence of knowledge management. In fact, people management will have to be able to address all the issues and perform all the functions related to knowledge management. Examples for this are training sessions for the managers, development of organizational culture needed for knowledge management, monitoring of the everyday operation processes of the organization, their design and working structure.

Britain's development direction will be structuring organizations that will successfully incorporate international trends, development of skills indispensable

for sustainability of the organization and their appropriate motivation. What also matters are the processes of people management in conditions of changes in knowledge management, such as development of the career of those employees who deal with knowledge, creation of an appropriate design of the complex working processes related to knowledge, monitoring the management of group and individual capacities of the employees. Attention must be paid to the need of constant increase in their knowledge and remunerations arising from it, as well as cultivation of culture associated with such performances. Accomplishment of these goals and commitments necessitates application of the principle of knowledge management (Geisler and Wickramasinghe, 2015).

This human knowledge management is basically focused on knowledge itself. Consequently, the organization itself can be perceived as something possessing a variety of types of human capital significant for its performance and achievement of the organization's goals. These are commonly identified as human capital which can be found in some individual employees, in some teams or within the organization itself, as well as in its relations towards its surroundings. Therefore it is especially important to apply and encourage agreements when the young want to use some advanced knowledge. As previously mentioned, they are particularly important for the companies' and the economy sustainability, where special attention is paid to widening the knowledge possessed by the youth (Becker, 1962). However, chances are that there might arise problems related to nonstandard employment, such as temporary employment, employment with non-standard (fewer) working hours, or some types of self-employment.

In any case, monitoring knowledge development by younger people who are very well familiar with know-how and proficiency, as well as their engagement of these young people, are of crucial significance. The youth usually get involved in organizational processes aimed at creation of organizational values and in defining the specificity of the organization. Therefore it is necessary to assess and then upgrade the needed knowledge, skills, capacities and findings which are decisive for sustainability of the organization, in conditions of continual high international competition. There are the reasons why the UK will concentrate on designing and further application of such sophisticated and state-of-the-art tools and knowledge which will be indispensable for further development of the UK society.

They are supposed to allow meeting the needs of the organization for creation of new knowledge, which will further be needed to be shared with the rest of the employees in the organization, i.e. for the new jobs (Nonaka and Krogh, 2009). This is actually related to the issue explaining which the ways to create new ideas are. They commonly cover the products and the organizational processes, followed

by sharing them within the organization. In such case, particular attention must be paid to the complex character of the working environment, domestic working conditions, commitment to the tasks and assignments, individual upgrading and social environment.

The conditions for upgrading and development of new knowledge need to be well organized. This is definitely possible by applying ICT, which allows coding, sharing, storage, easy access to it and tracking all this knowledge and data. Further step is their interpretation and explanation, as well as its application in the complex structure of the organization.

CONCLUSION

Based on all the considerations presented above, it is clear that the United Kingdom is determined to continue to play a competent role on a global level, with apparent goal being obtaining self sustainability and welfare for his people. The UK intends to accomplish these goals in a number of manners, some of which being its active participation and involvement in the global challenges, personal technological advancements and application of those advances which have not point in being created unless used for knowledge management. It is the UK's strategic intention to provide for an appropriate retrieval of the investment made and self sustainability, by means of reaching and maintaining high performance of its economy.

The UK is fully conscious of the fact that they possess unique and highly valued know-how which has taken time to achieve, and therefore it can now be considered as the UK's advantage. If we additionally take into consideration the UK's rich history in designing machines, its financial capital it has at its disposal, the way human capital is valued there, and the already developed relations it has with other countries throughout the world, it becomes more than obvious that in the North of the European continent there is a country that is seriously engaged in creating well-being for its citizens.

The results of the referendum conducted for the United Kingdom of Great Britain and Northern Ireland leaving the European Union clearly imply the significance of the social capital in determining the strategic courses of a country. This more exactly applies to the British relations to the world, as well as to its highly technological relations, which is all together supported by suitable level of organization. In addition to this, the UK's cognitive state matters, too, such as the extent to which British language and culture are spread throughout the world. And last but not least, we must mention the UK's special identity, the already established

norms in the British society, and undoubtedly the highly valued trust it has among its historical allies and friends. These are all advantages it possesses that can help the UK to preserve its sustainability and well-being in the days to come.

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**ORGANIZATIONAL CULTURE AND
STRATEGIC ALIGNMENT IN FAST MOVING
CONSUMER GOODS COMPANY**

Abstract

The relationship between the organizational culture and the strategic alignment is subject of considerable interest and research. The aim of this paper is to investigate the effect of prevailed organizational culture to the degree of the strategic alignment between the goals of the management and that of the employees in a typical company in the global industry of fast moving consumer goods. In this industry, the turnover is measured in billions of

dollars while the revenue earned strongly depends on the human capital. The successful operations are highly depended on the motivation of the people. The problem is that the employees are collocated in various parts of the Globe and companies have to create strong organizational culture that will lead all parts towards the achievement of the global goals, the long-term perspective and the vision of the entire group. The strong culture is important tool in achieving of the desired strategic alignment between the top management and the rest of the company. Idea is to create culture in which the corporate goals will sharpen the motivation of all parts of the company and the employees perform in an alignment with the strategic intent. The applied method of research is a combination of in-company observation and semi-structured interviews of the staff and the managers in two representative offices of one large multinational company, operating in the region of Western Balkans. The results reveal gap between the perception of the regional managers and that of their employees regarding some corporate practices and policies meant to foster the achievement the desired strategic alignment. The managers perceive the company as much more open and with clearer innovative climate and incentive practices, than the employees. If this trend continues, the company might face higher turnover rates and additional costs for training of the new employees and that, in such a highly competitive industry, can easily deteriorate the company's market valuation.

Keywords: Corporate Culture, Strategic Alignment, Leadership Stiles, Company Learning and Growth

INTRODUCTION

Organizational culture has been recognized as an essential influential factor in analyzing organizations in various contexts (Dauber et al., 2012). Culture is often defined in two ways (Kilmann et al., 1986). The first is by its outcomes, defining the culture as a manifest pattern of behavior. Many people use the term culture to describe patterns of crossindividual behavioral consistency. For example, when people say that culture is “the way we do things around here” they are defining a consistent way in which people perform tasks, solve problems, resolve conflicts, treat customers and own employees. The second way of defining the culture is by the processes in the organization. This approach defines the culture as a set of mechanisms creating cross individual behavioral consistency. Here, the culture is informal values, norms and beliefs that control how individuals and groups interact with each other and with people outside the organization.

The aim of this paper is to investigate the effects of organizational culture in terms of the desired strategic alignment of the managers and the employees in relation with a predefined set of variables that define the prevailed culture. The research was conducted in two representative units in the region of Western Balkans, of a large multinational company in fast moving consumer goods, a very demanding and competitive, industry. The results show converged opinions of the workers and their management. However, there are gaps in the perceptions of the managers and the employees about the actual advancement regarding the critical aspects of the strategic alignment. Consequently, there is always space for improvement. Our results could prove useful to all managerial teams that look how to improve the strategic alignment in their respective organizations, no matter the industry.

LITERATURE REVIEW

Perhaps the most commonly known definition of the company culture is the one given by Lundy and Cowling (1996, in Sun, 2008): “the way we do things around here”. For some other, the culture is considered the “glue” that holds an organization together, or “compass” that provides directions (Tharp, 2009). For Edgar Schein (1992) the culture is “pattern of shared basic assumptions that the group learned, as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”. For Hofstede (1984, in Sun 2008) culture is the collective programming of the human mind that distinguishes the members of one human group from those of another.

Many theorists claim that there is a direct link between the organizational culture and the organizational performance (Scholz, 1987 in Ogbonna and Harris, 2000). They believe that the culture generates competitiveness among employees and influences a company's knowledge about the different levels of culture. According to Schein (1992) the first level of culture consists of visible organizational processes and artifacts like dress codes or the general tidiness of the workplace. The second cultural level is made of organizations official objectives, declared norms and operating philosophy. Espoused values however do not always reflect the company's everyday operations. Most important, in terms of operations, is the deepest level of the culture made of the underlying assumptions or "learned" solutions to problems relating to external adaptation and internal integration that gradually become self-evident assumptions that cannot be called into question later. Problems related to external adaptation concern views of organizations tasks and objectives as well as the means to implement and assess them. Hofstede divided the culture into four layers: symbols, heroes, rituals and values. All four layers are critical for organizational managers, because they all affect business or operation. latter, Bob Waisfisz discerned the following eight dimensions of the corporate culture: (1) Means versus goal oriented, (2) Internally versus externally driven, (3) Easy going versus strict work discipline, (4) Local versus professional organization, (5) Open versus closed system, (6) Employee oriented versus work oriented, (7) Degree of acceptance of leadership style, and (8) Degree of identification with the organization (Waisfisz, 2015). However, Meyer at al., (1993) noted that the allocation of organizations to types often is not a clear-cut. Because of their *a priori* nature and frequent lack of specified empirical referents and cut-off points, typologies are difficult to be used empirically.

The first theory that defined the organizational culture based on the relationship between the leadership style and organizational performance and culture is that of Ogbonna and Harris (2000). They discern four distinct types of culture: innovative, competitive, bureaucratic, and communitarian, and three types of leadership stiles: participative, supportive and instrumental. Then, they measured the performance of the company using the customer satisfaction, the sales growth volume, the market share and the competitive advantage. They found that the competitive and innovative cultures are associated with the organizational performance. They found also, that strongly shared values contribute the organizational performance, but only if the organizational culture is oriented towards the external environment. Regarding the leadership style, Ogbonna and Harris found significant indirect effect on the organizational performance and strong association with competitive, as well as, with innovative cultures. Supportive and participative leadership styles were

positively related with organizational performance, while instrumental leadership was negatively related.

ORGANIZATIONAL ALIGNMENT

Organizational alignment is an expressive concept related to the degree to which the structure, strategy and culture combine together to create synergy that would build a potential for goals realization (Semler, 1997). Organizational alignment means linking the core business functions, processes and behaviors of the people in the enterprise so they work in harmony to deliver results (Morgan et al., 2007). The organizational alignment is relationship between a company's internal system and strategies and the market opportunities and possibilities (Schneider et. al., 2003 in Crofts and Ford, 2008). Specifically, a firm whose internal policies, procedures and systems are in alignment will perform better than one in which these features are not aligned. The companies that have, as their explicit goal and mission, the delivery of service excellence supported by explicit systems, policies and procedures will be able to reinforce the achievement of such goals and will therefore be more effective and profitable, compared to operations with low alignment. This means that, like all other dynamic systems, an organization performs best when all its processes, metrics and policies are functioning well and move towards continuous improvement and aligning with the needs of the market, argued Crofts and Ford. Beehr et al.(2009) distinguished three basic categories of alignment. The first is the communication, referring to the degree to which the goals and core values are presented as essential to the employees. Next is the employee development (company efforts to train, educate and develop the employees in order to secure accomplishment of its goals). The third is the level that company leaders support the goals and the long-term perspective of the company and lead their subordinates in the desired direction. In these terms, the organizational goals and objectives, together with the employee improvement and managerial efficiency could be winning elements only if internal actions by individuals or teams are completely aligned with the company over all goals. According to Tosti (2007), organization that starts with implementation of strategy, firstly has to define a clear set of goals and objectives. Taken from established set of goals and objectives, the organization can define the processes and procedures that would bring the required results. Tosti stressed that during the search for the improvement of the results by implementation of better alignment of internal processes, a strategy that will focus on the previous results and work could be used for creation of innovative and alignment process.

CHARACTERISTICS OF FAST MOVING CONSUMER GOODS INDUSTRY

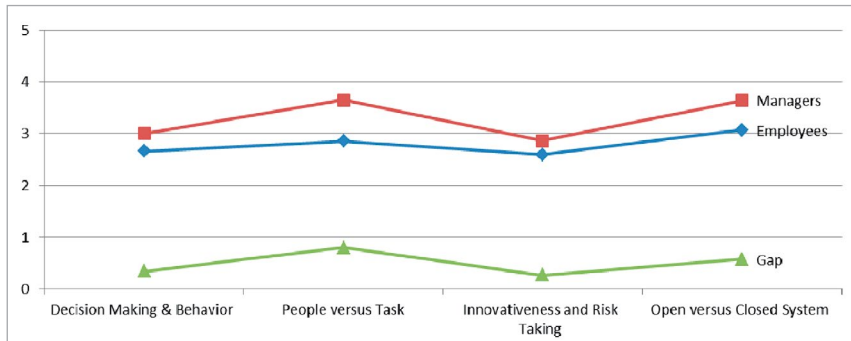
Fast Moving Consumer Goods industry is multi-million dollar sector where well-known brands are taking vast part of the cake. The name implicates that these items are leaving supermarket shelves on the quickest way and are considered as “high volume, low cost” items. This industry has large investments in constant product innovation and change. For example, in last 20 years, up to 40% of the top brands have completely changed their entire brand identity (Wahni, 2013). Since the revenue earned strongly depends on the human factor, companies invest lot in development of corporate culture and value set that fosters the alignment of the personal goals with that of the company. Thus, well-structured organizational culture has leading role in the achievement of goals and long-term perspective. Being global companies, they have operations across geographic boundaries. Same time, they have to preserve same standards of performance worldwide and align the activities across widespread business units (Hay Group, 2013). The competition is fierce and constantly evolving and changing. Based on the increasing demands of its end-users, there are permanent requirements for changes in the production process, distribution and marketing, as well as in managing company’s human assets (Cisco, 2012; Hunter et al., 2013). These companies make huge efforts in gaining the loyalty of their customers. New products are created constantly and are marketed fast. However, in order to remain competitive, this must be done at lowest possible operational costs. Thus, companies need strong focus on innovation, and the suitable corporate culture fostering innovation has direct impact to the success (Hunter et al., 2013). The culture must be supportive to the environment and to the new technologies, flexible and able to attract and retain top performers (Hunter et al., 2013). These companies, consequently, make large investments in their employees and introduce HR policies and practices that highly motivate them, keep them satisfied with the job and lower their intention to leave the company (Forte, 2007). According to Farrington’s (2011) the long-term relationship with the customers is established through a process that can be described as *piece of art* made of a series of linked actions that deliver a powerful, professional and profitable results. Attracting and retaining talent is the next key to success in this industry. This industry needs people with excellent negotiation skills, leadership sense, planning and organizing skills, sense of teamwork, ambition, results driven motivation and achievement of planned objectives (Ojasalo, 2001).

METHODOLOGY OF RESEARCH AND THE SAMPLE

In order to address the research aims and objectives we used a combination of in-company observation and semi-structured questionnaire focused on four distinctive dimensions of the culture-strategy alignment: (1) decision-making and behavior; (2) people versus task orientation; (3) innovativeness and risk taking; and (4) open versus closed system. The results were processed using standard software for accurate and explanatory data analyses. The total number of respondents was 47. They work at two representative units of a large multinational company that competes in the segment of fast moving consumer goods industry, both located in the region of Western Balkans. The majority of the respondents had long tenure in the company (29.8% more than 10 years, 38.3% between 5 and 10 years, 29.8% between 1 and 5, and only 2.1% were less than a year with the company. This can be explained only by the fact that the company is one of the most stable and most lucrative to work in. Regarding the position within the company, most of the surveyed (57%) were at same position between 1 to 5 years and 23% between 5 and 10 years, and 11% more than 10 years, with only 8.5% holding their positions less than a year. This also indicates that the dynamics of the change might not be high as one might expect for the company in this industry. The employees are mostly BA and MBA, and almost gender balanced (51% females and 49% males). Surveyed that hold some managerial position, were 62%.

RESULTS

When it comes to the first surveyed dimension of the culture, the decision-making and behavior category, the employees' average score, on a scale from 1 to 5, is 2.66. This suggests that the decision making process in this company is perceived by the employees as a middle-of-the-road between bureaucratic and democratic. However, the average score of the managers regarding this dimension is 3.0. This suggests that the leaders perceive the decision-making process and the culture as more democratic compared to the employees. In the category that measured the people versus task orientation, the employees had average score of 2.85 while the leaders had high 3.65. In the category innovativeness and risk taking, the average score of the employees was 2.59 and that of the managers was 2.86. This result indicates a relatively high perception of the innovativeness and risk taking by the two groups, with again, managers having slightly better picture. Regarding the open versus closed system, 3.07 average from the employees and 3.64 score from the leaders also suggest shared perception of a relatively open organization.

Figure-1 Average Marks by the Two Groups and the Gap

Source: Compiled by the authors

The statistical significance of the differences in the average scores for the respondents on managerial and that on non-managerial positions proved only in the case of open versus closed system dimension, on level of significance 0.05. Regarding the statistical significance of the mean differences between males and females, a t-test showed significant difference at 0.01, in case of the open-closed system dimension. In other words, female respondents perceive the organization more open for cooperation and perceive better teamwork between the company employees.

CONCLUSIONS

To draw any substantial conclusions we have to know that the company, due to the fast market changes, went into global restructuring with a huge impact on all organizational levels and areas, as well as on the people in it. The company keeps its high innovativeness and risk-taking attitude. Indeed, it was established on innovation. The risk taking mindset and culture raised the company to a global multinational player in the business. The results of our survey also indicate an organization open for cooperation with the environment that encourages teamwork between the company employees. Adapting the organizational culture towards the global trends and best practices has shown great results in both, internal and external directions. However, managers have slightly different views on the real situation than the employees. The two groups do not equally recognize the organization as open system. This has direct connection with the people – task dimension, which indicates that employees are more people oriented. This discrepancy could affect the performance and the business relations with the

managers who are more task-oriented. If this gap widens, the company could experience bigger turnover and loss of inherited knowledge, expertise and competence. This, on the other hand, may cause increase of costs for additional employment, training and building of the needed bond with internal and external partners. In the diverse societies of the new Millennium, the learning curve of the new comers might be affected by the different cultural heritage, history, beliefs and mentality. The restructuring definitely left its mark on the overall culture and on the employees' behavior. The company could not find time to introduce appropriately "its own way" to the new comers and they had to jump into the middle of the processes and find their own position without getting the real sense for the global organizational culture. Moreover, the management had to switch, on several occasions, to real crisis management bringing additional stress to the employees. The constant adaptation towards the cutting of the running costs could lead into even more rigid management, turning the company into a trap of losing its original values. Thus, the mayor challenge for the company leadership, in the near future, is to discover how to adopt to the changes and to the market requirements, while preserving the unique organizational culture, values and benefits that differentiate this company from the rest in the industry. The applied managerial style and decision-making process will need to change even more firmly towards empowering of the teams and a proactive and open orientation towards creative ideas and decisions.

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**ROLE OF RELIGION IN THE
ENVIRONMENTAL CRISIS: PART OF THE
PROBLEM OR PART OF THE SOLUTION?**

Abstract

The world is facing numerous challenges, the most prominent being the ever growing world population and the spread of urban areas. In the quest for more food and resources, entire ecosystems are poisoned by pesticides. Man-made disasters have added oil to the fire. Climate Change poses an additional challenge. The key question is which paradigm is responsible for the ecological crisis. A group of authors locate the root causes for the environmental crisis in ethics and argue that humanity's attitude towards nature depends on its perception of nature. More precisely, the arguments gravitate around the role of religion and, in particular, Christianity. One group of authors holds a view that religion, by establishing a dualistic paradigm that prioritizes humans over nature, is responsible for the uncontrolled exploitation of nature. Another group argues that it is precisely the relativization and rejection of religious ethical and moral values that contributed to the abandoning of the idea of nature as something wonderful and special, which eliminates the sense of responsibility towards nature. This paved the way for mastering over nature. The aim of this paper is to analyze the arguments of two opposing views in order to determine whether religion has a generally positive or negative impact on the environment.

Keywords: ecology, environmental crisis, religion, sustainable development

INTRODUCTION

In 1804 the world population reached 1 billion people. Today, only 213 years after the first billion there are approximately 7.484 billion people. It is expected that by 2050 the world population will reach 9.7 billion people with needs for water, food, shelter, resources and predictability (UN DESA, 2015). The density of the urban population is also increasing. The 21st will be an urban century. In 2014, 54% of the population already inhabited urban areas. It is expected that by 2050 approximately 66% of the world population will live in cities. According to UN Habitat every week about 3 million people migrate to the cities (IOM 2015). This creates a snowball effect. Forests are cut down and swamps are dried up in order to expand arable lands in order to satisfy growing demands for food. In this quest for food and resources, entire ecosystems are poisoned by pesticides. Man-made disasters, such as Bhopal and Chernobyl have added oil to the fire. Today, Climate Change poses an increasing challenge.

These disturbing processes prompted an ongoing debate about the causes of the environmental crisis.

Some, like Paul R. Ehrlich point to the explosive population growth as the main reason behind the environmental crisis (Ehrlich 1968). In its estimation of the limits of growth, The Club of Rome includes materials and energy extracted from the Earth and the capacity of the planet to absorb the pollution generated by the use of those same materials and energy sources. The authors concluded that unless the intensity of the processes remains unchanged, planet Earth will face an ecological and economic crisis in the 21st century (Meadows, D. H. 1972). Barry Commoner in "The Closing Circle" argues that the crisis is a result of the consumer lifestyle in industrialized societies, noting that the developed countries use much more resources than undeveloped countries (Commoner 1971). Others, yet, argue that the human impact on environment is a consequence of three interconnected factors: population, abundance and technology. Hence the formula: $I = P \times A \times T$ (Chertow, MR 2000).

However, it can be argued that the focus of these authors is more on the consequences than on the real causes of the ecological crisis. The root causes can be found in the worldviews or paradigms. According to Thomas S. Kuhn, each paradigm has two basic functions: the cognitive function means that the paradigm is the prerequisite to perception itself; the normative function enables the paradigm to regulate and influence reality (Kuhn 1996). Therefore, the key question is which paradigm is responsible for the ecological crisis.

DEBATE ON THE ROLE OF RELIGION

A group of authors locate the root causes for the environmental crisis in ethics and argue that humanity's attitude towards nature depends on its perception of nature (De Žarden 2006). More precisely, the arguments gravitate around the role of religion and, in particular, Christianity. The aim of this paper is to analyze the arguments of two opposing views in order to determine whether religion has a generally positive or negative impact on the environment.

In order to correctly understand the role of religion in the context of the ecological crisis, the author will use Rudolf Otto's idea of the holy.¹ The main reason for introducing the idea of God in the debate about humanity's role in the ecological crisis is the influence that this particular idea has on man's relation with nature. In this regard, there are two opposing views.

For the first, the exploitation of nature is a direct result of the Christian doctrine of creation. In his influential essay "The Historical Roots of Our Ecological Crisis" published in 1967, Lynn White Jr. states that "what people do about their ecology depends on what they think about themselves in relation to things around them". In this regard, White makes two major claims. First, he argues that as a form of worldview, religion is the root cause for the ecological crisis. Second, he argues that the Judeo-Christian idea of a humanity that dominates the world contributed to a development of an understanding that nature exists solely to satisfy human needs. This legitimizes the uncontrolled exploitation of nature. According to White the Judeo-Christian tradition that perceives man as a master of nature is to be blamed for the contemporary ecological crisis. More precisely, he argues that "especially in its Western form, Christianity is the most anthropocentric religion the world has ever seen" (White 1967). This doctrine created a dualistic paradigm that has separated man from nature, and installed man as a ruler of creation, thus prioritizing humans over nature (Nelson 2016). Furthermore, White believes that religious narratives about salvation create environmentally benign worldviews (Jenkins 2008:11).

¹ According to Otto, there is a feeling that is common for all religions. In Hebrew is called *qadosh/qadash*, in Greek *ayios*, in Latin *sanctus/sacer*. Otto calls this feeling *Numinous* (from Latin *Numen* which means power, presence and manifestation of a deity, a divine presence). *Numinous* means that humans feel that they are created and dependent from some supreme, overpowering might. *Numinous* is a non-rational, non-sensual experience that can be described with one expression – *mysterium tremendum* (a threatening mystery). *Tremendum* has three elements: (1) awefulness, tremor, dread; (2) overpoweringness or *majestas* which evokes humbleness; (3) energy, creating an impression of a limitless energy. *Mysterium* has two elements: (1) The wholly other, meaning something amazing and beyond the ordinary experience and (2) the fascinating or *Fascinans*, which causes admiration (Otto, 1923). Otto's concept and understanding of the Holy is the common denominator of all religions and forms of religious belief. However, for the sake of terminological clarity, brevity and consensus, the term "God" will be used through the rest of this article.

By arguing that religion, and Judeo-Christian tradition in particular, is the root cause of the ecological crisis, White challenged the prevailing views that saw technology and overpopulation as the sources of the environmental problem (LeVasseur and Peterson 2016: 2).

In his later essay “Continuing the Conversation” published in 1973, White reaffirms his earlier positions, claiming that the “man-nature dualism is deep-rooted in us” and “[u]ntil it is eradicated not only from our minds but also from our emotions, we shall doubtless be unable to make fundamental changes in our attitudes and actions affecting ecology.” (White 1973:55-64).

White stirred a five decades long debate, propelling as one of his critics Alister McGrath. He partially agrees with White by pointing out that humanity’s approach to nature depends on humanity’s perception of nature. However, unlike White, he argues that humans treat nature as something sacred as long as nature provokes a feeling of wonder.² Once man begins to think that he can explain all aspects of nature, the feeling of wonder evaporates, and nature loses its sanctity. This opens the door for exploitation and irresponsible approach towards nature (McGrath 2003).

Furthermore, McGrath argues that the origins of the environmental crisis can be traced back to the rejection of religion and its basic ethical and moral values. This rejection gave birth to a worldview of human autonomy that perceives nature as a mechanism that is subordinated to humans. The removal of religious ethical and moral values contributed to the abandoning of the idea of nature as something wonderful and special, which eliminates the sense of responsibility towards nature. According to McGrath, not only that religion cannot be blamed for the irresponsible approach towards nature, but, on the contrary, respect of nature is embedded in religious tradition. This is true for most world religions, such as Christianity, Judaism (Strawn, 2012)³

² C. S. Lewis notices that the sense of wonder we experience from nature is not meant to satisfy us; it is meant to make us yearn for the greater wonder that it silently signposts and whispers will one day be ours. Kirman argues that Islam considers nature an open book that invites us to investigate it, and which actually increases the faith of the researcher. In some verses of the Quran, all creatures, including plants and animals, the sun and the stars are called “*ayat*” – signs of Allah that pay witness to him. Hinduism, Buddhism, Confucianism, Taoism, Shintoism share a similar belief in the presence of the divine in all things, in all animate and inanimate nature (Kirman 2008).

³ Strawn makes a parallel between the warnings regarding the land pollution in Judaism and contemporary warnings for the environmental pollution. In Leviticus, there is a clear statement that those who pollute the land will be punished – the land will “vomit out” those who defile her. In the Book of Jonah, the fish “vomits out” Jonah after he repents for his disobedience to God. The contemporary narrative corresponds with the religious Jewish narrative: overburdened by overexploitation, the Earth will cease to satisfy the growing needs of humanity, and will “vomit out” the polluters. The only way out is for humanity to repent for its unsustainable practices and start working on the protection of the planet and the people, by achieving sustainable development (Strawn 2012).

(Clugson, 2012)⁴, Islam (Clugson, 2012)⁵ and others.⁶

Two central Jewish and Christian doctrines support this claim: the doctrine of creation and the doctrine of God.

According to the doctrine of creation, nature points out to something bigger than herself – the Creator. In McGrath’s words, “nature is like a mirror, itself beautiful while reflecting an even greater beauty of God.” The antipode of the spiritual is the materialistic understanding which sees nature as an end in itself, instead of a beauty that reflects an even greater beauty (McGrath 2003: 11-16).

The doctrine of God is more complex. On one hand is deism which holds that, after creating the world, God is no longer involved in its affairs. On the other hand is pantheism which reduces God to a life force within the world. McGrath opposes these two ideas with the concept of the Trinity: God is not only creator of the world, but also abides in the world. The logical implications of this claim are immense. Namely, if the world is worth of being a dwelling place of its creator, than humans must respect the world (McGrath 2003: 49).

By analyzing the environmental values present in various Christian denominations, McGrath notices that most of them have developed concepts for care for nature and creation. In Celtic Christianity⁷ nature is not only a object of adoration, but also as a means of knowing God, since nature gives a sense of his presence (McGrath 2003: 32-34). Various Christian traditions point to this special relation to nature (McGrath 2003: 37-40):

1. Sinfulness of humanity: greed and the tendency for exploitation have a negative impact on the environment.
2. The Land belongs to God, not to humans: the created order is to be cherished as a gift from God. Humanity does not possess the land and has no right to exploit it as it pleases.
3. Destruction of nature is a sin: this position is especially present in Eastern Orthodoxy. The Ecumenical Patriarch Bartholomew I (known as “the Green Patriarch”) considers human life and creation as a sacrament. Bartholomew

⁴ Amswych mentions several Talmud sustainable development mechanisms: sabbatical year; sustainable and stable market economy based on direct contact between producers and consumers; economy organized around real needs; equality and interconnectedness of people; moral responsibility towards future generations (Clugson, 2012:16-20).

⁵ Nohu summarizes the following Islamic sustainable development principles: (1) respect for people; (2) understanding the environment; (3) balance; (4) limited resources; (5) protection of the environment (Clugson, 2012:39-43).

⁶ Confucianism, Taoism and Buddhism emphasize the respect for others, social harmony and interconnection with nature. These values are closely related to sustainable development. Furthermore, they focus on collective rather than individual efforts, which resonates to the need for global responsibility and action (Clugson, 2006: 4-8).

⁷ Christianity practiced in Ireland in the 7th and 8th centuries.

advocates for the principle of asceticism understood as a self-discipline of humanity which is necessary for correcting our environmental approach,⁸ but also for a “liturgical” approach understood as a celebration of nature.⁹

McGrath believes that we should not look for the reasons for the environmental crisis in religion, but in the “deliberate human decision to reject the idea of God in order to promote human freedom. Without God humanity must no longer work under authority and under limits, but is free to do as it pleases.” By erasing the idea of God, people actually erase the limits for exploitation of nature. This means that people are free to do what they please. Contrary to White who sees Judeo-Christian anthropocentrism as the root cause for environmental degradation, McGrath argues that the combined 20th century Western secular beliefs which arose from the 18th century Enlightenment are the most anthropocentric “religion” in history. The central idea of Enlightenment is that man is the measure of all ideas and values (McGrath 2003:52-61). In this context, Steven Vogel notices that “[t]he project of enlightenment aims above all at the domination of nature. Disenchanted and objectified nature, appearing now in the guise of meaningless matter, is seen by enlightenment simply as something to be overcome and mastered for human purposes, and not to be imitated, propitiated, or religiously celebrated” (Vogel 1996). In this sense, the root of human domination over nature can be found in the idea that the world exists to satisfy the needs of humans. In the center of this paradigm is Protagoras claim that “man is the measure of all things.”

Led by the idea that man’s liberation and self-realization can be achieved through domination over nature, modern Western culture saw God and nature as obstacles to the unstoppable human progress. The religious obstacles to what man could and could not do to nature had to be removed in order for man to conquer and subdue nature. The elimination of the idea and concept of God would mean the elimination of the last obstacle for the unlimited human autonomy. People would be able to do what they wish and nothing would be impossible. The paradox is that, by dethroning God, humanity could enthrone itself and rule over nature (McGrath 2003:63).

⁸ “...the natural environment is part of Creation and is characterized by sacredness. This is why its abuse and destruction is a sacrilegious and sinful act...Humanity, too, is part of this Creation. Our rational nature, as well as the capacity to choose between good and evil, bestows upon us certain privileges as well as clear responsibilities.” (Bartholomew 2009).

⁹ The liturgical approach should trigger a feeling of mystical respect and genuine affection towards nature. This approach renews the covenant among people, nature and God by correcting the egocentric obsession with selfish needs and wasteful consumerism (Bartholomew 2006).

However, man's dream to dominate nature would have remained only a dream had it not been for technology. Freed from the "chains" of ethics, technology became an end in itself, or, more precisely, a means for achieving the aims which include riches, power and influence. By developing technology, humanity could master nature. In other words, humanity had triumphed over God in whom it ceased to believe, and over nature, which it started to use for satisfying its own needs.

CONCLUSION

While weighing the arguments for the role of religion in the environmental crisis, it can be pointed out that most of the arguments emphasize the positive role of religion in developing and sustaining an environmentally responsible behavior. The ethical values related to human approach towards nature, resources and sustainability of development stem from spiritual traditions and beliefs which are based on the transcendent perception of nature and humanity's place in it. In most cases, these beliefs and traditions are integral part of numerous religions.¹⁰ At the same time, the negligence and even rejection of religion can have a negative impact on the environment. In the case of Christianity, the relativization of the idea of God in early modernity led to a relativization of man's limitations for the exploitation of nature. The rejection of the idea of God during the Enlightenment led to a complete rejection of the previously established norms, thus opening the door for uncontrolled exploitation of nature. This implies that religion and religious ethical values should be taken in consideration in the policy making process related to sustainable development and environmental protection. It can be concluded that it is religion and the basic ethical teachings that are necessary for a responsible approach of humanity towards nature.

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¹⁰ M. E. Tucker argues that world religions can contribute to the process of redefining sustainability, offering the following general principles and values shared by all world religions: worship, respect, restraint, allocation, responsibility and restoration. (Clugson et al, 2012:1-3).

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**THE NEED OF NEW RELEVANT STRATEGY
AT UNIVERSITIES**

– MARKETING AND UNIVERSITIES –

Abstract

The reality in which universities work has become more competitive over the years. Strong and dynamic changes are issue for universities and academic environment. Around the world, market elements have been implemented into the sector of universities. Universities are facing a challenge which requires application of marketing approach. The research paper highlights the market orientation concept applied within the context of higher education. Considering the important changes taking place in this sector, a strong willingness of universities to adopt marketing concepts is needed. It is necessary to develop marketing-oriented university management. Research: Interviews with students from the state Universities of the Republic of Macedonia. The Republic of Macedonia is part of the global world in which universities are facing a major challenge of the time and a test of their ability to respond to the changed nature of the market. It is highlighted that the application of new marketing concepts in the process of the functioning (management) of the universities in the Republic of Macedonia is necessary in order to meet the demands of students and companies, and competitiveness in the regional and global market. Marketing as a function, with all its features, especially the new marketing concepts developed in the spirit of universities, would help eliminate the defects found in the system. If our institutions keep on functioning based on the old system / bureaucratic concept, the success will never come. Markets are constantly changing, and only those who are ready for proactive change will succeed.

Keywords: marketing, universities, new marketing concept

INTRODUCTION

The universities around the world are facing a growing pressure to respond to the market changes. The period in which the universities are functioning today can be characterized as turbulent with regard to the economic, social, cultural and political aspects which additionally increases the necessity of implementation of marketing orientation in their operation. These changes in the society have as a necessity the change of the way of management of the universities, in which direction the European Union higher education is being transformed, that is, the conceptualization and the way of functioning of the universities (R. Córcoles, Y.; S. Peñalver, J. and Tejada Ponce, 356-376, 2011). Modern economy is completely focused on, and defined by the quality of the knowledge, that is, quality higher education. Taking into account the complexity of the social processes and the high competition which does not recognize boundaries (neither national nor regional) anymore, quality education is the key resource and foundation for competitiveness of each (legal, economic) entity. The needs in the 21st century for new skills, techniques, new knowledge-based paradigmas, and thus, mainly the communications, creativity and critical thinking, require new approach and reform of the old way of functioning of the university (Ledward, B.C., Hirata, D., 2011). The period of the Fourth Industrial revolution which is at its beginning, exceeds the standard of pure Industrial Age and goes beyond challenging the human's capabilities, thus leading us to a Knowledge Age (http://www.shiftingthinking.org/?page_id=58, Accessed on 2 March 2017).

Changing of the entire context of the higher education in a situation of an open market driven by the principles of the market powers exerts impetuous pressure over the university managements and requires new ways of managing these institutions (Bugandwa-Mungu-Akonkwa, pp. 311–333, 2009). Given the globalization of the market, there is no sector that has remained immune to the increased and strong competition (Campbell-Hunt, pp. 127–154, 2000). Being in the focus of a significant growth in the last decades, the higher education demands changes in the organizational culture, management and administration of the universities (Maringe & Gibbs, 2009; Bugandwa- Mungu-Akonkwa, 2009). Companies, including universities, create values for their consumers through various skills and activities which they place on the market. What is important is that these activities must be managed in accordance with the marketing orientation (Boo Ho Voon, pp. 595–619, 2006). The higher education market, after the numerous changes, requires grounded and justified discussion on and about the functioning of the universities in the Republic of Macedonia, not only at national, but also at regional and global levels. In this period when the Republic of Macedonia is developing in conditions of economic crisis at home, in the region and especially in Europe, it is of key

importance how it will direct its know how in meeting the demands of the economy. One of the most important factors for meeting the requirements of the modern industry is producing quality employees based on the labor market demands. This is the role of the education and the issue is whether the current higher education is able to respond to the needs of the companies driven by the demands of the world market.

MARKETING AND UNIVERSITIES

The world is changing from day to day and becomes smaller and more tightly connected in many different ways. The role of the education is transformation of the society through redefinition of the values based on the concept of knowledge. The education through the modern technology, internet and social networks becomes increasingly informal, and on the other hand, the formal education system assumes new forms and structures through utilization and application of models used in the business sector. The higher education sector is facing globalization and strong competition. Exactly due to it a need of professional management structures and entrepreneur style in the leadership of the university appears. Under the pressure of competition the universities have to work on their continual improvement, measurement of the results achieved and on their efforts for building impeccability in their development. The increased competition in the higher education sector increasingly contributes to the orientation of the universities toward the consumers of their services (Cassidy R., 2014). In this intensive competitive setting the universities show tendency of globalization and branding.

The management of the universities refers to a complex set of actors and processes which are involved in decision making within the university. The higher education management is historically new phenomena and its appearance is connected to the changes of the institutional form of the university. Traditionally, the operation of the universities was regulated or controlled, not managed, that is, administrated. The situation in the developed western world begins to change, when the so-called "Management Revolution" begins in the higher education (**Amaral, Alberto, Meek, V.L., Waelgaard, Lars, 2003**). The business methods which are used in the economy should be applied to the operation of the university management. The universities in the previous decades have faced various challenges and, thus, their survival has depended on how they would respond to the new conditions and "threats" to their operation. Each different phase of change of the social life, especially in the part of different industrial revolutions which cause tectonic displacements in each part of human living, leads also to changes, threats or challenges for the universities. One

of the biggest threats for the universities is the competition among the universities, both in terms of students and resources. Therefore, experts recommend that for the survival and development the implementation of the marketing and orientation of the universities toward the consumers and other stakeholders is inevitable. Transformations which the universities experience in the environment where they realize their activities have increased the degree of competition in this sector and pointed to the need of introducing marketing elements. The universities of the new reality mostly respond by placing emphasis on the improvement of their study programs; however, this change is not always the best option for creating more favorable image or reputation among their stakeholders.

The student as a consumer must become the starting point, followed by creation of culture of work which would be marketing-oriented. In order to survive and develop in the face of the changes and challenges in the academic community, the universities must also recognize and spot the need of utilization of the marketing. The period from 1970-72 is important for the initial discussions regarding the utilization of the marketing orientation in the operation of the universities. The first who has initiated this issue is A. R. Krachenberg, (1972) with his work "Bringing the Concept of Marketing to Higher Education", which is also the first public reading text available for discussion about the marketing approach in the colleges and universities. Starting from drawing students and creating tax policies to the compilation of draft project for research, each action undertaken by the university regardless who has done it or where exactly in the institution it has been made, is based on marketing. One of the researches focused on the utilization of the marketing orientation in the academic setting is also the work titled "Marketing in Higher Education: Benefits and Risks for the American Academic System" by Larry Litten (Litten, Larry M., 1980). Literature which refers to the higher education largely indicates that the marketing represents a source which offers large number of practical tools that can help the higher education institutions to survive, and even to develop and advance in the competitive setting. Improvement of the study programs must be accompanied by analysis of the customers' needs, that is, the stakeholders of the university, in order to properly satisfy their needs for marketing oriented university. The university should pay attention to its relation with the stakeholders taking into account that through proactive and respectable cooperation with the stakeholders the university can gain more reputation and competitive advantages (J Llonch, C Casablancas-Segura, MC Alarcón-del-Amo, 2016). Therefore, the approach of stakeholder-oriented operation of the universities is also important through establishing appropriate relations with its stakeholders. The universities not only work according to the market rules to satisfy the needs of the customers, but at the same time they operate in the spirit of, and are motivated

by their mission and the values they advocate in order to accomplish their social responsibility and social needs. As Narver and Slater, Jaworski, Kumar and Kohli (John C. *Narver*, Stanley F. *Slater* (1990); Ajay K. *Kohli*, Bernard J. *Jaworski*, Ajith *Kumar* (1993) point out, one of the most important benefits gained by the application of marketing orientation in the operation of the universities is the increased and improved performance of the institution. Among the various researches conducted in this sphere I would single out the studies of Caruana, Ewing and Ramaseshan in 1998 (Caruana, A02., Ramaseshan, B., & Ewing, M. T. (1998b); Caruana, A., Ramaseshan, B., & Ewing, M. T. (1998a), who have conducted research at the universities in Australia and New Zealand, especially at the state universities; they point out that both researches confirm the positive effect and correlation between marketing orientation of the university and higher impact performances. Another two studies, one prepared in 2010 and the other in 2014, by the authors Webster, Hammond and Rothwell (Robert L; Hammond, Kevin L; Rothwell, James C. (Jul 2010); Robert L.; Hammond, Kevin L. Rothwell, James C. (2014), make a step forward and provide additional benefit in the implementation of the marketing orientation, that is, focusing on the students and potential employers of the students who come out as a product of the university. The entire higher education institution must be structured according to the demands of the market and the modern industry (certainly, within the legal possibilities), starting from curriculums, profile of teaching staff, way of application of theory and practice, way of communication with the students and the community, and many other aspects which are compound part of the institution, to the complete rebranding of the institutions that at the end will become recognizable brand which will evoke desire in the student to become a part thereof, and will offer quality assurance. All of this should be made and applied in continuity, always having in mind its positioning on the market, and the quality offered should be in accordance with the demands of the users, students and companies. The changes of the higher education market demand changes in the management methods of the universities as well. The acceptance of the marketing orientation of the university through active establishing of relations with the marketing environment of the university is the right solution. Marketing activities are very important for the competitive position of the university on the market. The way of operation which includes taking activities for improvement of the satisfaction of the students and employees of the university and other stakeholders should be applied. The acceptance of new conceptions of marketing orientation will contribute to improvement of the perception of the university, its image on the market, and finally, will increase the students' and other stakeholders' loyalty to the university.

EMPIRICAL RESEARCH – RESULTS AND DISCUSSION

Being one of the most important stakeholders of the universities, the opinion of the students is marginalized when we speak about the higher education in the Republic of Macedonia. Exactly because of that, this paper consults the Student. E-interview was distributed to the students of the state Universities in R. Macedonia. Research is made within 10 days, in the first half of March 2017. One hundred twenty four (124) students / respondents were interviewed. This paper will present the research questions and answers. The answers are shown in percentages.

Research questions can be divided in three groups:

Are the students quality-oriented, or value-oriented with regard to their higher education?

If you choose today the university you will attend, which of below offered categories would be important for you when you make your choice (quality; tuition; reputation or goodwill, other)? Most of the students have chosen the quality category (82% students of the total number of respondents), and the category reputation / goodwill was chosen by 14 % of the students. These figures indicate that regarding the choice of the university, its quality is most important to the students.

How do the students perceive the university they attend?

*Do you hold that the university you attend can be competitive and recognized on the global market? Slightly over half of the respondents (59 %) answered affirmatively, and the other 41 % of the respondents held that the university they attended could not be competitive and recognized on the global market. *Do you hold that the university you attend meets the needs that are imposed to the higher education by the society in the 21st century? 76 % of the respondents answered negatively, and only 24 % of the students answered affirmatively.

What is interesting regarding the answers to these two questions is that even 76 % of the respondents hold that the university they attend does not meet the needs of the society in the 21st century, but 59 % of the respondents believe that the university they attend could be competitive and recognized on the global market. Concerning the answers to these two questions it is important to underline that the students have built their own (critical) position and specific perception of the capacity of the university they attend.

What are the considerations of the students regarding the application of the modern concept of university management and its impact on the achievements of the students?

*How would you describe the organization of the university you attend? Only 6 % of the respondents have answered that the university they attended had a modern concept and it led to creation of values. High 94 % have responded that the organization of the university was based on obsolete and chaotic concept. Some of their responses also pointed out the need of changing the way of operation of the university. *Do you hold that the university you attend has delivered more or less compared to your expectations before your enrollment? Only 2 % of the respondents have answered that at the university they have got much more than they have expected, 9.9 % have got more than they have expected, while 29.7 % of the respondents have got as much as they have expected. 37.6% of the respondents have got less than they have expected, and 20.8 % have got even lesser. The answers to this question point out the students' disappointment from what they have expected versus what they have got at the university. The answers to this question and the answers to the question referred to in point 1 indicate the need of paying attention during the creation of the strategies and plans for operation to the improvement of the quality of university operation and the need of taking into account the students' expectations in the course of the new changes of the higher education market at global level. *Do you hold that the university you attend will provide for you applicable knowledge and skills for working in the economic sector of the global market? 51.5 % of the respondents have answered to this question affirmatively, while the other have answered negatively, which clearly indicates that the students have divided opinions. *How much are you interested in the change of the way of operation and management of the university following the example of the successful modern universities in EU and USA? Out of the total number of respondents, 7.9 % were highly disinterested, 2 % were disinterested, 19.8 % were indifferent, 46.5% were interested, and 23.8 % were highly interested. Through their answers to this question the students have shown initiative and desire for better university management. *Who should initiate the change of the way of operation and management of the university? 23.8 % of the respondents hold that the teaching and research staff should be the bearer of the changes, 5 % hold that the initiator should be the administrative staff, 8.9 % of the respondents hold that the initiators should be the students, and 5% hold that the initiator should be the Government. Most of the respondents or 53.5 % hold that the initiative for changing the way of operation and management of the university should result from joint efforts of the University, economy and the students, by which the importance of Triple helix is confirmed. *Does your achievement in studies also depend on the organization and good operation of the university? Most of the respondents have answered affirmatively (68.3 %). This result represents a significant indicator for the university because the students' achievement is closely related to the organization and good operation of the very university.

From the viewpoint of the student being one of the most important stakeholders of the University, the results of this group of questions also refer to the conclusion that a new way of management and administration of the university is needed.

CONCLUSIONS

The goal of the conclusions in this paper is to provide a recommendation to the higher education sector in the Republic of Macedonia in regard to the change of the way of managing and functioning, with special emphasis on the marketing orientation. To leave the philosophy of product-orientation, which is prevailing in the universities in the Republic of Macedonia and to accept and implement a comprehensive holistic marketing-focus with clear orientation toward its stakeholders as soon as possible.

The key matter should be comprised of deeper knowledge of the needs of the university students (current and prospective). The global society requires new skills and higher levels of academic achievement. Through a new concept of management the university will understand the needs of the students which are necessary for them to achieve success in the real world. In that way the university can create a higher education environment which fits in the 21th century.

The universities should be devoted to their stakeholders trying to identify their needs, to meet their requirements and to develop an appropriate system of cooperation. The university, in each of its dimensions should be driven by increase of the satisfaction and loyalty of its most important stakeholders. Realization of two goals: satisfaction of the stakeholders; creation of a form which will contribute to better perception of the universities. Quality, image and goodwill / reputation is what the people respond to.

It is of key importance to start investing in every dimension of the university structure which leads to establishment of a new strategy of functioning through implementation of the marketing concept. How to be creative and self-reliant, how to conceive what the students and other stakeholders demand, as well as the application of all of that in practice, in order to respond to the challenge that is of importance in the 21th century.

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**CORRELATION BETWEEN THE WAY OF MANAGING
HUMAN RESOURCES AND STRATEGY TO COMPETE IN
THE INTERNATIONAL MARKET**

Abstract

The quality of the performance of multinational corporations in the international market depends on the strategy the corporation will choose for that purpose. Strategic management has a tremendous role in the management of organizations.

The analysis derived from empirical research conducted for the purposes of this paper in terms of patterns of HR Management confirm the thesis that there are no uniform strategies that will yield the same results in other developed countries. Therefore, modern management attention turns to the question: which HR Management strategies provide the best results in different cultures?

Conducted research attention has turned to the analysis of:

- HR Management practices that are best for use in branches outside of their home countries in terms of their degree of global “integration” or “standardization” of MNC practices against local “responsibility” or “local adaptation.”

- Which approach is used in comparative studies to analyze the practices of HR Management in different countries.

From an empirical point of view, they drew attention to evidence which argue that MNCs from different countries systematically differ in their operations abroad. For example, MNCs from the US tend to be more formal and centralized in management in terms of management in other countries. It refers to issues related to HR Management, as pay systems, to collective bargaining and union recognition. MNC in the US tend to find import and application of leading-edge practices from other countries. Japanese MNCs, on the other hand, are distinguished in the implementation of innovation through lean manufacturing, and expect their subsidiaries abroad to work in line with this approach. Although standards in world politics and formal systems are not as obvious as they are in the US, MNCs in Japan have stronger centralized direction and ethnocentric attitudes in the management of MNCs.

Keywords: Multinational Corporations, Strategies, International Market, International HR Management.

INTRODUCTION

Strategic management is equated with strategic planning that is complemented by the process of execution of the strategy. Strategic management is the process of identifying, selecting and executing the most effective way of working that will ensure long-term compatibility between internal ability and resources of the organization and competition, the society, and the economic environment in which the organization works. In order to be successful on the international quoted market, it is necessary that managers are trained and ready to carry out more activities. Managers of multinational corporations must recognize the specificities that characterize their organization to identify, select and use in order to carry out important strategic objectives of the organization. Each organization is an entity in itself. It is a unit that functions in a system of differences that surround you. For any organization there is no special strategy for performance. Successful managers must recognize and successfully combine the specifics of their organization to effectively use their resources strategically for competitive performance in the international market.

Can the same strategies for managing human resources in developed Western countries be applied in different cultures?

Which strategy of HR Management can be effective for different cultures?

The analysis conducted by researchers of comparative HR Management traditionally includes comparing the perspectives of the countries and asking questions such as: how is HR Management structured in individual countries? What strategies show best results? What should actually be put into practice? What are the main differences and similarities in the structuring of human resources? What is the extent to which national factors such as culture, government policy and the education system affect structuring and practices of human resources? (Brewster, C., Tregaskis, O., Hegewisch, A., Mayne, L., 1996)

Not only does institutional theory explain the role and comparative differences in HR Management systems globally, but she also explains the key role of human resources at the global level aimed at facilitating the transfer of key processes and management practices. Institutional theory puts its emphasis on the question whether that transfer is easy to implement and can actually be applied.

Further theoretical development focuses on the nature and differentiation of the various institutional processes within organizations. (DiMaggio, P. J., Powell, W. W., 1983) The basic assumption is that the organizational structures of most HR Management practices appear to reflect rational institutional rules and the “myths” of their institutional environments. (Meyer, J. W., Rowan, B., 1977) In this sense, the institutional theory again promotes organizational perspective in which

decision-making is not seen as a result of strategic choices, but efforts are being made to choose a strategic behavior that organizations will be able to use as a direct response to institutional processes. (Oliver, C., 1991)

Institutional theory turns its attention to the role of agencies within an organization. Supporters of the theory point out that “beliefs, norms, rules and understanding not just” out there “but further” is here.” (Scott, W. R., Meyer, J. W., 1989) The environment should join the organization through the process of “imposing”, “acquisition” and “authorization”. (Scott, W. R., 1987)

Global strategies are characterized by significant levels of intense uncertainty. (Weick, K. E., Van Orden, P., 1990) Globally, daily, within organizations efforts are made such as: preventing the problems that cause interference with the flow of information, finding new efficient solutions to deal with conflicts and dealing with differences in national culture. Managers in branches outside of their home countries face the challenge of requirements to implement new programs and tasks dictated by the headquarters of MNCs on a daily basis.

Kostova argues that successful practices will be transferred on international soil only if they are embedded in three contexts (social, organizational and relational). (Kostova, T., Roth, K., 2002)

Kostova and Roth do an analysis of the transfer of the practices of a MNC at 104 locations in 10 countries through questionnaires intended for 534 managers and 3238 other employees. The analysis puts emphasis on purely formal and substantial adoption practices of human RSURSI. According to the analysis by Kostova and Roth, model of factors determines the transfer of best practices in HR management according to two important theoretical perspectives. Firstly, it fits in the strategic process of perspectives of management of change which indicates that international HR Management professionals must make socio-cultural, organizational and relational contexts for “receptive to change.” Secondly, it shows the need for international managers the ability to implement and adapt new practices of HR Management so local practice as a complex set of relationships between the structures of the national market, ways of organizing companies, and their own systems.

In terms of Kostova’s model, Björkman is defending the institutional theory emphasizing that organizations resemble one another when they are in a situation of uncertainty. (Björkman, I., 2006) He argues that researchers should focus their attention on the study of micro and macro level of the processes of institutionalization of organizations.

According to Martin and Beaumont, any model of human resources to be applied in MNC, it is necessary to involve understanding of the ways in which he created the model managers. (Martin, G., Beaumont, P., 2001) International HR Management

professionals should be directed to the implementation of new strategies to make changes that will be more objective and that will be accepted by employees more easily, and ensure easier identification of employees with the strategy of the organization. In addition, Martin Beaumont emphasizes the idea that attention should be turned to “the impact of design practices” imposed by the country of origin on the practices of local human resources. These practices have been made or given as a direct source of innovation or with the tacit structuring of the organization to implement one that can be considered acceptable within the branch.

Recently, there is a process of increased interest to theoretical ideas IHR Management seen through different perspectives in order to better understand organizational behavior. It occurs synthesis of ideas combined in various combinations of theories.

Another group of theorists turn their attention to the creation and integration of practices beyond the borders of their home country. They face unique challenges that should be supported in the global efficiency and local accountability. These challenges turn their attention to two competitive strengths: knowledge creation and integration of knowledge at the local level. They are closely relate to institutional theory. Youndt, Subramaniam, and Snell raise the question of organizational capital, which they consider the knowledge and experiences that become institutionalized and codified within an organization. (Youndt, M. A., Subramaniam, M., Snell, S. A., 2004) They also note that the trust provides motivation for working in the system of MNCs and creates identification with the organization that provides understanding of what is important and valuable to share.

RESEARCH

Bivariate correlation and linkage, regression analysis

Research has shown that quality international strategy of organizations to compete in the international market is one of the basic conditions for successfully implemented organizational goals and running a successful international business. For this purpose, the research has put special emphasis to practices that organizations apply towards successful planning and implementation of a strategy that will yield the expected results internationally.

Bivariate correlation showed a strong correlation between factors: implementation of modern international human resource management and strategy for entering the international market.

Following the analysis coefficients of determination (R Square) proved that there is a high correlation between the way of managing human resources to compete in

the international market (C) and the strategy that the organization uses to successful performance in the international market (B).

Managers of multinational corporations make constant analysis of uncertain dynamic and complex environment in which we find ourselves with R Square = 0,584 which means the joint variability of 58%, a significant level of regression $r = .002$ (Sig = .002). Multiple correlation coefficient has a value of 0.764, which emphasizes the strong correlation between the observed variables that determine the coefficient of 76.4% correlation. The significant F indicates that the error rate is 5,150, which signals the importance of the derived correlation of variables. Residual deviation is 0.413, which means that the regression variable is undervalued compared to 2,128 in the independent variable.

Table 1. *Modern international human resource management and global strategy ANOVA*

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	12,770	6	2,128	5,150	,002
Residual	9,092	22	,413		
Total	21,862	28			

Previous analyses have confirmed the following hypothesis

Regression coefficients obtained and assessed

The resulting estimates of regression coefficients highlight the importance of statistical research. The table shows that the standard error for all independent variables is low, significantly slight deviation is noted with respect to the dependent variable C.

The system shows the connection that is statistically significant in relation to $R = .764$. Individually high statistical impact that is important for analysis occurs at B2 (beta 0,286; p-level = 0,205), and B4 (beta 0,200; p-level 0,295) and B5 (beta -0,031; p-level = 0,908).

Constant variable:

B1. The new information – communicational technologies are used for training and professional development of the managers.
B2. The organizational behavior in the organization is oriented towards acquiring bigger efficiency and organization efficiency.
B3. The organization takes unconditional care for attracting and keeping the high-qualified managing staff for working on the international market.
B4. The organization applies specific and unique management strategies for each surrounding separately.
B5. The organization implements easily acceptable changes that guarantee identification of the employees with the organization strategy.
B6. The organization which I currently work in, is characterized as a learning organization, i.e. takes care for the professionalism of their employees – learns from all cultures, all the time and in different ways.

Dependent Variable: C The managers of multinational corporations make consistent analysis of the uncertain, dynamic and complex surrounding where they are at present.

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,833	,703		1,185	,249
B1.	-,057	,268	-,054	-,213	,833
B2.	,310	,237	,286	1,306	,205
B3.	,157	,242	,180	,648	,524
B4.	,163	,152	,200	1,072	,295
B5.	-,026	,225	-,031	-,117	,908
B6.	,258	,100	,439	2,590	,017

a . Dependent Variable: C The managers of multinational corporations make consistent analysis of the uncertain, dynamic and complex surrounding where they are at present.

CONCLUSION

Resources that are available to the organization whether it is human, technical or financial, it is necessary to be subjected to detailed analysis before making a decision on the selection of strategy for market. This analysis will contribute to the realization of main characteristics of strategic management and its role in international human resource management. The main strategic role in the international management of human resources is the efficiency and effectiveness of the organization. The term efficiency means how successfully an activity of the organization is completed: the methods, procedures, analyses that have been made and whether the organization realizes organizational goals and plans. Effective is the organization that organizational goals pandemic properly in line with the requirements of the environment. In order for the organization to be effective and efficient it is necessary to set up long-term strategic plans to deliver the long-term to organizational goals. The duration of the planning is more than a year, and the role of management is to find creative solutions to organizational realization of the set goals. Strategic management is a long-term oriented process of functioning of the organization whose important decisions for the organization's operations managers adopt the highest level. Their decisions should be implemented at all levels of the organization, the strategy according to the purpose can be: strategy level of corporation - kind of business within the organization will choose a strategy at the level of competition - how the organization solves competition as activity and operational strategy - as pursuing strategic decisions. Successfully installed operating strategy of the organization implies quality strategy adopted by managers who fully know the work of the organization have a comprehensive understanding of the tasks and their execution by sector and know how to find a solution for each new situation inside and outside the organization.

By placing quality strategy, managers improve the efficiency and effectiveness of the organization, create quality teams to implement organizational goals, timely remove irregularities, effectively utilize the available resources and there is a greater motivation of employees resulting in finding new creative ideas and solutions for work. The adoption of an integrated set of HR Management practices globally is a prerequisite for a competitive edge in the international market. Modern management puts more and more emphasis on finding quality practices that will be the basis for the implementation of organizational strategy.

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**THE INFLUENCE OF OCCUPATIONAL STRESS
ON THE EMPLOYEES: A CASE STUDY OF A
MACEDONIAN COMPANY**

Abstract

Occupational stress is increasing worldwide in all organizations, professions, employees, employers, families and the society. The goal of this research is to investigate the individual's differences in the perception of occupational stress among employees in relation to their individual differences such as age, gender, marital status, parenthood, number of children, hierarchical level, department, and working hours with a special focus on employees in a large private company in Macedonia, as well as to investigate the levels of perceived stress among the employees in different departments within the company. It also includes an elaboration of a concept of occupational stress emphasizing differences and similarities in academic understanding of the term occupational stress. The results suggests that the

greatest level of stress is experienced in the first group of ages or the employees who are between 30 and 39 years old, who work more than 9 hours per day, who are parents of one child and those employed in technical area, at lower department levels. The study also highlights the practical implications based on the results and enables a better understanding of the demographic and work factors that lead to occupational stress.

Keywords: occupational stress, sources of occupational stress, individual differences, employee

INTRODUCTION

In a broader sense, the term occupational stress refers to one of the major health hazards of the modern workplace. Occupational or job stress may be defined as a “mechanism whereby the human body attempts to adapt to the environment.” It can be considered as the harmful physical and emotional responses that occur when the requirements of the job do not match the resources, capabilities and needs of the worker (Nakasis&Ouzouni, 2008). The International Labor Organization (ILO) asserts that all countries, professions and all categories of workers, families and societies are affected by occupational stress (Ogon, 2001). Additionally, research has demonstrated that as workload and work-associated stress increase, turnover rates of workers are also noted to increase. Thus, occupational stress results in considerable costs to organizations in terms of absenteeism, loss of productivity, and health care resources.

The consequences of occupational stress are considered to have a great impact on the cost side of the balance sheet of every contemporary organization, hence cost has been acknowledged as an issue around the world. It represents a common concern in both emerging and industrialized economies (Tsutsumi& Kawakami, 2004). Some of the studies were directed towards expressing and quantifying the cost of work related stress that affects economies, over the Gross Domestic Product (GDP). In particular, in the EU 5-10% of the GDP (Cooper *et al.*, 1996), while in Denmark occupational stress caused cost as a result of absenteeism and sick leaves of 2.5% of the GDP, and in Norway 10% of the GDP. In the USA it has been estimated that 54% of absences are due to stress. Absence because of sick leaves costs the UK 12 billion pounds, out of which 50% has been considered to be stress-related (Cooper, 1998). It must be stated that such calculation does not include the additional costs of organizations which have staff replacements and retraining, special supervision, work flow interference, unplanned absences and service complaints, and the cost of sick leave leading up to the compensation claim (Toohey, 1995). Furthermore, more important than the previous claim, individual costs, such as: loss of self-esteem, loss of professional-esteem, new or exacerbated physical symptoms, loss of physical stamina, disruption to intimate life, lost hours of professional development, loss of professional sensitivity or increased psychological distress, are not considered. Bearing the afore-mentioned, the cost of occupational stress grossly underestimates the real cost of the issue.

RELATION BETWEEN INDIVIDUAL DIFFERENCES AND OCCUPATIONAL STRESS

It is normal to expect that different people perceive the overall working environment differently. Typically, when stress is an issue, different employees have different abilities of coping with it in achieving their goal. How the individuals respond to the stressors mainly depends on their personality, their perceptions, and their past experience. Some stress is necessary in that it assists workers in achieving both the work and their personal goals. However, too much stress causes negative effects both on an individual and organizational level and will create difficulties to cope with challenges.

The demographic factors and their influence on the dimensions of occupational stress have been studied by various researchers in the academic literature. In this perspective, some studies have revealed that females experience higher levels of work stress considering certain gender specific stressors and have different patterns of managing stress problems that might arise in their working environment (Offerman & Armitage, 1993, in Antoniou *et al.*, 2006). For instance, males have statistically significantly lower job stress scores, as Sharpley *et al.* (1996) revealed. In addition, Fotinos-Ventouratos & Cooper (2005) discovered that female managers are the ones who perceived more stress than the male managers. In the research of Antoniou *et al.* (2006), it is clearly presented that female teachers are those who experienced much more stress than their male colleagues. Ganster & Schaubroeck (1991) revealed that those women are exposed to a higher level of stress than men since they experience the non-working demand as well. According to Davidson & Cooper (1983), women managers tend to talk to someone close as a method of dealing with stress more often than male managers. Eventually, the results of the bivariate analysis conducted by Fotinos-Ventouratos & Cooper (2005) clearly presented significant differences in terms of physical and psychological well-being among the males and females.

Considering the nexus between the age and occupational stress, researches have also highlighted that the abilities of coping and managing stress increases at a linear pace with the age of the individual (Sager, 1990). Coping patterns were found to be less utilized by younger workers compared to their older colleagues (Osipow *et al.*, 1985). It has been revealed that mature workers expressed decreased amounts of environmental stress but increased amounts of Role Overload and Responsibility than younger workers (Osipow *et al.*, 1985). For instance, in the research of Dua (1994) it has been indicated that younger employees reported more job stress than older workers. In the paper of Ben-Bakr *et al.* (1995) it has been revealed that employees who are younger than 30 years of age experienced the

highest levels of stress, the workers between the ages of 31 and 40 are the ones who experienced the greatest amount of job stress (Sharpley *et al.*, 1996). In the end, employees who work at higher levels within the organization are less stressed than those employed at lower job levels (Dua, 1994). Overall, age as a significant variable has mixed results and is of interest in this study. By bearing this in mind and timely recognizing the symptoms of stress, damages and unwanted outcomes in the working environment may be prevented. Lastly, a general tendency exists in the literature according to which staff employed at the higher job levels were found to be less stressed than those employed at the lower job levels (Dua, 1994). As well, different levels of management influence preference for stress coping styles, specifically, as it is progressed towards the more senior levels of management, delegation and maintaining style relationships are considered the most useful forms (Kirkcaldy & Furnham, 1999).

RESEARCH METHODOLOGY

Is there an overall occupational stress among the employees within the company, what is the level of stress among different categories of employees and how the occupational stress is related to the individual differences (gender, age, marital status, parenthood, number of children, hierarchical and departmental affiliation in the company and working hours spent at the current job)- were the main research problems.

Hypothesis

The general hypothesis predicted that *there is an overall stress among the employees* within the company and that employees differ in their level of stress.

Variables

Variables upon which employees were grouped into different categories and that were used for the assessment of the relationship between individual differences and self-reported occupational stress were chosen from earlier researches and models of stress. Precisely, five demographic (gender, age, marital status, parenthood, and number of children) and three organizational determinants (hierarchical level, department, and working hours) of various levels of stress were assessed. The research has been performed using the quantitative method. The company is a leader in its industry segment as well as a national leader for providing telecommunication services in Macedonia. The convenience sample consisted of 53 employees, who come from different departments within the company. The

employees were grouped in several categories due to the consideration of different employee variables. A questionnaire has been created which consisted of a set of 30 questions in total; thereby encompassing the questions related to the employees' individual characteristics, which have been selected based on previous research. The questionnaire was distributed to the participant by email, as well as the participant being directly contacted, and they were asked to return it back within one week. The participants were randomly chosen in order to represent the certain organizational area from the company. Table 1 depicts their profile.

Table 1- *Profile of respondents*

Variable	Structure(%)
Gender	male(57%), female(43%)
Age	under 30 years (19%), 30-39 years (56%), 40-49 years(23%), over 50 y(2%)
Marital status	married(66%), not married (26%), divorced (8%)
Parenthood	children (66%), no children (34%)
Number of children	two (54%), one(46%)
Hierarchical level	first level managers(21%), middle level managers(7%), top managers-none, other (72%)
Department	technical area (17%), finances (19%), marketing (19%), sales(24%), HR (6%), other (15%)
Working hours	less than 8 hours (7%), 8-9 hours(74%), more than 9 hours (19%)
Working experience	under 1 y(8%), 1-2 (10%)2-5y(26%),5-10(32%) 10-15y(13%), over 15 (11%)

RESEARCH FINDINGS

The research question was the following: how the employees perceive occupational stress within the company in different areas, and according their demographic and organizational characteristics. The employees' responses to the question as to how personally perceive they find occupational stress can be found

in Table 2. In order to find out whether employees differ in their average level of stress perceived as a consequence of their demographic and work characteristics, employees were grouped into 28 subgroups devised using eight individual differences (gender, age, marital status, parenthood, number of children, hierarchical level, department, and working hours). The data were taken from a questionnaire asking the respondents about various aspects of work-related health and stress questions such as general stress, feeling of fatigue, experiences of headaches, low motivation. Each of these was reported using a nominal level measurement with a yes/no answer to each question. For this paper the focus is on the differences experienced when it comes to the level of overall stress experienced by the employees.

Table 2 - Experienced stress in relation to the individual differences

		No. of respondents in %	Experienced stress in %
Gender	Females	45.28%	70.83 %
	Males	54.72%	65.52%
Age	Less than 30 years	18.87%	60.00%
	30-39 years	58.49%	77.42%
	40-49 years	20.75%	45.45%
	50 or more	0.00%	0.00%
Marital status	Married	64.15%	70.59%
	Unmarried	28.30%	60.00%
	Divorced	7.55%	75.00%
Parenthood	Children	64.15%	67.65%
	No children	55.88%	68.42%
No. of children	One	41.18%	78.57%
	Two	58.82%	60.00%
	Three and more	0.00%	0.00%
Hierarchical level	Not managerial level	73.58%	64.10%
	First level of management	20.75%	81.82%
	Middle managers	5.66%	66.67%
	Top managers	0.00%	0.00%

Department	Technical area	16.98%	100.00%
	Finances	18.87%	70.00%
	Marketing area	18.87%	40.00%
	Sales area	24.53%	76.92%
	HR	5.66%	66.67%
	Other	15.09%	50.00%
Working hours	less than 8 hours per day	7.55%	100.00%
	8-9 hours per day	73.58%	58.97%
	more than 9 hours per day	18.87%	90.00%

As evident from table 2, altogether, the employees perceive moderate level of stress. All the significant relations based on testing the relation of the occupational stress and individual are the following:

1. Gender differences are represented by the following figures: females are represented by 45.28% and 70.83% of them reported perception of increased stress. The rest of them are those who reported no stress or do not know, however those are insignificant. On the contrary, the males are represented by 54.72% and 65.52% of them, claimed that stress is present in their lives. The rest of the respondents are equally divided in the other two categories of no stress perceived or do not know and both are insignificant. Although it is shown that women perceive more stress than men, overall we can conclude that there is no significant difference in stress perceived by men and women.
2. In relevance to the age, the study reveals that younger employees (30-39 years of age) perceived more stress, which corresponds with the dominant existing research findings. Furthermore, it is evident that mature employees have developed skills for coping and managing occupational stress which is not the case with previously discussed groups.
3. When we analyze the outcome of the survey related to marital status, we can reveal that 64.15% are married, 70.59% reported experiencing stress, while 23.52% reported no stress. The others are insignificant to be treated. The next group is the employees who are not married and those are 28.30%, 60% of them have experienced stress. The other figures are insignificant to be analyzed since we have few of the respondents who reported no experienced stress or do not know. The last sub-group embraces the divorced, who are only 7.55%, and 75% of them reported stress. In such a case, where we are not faced with adequate distribution of the respondents within the subgroups, we will take into account the married as ones who are the most affected by occupational stress.

4. Opposite to dominant research findings, the study has revealed that employees who have one child experienced the greatest level of stress if we compare with those who reported to have two children. They reported less experiences of stress, although common sense implies that employees who have more children perceive significantly higher levels of stress due to the multiplication of their responsibilities.
5. Number of hours respondent works is found to be the variable that relates significantly to someone's level of occupational stress and the ones who are stressed the most are those who work more than 9 hours per day. Respondents who experienced stress represent 90% of the respondents. The next are the employees within the sub-group of 8-9 working hours per day, and 58.97% of them reported that they experience stress. In the last sub-group are the employees who work less than 8 hours per day, but since they are less than 18.87%, the outcome will not be relevant and taken into consideration. This correspondent with the common sense which implies that employees working longer hours experience greater stress.
6. Hierarchical level is found not to be relevant and taken into consideration as a consequence of not having respondents in one of the subgroups or top managers.

DISCUSSION

Relations between occupational stress and individual differences are very important imperative for managing occupational stress. The focus of this research was to see how employees within the company from Macedonia experience the occupational stress with special attention to the existence of nexus between their individual differences and the level of stress. The research data show that employees (from the analyzed company and grouped in eight categories) perceive different levels of stress, and that there is a link between individual characteristics and overall occupational stress, so it can be highlighted the that occupational stress is inevitable and all employees are affected by it in different departments within the company. From the result, it can be discovered that stress is more often experienced in the first groups of ages. It is particularly more than evident in the age group of 30-39 years of age, and lower levels of stress are present in the age group of less than 30 years of age. Other age groups can't be said to have negative effects of working related stress. These data have confirmed that the first hypothesis which predicts that occupational stress increases as the age increases is not supported and is the opposite of the obtained results from the survey. We also find out a logical explanation in the literature that younger employees are more prone to

stress due to the fact that mature workers during the years have developed personal skills and mechanisms for coping with and managing occupational stress. (Dua. 1994; Ben-Bakr et al.1995). Employees who are parents of one child or aren't parents experienced more stress than others. These data fully neglected the second hypotheses that claimed that parenthood is connected with employees' occupational stress.

However, because of the nature of this research, that is focused on testing occupational stress in one company, cause and effect relationship between the parameters could not be established, nor the results cannot be generalized. It can only demonstrate that there is a linkage between occupational stress and individual differences of age, marital status, parenthood, number of children and hierarchical level, helping for other researchers to investigate more and also create an awareness for the managers to occupy their attention more.

CONCLUSION

Occupational stress has been of great concern to employees and other stakeholders of organizations. Occupational stress researchers agree that stress is a serious problem in many organizations. The principal purpose of this research was to investigate occupational stress and its nexus to the individual differences. The literature reinforced the need for the present study. Consequently, it can be revealed that certain employee groups perceive higher levels of stress than others. In summary, the results of the study indicate that the greatest level of stress perceive employees who have one child or no children, who are younger than 39 years, and those employed in technical area and sales, at lower levels. Concerning the relationship between individual differences and levels of stress experienced, although the case study does not allow for causal, findings suggest that there is a connection between age, parenthood, number of children and hierarchical level, working hours and the way stress is perceived, while gender and marital status are not significantly related to it. Based on the findings, the conclusion that can be drawn is that organizations should attach greater importance to demographic and work characteristics of individuals when recruiting, developing and motivating, as those characteristics provide a good starting point for understanding and predicting how people will respond under different types of stress. More to it, findings may help to implement effective prevention programs against occupational stress, considering how different categories of employees perceive stress at work. Good management will assure benefit for the organization while treating an issue in an organizational context. When the organization will achieve mutual cooperation

with the employees to alleviate occupational stress as much as possible, success is unavoidable and the benefit that the organization and individual will experience is increased productivity, increased personal well-being and emotional stability.

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**THE CHILD CRIME PHENOMENON IN
REPUBLIC OF MACEDONIA: 2006-2015**

Abstract

Since children represent a young age category, they should be treated in a special way both from the society and from the state institutions when it comes to combating crime, in order to reach the sole aim of their (re)socialization and (re)integration.

This research paper will analyze the phenomenology of the juvenile delinquency (its structure, dynamics and volume) in the Republic of Macedonia during the time period of 2006-2015. The analysis concludes that on the top of the list of crime mostly committed by children are the property crimes. Therefore, children are more prone to commit theft, petty theft, pickpocketing, stealing from vehicles and other forms of theft. This is followed by offenses against public order; as well as crimes against life and body committed by juveniles, such as murder, participation in beatings and other forms of violence, etc.

The research also reflects the the real picture of the convicted children based on gender, ethnic belonging, the level of education, family status, and the location where the offense has taken place.

Keywords: Criminal phenomenology; types of offenses; convicted children.

INTRODUCTION

Since criminality of children represents a significant part of the research in the field of criminal law, mainly because its perpetrators are distinguished by specific features, starting from their critical age which according to the positive law of our country includes age groups from 14 to 18 years, it is exactly the age of these offenders which distinguishes them throughout the criminal justice treatment from the adult offenders.

In the legal-scientific literature we can often encounter the term “*juvenile delinquency*” or “*delinquency of children*” with the purpose of avoiding the term “*criminality of children*” with the excuse that this category of persons has softer treatment in the criminal law in its broad sense.

The criminality of children, which in different literature comes across as juvenile delinquency or delinquency of children, represents the antisocial and illegal behavior of minors. (R.Halili, 2008:224) The main characteristic of juvenile delinquency, in the contemporary society, is its manifestations in very dangerous forms which it currently one of the biggest concerns of all communities and states.

The main research questions in this paper is: How much is the juvenile delinquency present in our country? This question will be treated with the official data provided from the Official State Statistical office of Macedonia, about the number of the reported, accused and convicted children in Macedonia during 2006-2015, and by analyzing some concretely indicators, such as: the gender, the level of education, the ethnic composition of these children.

HOW MUCH IS THIS PHENOMENON MANIFESTED IN THE REPUBLIC OF MACEDONIA?

When it comes to the volume, dynamics, characteristics, types and forms of criminality in one location, usually criminal statistics, be they national or international, serve as indicators of these characteristics. (R.Halili, *Kriminologija*, 2008, p.116). Criminological research related to the phenomenon of property crime, particularly to the perpetrators, show that these perpetrators are in most cases young persons and juveniles. (R.Halili, 2008:209). Their participation is higher among the common robbery crimes, petty theft, burglary in stores, automobile theft, all of which reaches up to 50%. (R.Halili, 2008:209)

Thus, among the offenses that are carried out by the minors, except those related to property, are also the criminal acts against life and body (inflicted grievous bodily harm, light bodily injury, participation in beatings, endangerment of safety, sexual

offenses, etc.). In the continuation of the paper there are presented the data on the number of children denounced, charged and convicted, grouped according to the type of the offense, for the time period 2006-2015, based on the data published by the State Statistical Office of the Republic of Macedonia.

The number of reported children in Republic of Macedonia during the period of 2006-2015

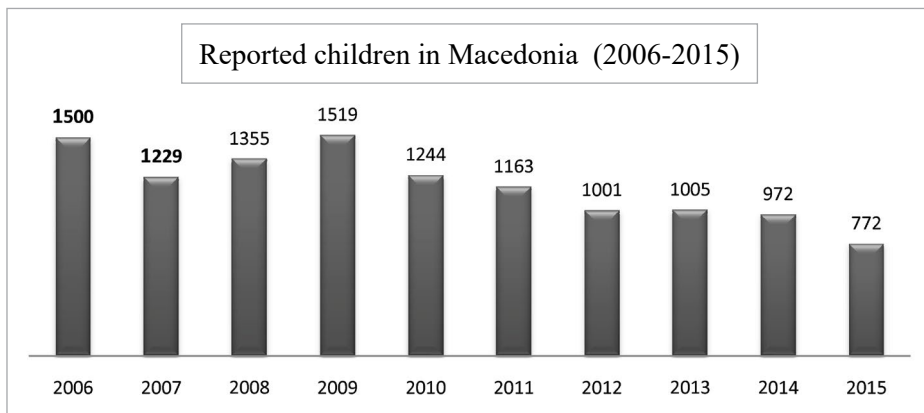


Figure 1. (Perpetrators of criminal offences in 2015, Skopje, 2016, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.16.08 (854), Table 24)

Figure 1 contains data on the number of children criminally reported during the period 2006-2015 on the national level. These data published by the State Statistical Office show that during 2006 we have had a total of 1500 children reported as suspects for criminal acts, during 2007 a total of 1229, during 2008 a total of 1355, during 2009 a total of 1519, during 2010 a total of 1244, during 2011 a total of 1163, during 2012 a total of 1001, during 2013 a total of 1005, during 2014 a total of 972 and during 2015 a total of 771. Although in 2009 we have the highest number of reported children, from 2010 and on we see a tendency of a decrease of this number, especially in 2015, the year with the lowest number of reported children for criminal acts for the ten year span that these research investigates. This is a positive indicator for the emergence of the child delinquency phenomenon in the recent years in the country, from which we can see a decline of almost 50% in 2015 as compared to 2006 and 2009!

Number of convicted children in the Republic of Macedonia during the period of 2006-2015 and the number of convicted female children during the same period

Total	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	844	676	715	748	547	722	556	473	461	348
Females	⁻¹	24	38	49	20	22	9	24	16	22

Table 1. (Perpetrators of criminal offences in 2014, Skopje, 2015, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.16.08)

In Table n. 1, the number of convicted children in the Republic of Macedonia for the duration of the time period specified in the research is shown, while specifying the number of the total number of the convicted children for each year as well as the number of female children that have been convicted during this time period.

In 2006 we have 844 convicted children, in 2007 a total of 676 convicted children, in 2008 a total of 715 convicted children, in 2009 a total of 748 convicted children, in 2010 a total of 547 convicted children, in 2011 a total of 722 convicted children, in 2012 a total of 556 convicted children, in 2013 a total of 473 convicted children, in 2014 a total of 461 convicted children, and in 2015 a total of 348 convicted children. Something that can be noticed immediately in this table is the fact that there is a tendency of decline in the numbers of convicted children in our country, during the last few years, especially if we make a comparison between the first years that this research covers and the last years, where we see that the number of convicted children has decreased by 50%.

Another indicator in Table n.2 reflects the number of female children that have been convicted, compared to the total number of convicted children. In this case as well it is hardly impossible to notice the relation of the children from both genders, in the context of their inclination to committing criminal acts. We can see a very small number of female children convicted along the ten year period that the research covers compared to that of male children. Namely, for 2006 from a total of 844 convicted children, there are no published data in the State Statistical Office of the Republic of Macedonia for the number of convicted female children; In 2007 from a total of 676 convicted children only 24 are female children (Perpetrators

¹ There is no specific publication that reflects the number of crimes up until 2006 in the website of the State Statistical Office of R. of Macedonia. Meanwhile in the publications for the period 2007-2015 no data is available on the number of convicted female in 2006!

od criminal offences in 2007, Skopje, 2008, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.08.07 (594), p.123); In 2008 from a total of 715 only 38 female children are convicted for criminal offences (Perpetrators od criminal offences in 2008, Skopje, 2009, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics,2.4.09.11 (631),p. 121); During 2009 from a total of 748 only 49 female children are convicted (Perpetrators od criminal offences in 2009, Skopje, 2010, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.10.012 (665),p.128); During 2010 from a total of 547 convicted children only 20 were females (Perpetrators od criminal offences in 2010, Skopje, 2011, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics,2.4.11.15 (698), p.123); During 2011 from a total of 722 convicted children only 22 were females (Perpetrators od criminal offences in 2011, Skopje, 2012, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.12.09 (724), p.119); During 2012 from a total of 556 convicted children only 9 females (Perpetrators od criminal offences in 2012, Skopje, 2013, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.13.11 p.119); In 2013 from a total of 473 convicted children only 24 are females (Perpetrators od criminal offences in 2013, Skopje, 2014, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.14.11 (789) p.117); In 2014 from a total of 461 convicted children only 16 were females (Perpetrators od criminal offences in 2014, Skopje, 2015, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.15.12 (823) p.115) and in 2015 from a total of 348 convicted children only 22 of them were females (Perpetrators od criminal offences in 2015, Skopje, 2016, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.16.08 (8544), p.115). Thus, from these numbers we can conclude that the female minors, namely the children belonging to the female gender, are less included compared to the male children to commit criminal act, and this can be seen in the very small percentage of convicted female children during the period of 2007-2015. Also, if we can say that the overall number of convicted children has positively decreased in the last years, the same cannot be said specifically for the number of convicted female children, because as we can see in the table this number has e relativley stable state with an average that fluctuates between 20 to 40 female children convicted during the year.

This tendency of decline of the number of the convicted children from 2012-2013 and onwards, can be related to some dilemmas, or solutions, like for example priority in pronounciation by competent authorities and in enforcement of non-

criminal measures against children - assistance and protection measures, which might have contributed to the decrease of the number of convicted children, given that these non-criminal measures were imposed on them. Thus, it is possible that the number of convictions has decreased rather than the criminal phenomenon of children in the country. This question can be somewhat cleared up if we analyze the number of reported children, namely children towards whom criminal charges were raised during the years of research in table. 1. However, we can normally analyze other factors that might have influenced the decrease of the number of convicted children, such as the preventive measures on child crime, which might have actually yielded success in decreasing the criminality of children these past years!

Number of convicted children according to the category of the criminal act in the period of 2006-2015

Table 2.	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total	844	676	715	748	547	722	556	473	461	348
Criminal acts against life and body	54	49	44	49	59	79	43	39	47	43
Criminal acts against freedom, and human and civil rights	1	-	2	4	1	5	1	5	-	2
Criminal acts against honor and authority	1	-	-	1	-	2	-	-	-	1
Criminal acts against freedom and gender morality	13	11	16	14	7	12	8	5	14	13
Criminal acts against human health	9	5	5	6	7	15	7	12	4	7
Criminal acts against marriage, family and youth	1	2	-	-	1	1	-	1	1	-
Criminal acts against public finances, payment operations and the economy	5	9	6	4	13	7	9	3	3	5

Criminal acts against property	672	537	529	547	403	513	409	353	267	198
Criminal acts against general security of people and property	4	7	7	2	1	6	4	4	6	2
Criminal acts against public traffic safety	35	22	50	46	35	39	26	24	14	28
Criminal acts against justice	5	5	37	20	1	1	1	-	-	1
Criminal acts against public order	40	24	16	45	16	35	43	25	100	42
Others	4	5	3	10	3	7	5	2	5	6

Table 2. (Perpetrators of criminal offences in 2015, Skopje, 2016, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.16.08 (8544), p.119)

Table n. 2 shows the number of children convicted during the time period of 2006-2015 according to the type of the criminal act. According to these data for all the years that this research analyzes, the highest ranked are the convicted children for criminal acts towards property. Second highest are those convicted for criminal acts against the body and life, followed by the criminal acts against the public traffic safety and the criminal acts against the public order. A smaller number of children seem to have committed criminal acts against the freedom and the human and civil rights; criminal acts against the honour and authority; criminal acts against freedom and gender morality; criminal acts against human health; criminal acts against public finance, payment operations and economy; criminal acts against general security of people and property; criminal acts against justice, etc. Since until now we have presented the number of reported, accused and convicted children during the time period of 2006-2015 and managed to emphasize that there is a decline in the number of children reported to number of children accused, which then further more declines when compared to the number of those convicted, it is worth presenting a comparative illustration of the number of children based on these three indicators for all the years covered in this research, as the table n. 3 below shows:

The number of reported, accused and convicted children during the period of 2006-2015

Table 3. Year	Reported	Accused	Convicted
2006	1500	987	844
2007	1229	839	676
2008	1355	981	715
2009	1519	1030	748
2010	1244	750	547
2011	1163	1002	722
2012	1001	778	556
2013	1005	657	473
2014	972	712	461
2015	772	465	348

Table 3

In Table n. 3 we can see the number of reported children, those accused and those convicted for each year, from which we can clearly see the difference in numbers of criminal acts from one phase of criminal procedure to another, thus showing that not every single criminal case that is initiated with criminal charges in the preliminary stage will reach the accusatory stage; and also not every issue prefixed with charges will reach the judicial review, namely will be concluded by a sentencing decision/court verdict! And this fact is especially taken into account when it comes to a suspect, an accused or a defendant who is a child, taking into consideration the special and privileged treatment that children have throughout the criminal-legal system, with the sole purpose - protection of the child's interest!

Convicted children during 2014 according to the location where the criminal act has been committed

Table 4. Total	461		
Gazi Baba	50	Kavadarci	23
Gjorçe Petrov	2	Gradsko	5
Karposh	48	Delçevo	6
Kisela Voda	52	Zhelino	1
Center	40	Zrnovce	1
Çair	37	Negotino	8
Aerodrom	12	Novo Sello	1
		Ohrid	4

Butel	5	Probishtip	14
Berovo	4	Radovish	11
Manastir	4	Sveti Nikole	7
Bogdanci	1	Strumica	17
Bogovine	2	Studenica	1
Vallandovo	1	Tetovo	40
Vasilevo	1	Çashka	5
Veles	22	Çeshino	1
Vinica	1	Shtip	15
Gevgelija	4	Abroad	3

Table 4. (Perpetrators of criminal offences in 2014, Skopje, 2015, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.15.12 (823), p.126)

Table n. 4 presents the data for 2014 on the number of convicted children according to the location of the criminal act. In this case we can see that most of the criminal acts have been committed by children in the municipality of Kisella Voda with 52 convicted children, followed by Gazi Baba with 50 and Kapros with 48 convicted children. Next in line are the municipality Center and Tetovo with 40, and Cair with 37 convicted children. The most common forms of the criminal acts committed during that year, in all the locations in Macedonia are against property and public order.

Convicted minors during 2014 according to ethnic belonging

Table 5	Total	Macedonian	Albanian	Turkish	Roma	Aromenians	Serbian	Bosnian	Others	Unknown
Total	461	206	121	26	85	-	-	11	3	9

Table 5. (Perpetrators of criminal offences in 2014, Skopje, 2015, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.15.12 (823))

The statistical data from the table n. 5 show that during 2014 in the Republic of Macedonia 206 minors of Macedonian ethnic group were convicted, while almost

half that number is from Albanian ethnic group, 121 convicted Albanian minors. The third ethnic group in the list of convicted minors are the Roma children with 85 convicted children, a number that represents quite a large group in proportion to the the population of Roma in the country, and also if we compare it with the other two mentioned ethnic groups. There are also reported convicted minors from the Turkish ethnic group (26) and the bosnian one (11).

Convicted minors during 2014 according to family status

Total	461
Lives with parents	408
With both parents	357
With one parent	51
Does not live with parents	53
Lives with a spouse	6
Lives with relatives	15
Lives with other people	2
Lives with another family	1
Lives in an entity for education and improvement	27
Jeton alone	2

Table 6. (Perpetrators of criminal offences in 2014, Skopje, 2015, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, **2.4.15.12 (823)**)

Table n. 6 shows the family status of the convicted minors during 2014 in the Republic of Macedonia. What we can notice is the fact that 408 minors, a significant number, over 70% live with parents. The rest either live with one parent (51) or lives without parents at all (53). These indicators foster interest for future research, which would be more detailed on this point in order to see what role does the family play in the education / lack of proper education to minors who have a clash with the law. The family as a social community represents the most important factor in the formation and development of the human personality. (I.Zejneli, *Delikuenca e të miturve në Republikën e Maqedonisë*, 2008, p. 91) The family as the highest instrument of social control is able to consistently care for children and young people, to strengthen their psychological stability and develop in them a sense of responsibility. (V.Latifi, *Politika kriminale*, Prishtina, 1998, p.187). Maybe we have to stop here and study the so-called “problematic” families, in order to see where

does the real cause of the inefficiency of the real function of the family towards minors stand!

Table 7. The level of acquired education of the convicted minors during 2014 in the Republic of Macedonia

The school system, immediately after the family, is the most powerful institution in the formation and orientation of children and youth. (R.Halili, Prishtinë, 2008:283) Weaknesses expressed in educational work, the obsolete programs, the workload with unattractive content, the segregation and the favoring of children of different social strata have contributed significantly to the manifestation of some negative phenomena and delinquent behavior of children and juveniles during the time they were in the education process. (R.Halili, Prishtina, 2008, p.284).

Convicted minors according to their educational background in 2014

	Total	The level of school attending				Year - Grade						Does not attend school
		Primary	High School	Higher education	Unknown.	Grade 1-4	5-8	1 st and 2 nd year high school	3 rd and 4 th year high school	Higher education	Unknown.	
Total	461	22	315	2	7	3	21	170	143	2	7	115

Table 7. (Perpetrators of criminal offences in 2014, Skopje, 2015, Statistical review / State statistical office of the Republic of Macedonia, Population and social statistics, 2.4.15.12 (823)

Table 7. shows the level of acquired education of the convicted minors during 2014 in the Republic of Macedonia. These data show that from a total of 461 minors, a majority of them are high school students, while 1/3 of them do not attend school at all. A very small portion continues attending primary school. This situation can be linked to the fact that the data from the judicial practice, especially from different types of criminological research on juvenile delinquency and young criminals, says that a lot of these children start their delinquent and criminal career as early as primary or high school. (R. Halili, 2008, p.284)

CONCLUSION

The study of child delinquency phenomenology in Republic of Macedonia during the period 2006-2015, brought some real and empirical results of this phenomenon in our country. From the analyses of the statistical data from State Statistical Office of Republic of Macedonia, we gained concrete knowledge from which we notice a trend of gradual reduction of the number of crime committed by juveniles in the period 2006-2015. Although the results presented in the tables of the paper show a considerable number of juveniles convicted.

According to the analysis about the form of manifestation of delinquent actions done by juveniles, we see that on top of this list are the crimes against property. Juveniles in Macedonia mostly are prone to commit burglaries, petty, pocket, automobiles theft and other forms of theft. Second in the list are the criminal acts against public order. In the third place are criminal acts against life and body committed by juveniles, such as murder, participation in battering and other forms of violence. This is followed by committed acts against public traffic safety, criminal acts against freedom and gender morality, where sexual abuse is one of the most common forms of acts of this group. In addition to these data it appears a small number of juveniles convicted of criminal acts against human health; criminal acts against general safety of people and property; criminal acts against freedoms and human rights.

In this research once again it is proven that females are much less likely to commit criminal acts than males. This fact is backed by the number of juvenile females convicted of criminal acts for the period set in this study. Detailed review of the data according to the place of acts enables us to get acquainted with the dynamics of juvenile delinquency in all municipalities of the Republic of Macedonia.

The number of juveniles convicted during 2014 based on ethnicity shows that half of the total number of delinquencies are done by juveniles of Macedonian ethnicity, followed by juveniles of Albanians, Roma, Turkish and Bosnian ethnicity.

From data analysis concerning the family situation of convicted juveniles in Republic of Macedonia during 2014, we come across an interesting and perhaps challenging indicator for future research. That's because the majority of convicted juveniles live with both parents, whereas a very small number of them live with only one parent or none, respectively with relatives, another family, educational entity etc.

Having in mind the family model and its key role as the first institution of society in educating juveniles, such statistical data indicate a failure or inefficiency of educational function of the family towards juveniles.

The last characteristic of the analysis in this paper is the achieved level of education of convicted juveniles in Republic of Macedonia in 2014. This characteristic tells us that most of juveniles attend high or secondary school. However, worrisome are the indicators that considerable numbers of convicted juveniles do not attend school at all.

Knowing first and foremost the educational role of school, and the function of the school and educational institutions in the prevention of delinquency occurrence among juveniles, we think that at this point state authorities have the obligation to intervene so that every juvenile will be able to finish high or secondary school!

To combat and prevent juvenile delinquency in Republic of Macedonia, we think that a detailed analysis of the occurrence of this phenomenon and the typical forms that are mostly carried out by juveniles is needed.

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INTERNATIONAL RND COOPERATION VERSUS NATIONAL RND COOPERATION

Abstract

The global perspective on world-class research performance with the challenge of rapid adaption to technological & environmental changes leads to a higher demand for cross-border and inter-institutional research-cooperation. This means that opportunities & challenges within our dynamic world have never been greater then now. Therefore R&D (Research & Development) cooperation projects require an integrative system approach embracing several spheres, like market considerations, production processes, usage of raw materials & technologies, quality and risk analysis, implications on environment/health issues; etc.

Beside that cross-European R&D cooperation projects and associated multidisciplinary and inter-institutional working teams are necessary in order to deal with the inherent complexity of research topics, technologies and corresponding environments considering the underlying objective to boost organizational performance and efficiency.

Major success factors of such R&D cooperation projects (for example Integrated Projects within FP7) are that the best researchers and the most qualified institutions/companies cooperate in relation to a specific research topic on a cross-national level. In this connection, cross-cultural knowledge sharing activities and a mutual learning process are taking place. Other success factors of fruitful international R&D cooperation projects are:

- A project consortium consisting of experts from different research areas as well as adequate involvement of commercial and end-user partners to ensure the proper exploitation of the project results;
- The whole cooperation is based on mutual trust;
- All partners within the R&D project have a real benefit and incentive to contribute to the project work; and
- A balanced IPR approach.

The above-mentioned R&D cooperation requirements will continue into the future, and those organizations which can best cope with it, will benefit the most.

Keywords: Cross-border & inter-institutional research projects; interdisciplinary project teams; R&D cooperation Projects; Scientific mobility.

INTRODUCTION

The global perspective on world-class research performance with the challenge of rapid adaption to technological & environmental changes leads to a higher demand for cross-border and inter-institutional research-cooperation. This means that opportunities & challenges within our dynamic world have never been greater then now. Therefore R&D (Research & Development) cooperation projects require an integrative system approach embracing several spheres, like market considerations, production processes, usage of raw materials & technologies, quality and risk analysis, implications on environment/health issues; etc.

Beside that cross-European R&D cooperation projects and associated multidisciplinary and inter-institutional working teams are necessary in order to deal with the inherent complexity of research topics, technologies and corresponding environments considering the underlying objective to boost organizational performance and efficiency.

However, especially cross-border & inter-institutional research projects involve a dynamic complexity which result from a number of facts like different cultural backgrounds & philosophies (on an organizational and on a national level), different motivations (Scientific publications versus achieving a market advantage through non-disclosure-policy), etc. Unfortunately, this kind of R&D projects cannot be seen as a self-organizing success story¹ but require an efficient, clear and well-structured project management approach which considers a variety of different aspects like scientific, technological, organizational, legal and commercial project goals.

This paper is based on practical examples/case studies and proven principles, which will act as instruction:

- a) To fulfill some general research cooperation requirements, and
- b) To plan balanced human interaction processes

In order to facilitate innovative breakthroughs and best practices in a cross-country and inter-institutional environment.

With regard to international R&D cooperation projects this paper concentrates on EC funded projects performed in the area of “Information and Communication Technology” under the European Research Framework programme.

¹ W. Herbert: “Can You “Drive” Cross-Cultural, Cross Functional Innovation Workshops Successfully?” in *Cross-Cultural Innovation – New Thoughts, Empirical Research, Practical Reports*”, Edited by Jostingmeier, Bernd and Boeddrich, Heinz-Jurgen; 2007, Oldenburg Wissenschaftsverlag GmbH, Page 367.

SOME BASIC ASSUMPTIONS FOR THE COMPARISON OF INTERNATIONAL R&D COOPERATION PROJECTS WITH NATIONAL ONES

Even we have already stated that in most cases international R&D cooperation projects are more complex than national ones and need more rigorous project management structures and procedures – we assume in the following sections that the working atmosphere in the international R&D cooperation project is fruitful and the cooperation between the different project partners is functioning well.

This means that successful R&D cooperation projects, independently if they are operating on a national or international level, require excellent teamwork. So for example within a project one or more inter-institutional team(s) has (have) to be set-up in order to pool knowledge and experience. In this connection each team has to learn to cooperate within itself and has to initiate positive learning and knowledge-sharing experiences².

Beside that an excellent and professional management of the R&D project plays a fundamental role for the success of the project and helps to set-up a trustful relationship within the project consortium. In this relation a clear distribution of responsibilities as well as an efficient communication policy is of special importance. Additionally a comprehensive project assessment system as well as an appropriate risk management system complete that approach and guarantee the achievement of project goals within the timeframe of the project.

Other success factors of fruitful international R&D cooperation projects are:

- A project consortium of high quality, consisting of experts from different research areas as well as adequate involvement of commercial and end-user partners to ensure the proper exploitation of the project results;
- Encouraging enthusiasm in relation to the overall and joint project goal;
- All partners within the R&D project have a real benefit and incentive to contribute to the project work; and
- A balanced IPR (Intellectual Property Rights) approach.

PREREQUISITES AND ADVANTAGES OF INTERNATIONAL R&D COOPERATION PROJECTS

EC funded research cooperation projects are in fact cross-cultural knowledge sharing activities and in this connection also a kind of cross-institutional negotiation

² W. Herbert: “Winning Team Results! – A Team Based Approach to Project Management in Cross-Cultural Environments”, Edited by Jostingmeier, Bernd and Boeddrich, Heinz-Jurgen; 2007, Oldenburg Wissenschaftsverlag GmbH, Pages 397-428.

process in which the project consortium aims to agree on the following issues:

- Who is going to share resources with whom of the other consortium partners;
- The degree of access to the before mentioned resources, and
- The degree of a possible compensation in order to obtain that access.

Such regulations are normally part of the work plan (Description of Work) as well as of a contract called “Consortium Agreement” which is concluded within the project consortium. In most cases a signed Consortium Agreement is obligatory before the EC Contract can be signed. However, it is quite obvious in regard with these regulations that all partners get a particular incentive to give their best in order to achieve the planned projects goals and that the rights and obligations out of this contractual regulations are balanced between the different consortium members.

In comparison with industrial R&D departments Universities are more likely to deliver interesting and provocative out-of-the-box concepts/solutions, which might be of great interest for the development teams in companies in order to plan their next product releases (including testing of the market acceptance of new products). So for example, whereas company employees have a stronger focus on development issues with the underlying goal to bring forward their own product development (as this process is closely linked to the product life-cycle), the researchers of Universities or other public research entities are concentrating on targets like exploring new concepts and developing completely new approaches³.

Prerequisites of the projects operating on an international level are that project members of trans-cultural and interdisciplinary project teams have to appreciate to cooperate with people who are different. At the same time the project goals of such international R&D cooperation projects have to be very attractive so that the most talented people world-wide would like to participate within such projects.

TWO CASE STUDIES

In the following two different successful EC-funded projects including their particular project structure and their corresponding results are described. Both projects were running under the European Research Framework Programme/ Information and Communication Technologies. However, these two projects are characterized by completely different research contents, project partners, management structures and processes.

³ B. Michael: “Hi-Tech Industry and Universities: A Perspective on Dating for Joint Innovation”, in “University Research for Innovation” Edited by Weber, Luc E. and by Duderstadt, James J.; 2010, Published by Economica Ltd, London; Pages 251-270.

Both projects consisted of multidisciplinary project teams who worked in an integrated way towards achieving a joint projects goal across several partner organizations, countries and cultures.

Case study 1.

Project title: Environmental Pollution in Kosovo, potential genotoxic effects and related human health risks (03.07.2012 - 02.07.2014)

Environmental pollution in Kosovo⁴ is one of the major issues in the current phase of the development. On the other hand, beside the observed acute effects on human health and the environment, there is a need for the assessment of the potential long term effects in order to take the necessary measures for minimizing or preventing the impact on human health. Low levels of awareness among the general public regarding the environmental pollution in Kosovo, indirectly contributes to the current situation. This should be improved by scientific research and reliable assessment of the current situation and potential long term risks. The action is expected to have an impact on raising the awareness on environmental pollution related issues having as the main objective the improvement of environmental and public health conditions in Kosovo.

The action is addressing the most acute problems identified in two priority areas “Environment, Energy and Natural Resources” and “Medical Research and Public Health” by: adoption and implementation of the research methods for environmental pollution risk assessment; further development of technical skills and capacities for the determination of risk factors and preventive measures; assessment of the long term (genotoxic) effects of environmental pollution on Public Health.

The project further addresses the following particular expected results: a) increase of the quality and quantity of research carried out at the University of Prishtina, b) consolidation and promotion of collaboration with European research facilities, c) promotion of collaboration and exchange with researchers, stakeholders and the public within the Kosovo, d) improvement of the research environment (facilities, equipment), e) improvement of the capacity of young Kosovo researchers and f) improvement of project management capacity in the research field to be able to participate in the future in EU framework programmes on research and technological development.

⁴ More information relating to the project “Environmental Pollution in Kosovo, potential genotoxic effects and related human health risks”. www.uni-pr.edu

Case study 2

*Project title: ESSIE - Enhancing Social Scientific Research in Kosovo and its Integration into the European Research Area*⁵.

ESSIE focuses on the priority sector “social sciences” as stipulated in the National Research Programme of Kosovo 2010-2015 (NRP). It contributes to the upgrading of social scientific knowledge in support of the socio-economic development of Kosovo.

Social Sciences and Humanities (SSH) constitute the majority of scientific work in Kosovo, which strongly correlates to the educational demand in the tertiary sector which is dominated by strong SSH disciplines such as law, economics, political sciences etc. In pure research terms, however, social scientific research lacks far behind its given volume in terms of tertiary education.

The main activities and results foreseen are

1. establishing of an *empirical social sciences laboratory* at the ISSH resulting in 15 work stations equipped with statistical and text analysis programmes;
2. preparing and implementing a *‘Training Programme for International Social Scientific Research Qualifications’* resulting in 30 younger Kosovo researchers and 5 additionally users of social-scientific evidence trained in state-of-art scientific methodology and in scientific management;
3. establishing an international *mentorship programme* for 10 younger Kosovo social scientists, which results in 10 mentor-mentee agreements focusing on the production and supervision of in total more than 5 social-scientific articles by Kosovo researchers (eventually in co-publication with Austrian colleagues) published in international journals or other scientific publications;
4. organization of a large public *“Horizon 2020”* conference attended by 100 participants to get first hand international information about Europe’s largest RTDI programme commencing in 2014;
5. implementing an international scientific workshop on *“The social fabric of Kosovo- new research findings to evidence-base and enhance the political and socio-economic discourse about Kosovo”* resulting in an increased international perception of social-sciences in Kosovo and an exchange forum between producers of social-scientific evidence and its users.

Within three of the five core activities of ESSIE, namely the *‘Training Programme for International Social Scientific Research Qualifications’ (R&D4SSR)*, the *International Mentoring Programme* and the international workshop on *“The social fabric of Kosovo – new research findings to evidence-base and enhance the*

⁵ More information relating to the project “ESSIE”. www.uni-pr.edu

political and socio-economic discourse about Kosovo” the following **key social scientific thematic areas** will be particularly considered and addressed:

- labour market research,
- social welfare research (incl. inclusion, migration and integration),
- science/technology/society studies including social innovation,
- gender research,
- political participation and governance.

REASONS, WHY INTERNATIONAL R&D PROJECTS PERFORM BETTER THAN NATIONAL ONES

The R&D cooperation projects funded by the European Commission are seen as key strategic instrument in order to deal with R&D opportunities and challenges on a cross-national level. In the most cases this kind of projects embraces the best researchers, the most qualified institutions and companies in relation to a particular research topic. However, other important strategic goals of these R&D funding programmes are to reduce the imbalance of the scientific & technical capabilities of the different European countries and to improve the general competitiveness of the International Industry⁶.

Beside considering the special complexity of a project which is carried out on a European level, it has also to be mentioned that normally higher project budgets are available and different national situations have to be considered. In most cases these circumstances and regular extensive project reviews have a positive impact on the future commercial application of the project results.

CONCLUSION

As already mentioned in the sections before:

- Increasing global competition in the world class research area as well as on the commercial consumer markets,
- Shortening of product life cycles caused by rapid technological developments, and
- Extreme knowledge growth,

⁶D. P. A. K. Luisce C: “the economics of scientific research coalitions: collaborative network formation in the presence of multiple funding agencies”, in :Science and Innovation” Edited by Geuna Aldo, Salte Ammon J., Steinmueller W. Edward, 2003, Published by Edward Elgar Publishing Limited; Page 261.

Leads to the increasing pressure that different actors (companies, research institutions, etc) collaborate in international R&D cooperation projects⁷.

According to Boutellier, Gassmann and von Zedtwitz the necessity that organizations & companies are concentrating on their own core competencies and get access to complementary resources & knowledge through collaboration with other (national and/or international) partners will become even more important within the future. The form of future cooperation might be a flexible learning and business network in which the different parties with their complementary resources cooperate just temporarily on the basis of common interests.

In this connection EC funded research cooperation projects can be seen as an ambiguous system that offer interesting opportunities for mutual learning and introducing unconventional solutions. They might reveal new and unconventional opportunities that were not visible before.

The above mentioned R&D cooperation requirements will continue into the future, and those organizations which can best cope with it, will benefit the most.

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**ENTREPRENEURIAL CLIMATE IN REPUBLIC
OF MACEDONIA ACCORDING TO GLOBAL
ENTREPRENEURSHIP MONITOR**

Abstract

This paper analyzes the trends in the entrepreneurship and the entrepreneurial climate in the Republic of Macedonia. Using the comprehensive survey of the Global Entrepreneurship Monitor (GEM) we follow various GEM indicators, from the first Country Report for 2008, up to the last available for 2013. We present our understanding of the results and based on it, we offer some practical suggestions for future research and to the key stakeholders in

the country: the employment, the economic policy and the education authorities. As typical post-communist transitional country of the Western Balkans, Republic of Macedonia after the harsh transition towards a market driven economy, shows some positive change in terms of the slow growing from necessity towards opportunity driven motivation and investments. New generations of graduates particularly those in Information and telecommunication, construction and similar professions who do not want to pursue employment or to leave the country as economic emigrants, are much more opportunity than a necessity driven entrepreneurs. Having all that in mind, we advise that the Country should continue to reform its education system introducing content that fosters initiative, creativity and innovation. The free market initiative and democratization of the education system at all levels could only help these processes and, finally we stress the need for even further elimination of the bureaucratic barriers for small businesses startups and self-employment persons.

Keywords: Entrepreneurship, Startup, Small Business, Education for Business, Global Entrepreneurship Monitor

INTRODUCTION

Although the entrepreneurship as a process has been present for centuries, the entrepreneurship as an academic area of study was introduced only recently. Moreover, like other economic and social disciplines, it does not have clear-cut borders. Consequently, definition of the entrepreneur and entrepreneurship varies across fields of research. Learning the nuances of the entrepreneurship and understanding what drives the entrepreneurs are interesting issues for the creators of the economic policies. The small businesses provide app. 98% of all business entities in the developed world. Using the country data for the Republic of Macedonia, we explore the latest development of the entrepreneurial climate in the country and offer some practical advice to the creators of the relevant policies and to the educators how to accelerate even further the apparent positive trends in the entrepreneurial attitude of the people. Moreover, these measures could slowly eliminate the weaknesses indicated by the GEM and change the situations in some critical areas of the entrepreneurship support. However, we will start with a short reference to the theoretical aspects of the issue.

THE EVOLUTION OF ENTREPRENEURSHIP

There is little consensus in literature in defining entrepreneurship and the entrepreneurs and this creates a fertile ground for diversified theoretical and empirical approaches and a futile ground for reconciling results of different studies (Sorensen and Chang, 2006). While the problems of defining the words “entrepreneur” and “entrepreneurship” and of setting of proper boundaries of the field have not yet been solved (Bryat and Julien, 2000) the question raised more than 20 years ago still remains relevant: “Is the field of entrepreneurship growing, or it is just getting bigger (Sexton, 1988).

The entrepreneur frequently appears in writings of classical economists, but without clearly defined form or function (Low and MacMillan, 1988). The earliest definition of entrepreneurship, describe the process of bearing the risk of “buying at certain prices and selling at uncertain prices” (Di-Masi, 1993). The entrepreneur has been long recognized as the one who bares great responsibility for the stability of the free enterprise society and determinant of the behavior of the company (Baumol, 1968). Broadened definition includes the concept of bringing together the factors of production limiting the concept to a form of management Di-Masi (1993).

In Cantillion’s view, the entrepreneur operates, creates and captures value in already established organizations. Only the later definitions of the entrepreneurship

see the entrepreneur as a founder and the definition includes creation of new enterprises (Sorensen and Chang, 2006). Cantillon's view puts forward the personal characteristics of the entrepreneurs, like their willingness to take risks and their networking skills (Parker, 2004). Ronald Burt (1992) and his Structural Holes Theory in which value is created by connecting disconnected actors is further promotion of the brokerage concept.

Schumpeter changed the emphasis towards the innovation of production process, factors, organization or market. Wealth is created when innovation brings new demand and when innovative mix of inputs creates value for the customers that is greater than the input costs (Druker, 1995). The brokerage approach significantly narrows the concept, while the investors are interested prissily in the innovative dimension (Sorensen and Chang, 2006).

For Di-Masi (1993) an entrepreneur is a person who perceives market opportunity and has motivation, drive and ability to mobilize resources to grab it. He lists the major characteristics of entrepreneurs starting with self-confidence, readiness to face risks, difficulties and discouraging circumstances, not inventing but being able to carve out a new niche in the market place, result orientated, hardworking, with energized and single-minded (Di-Masi, 1993).

Entrepreneurial personality is shaped in a childhood and the nations that are widely recognized by their enterprising behavior admire businesspersons and use them as role models. Young love the apprenticeship and do not share the common fears related to the self-employment (Gibb at al.,1993). Data collected by the Global Entrepreneurship Monitor prove that there are no countries high in entrepreneurship and low in economic growth (Reynolds at al., 2004). Similarly, other surveys indicate a positive relationship between the business start-up rate and the economic growth (Nickell, Nicolitsas & Dryden, 1997).

ENTREPRENEURSHIP IN REPUBLIC OF MACEDONIA

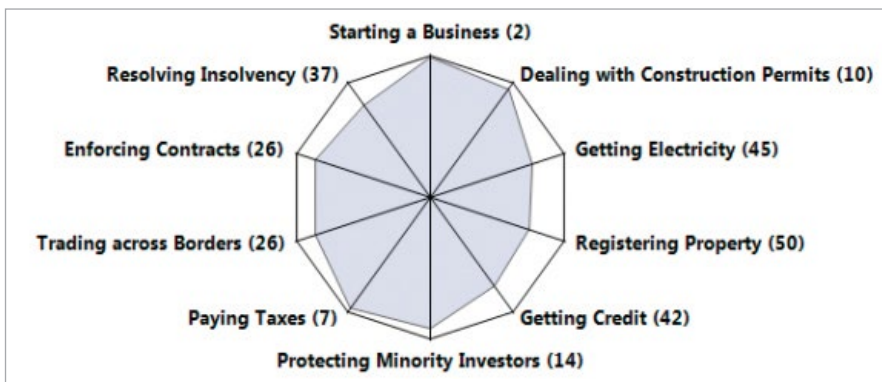
The Global Entrepreneurship Monitor Report classifies countries based on relation between the type of entrepreneurship and the level of economic development. There are three stages of economic development and three types of national economies: factor – driven, efficiency - driven and innovation –driven. Republic of Macedonia is classified as an efficiency-driven economy. This means that we still compete on low prices of factors (labor and natural resources) and not on ability to innovate, use improved manufacturing, products or services. In factor-driven economies the entrepreneurs are mainly necessity-driven trying to create (self) employment opportunities for supporting the family and earning only

for life. In the innovation-driven economies, the entrepreneurs are predominantly opportunity driven. In Republic of Macedonia, both concepts exist in parallel. The transition process towards the free trade created large contingents of lay-off workers who had to try some necessity driven venture. On the other hand, there are many new ventures started as opportunity-driven and in advanced business services, transportation, logistics, telecommunications or software.

Financial institutions to help large enterprises are necessary for creating the basis of the entrepreneurship (Porter and Schwab, 2009). In these terms the Macedonian Bank for Development Promotion coordinates and channels large amounts of EU funding available for small and medium sized businesses and recently Innovativeness and Technology Development Fund was establish to support the opportunity and innovativeness driven entrepreneurs. However, sophisticated forms of financing, like mezzanine, or venture capital are still not present or just emerge. The country has good foundation for creation of knowledge-based, innovative, and competitive economy. There is compulsory tuition free secondary education, several state universities charge only symbolic tuition and there are many private universities charging also affordable fees. The educational programs are updated regularly and modern models of curricula are implemented at all levels, starting from preschool up to the universities.

Republic of Macedonia is determined towards a wide-scale transition in fully flagged free trade economy. Moreover, it is the best ranked among the countries in the region of Western Balkans in all relevant classifications and indexes that are monitoring the free trade and the conduciveness for business. It is ranked second in the world in terms of the easiness of starting business, but with identified lags in infrastructure, construction permits, inefficient and sluggish courts (See: *IFC Doing Business 2013, Economy Profile, and Macedonia*).

Chart 1: Rankings on Doing Business for 2016 – Macedonia



Source: Doing Business 2016

It seems that the entrepreneurs, especially those from small and medium sized businesses support these findings of the GEM. Mazllami (2016) found that 32% of the entrepreneurs in the area of Tetovo consider the support from the local government sufficiently good, and 57% claim same for the support from the central government. Similarly, Ramadani (2013) stated that Macedonia has improved significantly its overall business environment in recent years. Risteska Jankuloska et al. (2016) offer following measures that could further stimulate the small and medium business in the country: (1) continued macroeconomic stability, (2) reforms of the judiciary (3) increased access to finance and (4) stimulation of the innovation and significant growth of the portion of the GDP dedicated for research. Tomoska et al. (2016), interviewing a sample of business students found that the education for entrepreneurship results in more positive attitude towards entrepreneurship, sense of control and higher social approval of the entrepreneurial attitude. Kosturanov (2013) claims that, if we want to support the entrepreneurship and the intrapreneurship, the closer collaboration between all in the triad made of the business, the government and the education system is the main precondition. Similarly, the European Training Foundation working on the Entrepreneurial Learning Strategy of Republic of Macedonia stressed that the implementation of the document calls for strong commitment from all the policy makers and the educators (ETF, 2014).

Regarding the overall entrepreneurial climate, the Republic of Macedonia, despite the challenges maintains macroeconomic stability, low inflation and stable national currency. The public debt is moderate and the Gross Domestic Product per capita was last recorded at 12,725 US dollars in 2015, when adjusted by purchasing power parity (PPP). It is equivalent to 72 percent of the world's average. GDP Growth Rate in Macedonia averaged 3.26 percent from 2004 until 2014, reaching an all-time high of 8.20 percent in the second quarter of 2005 and a record low of -2.40 percent in the second quarter of 2009 (Trading Economics, 2017). Services are the major contributors to the country GDP (61.4%), followed by industry (27.5%) and agriculture (11.1%). The reported unemployment rate is app. 25% although some entrepreneurs report difficulties in obtaining the labor force for their businesses. The plants are mainly new and the level of sophistication of the applied equipment is high. However, the data of the investments show that the level of the investments is approximately at 22% of the GDP (Trading Economics, 2017). The capital formation rate is insufficient for a country that tries to approach the EU average development. Particularly low is the percentage of the research and development expenditure, which is extremely below the targeted 3.5% of the GDP. As a result, the country's competitiveness is stagnant (Ministry of Economy, Cluster Atlas, 2013).

RESEARCH OBJECTIVES

The aim of this research is to study the development of entrepreneurship in the Republic of Macedonia since the first GEM Report in 2008, up to the last for 2013. The objective is to explore, in more details, the factors that trigger and fuel the entrepreneurial mindset. In other words, to explore what drives people in Macedonia to become entrepreneurs.

GEM, the Global Entrepreneurship Monitor is the world's foremost study of entrepreneurship. The concept began in 1999 as a joint project between the Babson College (USA) and the London Business School (UK). GEM is established and referent source for researchers and policy makers worldwide. Contributors, more than 500 experts and 300 research institutions, conduct more than 200,000 interviews each year, worldwide (*What is GEM*, 2016).

GEM is based on telephone survey of the general population and structural interviews with experts and entrepreneurs. The first sample (public) is made of 2,000 citizens and traces their perceptions and views on the entrepreneurship, the level of the entrepreneurial activity and the entrepreneurial aspirations of the people. The panel of experts answers questions in nine predefined areas of the society. GEM examines the linkages between the entrepreneurship and economic development and the way these elements influencing each other. The environment for business is divided into three parts. The first denotes the basic preconditions for development, such as functional institutions, infrastructure, and macroeconomic. The second part contains efficiency enhancers in the economy in general and towards the entrepreneurship. The third part contains nine environment factors that directly and specifically affect the decisions of individuals: finance, government policies, programs to support entrepreneurship, entrepreneurial learning, transfer of R&D, commercial and legal infrastructure, openness of the market, infrastructure, cultural and social norms. This part of the Survey is done by feedback from the panel of experts.

The results of the survey are grouped into three components of the entrepreneurial process: (1) entrepreneurial perceptions and attitudes, (2) activities and (3) aspirations. Entrepreneurial perceptions and attitudes reflect the extent to which people value entrepreneurship. Entrepreneurial activities measure the involvement of individuals in various stages in the entrepreneurial process. They also distinguish whether the entrepreneur started his/her business based on some identified market opportunity or as a necessity. Entrepreneurial aspirations are crucial in identifying the social and economic impact of entrepreneurship. They provide the qualitative nature of the entrepreneurial activity since only the realization of entrepreneurial aspirations impact the national economies.

The first GEM Report for Macedonia was compiled for the year 2008. The Report showed relatively high entrepreneurship attitude in the country. Almost every second respondent believed that in the next 6 months there were good opportunities for starting a business personally knew business and felt that he/she has adequate skills and knowledge for starting a business. Only 35% believed that fear of failure would prevent them from starting a business, and 40% considered commencing a business in the next 3 years. High 80% believed that the entrepreneurship is good career choice and 66% thought that the media provide appropriate attention to the entrepreneurship. With its 14.5% TEA (Total Early-stage Entrepreneurial Activity) Index, Republic of Macedonia in 2008 scored highest in the entrepreneurial activity in Europe. The TEA Index means that 14.5% of the respondents aged 18-64 are entrepreneurs. Half of them were nascent (or up to 3 months in business) and half were run new businesses (up to 3.5 years in business). However, for the half of the entrepreneurs in Macedonia in 2008, the entrepreneurship was a necessity rather than opportunity. The average entrepreneur was man, aged between 25 to 34 years of age, with higher level of education and higher income. The overall entrepreneurial activity in the country was assessed at high 24.8%. Among the most common reasons for business discontinuation in 2008 were (1) unprofitable business and (2) lack of financing. The informal investors were close family members and the most common source of formal financing was bank loan. Table 1 gives the changes in the key Index constituencies from 2008 up to the latest available, compared with the EU averages.

Table-1: *the GEM indexes for Republic of Macedonia*

	Nascent	New businesses	Early Stage TEA	Necessity driven	Opportunity driven
GEM 2008	7.20	7.70	14.50	47.17	13.45
GEM 2010	4.80	3.10	7.90	59.00	23.00
GEM 2012	3.73	3.25	6.97	51.95	22.95
GEM 2013	3.35	3.53	6.63	60.98	22.04
EU average	4.80	3.30	8.00	22.70	47.00

Source: GEM 2013 Macedonia

Lowering of the percentage of the nascent and the new businesses makes our score to converge towards the EU average. The same can be said for the TEA Index. However, the country still marks high necessity driven and low opportunity driven business startups scores. The average is again a male, aged 25 to 34, with higher education and higher income level. The rate of termination of business is 3.30%

and is similar to the EU average. The most frequent reasons remained the low profitability and the lack of financing. Other important issue to stress is the fact that the orientation towards the innovation shows declining trend, both in the case of the TEA and in the case of the established businesses. In fact, these figures for the Republic of Macedonia are the worst compared with in the whole region of Balkans. The panel of experts indicated that the teaching in the primary and in the secondary education fails to sufficiently encourage the creativity, self-reliance and personal initiative of the students.

CONCLUSIONS

To sum up the discussion, despite some inconsistencies, Republic of Macedonia continues to develop its entrepreneurship climate in the right direction. The TEA continues to drop approaching the EU average indicating that the country is developing in efficiency driven economy. The new businesses are with a relatively good survival rate and that makes the TEA index set at a desirable 6 to 7.

The necessity driven portion of the new businesses is still high in comparison to the EU countries. However, the newly graduates in IT and other engineering disciplines who start their business are in fact looking for an opportunity and they are not driven by necessity.

It is worth to conclude that the field research confirms the GEM findings. Small and mediums sized businesses consider that the support that they get for the local and the central government is sufficiently good.

The future research and the policy interventions should focus more on the high school students and their entrepreneurship education and training. The country should stimulate technical high schools that provide tangible and profitable business opportunities for their graduates. The country should continue to reform the education systems towards content that fosters students' initiative, creativity and innovation and not insist in formal memorized knowledge. Development of free market initiative in the education system could help this process. The findings of field researches confirm the GEM Reports. The education for entrepreneurship brings more positive attitude towards the entrepreneurship, a sense of control of own career and higher social appreciation of the entrepreneurial attitude.

The country should continue towards the improvement of the overall business climate and towards further elimination of the red tape, improving the likelihood of survival of the newly started ventures. Special emphases deserve the ventures based on new technologies in knowledge-based industries. If the country wants to support the entrepreneurship there should be even closer collaboration between all

stakeholders of the process (businesses, government and education institutions). The implementation of the National Entrepreneurial Learning Strategy requires strong commitment from the policy makers and the educators. Measures for further stimulation of the entrepreneurship should focus on continued macroeconomic stability, reforms of the judiciary, access to various forms of finance for business, fostering the innovation and on growth of the portion of the GDP dedicated for research and development.

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**THE PROBLEMS AND THE PRIORITIES OF
THE YOUNG GENERATION
IN MACEDONIA**

Abstract

This paper discusses the status of the youth in the Republic of Macedonia within the legal system and in the practice, as well as their values and priorities. It is based on a presentation of the data from several researches conducted in Macedonia in the past few years that deal with this issue. The paper focuses on the basic problems of the young generation, their priorities in life, as well as their perspectives and expectations.

Keywords: young generation, values, youth priorities

INTRODUCTION

The purpose of this paper is to present findings of recent researches conducted in Macedonia, dealing with the status, perspectives, values and priorities of the young generations. It is based on the results of several projects, including polls, focus groups, interviews and content analysis of documents related to this problem. The perspectives of young generations have always and everywhere been a key issue in contemplating the social, the political and the economic processes in a society. In this manner, their socialization in all forms is an essential official value incorporated in the legal framework in the Republic of Macedonia. However, the practice does not at all resemble those aspirations. As this paper will show, the status of the young people in this country makes them more a vulnerable group than a goal.

THE CONTEXT

Macedonia is experiencing a serious social and economic crisis and recently deep political turbulences. It reflects on the young generations in a very specific way. The most visible consequence is the unemployment which is pointed out as the biggest problem of the country in all public opinion polls conducted in the recent years. It affects mostly the younger generations. The estimation is that over two thirds of the unemployed are on the age between 15 and 29 years.⁸ The unemployment as expected, leads to emigration of young people and Macedonia is a good example for it. According to the World Bank's latest research on migration, for 2013, approximately 626.312 people have emigrated from Macedonia.⁹ There are no official data on this in Macedonia, since the country has not had a census for 15 years, which is exactly the period when the problem became apparent.

The public discourse regarding youth is most frequently about their unemployment, emigration and politicization. The problem with the emigration of the young people from Macedonia in the recent years became so visible, that for example it became a prior topic incorporated in the political programs of all the big opposition parties in the past parliamentary elections.¹⁰

⁸ Тогузовска Латковиќ М., Борота Поповска М., Цацановска Р., Јаќимовски Ј., Сасајковски С., Симоска Е., Забијакин Чатлеска В. „Студија за младите во Македонија“, Институт за социолошки и политичко-правни истражувања, Скопје 2017.

⁹ World Bank: Migration and Remittances Data, 24 September 2015, available at: <http://www.world-bank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>, accessed on 1 April 2017.

¹⁰ СДСМ: „План за живот во Македонија“ достапно на: <http://sdsm.org.mk/Gis/Upload/PDF/Plan%20za%20zivot%20vo%20Makedonija.pdf>, пристапено на 1 април 2017.

On the other hand, the civic and political participation of the young people was never a main concern, although in the last 26 years since the independence of the country, their position is deteriorating with every new political crisis. The inability to create a special strategy for them leads to the present situation – indifference to civic participation on one side and membership in political parties, as the only solution to achieve their rights, on the other.

The legal framework in Macedonia is generally not in favor to young people. Although Macedonian laws are overregulated, there is no special law which regards them. They are absent in the Constitution as a special social category. There is only one governmental institution which is concerned about the rights of the youth – the national Agency of Youth and Sports,¹ but their work is entirely dependent and based on the governmental policies. According to the latest research “Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth,”² young people clearly declared their discontent with the official institutions, pointing out that they have to become more responsive to their needs. Many of them see the solution in a parliamentary commission for youth, which has been discussed many times but never established.

In such a context it is not surprising that the following three features describe generally the situation of the young people: inertness for participation, politicization and desire to leave the country.

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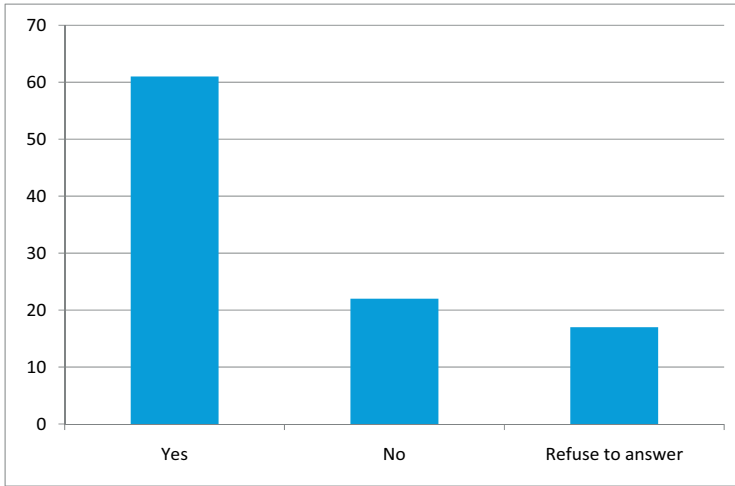
According to the same research, many of the young people (62%), growing up in the never-ending transition share the opinion that their parents had more chances for a better life. Despite this fact that they are more ambitious and willing to overcome their parents’ professional and educational success (72%), this “envy for the past” undoubtedly shows lack of progress and deterioration of their position.

The political context in Macedonia in the past two decades resulted in a deep politicization amongst young people. According to the data, a high percent (62%) of the youth have joined some political party. Only 22% responded that they are not members of some political party, while the others (16%) refused to answer.

¹ Официјалната веб страница на Агенцијата за млади и спорт, достапна на: <http://ams.gov.mk/>, пристапено на 1 април 2017.

² Габер К., Симоска Е., Атанасов П., Наумовска Б., Лчевска К., (2016) Корелација помеѓу младинските приоритети и официјалните политики, Прогрес институт за социјална демократија и Институт за социолошки анализи.

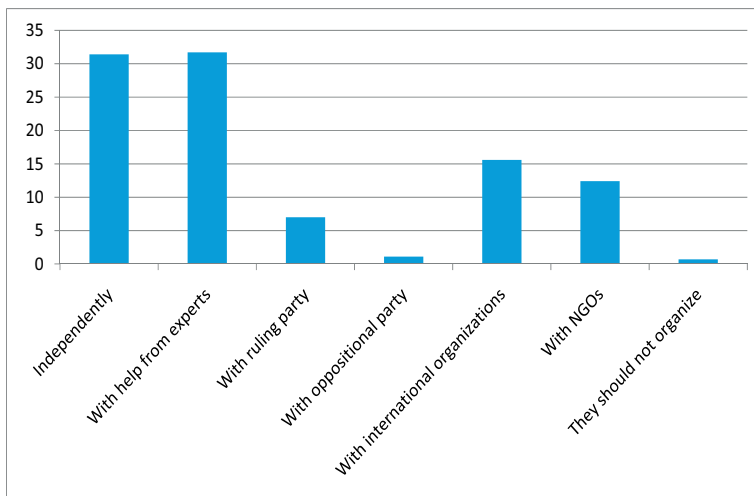
Graph 1: *Are you a member of a political party?*



Source: “Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth,”Progress Institute for Social Democracy and Institute for Social Analysis

Obviously, the political collectivities are perceived as the best solution for their problems and most effective instrument for acquiring and realization of their rights.

Graph 2: *How should youth organize in achieving their rights?*



Source: “Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth,”Progress Institute for Social Democracy and Institute for Social Analysis

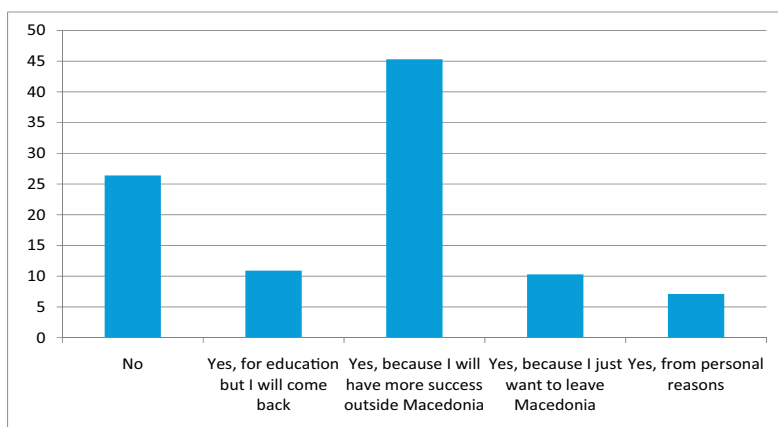
Compared to the engagement in the political parties, the non-governmental organizations are not enough attractive for young people. Only 15% of them answered that they are active in some NGO, while 32% have been volunteering in some organization.

There appears a certain confusion between the youth's beliefs and reality in terms of achieving their rights and goals. Although many are members of political parties, most of the young people (31%) think that they should act individually or with the help from experts (32%) in accomplishing their goals. Only 7% think that they should get help from the ruling parties and 1% from the oppositional parties. There are young people who think that international organizations (16%) and non-governmental organizations (12%) can help them in achieving their rights. Although it is insignificant percent (1%), there are young people who think that they should not be organized at all.

*

The most disappointing data regard the most current problem, the emigration among young people. According to their answers, only 26% of the young people would stay in Macedonia permanently, in terms of education and professional career. The others would like to leave the country somehow, eventually. A dominant number of **45%** think that they can prosper **only out of Macedonian borders**. There are young people who simply want to emigrate from Macedonia (10%), students who want to get better education abroad (10%) and others who have personal reasons for leaving the country (7%).

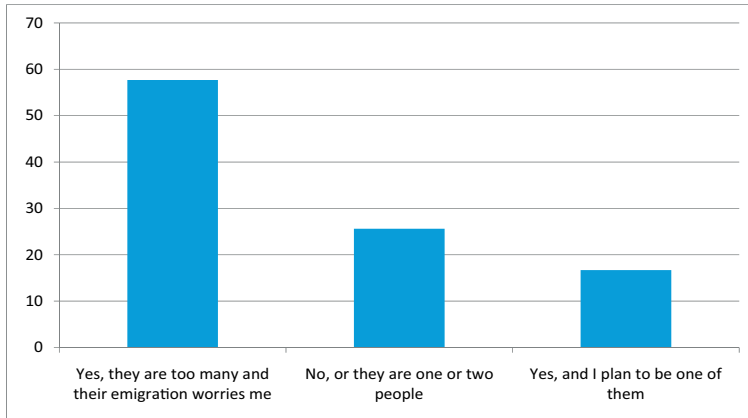
Graph 3: *Would you leave Macedonia?*



Source: "Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth," Progress Institute for Social Democracy and Institute for Social Analysis

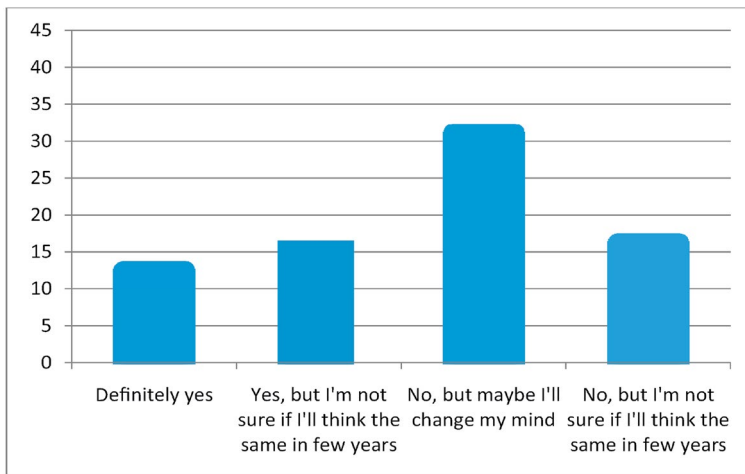
The fact that young people massively emigrate from Macedonia is reflecting in the answers of the respondents. The data also show that almost everyone among the respondents has some friend or acquaintance that has already left the country. More than a half of the youth (60%) are already worried about the number of people leaving Macedonia, while 27% do not have any friends who have left. The remaining (10%) are the ones who have already emigrated.

Graph 4: *Do you have many friends and acquaintances who emigrated from Macedonia?*



Source: “Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth,”Progress Institute for Social Democracy and Institute for Social Analysis

Graph 5: *Do you see your future in Macedonia?*



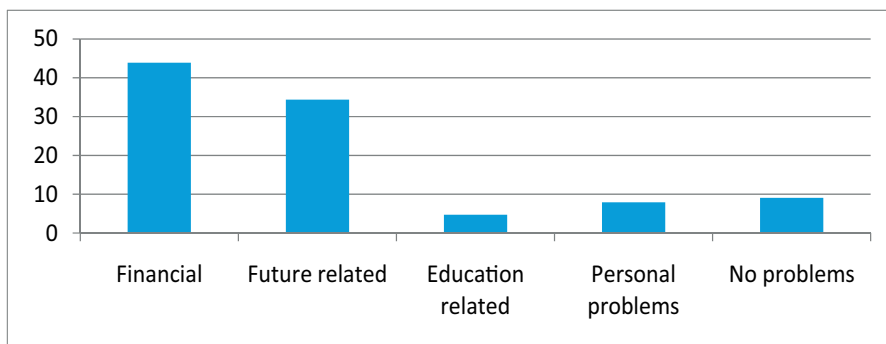
Source: “Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth,”Progress Institute for Social Democracy and Institute for Social Analysis

According to the previous answers, the views of the youth about the prospects in Macedonia are not very optimistic. Yet, among the respondents dominates (specific for the youth) uncertainty about the future. More than a third of the polled young people (38%) believe that they have a future in Macedonia, but they are not sure that they will feel the same after few years. A smaller number (32%) of them, mainly do not think that their future is in Macedonia, but also they are not sure if they will feel the same after some years from now. Only 13% of the respondents are certain in their optimistic view, while 17% strongly believe that there is no future in the country.

PROBLEMS AND PRIORITIES OF THE YOUNG PEOPLE

As it has previously been mentioned, in context of the same research, the Macedonian youth relates its biggest problems mainly to financial issues, as well as their own perspectives. The problems of financial nature present a “biggest problem” for 44% of the polled respondents. Further, for 34% the biggest problem is their future (they do not see any perspective for them in Macedonia), while only 9% stated that they do not have any problem. Education is a problem for 5% of the respondents and the remaining 8% pointed at the biggest problem as a one “of personal nature”. The lack of perspective as a problem is more frequent among respondents with a university degree (40%), inhabitants from Skopje (44%), Albanians (48%) and the ones whose parents have a university degree³.

Graph 6: *What is your biggest problem related to?*



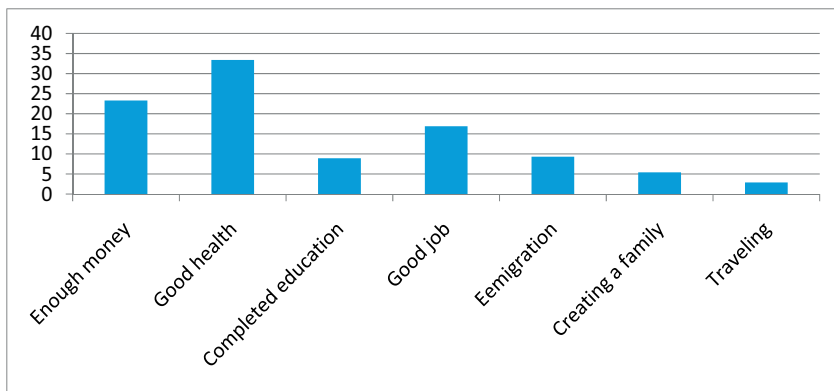
Source: “Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth,” Progress Institute for Social Democracy and Institute for Social Analysis

³ Габер К., Симоска Е., Атанасов П., Наумовска Б., Лчевска К., (2016) Корелација помеѓу младинските приоритети и официјалните политики, Прогрес институт за социјална демократија и Институт за социолошки анализи.

Complementary to the previous data are the answers to the question “What is your personal priority in life?” “With regards to this, even one third of the respondents answered that it is “to have a good health”, 23% chose to have enough money, 17% wish to find a good job, and 9% would like to move out of the country. (The remaining answers relate to: completing the education, create a family and travel, but they are with a rather small frequency.) It is an interesting fact and most unusual for young people, that the **good health** appears as a top personal priority among all categories of respondents, i.e. with respect to all independent variables.

As in many other researches⁴, the desire to move out of Macedonia as a priority is significantly different regarding the ethnic background of the respondents. Thus, the respondents of Macedonian ethnicity exhibited an almost twice as big interest to move out of Macedonia, as compared to their peers of Albanian ethnic origin. Moving out of the country as a personal priority is declared by 11% of the ethnic Macedonians and only 4% of the ethnic Albanians. According to the “Youth study of Macedonia 2013”,⁵ the main reason for the emigration of the young people from Macedonia are of financial nature.⁶

Graph 7. Which is your top personal priority in life?



Source: “Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth,” Progress Institute for Social Democracy and Institute for Social Analysis

⁴ Цветанова Г., Атанасов П., Јанев Г., Марковиќ М., Серафимовска Е., Цекиќ А., Наумовска Б. „Идентитетите на студентската популација во Република Македонија“, Институт за социолошки и политичко-правни истражувања, Скопје 2016

⁵ Латковиќ Топузовска М., Борота Поповска М., Серафимовска Е., Цекиќ А. „Студија за младите во Република Македонија“, Фондација Фридрих Еберт, Канцеларија во Македонија, Скопје и Институт за социолошки и политичко-правни истражувања, Скопје 2013.

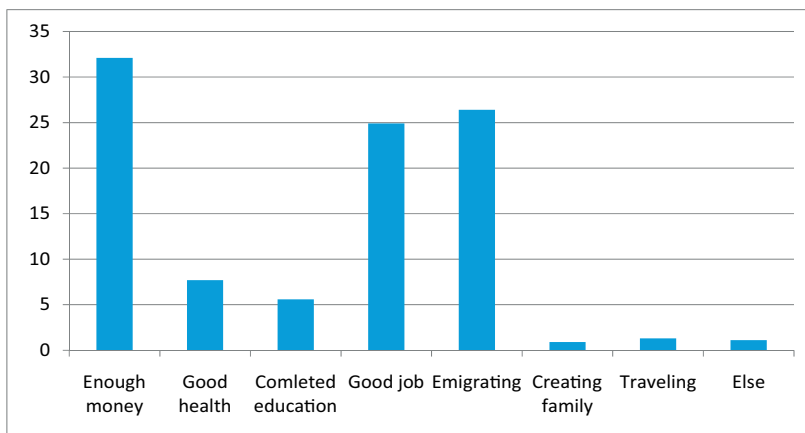
⁶ Ibid.

In order to get a more complete picture, the same question was asked in a context of the peers of the respondents. More specifically, it regarded the perceptions of the polled about the highest priorities of the young people in Macedonia generally. The general frequency of the answers shows that 32% of the respondents think that the top priority of their peers is to have enough money, 26% think that the priority is to emigrate from Macedonia, and for 25% it is to find a good job.

Although the health as a personal priority is on the top of the list when the respondents speak of themselves, it is mentioned by only 8% when they think about the others.

A completely different picture with regards to this question can be observed if the data are analyzed from the aspect of political affiliation of the respondents (whether they support a ruling party or an opposition one). Thus, 40% of the respondents who support a ruling party think that the highest priority of the young people in Macedonia is to have enough money, 13% said it is to find a good job, and the same number mentioned moving out of Macedonia. Among the respondents who support an opposition party the picture is completely different. There are even 40% who answered that the priority of the young people is to move out of Macedonia, while on the second position is the answer that the top priority is to have enough money (25%) or to find a good job (14%).⁷ Such a great difference with regards to the political affiliation did not appear with regard to the question about the personal priority in the life of the respondents.

Graph 8. Which is the top priority of the young people in Macedonia?



Source: "Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth," Progress Institute for Social Democracy and Institute for Social Analysis

⁷ Габер К., Симоска Е., Атанасов П., Наумовска Б., Лчевска К., (2016) Корелација помеѓу младинските приоритети и официјалните политики, Прогрес институт за социјална демократија и Институт за социолошки анализи, стр.18.

In order to get a more complete picture about this topic, besides the questions related to the problems which the young people are facing, their personal priorities and their peer's priorities, this presentation should be complemented with the data related to the official priorities of the Government related to the young generations. More specifically, it regards their perceptions of those priorities.

The question "Do the youth policies of the Government include the priorities of the young people?" was answered affirmatively by only 24% of the respondents, while 37% gave a negative answer. There is a significant number (40%) of the included population who could not answer this question, because they were not familiar with the policies of the Government. The biggest differences appear from the aspect of the employment status of the respondents, which is shown on the following table:

Table 1: *Are the youth policies of the government include the priorities of youth(Employment status)*

students		Employment status				Total
		employed in the public sector	employed in the private sector	unemployed		
Yes		23,8%	54,1%	22,3%	14,2%	23,9%
No		45,3%	21,6%	30,7%	38,2%	37,3%
Not familiar with youth policies		30,9%	24,3%	47,0%	47,5%	38,9%
Total		100,0%	100,0%	100,0%	100,0%	100,0%

Source: "Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth," Progress Institute for Social Democracy and Institute for Social Analysis

There are also differences regarding the ethnicity. While 27% of the ethnic Macedonians think that the policies of the Government are in accordance with the priorities of the young people, the respective answer was given only by 12% of the ethnic Albanians. As can be expected, a positive answer to this question was given by nearly half of the respondents who support a ruling party, and only 11% those who support the opposition.

Another question was focused on the perceptions of the respondents about the correspondence of the priorities of the Government and their personal priorities in several segments of the social life. The question about the official priorities included a possibility for two answers (used by only half of the polled population). **For that reason the following table will show the general distribution in absolute numbers.**

Table 2: *What are the two main priorities of the Government's youth policy?*

	First choice	Second choice	Total
Education	290	50	340
Employment	134	136	270
Sport	47	80	127
Healthcare	12	46	58
Youth participation in decision-making	22	32	54
Culture of living	9	34	43
The Government does not have policies or priorities	186	4	190
Total	700	382	1082

Source: "Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth," Progress Institute for Social Democracy and Institute for Social Analysis

The table shows that the majority of the respondents see the priorities of the Government in the sphere of education and employment, but the number of those who think that there are no policies or priorities of the Government related to the young people, is significant as well.

In order to point at the future policies and directions of the state institutions, the respondents were asked "what should be the two basic priorities of the Government related to the status of the young people". The general distribution of the answers (given in absolute numbers) is shown in table 3.

Table 3: *Which should be the priorities of government policies according to the position of youth? (Total number)*

	First choice	Second choice	Total
Education	280	54	334
Employment	319	196	515
Sport	18	44	62
Healthcare	16	74	90
Youth participation in decision-making	51	119	170
Culture of living	16	55	71
Total	700	542	1242

Source: "Youth Policies in the Republic of Macedonia: Correspondence of the Official Policies to Actual Priorities of the Youth," Progress Institute for Social Democracy and Institute for Social Analysis

It is obvious that a bigger number responded with a second choice as well. Furthermore, the employment appears to be of great significance for the young people. The young generations think that such an issue must be a priority for the Government. This complements the statements of the respondents about their personal problems (shown in Graph8). It is apparent that problems of financial nature and fear for the future dominate, which includes a fear for an (im)possibility for employment and financial possibilities for a normal life. Those categories are on the top of the list, which obliges any Government for finding a solution. The education was ranked as second on the list of priorities. It is interesting that the third priority for the young people is their need to be part of in the processes of decision making for issues related to them, to be asked, informed and fully included.

Regarding the inclusion in the realization of their rights, the biggest number of the young people (34%) see this process through lobbying and cooperation with state and local institutions; 26% would do it through NGOs, while 14% would participate in protests or boycotts. However, more than a quarter of the respondents (26%) declared that they would not be personally involved in any activities regarding the acquiring and realization of their rights. The lobbying as an instrument is more preferable choice for respondents with a university degree (41%) and public servants (60%), as well as ethnic Macedonians (38%). The protests or boycotts as a means for realization of their rights is a more frequent answer among the respondents with only primary education (35%) and the ethnic Albanians (27%). Lobbying is twice as acceptable for the young supporters of a ruling party (60%) than the ones who support an opposition party (32%).⁸

CONCLUSIONS

Young people should present the progressive and the avant-garde power in every society. However, it requires a certain level of content with their status and belief in themselves and their impact. The values and priorities in life of the Macedonian young people resemble the ones of their peers in many other countries, but the lack of belief and expectations are specific.

The situation at present in Macedonia is such, that we are witnessing a large emigration of the youth from the country, hoping for a better life, especially regarding the ones with a completed university degree. Those who stayed are unfortunately predominantly indifferent and unwilling to participate in social processes in order

⁸ Габер К., Симоска Е., Атанасов П., Наумовска Б., Лечевска К., (2016) Корелација помеѓу младинските приоритети и официјалните политики, Прогрес институт за социјална демократија и Институт за социолошки анализи, стр.22.

to improve their rights and influence their position. The result is defeating – too many young people are joining the political parties as the only way to improve their life. The youth's pessimism and apathy can be very well illustrated by the words of one participant in the focus groups, according to whom: "We, the young people, cannot change anything. We are helpless and powerless to change anything. I think that even we do not want to change. And how can we change anything? It is the same for so many years, just going to the worse."

The unemployment, emigration and politicization of youth should be the base for a special youth strategy and incorporated in every segment of the legal system. That policy should make them proud and prove to them that they are not an abused social category but the progressive force that will bring the brighter future of the country. Or, as one famous Irish proverb says "Praise the youth and it will prosper."

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PERSONAL EXPERIENCING OF THE MACEDONIAN EPIC FOLKSONG

Abstract

In the course of the past centuries, the Macedonian folk song embraced all significant moments of the lives of the Macedonian people. These songs pay tribute to the years of servitude, resistance, military feats, whether individual or group, spontaneous or organized.

Throughout the conducted research, the question we focused on was whether these Macedonian songs created in the course of the 19th century -period of active struggle for liberation and independence of the Macedonian nation; evoke feelings of patriotism among the young in contemporary time when the Republic of Macedonia has acquired its sovereignty and independence.

For the purpose of determining the influence of music on the emotions, and identifying the emotions, thoughts, ideas and behavior ‘touched upon’ and evoked by the Macedonian epic folk song, experimental research was conducted. The experiment was realized in a time period of 2 hours with a group of 18 students that participated on a voluntary basis.

The findings from the analysis of the emotions experienced by the respondents in the experiment indicate that the respondents can identify the different emotions, thoughts and ideas embodied in two popular Macedonian epic folk songs. Hence, these epic songs (especially when listened with lyrics) not only evoke negative emotions but cause negative thoughts and ideas as well. In this sense, the main conclusion is that the Macedonian epic folk songs created in 19th century still “touch upon” the present generations.

Keywords: Macedonian epic folk song, emotions, cognition

INTRODUCTION

Music evokes a wide variety of responses among every human being. These responses range from thoughts and emotions inside the mind, to behavior – executed actions outside the realm of the mind. Sometimes, these responses are similar but sometimes they can be very different. Regardless of nationality, age, or environment, music is omnipresent and affects every individual. While there is a myriad of musical styles and genres, some are more prone to evoke certain responses than others (Fischer 2006).

Folk music is a type of traditional and generally authentic music that was, and still is, originally passed down from generation to generation through families, communities and other smaller social groups. Typically, folk music, like folk literature, lives in oral tradition; it is learned through hearing rather than reading. It is functional in the sense that it is associated with many cultural and traditional beliefs and main human social activities (Nettl 2007).

Music in Macedonia is a kind of record of all social, cultural and historical events within the lives of Macedonian and the other ethnic groups living in the country from its existence. With the scarcity of adequately archived data, the folk songs, dances and instrumental melodies provide an insight into the life of the people of this region.

The Macedonian folklore particularly abounds in songs from the period when the territory of Macedonia, including the Macedonian people, were part of the Ottoman Empire. By affirming the Macedonian name, through Macedonian folklore, the Macedonian people have identified themselves with it, experienced it as a part of their selves, built a kind of religious attitude towards it, incorporating in it both its past and its future. All this speaks about a clearly defined aim of the struggle, liberation of Macedonia from the five-century-bondage by means of an armed battle and creation of a state of the Macedonian people (Kitevski, 2014). Thus, while history describes and interprets events, folk songs witness the spiritual history of the Macedonian nation, its moods, sufferings, its desires, aspirations and its spiritual attitude to historical events (Kitevski, 2014).

HISTORY

At the beginning of the 19th century (when the songs “Listen patriots” and “With torments I was born” were created), Macedonia (as a geographical territory) was a province within the Ottoman Empire. In the year 1913, Macedonia was geographically divided among the three Balkan monarchies, namely Greece, Serbia

and Bulgaria. The First World War followed without solving the Macedonian issue. A large number of the Macedonians were subject to repressions and divisions, and staged rebellions and uprisings (Vlahov, 1983). In the period between the two world wars, with the aid of the Communist parties and the socialist revolution, Macedonians managed to realize their rights and constitute their own country (Kirjazovski, 1985). This historical data pointed that the overall history of the Macedonian nation represents a continual struggle for preservation of one's liberty and dignity.

The Republic of Macedonia, gained its independence in the so-called 'third wave of democracy', i.e. in the year 1991 following the dissolution of the Socialist Federal Republic of Yugoslavia. In view of constitutional system, it is defined as a parliamentary democracy (Atanasov and Cvetanova, 2013). But still, the Macedonian society is regarded as a society in democratic transition process⁹ (Flere et al., 2015). There are still interethnic tensions, long lasting political crisis and many open issues with neighboring countries (difference over the name issue with Greece, Macedonian Orthodox Church and dispute etc.).

MUSIC, EMOTION, COGNITION

Music is an emotion, thought and motion captured in their development. Music appeals to people using the language of feelings, emotions, representations, thoughts and incites certain forms of behavior. Scientists have been trying to explain and quantify the way music affects psychic phenomena and processes. By studying the relation between music and the mind, it may be inferred that the listening to and playing of music may change the functioning of the brain and the body in full (Juslin, 2001).

Simultaneously, music represents a phenomenon with properties that are both deeply rooted and temporal. As a form of art, it spreads out in time, but is also deeply rooted in both the individual and collective memory. The properties of music may be permanent and stable, as well as heralds of changes. Music, with its own peculiarities, serves as an excellent instrument that conducts personal, local, regional, ethnic, religious, linguistic and national identities.

⁹ Transition process is a process that presupposes radical systematic changes in the political, economic, cultural and any other social spheres, as well as establishing a new system of values.

RESEARCH

The general research question was: *Do the Macedonian folk songs created in the 19th century, as period marked by active struggle for liberation and independence, evoke patriotic emotions among the young in a period of established independence of the Republic of Macedonia?*

The respondents were postgraduate students at the Institute for Sociological, Political and Juridical Research in Skopje aged 24 to 30. They participated in the research on a voluntary basis. The research was conducted in May 2014.

For the purpose of determining the influence of music on the emotions, and more specifically to identify the emotions, thoughts, ideas and behavior that have been ‘touched upon’ and evoked by the Macedonian epic folk song, experimental research was conducted. The experiment was realized in a time period of 2 hours involving a group of 18 respondents that participated on a voluntary basis.

Table 1. *Representation of the emotions identified in the two cases – when the respondents listen only to instrumental version of the song Listen Patriots, and when the song is accompanied by the corresponding lyrics/words*

The first Macedonian song “Listen Patriots” /”Listen Patriots”-in English/					
Instrumental version of the song			The song with lyrics		
Valence	Emotion	F	f	Emotion	Valence
Positive emotions	Happiness	10			Positive emotions
	Satisfaction	3			
	Love	2	3	Love	
	Admiration	1	1	Admiration	
			1	Calmness	
	Total	16	5	Total	
Negative emotions	Sorrow	5	11	Sorrow	Negative emotions
	Rage	3	4	Rage	
	Anger	2	3	Anger	
			1	Hatred	
	Total	10	19	Total	
Neutral/ undefined/ mixed emotions	Excitement	6	2	Excitement	Neutral /undefined/ mixed emotions
	Nostalgia	2	3	Nostalgia	
	Total	=8	=5	Total	
Sum	9 different emotions	34	29	9 different emotions	Sum

Experiment Flow

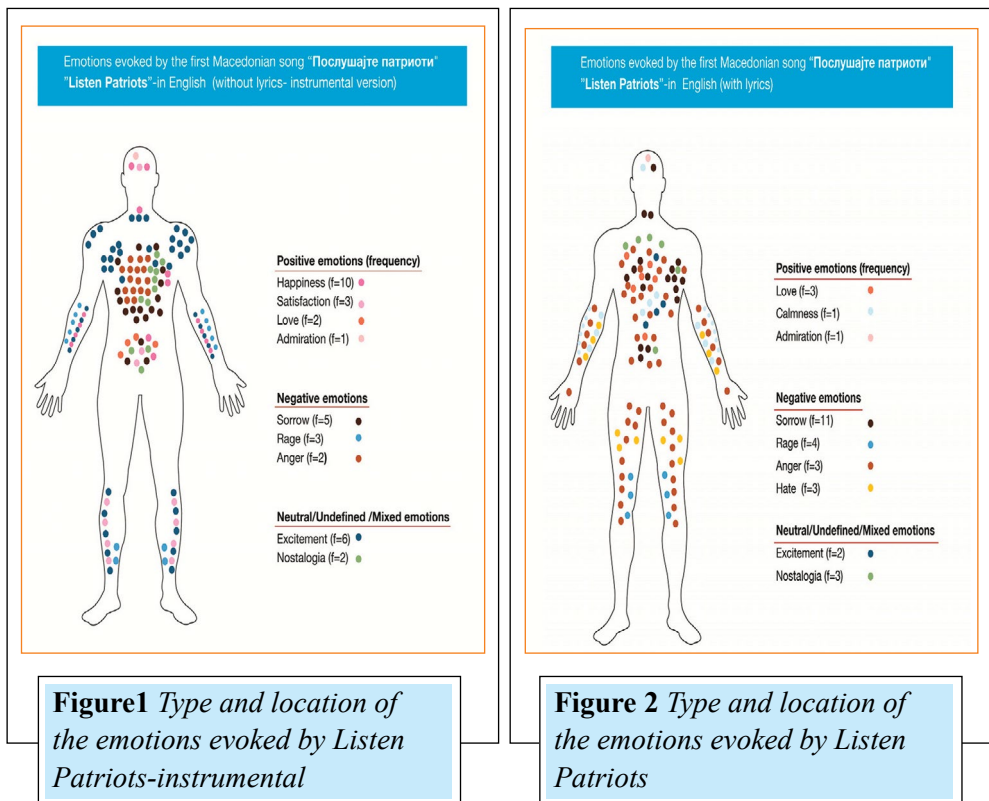
The experiment was comprised of two segments:

- the respondents listen only to the instrumental version of the songs first and produce emotions and thoughts;
- the respondents listen to the songs accompanied by the lyrics/words and again they produce emotions and thoughts;

Results

The listening to the first epic folk song entitled 'Listen Patriots' as an instrumental version (without lyrics) first, and subsequently with the accompanying lyrics/words, caused 11 different types of emotions among the respondents in the experiment: happiness, satisfaction, love, admiration, calmness, nostalgia, excitement, as well as sorrow, anger, rage and hatred.

A presentation of the places where the emotions were evoked is given hereunder. The images juxtaposed refer to what is known as 'location' of emotions in certain body parts.



The following may be inferred from the enclosed Table 1 and from the two illustrations:

1. Positive emotions (particularly happiness) prevail when listening to the instrumental version of the song. Negative emotions (particularly sorrow) prevail when listening to the song accompanied by the corresponding lyrics/ words. More specifically, the information indicated in the table shows that more negative emotions occur when the lyrics/words are present.
2. Happiness, joy and satisfaction are no longer present, and only calmness remains from the positive emotions;
3. Hatred arises as a negative emotion;
4. Neutral feelings are also present;
5. Positive emotions disappear from the area of the head and negative emotions, such as sorrow and anger, emerge;
6. Emotions are no longer concentrated in the area of the neck, heart and plexus, but are spread throughout the body.

The analysis of the thoughts associated with the song ‘*Listen Patriots*’ indicates that negative emotions prevail when the song is accompanied by the corresponding lyrics/words, and that positive feelings prevail when listening only to the instrumental version of the song.

Table 2. *Representation of the thoughts evoked when the respondents listen only to the instrumental version of the song Listen Patriots, and when the song is accompanied by the corresponding lyrics/words*

The first Macedonian song ‘<i>Listen Patriots</i>’ /”Listen Patriots”-in English/	
Instrumental version of the song	<i>The song with lyrics</i>
Thoughts, Images	<i>Thoughts, Images</i>
Celebration, feast, inn/tavern, food, happy occasions, joy, unity, socializing, anger towards the traitors, sorrow and pity for the Macedonian nation	<i>Taking pride in the Macedonian struggle</i> <i>Anger and rage towards the traitors</i> <i>Grim and dreary destiny</i> <i>Awakening of nationalistic feelings</i> <i>Common sorrow</i> <i>Sorrow</i> <i>Readiness, vindication</i> <i>Unification</i> <i>Pain</i>

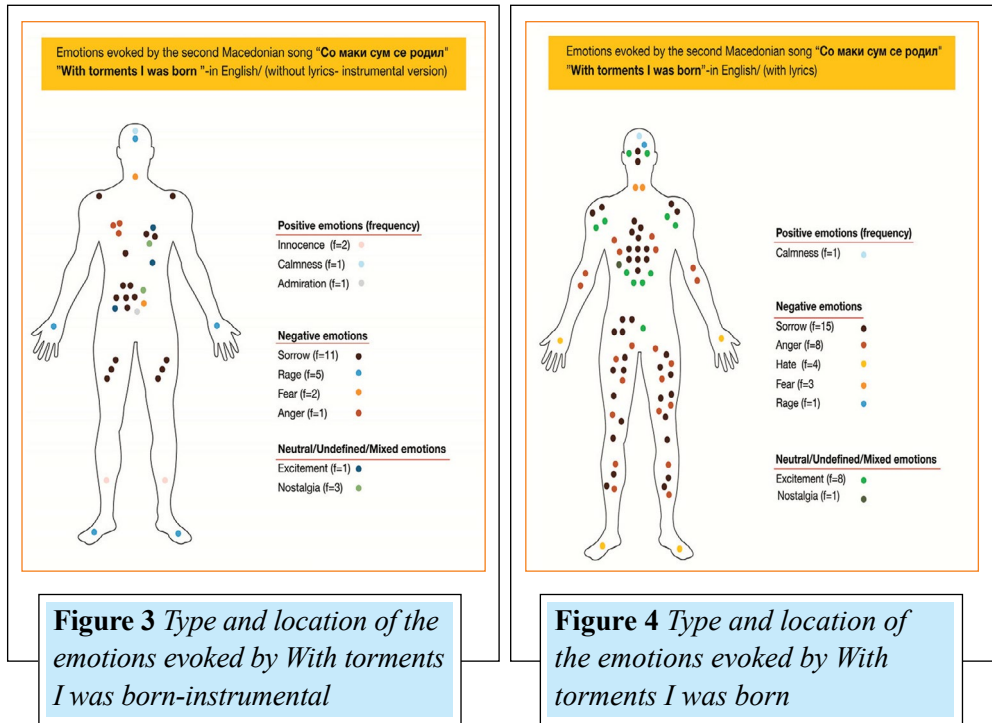
The information presented in the table indicates that negative emotions are evoked once the song is accompanied by the respective lyrics/words. The listening to the instrumental version of the song (without the lyrics/words) is mainly associated with celebration, socializing, joy and unity. Once the song is accompanied by the respective lyrics/words there are associations of the perennial struggle for liberation and creation of national identity for the Macedonian nation.

The listening to the second epic song entitled “*With torments I was born*” as an instrumental version (without lyrics/words) first, and subsequently with the accompanying lyrics/words, caused 10 different types of emotions among the respondents in the experiment: 5 negative emotions (such as sorrow, anger, rage, fear and hatred), 2 neutral/undefined/mixed emotions (such as nostalgia and excitement), as well as 3 positive emotions (such as innocence, admiration and calmness).

Table 3. Representation of the emotions identified in the two cases – when the respondents listen only to instrumental version of the song *With torments I was born*, and when the song is accompanied by the corresponding lyrics/words

The second Macedonian epic song “ <i>With torments I was born</i> ” / “ <i>With torments I was born</i> ”-in English/					
Instrumental version of the song			<i>The song with lyrics</i>		
Valence	Emotion	F	<i>f</i>	<i>Emotion</i>	<i>Valence</i>
Negative emotions	Sorrow	11	15	Sorrow	Negative emotions
	Rage	5	1	Rage	
	Fear	2	3	Fear	
	Anger	1	8	Anger	
			4	Hate	
	Total	19	31	Total	
Positive emotions	Innocence	2			Positive emotions
	Calmness	1	1	Calmness	
	Admiration	1			
	Total	4	1	Total	
Neutral/ undefined/ mixed emotions	Nostalgia	3	8	Excitement	Neutral /undefined/ mixed emotions
	Excitement	1	1	Nostalgia	
	Total	4	9	Total	
Sum	10 different emotions	27	41	10 different emotions	Sum

An illustration of the different emotions and where they occur when listening to the instrumental version of the song “*With torments I was born*” (the first illustration) and when listening to the song accompanied by the corresponding lyrics/words (the second illustration) is given hereunder.



The following may be inferred from the enclosed Table 3 and from the two illustrations:

1. Negative emotions (particularly sorrow) prevail when listening to the song as an instrumental version and when accompanied by the corresponding lyrics/words. The lyrics/words additionally boost the number of negative emotions;
2. When listening to the song accompanied by the corresponding lyrics/words, positive emotions are almost non-existent;
3. Hatred, and more intensified anger and excitement, occur as negative emotions. They are more pronounced when the lyrics/words are present.
4. When listening to the instrumental version of the song, the emotions are mainly concentrated in the middle part of the body. Once the lyrics/words are present, these emotions start ‘spreading’ throughout the body, but are mainly concentrated in the head.

The analysis of the thoughts and images associated with the song ‘*With torments I was born*’ indicates that negative emotions prevail both in the case of the instrumental version of the song and when it is accompanied by the corresponding lyrics/words.

Table 4. Representation of the thoughts evoked when the respondents listen only to instrumental version of the song *With torments I was born*, and when the song is accompanied by the corresponding lyrics/words

The second Macedonian song “<i>With torments I was born</i>”/“<i>With torments I was born</i>”-in English	
Instrumental version of the song	<i>The song with lyrics/words</i>
Thoughts, Images	<i>Thoughts, Images</i>
Longing when something is distant, Nostalgia for something that we don’t have, anxiety and tremor, insecurity and fear, misery, suffering, difficult life, insecurity, poverty, hunger, death <i>PredDozhdot (Before the Rain)</i> , <i>Teshkotowith zurlas</i> (oboe-like woodwind instruments) and drums Tradition, patriotism, Macedonian roots, folklore	<i>Sorrow, resignation, powerlessness, anxiety, longing, anguish Misery, hardship, suffering, great pain, insecurity, death Awakening of patriotism Making a pledge to the future generations so that they know what the previous generations have gone through</i>

The listening to the song “*With torments I was born*” evoked predominantly gloomy and grim thoughts and images dominated by misery, hardship and pain experienced by the Macedonian nation, as well as longing for one’s tradition, roots, folklore, and awakening of patriotism and insecurity.

CONCLUSIONS

This research focuses how certain Macedonian epic folk songs, are experienced today, some 150 years since they were originally created. In this respect, the focus was on how two very popular epic folk songs, created in the 19th century, entitled “Listen Patriots” and “With torments I was born” are personally experienced (evoked emotions and thoughts).

The findings from the research have unambiguously indicated that the experiencing of the epic song is different when listening only to the instrumental

version of the song (without the lyrics and the words) and when listening to the song with lyrics. When listening to the instrumental version of the song, emotions of happiness are evoked among the respondents. These emotions appear primarily in the body. When listening to the song with lyrics, patriotic emotions prevail. These emotions belong to the range of negative emotions (sorrow, hatred, rage) and they spread throughout the body. These epic songs evoke generally negative emotions, in addition to negative thoughts and images.

The existence of differences highlighted when listening only to the instrumental version of the song and when listening to the song with lyrics indicates that the lyrics may be recognized on a cognitive level and may evoke certain reactions, emotions and behavior tendencies. These tendencies remain the same as the time they were created. Undoubtedly, this is due to the tradition, folklore and cultural-historical traits and characteristics of the nation that were passed from one generation to the other. In addition, it may be due to the present social and economic circumstances, seen as specific events that happened on the territory of Macedonia. This is particularly pronounced having in mind the armed Macedonian-Albanian conflict that happened in the year 2001, and other events that were omens of ethnic conflicts.

The research showed that emotions of happiness are evoked when listening only to the instrumental version of the song and these emotions are mainly present in the body. When listening to the song with lyrics, negative emotions prevail and they spread throughout the body. If the head is seen as the center of reasoning, thoughts, attitudes and memory, and the body is seen as a place that does not allow much space for rationalization, and where emotions prevail.

In general, folk songs evoke past myths, fights, victims, symbols, leaders and are accompanied by elements of national pride. However, once the security and peace in any country is called into question, common people resort to the community for support believing that it is the only way to survive (Ilić 2012). The bond between the memory and collective identity presupposes that the individuals and groups assume responsibility over the past heritage and pass it on the present and future generations (Ilić 2012). On the other hand, the community stimulates the feeling of belonging through music. Therefore, the messages that the respondents believe are conveyed through the Macedonian epic folk song are the same as the messages they would like to convey to the future generations.

In view of the fact that the findings from the conducted research indicated that the respondents can identify and recognize the emotions, thoughts and images embodied in the two very popular Macedonian epic folk songs, the main conclusion would be affirmative with respect to the main research question and acknowledge the finding that the Macedonian epic folk songs 'touch upon' the present generations as well, as some 150 years after their original creation.

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