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Obsah Contents

UNIFIED SOCIAL SPACE AS A RESULT OF INTEGRATION PROCESSES IN EUROPE

Jarmila VIDOVÁ, Peter SIKA

Abstract

The result of the integration process should be unified social space, supplementing the single market of the European Union with a centralized legislative background and adoption of European standards in the legislation of the Member States. The consolidation of individual economies of states to create a common area to allow free movement of people, respectively, migrate to the population of each Member State. Inequalities economies that encourage different groups of people to search for their basic needs in economically more established countries. Migration has thus become one of the main themes of EU policy management. The issue of migration and the need for migration policy within the EU is closely linked with freedom of movement of persons as one of the four freedoms of the EU grouping. Managing migration has become a necessity in an area without borders between member countries as activity respectively inactivity neighboring countries can have a direct impact on the other as a whole. The paper research the reasons exodus from Slovakia, respectively reasons for their return to Slovakia.

Key words

integration, migration, the single market, social tourism, social policy, migration flows

JEL Classification: P25, R31, Q42

Introduction

Freedom of movement and residence of persons guarantee fundamental human rights and freedoms enacted in individual states and from the historical point of view also important contractual documents. An important law from the point of view of our citizens is Act No. 460/1992 Constitution of the Slovak Republic which, in Article 23 1 says: "Freedom of movement and residence is guaranteed. From the historical point of view, the Treaties which dealt with the freedom of movement of citizens began to be adopted: On March 25, 1957, the Treaty of Rome - the Treaty Establishing the European Economic Community was founded on the belief that economic development should bring social progress towards the creation of a common market Normalization of social systems

The Treaty of Lisbon has changed the existing EC Treaties without replacing them. The Union provides the legal framework and tools needed to meet future challenges and meet citizens' expectations. The Treaty of Lisbon not only preserved existing rights but also introduced new ones. In particular, it guarantees the freedoms and principles laid down in the Charter of Fundamental Rights and gives it legal effect. These are civic, political, economic and social rights (Dudová, 2014). One of the fundamental freedoms is the free movement of persons and the preservation of freedom of movement between countries. This is not only about the possibility of moving people easily within the Community but, above all, with the possibility of changing their place of residence for work or business purposes, that is to say, the possibility of settling and working as well as doing business in the territory of any State.

At present, the freedom of movement of persons within Europe is uncontrollable and massive, while it is clear that current immigrants in these countries do not even plan to work and thus participate in the development of the country, but rather benefit from its social system. This uncontrollable migration causes the indignation of the domestic population, resulting in a gradual tightening of entitlements to social benefits, thus disturbing the basic European Union principle of a unified view across the population of the European Union, which can ultimately lead to the collapse of the European Union. This is evidenced by the United Kingdom referendum on subsistence in the European Union, which took place on 23 June 2016, with a clear result of the leave of the United Kingdom from the European Union. Tense tensions in the area of social benefits did not help to appease even the agreement between the leaders of the European Union and London over the abuse of social benefits in the UK, which could require a four-year limitation of social benefits for incoming workers from other European Union countries, and limit the allowances for foreign children do not lived in the UK. The agreement shows that such a restriction on social benefits can also be used by the other Member States of the European Union. Gradually, countries with a high influx of European migrants are beginning to apply these restrictions to their legislation.

1. Social policy and social tourism

Social policy in the EU is based on the social aspects of the market economy and is based on geopolitical and historical experience. Policy is one of the EU's policies, which is not solved in most cases centrally, but the EU institutions only coordinate the action of individual Member States in this area. It is related to the overcoming of differences in social policy in the individual countries resulting from different labour, political and social traditions. It monitors the fulfilment of three main functions (Stanek, 2011, p. 40):

- provide a legislative Framework for specific areas, create a space for dialogue between the social partners and thereby contribute to the definition of the basic social rights of workers
- Gather sufficient funding to finance the objectives, in particular in the field of vocational training and employment policy, thus contributing to the redistribution of resources; and
- Stimulate and support co-operation between different actors in social policy, networking and partnership, organize exchanges of information and experience, promote innovation and good practice.

It is not possible to unify the social systems of all the countries of the European Union under Scharp (2002), nor would it be that the general resistance of the Member States to the implementation of pan-European technocratic solutions that would distort diversity among member countries would arise. Beblavý (2012, p. 154) states that a more realistic goal could be to establish accepted diversity in areas that are not reformable for pan-European legislation. It further states that the most likely scenario is the gradual convergence of social systems in countries with a similar approach to social policy or similar social problems, thus achieving greater coherence and profiling of groups of states according to the type of social systems.

The basic framework of the European Union's social policy is to eliminate inequalities between citizens and countries externally, based on the application of the principles of justice, solidarity, subsidiarity and participation.

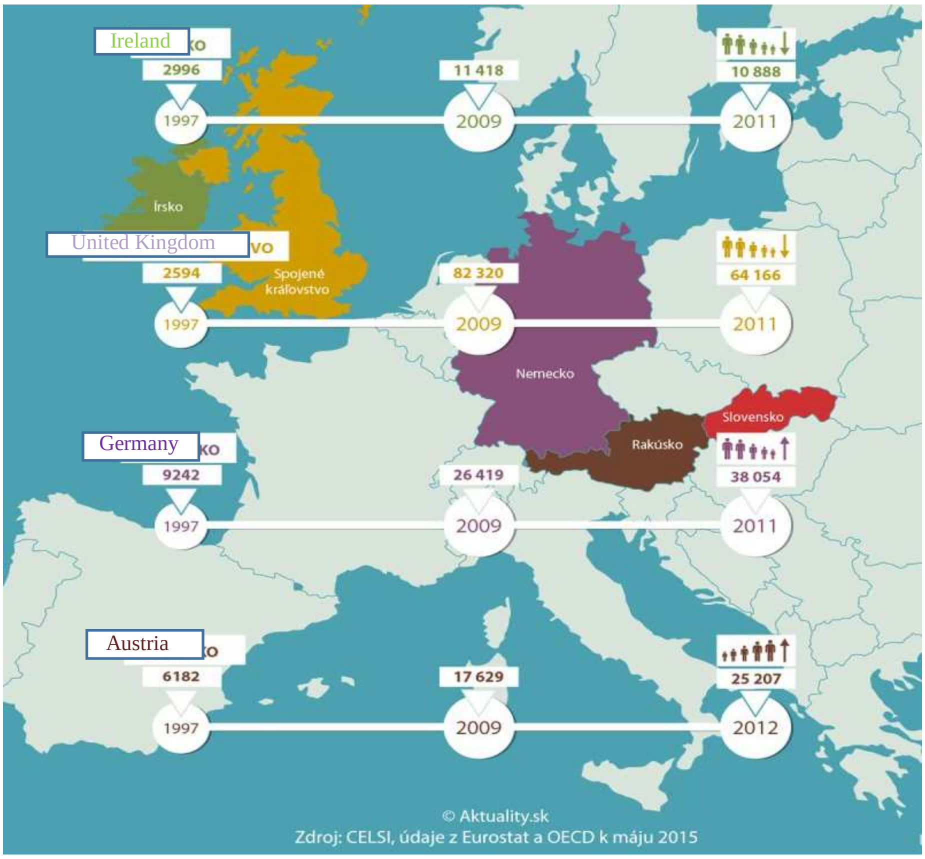
1.1 Migration flows and social tourism

By integrating the economies in Europe, a common territory has been created which has enabled the free movement of persons and the possible migration of the population into individual Member States. Migration is influenced by a combination of economic, political and social factors: either in the country of origin of the migrant (pressure factors) or in the target country (motivation factors). Neoclassical economic theory has highlighted the fact that people move mainly from low-income areas to areas where the wage level is higher. In the literature, however, neo-classical economic theory is criticized in particular for abstracting from many factors that can be significant in explaining migratory movements. Haas (2008) has expanded migration flows depending on the psychological, working and other socio-economic motives of individuals. Economic inequalities have prompted various populations to seek to meet basic needs in economically better-founded countries. Migration has thus become one of the main topics of EU policy governance (Petrus, 2003). Movement of persons or groups of persons in the geographical and social space associated with temporary or permanent change of residence. The issue of migration and the need to introduce migration policy within the EU are closely linked to the possibility of free movement of persons as one of the four freedoms within the EU group.

Migration management has become a necessity in an area without frontiers between individual Member States, since the action or inaction of the neighbouring state can directly affect others as a whole. Poorly managed migration can undermine the social cohesion of the target countries and harm the countries of origin and the immigrants themselves, and legal migration is an opportunity to benefit migrants, their countries of origin (benefit from the financial transfers of their migrants) and Member States (Dudová, 2014). Most studies focusing on the impact of migration on household members who remained in the country of origin have shown positive impacts both in the short and long term. Rapoport and Docquier (2006) show how remittances are used in the country of origin. Their main purpose is to repay loans to finance migration or education as well as insurance. Remittances, despite targeting specific households, do not only affect families and communities. The Organization for Economic Cooperation and Development, in its Policy Coherence for Development (2007) study, defines two dimensions of the impact of remittances. Within the micro dimension, the effects of the remittance influx are reflected at the level of a particular migrant-friendly household, while in the case of a macro-dimension the size is much larger and perceives the importance of remittances for the entire economy of the country, as well as the state's own access to emigration and subsequent financial support Families in the country of origin. The most frequent reason for migration to the European Union is political migration, social migration, environmental and, above all, economic migration. Economic migration is the migration of the population to another state, caused by an attempt to improve the economic status of migrants, particularly through the use of more favourable conditions on the target country's labour market, social system conditions, (Lipková, 2011).

The importance of the free movement concept of persons has changed since its inception. The first provisions on this subject at the time of the EEC's establishment in 1957 concerned the free movement of persons and freedom of establishment, that is, individuals. The Maastricht Treaty introduced the concept of EU citizenship automatically for each person who holds the nationality of a Member State. EU citizenship is the basis for the right of persons to move and reside freely within the territory of the Member States. The Treaty of Lisbon confirmed this right and included the general provisions on the area of freedom, security and justice (Neville, 2016).

Picture: 1 Migration of Slovak citizens for work



Source: EUROSTAT. 2015

Part of the basis of social tourism, respectively, have become integrative processes in the EU that have emerged gradually. History has long since remembered the wandering of families. The factors that motivate such movements are many. They were usually forced to leave on a permanent basis as a result of the depletion of livelihoods, sudden natural and climatic changes, epidemics, overthrows, wars and job losses, or the inability to find a job. Significant immigrants have come to Europe already in the past. Significant intensity occurred after the Second World War, first in the UK and France as a result of the confrontation of the mother countries with the inhabitants of the former colonies, later in the 1960s and in other European countries. Since then, Europe has also become a center of migrant interest.

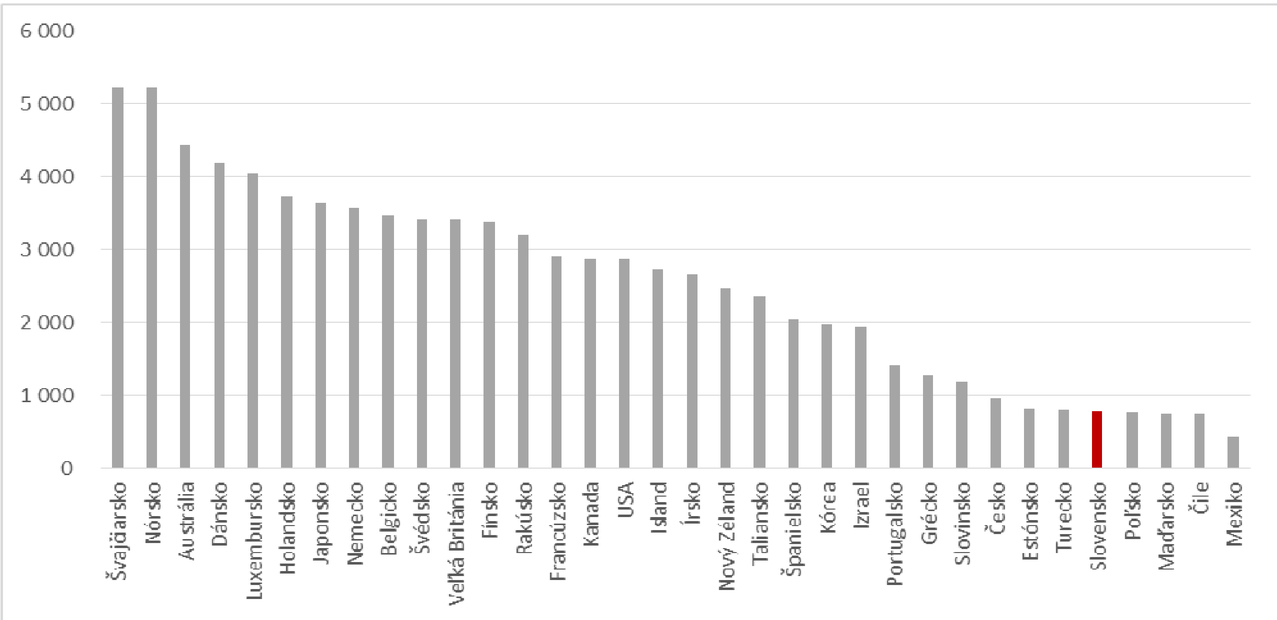
During 2014, 3.8 million people were migrating to the EU-28 and 2.8 million people were moved out. These overall figures do not represent migration flows from or to the EU as a whole, as they also include flows between individual EU Member States. Of these 3.8 million immigrants in 2014, 1.6 million non-EU citizens, 1.3 million citizens of other EU Member States, 870.000 people who migrated to the Member State of citizenship and approximately 12,400 people without nationality.

The highest total number of immigrants was recorded in 2014 by Germany (884,900), followed by the United Kingdom (632,000), France (339,900), Spain (305,500) and Italy (277,600). The highest number of emigrants in 2014 was recorded by Spain (400 400), followed by Germany (324 200), the United Kingdom (319 100), France (294 100) and Poland (268 300). A total of 15 EU Member States recorded higher immigration in 2014 than emigration but in Bulgaria, Ireland, Greece, Spain, Croatia, Cyprus, Poland, Portugal, Romania, Slovenia and the three Baltic Member States the number of emigrants was higher than the number of immigrants (www.ec.europa.eu).

Immigration to non-EU countries in the European Union reached 1.9 million in 2014 and 1.8 million people moved to another Member State than they had before.

Social tourism is also a consequence of social and political frustration in the country, the impossibility of recruiting or integrating into a standard life cycle. The Montreal Declaration addresses the issue of social tourism and, in particular, how the social tourism will look in the coming years. The Montreal Declaration characterizes the social tourism in Article 3 as a goal to make tourism accessible to all, including families, young people and the elderly, necessarily means engaging in the fight against inequality and exclusion of those who are different from those who are limited by means and abilities or those living in developing countries.

Picture 2: Average gross wage in €

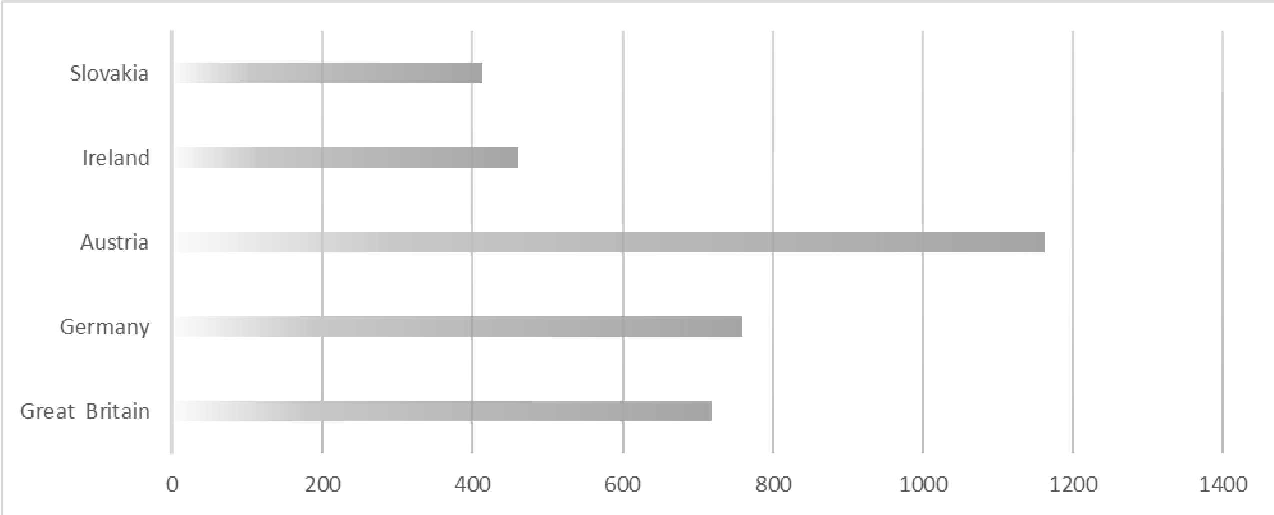


Source: Own data processing EUROSTAT. 2015

We must recognize that the free movement of workers within the European Union is beneficial for the countries because employers have access to a cheaper workforce that can make products cheaper to make them more competitive and to fill vacancies that are not within the country of interest, respectively. There is not enough qualified labor. However, the problem is social tourism, where it is purely to obtain more generous social benefits than in home countries. Unless the European Union responds flexibly to this fact, its lax behavior will endanger free movement of persons as one of the basic principles on which it was built.

The motivation factor for migration is the amount of the pension. In countries where citizens of the Slovak Republic are most likely to leave, they are higher. This avoids the motivation of citizens to return to the Slovak Republic. It is economically advantageous for them to stay in a country where they work for many years and have the opportunity to apply for a pension. For comparison, we mention the amount of minimum pensions in the countries where the Slovaks most often travel for work.

Picture 3: Minimum retirement age in €



Source: Own data processing EUROSTAT. 2015

Significant impact on job mobility also affects apartment ownership in the context of the income situation. Low wage rates combined with high real estate costs cause increased work migration and increased interest in property rental.

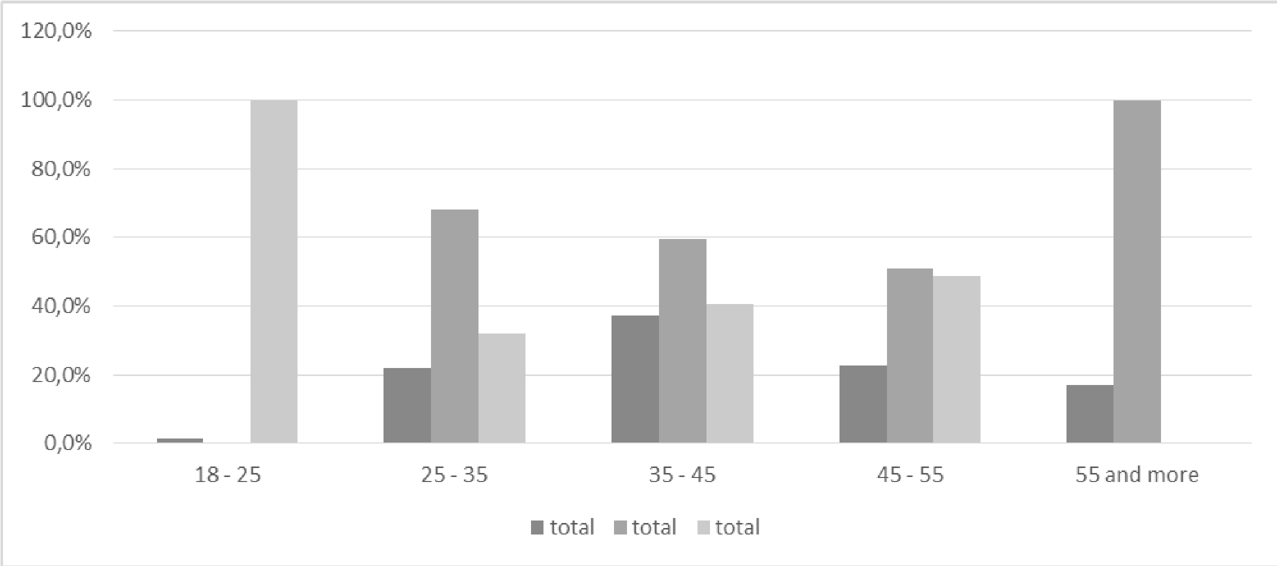
2. Empirical research and its results

For the purposes of our research, we will focus on migration flows between the Slovak Republic and the United Kingdom. Its main reason is the lack of job offers on the domestic labour market and, last but not least, the amount of wages and social benefits. In the UK, Slovaks are working in different positions - from scavengers, through vendors, cleaners or as au-pair. They are ranked 22nd among all nationalities living in Britain. In 2011, we became the fastest growing group. The number of Slovaks in Britain has grown by 600 percent over the last six years. In the country according to the data of the Centre for labour, social affairs and family, works currently more than 70,000 Slovaks. The amount of the salary is tempting. According to the UK Central Statistics Office, the average UK wage for 2014 is about € 2,378 while in 2016 it is € 3,425. The average wage in Slovakia was € 883 for the year 2015. According to official sources, most Slovaks are working in the administration, followed by hotels and agriculture.

Fact of motivation to departure of Slovaks abroad was the subject of questionnaire survey, which was aimed at identifying the specific reasons for leaving and at the same time ascertaining why they want to stay abroad. 500 respondents were interviewed in the survey and are currently working abroad. 339 respondents participated in the questionnaire survey, which is a 67.8% success rate.

The survey was attended by 65.5% of women and 34.5% of men and respondents were in the age range from 18 years to 55 years and over. Of these, 81.5% of the respondents were aged between 25 and 55 years, with the highest number of respondents aged 35-45 years, 37%, 49% of women and 51% of men. The majority of respondents were 75% of those with a secondary school leaving education, of which 43% were women and 18.5% were male. 23% of respondents were university graduates and 12% were apprentices.

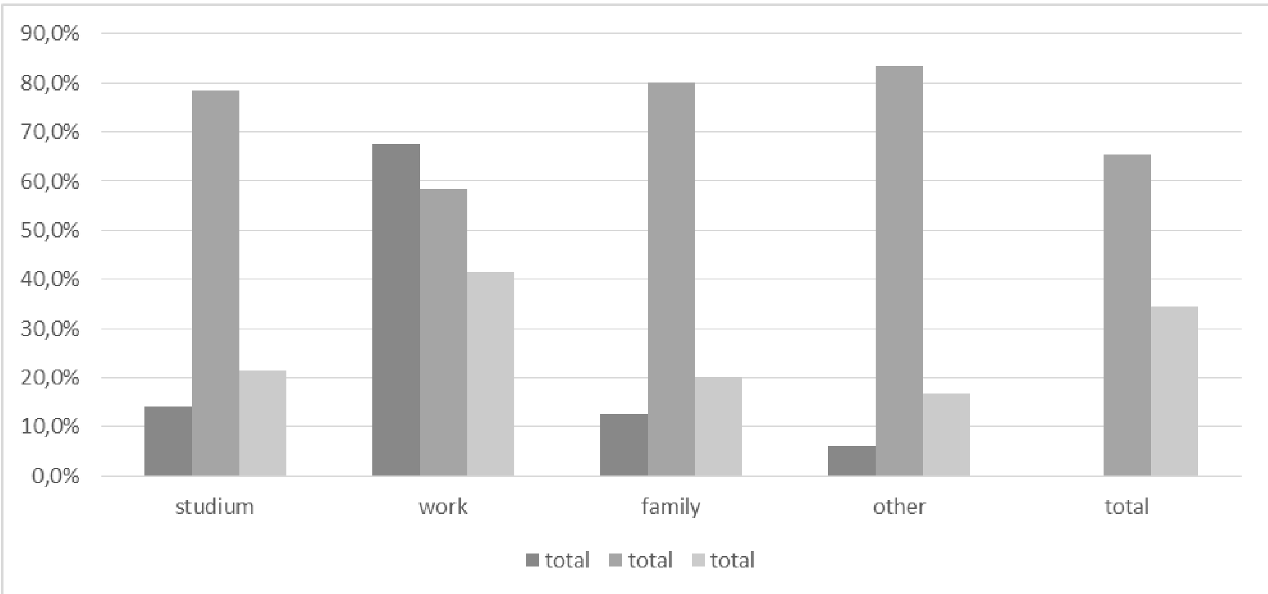
Picture 4: Breakdown of respondents by age scales



Source: The results of the authors' own research

In the questionnaire survey, we determined the reasons for leaving abroad. Up to 67.5% go abroad for work, of which 58.51% are women and 41.49% are men. Another reason is study, which was reported by 14% of respondents and 5% of respondents mentioned other reasons for leaving abroad.

Picture 5: Reasons for leaving abroad

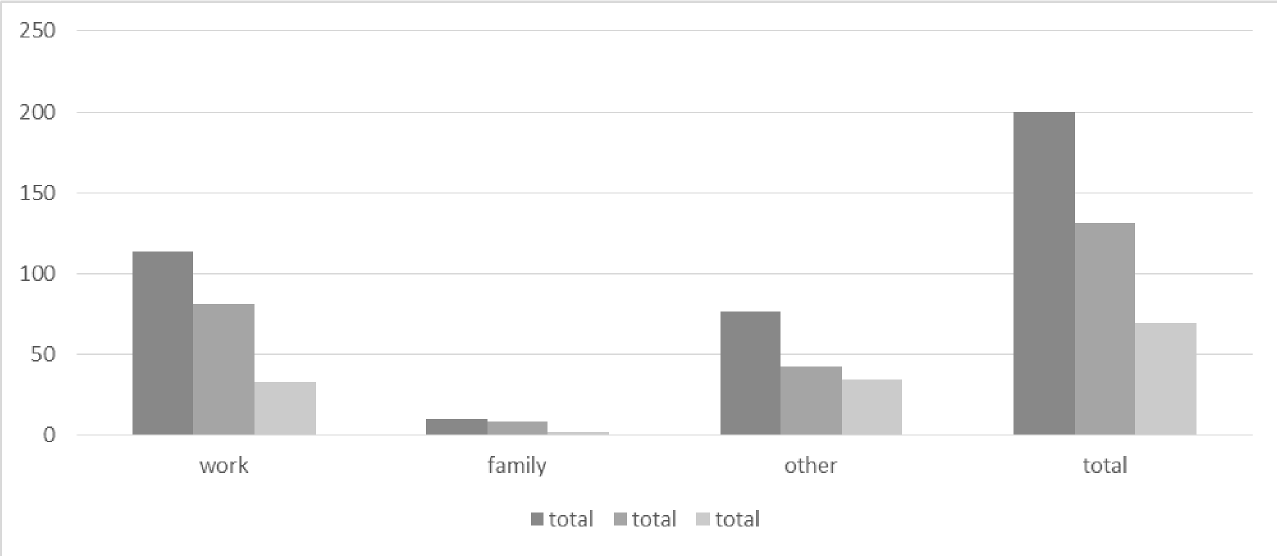


Source: The results of the authors' own research

By analysing the length of the respondents' stay, we found that the majority of respondents live abroad in the period of 5 to 10 years it is 75%. Less than 5 years are 19% of respondents staying abroad. 31% of respondents are living abroad ten years or more.

An important part of the survey was whether the respondent planned to stay abroad and why, and whether they planned to return to Slovakia. Figure 6 shows that the reason for return is primarily family.

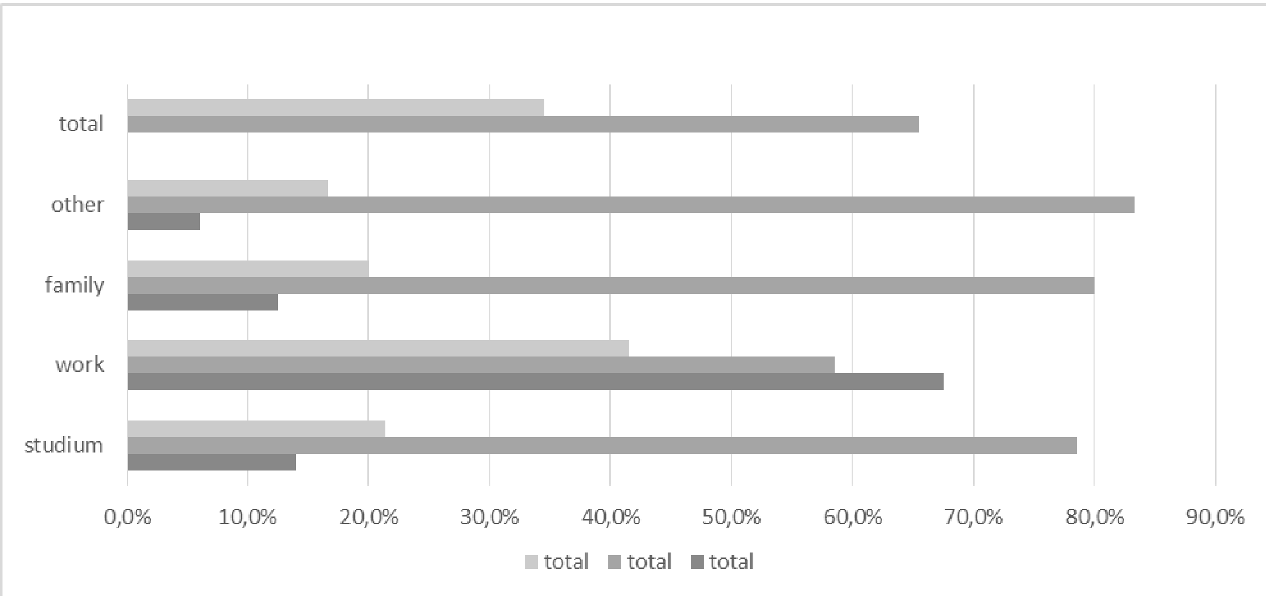
Picture 6: Reasons for permanent residence of respondents abroad



Source: The results of the authors' own research

As regards the reasons for the stay of respondents abroad, they had the opportunity to choose from several options: the preference of family relationships, work or other reasons. Graph 7 shows the results of the survey. Of the total number of respondents, most of the reason for staying abroad is labor, especially for men, less for women. Women prefer returning for the family, less for work.

Picture 7: Reasons for return of respondents from abroad



Source: The results of the authors' own research

Conclusion

Base of the information from the questionnaire survey, it is necessary to evaluate several reasons that influence the departure of our citizens abroad. One of the most common reasons is leaving for work, keeping it stable, and obtaining better and longer-term income. This is one of the important issues that need to be addressed in our economy. An analysis of the questionnaire survey points to the reasons for the emergence of the social tourism. Evaluated are the most common reasons for leaving, namely work, family and education. Respondents have identified as an adequate assessment of work one of the reasons they plan to improve the quality of their lives. From leaving, they expected work with higher earnings and higher living standards for their families. At the same time, one of the reasons is raising the level of education, qualifications and leaving for study. Last but not least, the reasons for leaving are also due to the amount of social benefits, which are the main reasons for social tourism.

Important questions from the questionnaire include a return to Slovakia and the reason for return to Slovakia. In all of our responses, overlapping work and family as the most common reasons. This shows that in all areas, the economic and social aspects of quality of life are the most important for citizens.

Government of the Slovak Republic by resolution no. 368 of July 8, 2015 established a Support Scheme for the return of experts from abroad. The aim of the scheme is to create a sufficiently attractive stimulus for the return of specialists to Slovakia by reducing or partial compensation of existing barriers and transaction costs. Citizens of the Slovak Republic who were established abroad would be able to make a positive impact on the direction of the Slovak society or the improvement of public services, in general governance, possibly by improving the quality of science, research and higher education, in the event of their return to Slovakia by using their experience and contacts abroad for an education, and, last but not least, they could engage in civil society (MŠVVaŠ SR, 2017). The scheme is designed for two target groups, Young professionals - citizens of the Slovak Republic up to 40 years of age with completed university studies (2nd or 3rd degree) abroad with the possibility of obtaining financial support up to a maximum of EUR 10 000 and experts - citizens who are professionally working abroad for more than 10 years in the position of highly qualified employees (I.e. a post requiring completed higher education) with the possibility of obtaining financial support of up to EUR 50,000. Support is conditional on the fact that the applicants are citizens of the Slovak Republic with future employment within the public sector bodies and institutions. During the year 2016, 4 calls were made, where 8 positions were occupied, 4 positions for a young expert and 4 positions for an expert. This low interest clearly shows that citizens do not make a significant interest in a return to Slovakia.

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CHANGE OF CONSULTING METHODS AND APPROACHES IN HUNGARY

Ildiko CSAPÓ, József POÓR, Ferenc ZSIGRI

Abstract

Over recent decades, technological and social progress have greatly enhanced the role of Business Consultant in the economy, as Foreign Direct Investment has also proved to be very important for economic development. Technological breakthroughs have enormously impacted consulting and yet its major factor is still the interaction between humans. Thus, technological dehumanization and the humanizing force of client-consultant interactions work in tandem. This paper describes key features of general consulting in Hungary with special emphasis on foreign-owned company's subsidiaries. Digital technology, which is now universal and new business models are radically changing both the workplace and the way in which work is done. We were looking for answers what practical methods the consultants used during the counselling process, what extent new consulting practices appeared at the implementation.

Key words

Management Consulting, Expert Consulting, Inquiry Consulting, Trend and Tendency

JEL Classification: L84, R34

Introduction

Management consultancy is a rapidly changing world into which new players, disciplines and capabilities are continuously being integrated, where borders are constantly expanding and where horizons are receding to the point where our profession has now become a global network of businesses, covering a wide spectrum of areas which only a few years ago, was not imagined (Jamieson et al; 2016).

Over recent decades, technological and social progress have greatly enhanced the role of Business Consultant in the economy, as Foreign Direct Investment has also proved to be very important for economic development.

This paper describes key features of general consulting in Hungary with special emphasis on foreign-owned company's subsidiaries. Digital technology, which is now universal and new business models are radically changing both the workplace and the way in which work is done. We were looking for answers what practical methods the consultants used during the counselling process, what extent new consulting practices appeared at the implementation.

The causes of the use of expert advice are the recognition and identification of problems and opportunities emerging within the organization, elaboration of responses to the problems by application of "best practice" within the industry. The change in the life of the organisations is a process which has a defined direction and the process consulting helps the organisations manage the current difficulties. During the practical application of inquiry consultation, new practical methods are employed by the consultants as a result of the managerial know-how, which lead to the introduction of new practices.

Goal and Methodology

This study consists of two parts. On the one hand, this study introduced the literature. On the other hand, this study is based on own survey which was made at Hungarian Management Consultancy companies in 2015. The aim of the survey is to analyse know whether and to what extent the firms use various methods for practical guidance in the consultation process.

Based on the result, three research hypotheses were conceived.

H1: The international consulting company used in new innovative solutions and methods with traditional consulting methods.

H2: The exterior environment's changes and new innovative solutions resulted in the development of consulting skills, abilities and competencies.

Findings

The results of survey show that the expert counseling methods, the process counseling method and inquiry method were used by Management Consultancies independently of the ownership background. The Management Consulting will be successful if it achieves a "win-win" outcome and if it is processed and integrated into the available know-how at client's companies. The main motivation of the consultants is to develop competence within the organizational structure. Counselling plays an important role in the life of organizations, by the words of Schopenhauer "Change alone is eternal, perpetual, immortal". Developing and implementing the right strategy at a company operating in a dynamic environment is of crucial importance. Responses to the new challenges and adaptation to the change require the development and renewal of management knowledge and the introduction of new practices. Knowledge and efficiency use the consulting know-how, which is the result of consultant multi-functional education and life-long learning.

1. Management Consulting

What does Business Consulting do? The aim and the role of the consulting are to provide the organization and its management with advice and support in the realization of the objectives. Beside exploring and solving the problems, it involves the exploration of new opportunities and the mastery of the necessary skills. We wanted to know whether and to what extent the firms use various methods for practical guidance in the consultation process. (www.feaco.com. Download time: 16.03.2017)

The Management Consultant companies provide to help for the following services:

1. *Strategy Consulting (SC),* which targets the improvement of the long-term, strategic health of a company: strategic planning development; mergers & acquisitions; sales; marketing; corporate communication; financial advisory; HR strategy;
2. *Organisation/Operation Management (OM)* aims at the integration of business solutions through Business Process Re-engineering (BPR); customer/supplier relations management (CRM); turnaround/cost reduction and purchasing & supply management, as well as advice on outsourcing;
3. *Project Management (PM);* The application of knowledge, skills, tools and techniques to a broad range of activities in order to meet the requirements of a particular project;
4. *Change Management (CM),* this consists of services which, on top of any other type of consulting services, help an organisation deal with the effects that change has on the human element of the organisation;
5. *Human Resources Consulting (HR),* Consulting services which target the improvement of the 'people' element of an organisation through performance measurement and management, reorganisation of benefits, compensations and retirement schemes, HR strategy and marketing, the development of talent strategies and executive coaching.
6. *Knowledge Management Consulting* is a consulting activity in which is maximize the organization's added value creation capabilities, the knowledge found inside and outside the organization is integrated, made applicable, the overall knowledge capital is interpreted and supported by IT solutions – it is made usable.
7. *Coaching/team coaching* with the client (in the case of personal coaching with the coachee), namely with the manager or the employee; in the case of the team- coaching there is a partnership between coach and clients established on the basis of trust and strict ethical guidelines.
8. *Information Technology Consulting* (ITC) helps organisations to evaluate their IT strategies with the objective of aligning technology with the business process. These services include strategic planning and conceptions, operations and implementations.
9. *Development and Integration that concerns:*
   - the development of applications (excluding software);
   - the creation of new functionalities through, often tailored, process developments.

Usually these developments integrate or unite internal or external business processes and can involve a conversion of applications so that they can be used for different platforms or conceptions,

- the design of services which integrate applications which were created in different existing IT applications or infrastructures (systems integration -development);
- the deployment and integration of applications;
- the implementation of new applications or infrastructures, which refers to the installation of hardware and/or software, their configuration or adaptation and the testing of their interoperability; and of services which integrate applications which were created in different existing IT applications or infrastructures and the management thereof (systems integration).

10. *Outsourcing, which consists of three types of activities:*
    - *IT management services*; among these are services for the operation of infrastructures (operation of systems,

administration and security, follow up of cost-effectiveness, configuration management, management of technology, etc.) applications management, and help desk management;

- *Applied Management Services (AMS);* this concerns the outsourcing of the development and implementation of support services for hardware, applications, CRM and infrastructures (tools for the development of applications and middleware, as well as software for information management, storage or systems and networks);
- *Business Process Outsourcing (BPO);* this service supposes the externalisation of a complete business process.

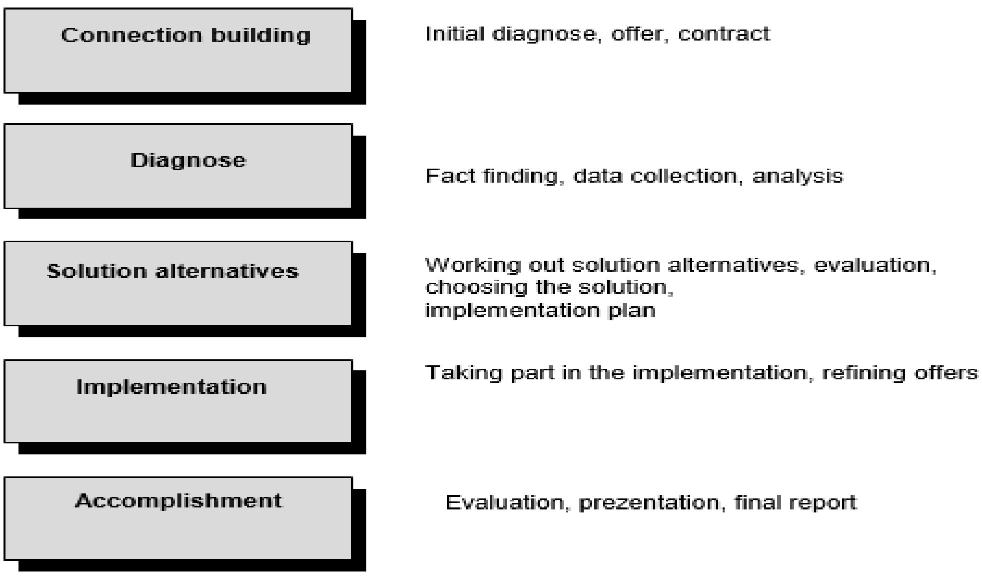
Other Services, which consist of a variety of offerings provided by many Management Consultancy companies that are generally complementary to Consulting, Development and Integration, and Outsourcing. Categories here include: Training, Engineering Consulting, Outplacement, Executive Selection and Recruitment and Audit and Accounting (www.feaco.com. Download time: 16.03.2017)

1.1. Expert consulting

The aim and the role of the consulting are to provide the organisation and its management with advice and support in the realization of the objectives. Beside exploring and solving the problems, it involves the exploration of new opportunities and the mastery of the necessary skills.

The causes of the use of expert advice are the recognition and the identification of problems and the opportunities emerging within the organization, elaboration of responses to the problems by application of "best practice" within the industry. Therefore, the most important task of consulting is the exact problem definition. According to the classic literature, the advisor takes the role of an expert who has special knowledge and experience which helps the client. The advisor collects information, plans new systems, proposes solutions and convinces the customer of their correctness and if necessary, helps with its implementation (Kubr; 2002; pp. 5-50). The Figure 1 shows the process of expert consulting.

Figure 1: Process of expert consulting

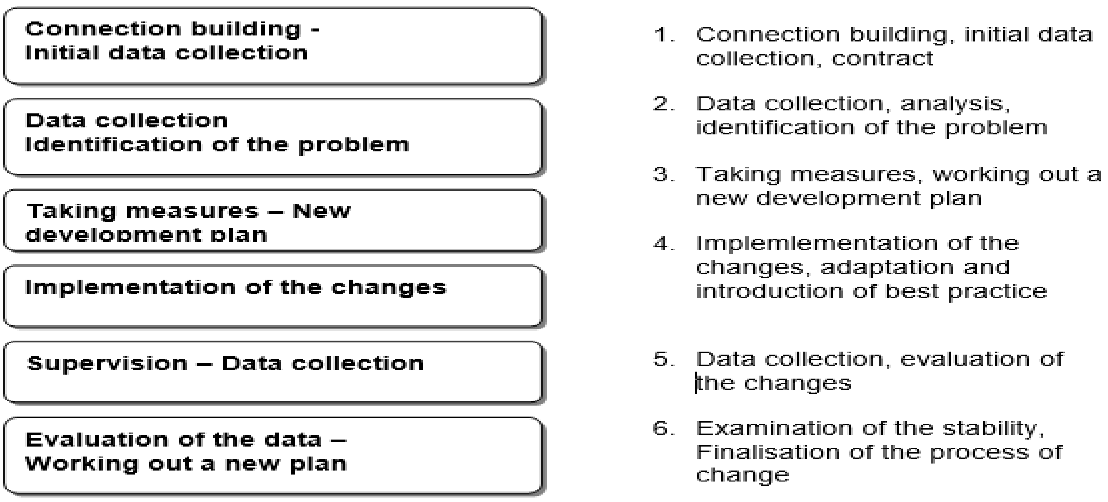


Source: Poór et el.:Management Consulting Handbook in Hungary 2016; pp. 45

1.2. Process Consulting

The change in the life of the organisations is a process which has a defined direction and the process consulting helps the organisations manage the current difficulties. In the field of the management consulting the process consulting/process management is also connected to the notion of change management. Organizations need to adapt to the changes in the external environment, in order to maintain their competitiveness. In the course of the process consulting, it is the task of the consultant to assess and identification the situation on the basis of feelings and attitudes. The Figure 2 introduces the process of process consulting (Biswas-Twitchell: 1990; pp. 287).

Figure 2: Process consulting

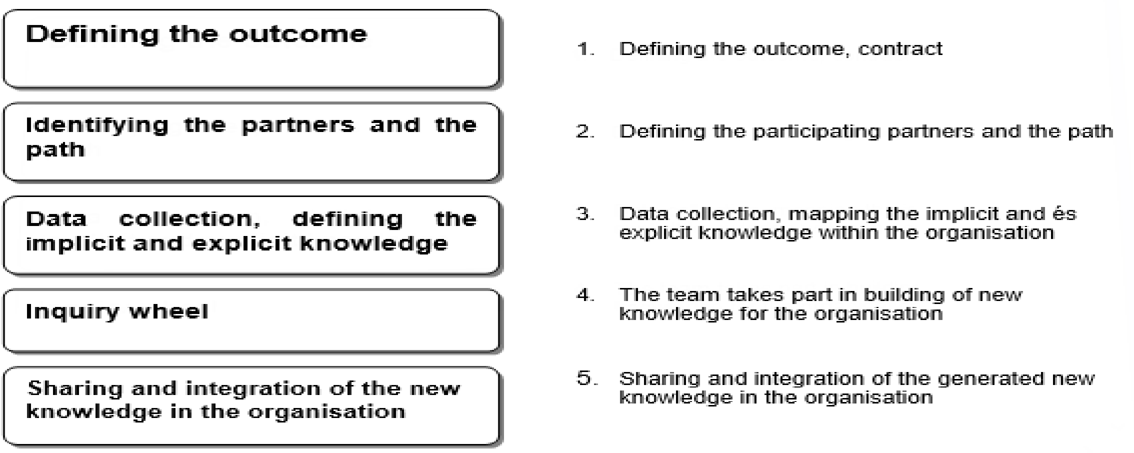


Source: Poór et el.: Management Consulting Handbook in Hungary 2016; pp. 75

1.3. Inquiry Consulting

During the practical application of inquiry consultation, new practical methods are employed by the consultants as a result of the managerial know-how, which leads to the introduction of new practices. The consultants play a key role in the implementation of the proposed changes at the client organization. A successful consultant can offer the right solution, an alternative for customers; therefore consulting firms in practice evaluate and use all means and opportunities for a successful consulting. The Figure 3. depicts the process of inquiry consulting (*Brooks.-Edwards:2014 pp. 35-105)*

Figure3: Process of Inquiry consulting



Source: Brooks A.-Edwards K.:2014 pp. 95

2. Empirical research

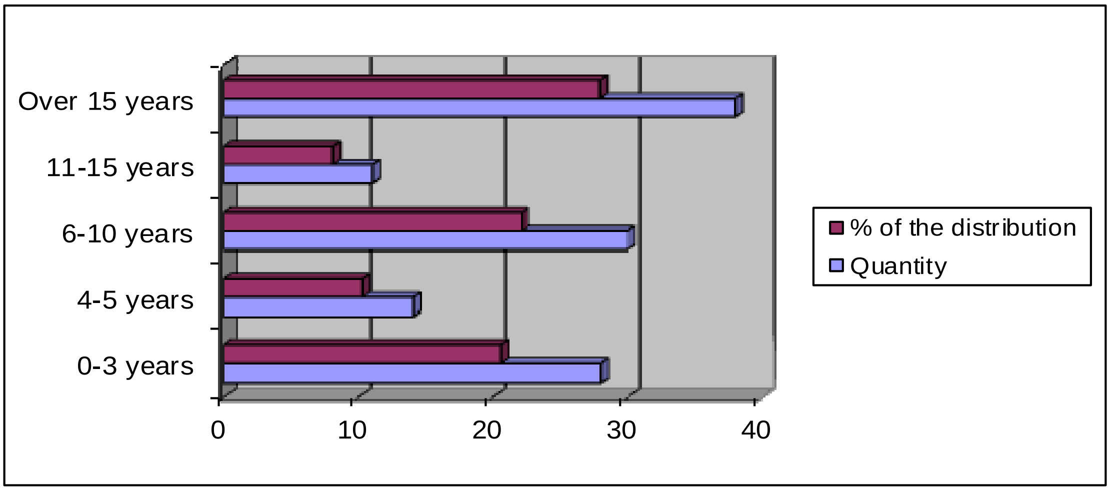
The research is based on a questionnaire which involved three groups of questions. The findings of the report are based on the general use of statistical methods (mean, frequency and distribution). During the research, 130 questionnaires could be evaluated. Our research was a kind of benchmark, to provide a basis of comparison for subsequent queries, and intended to depict what practical methods were applied by respondents who work in different areas of consulting. All respondents with valid answers received our survey (if they let us know their accessibility), as well as all partner organizations which provided our work with professional support.

2.1. Characteristics of participating firms

2.1.1. Date of establishment

Figure 4 shows the time which has passed since the establishment of the respondents companies. One third of the respondent companies have been in the market for more than ten years, 28 % of the companies for more than 15 years. 11 % of the respondents did not indicate their entrance into the market, though; in the light of the data we can say that consulting has an important role among the domestic companies.

Figure 4: Year of market entrance (year; %)

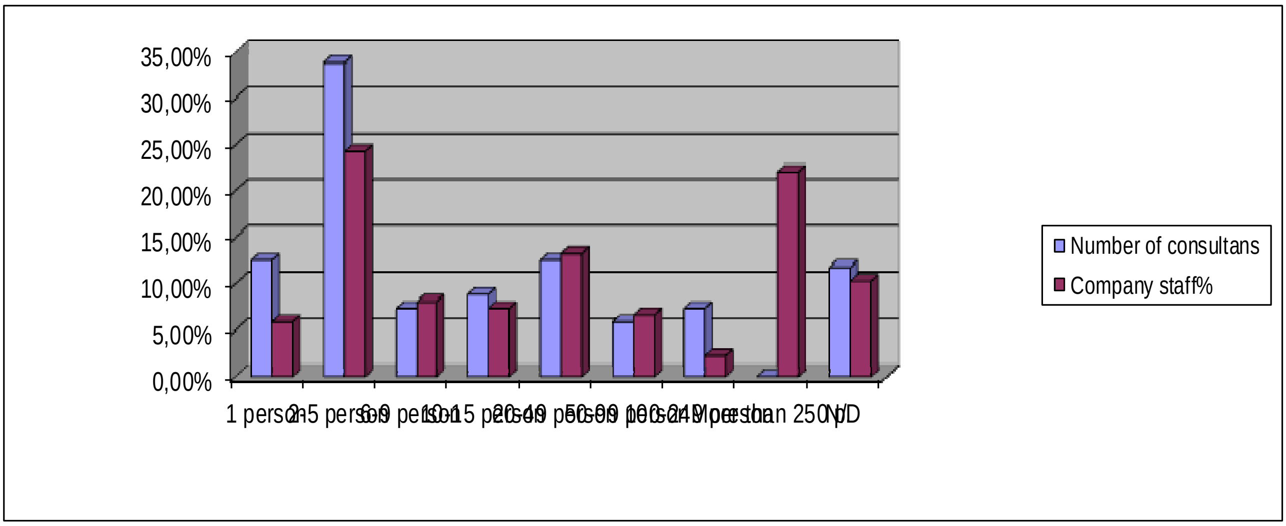


Source: Author's own research

2.1.2. Size

89% of the respondents gave an evaluable answer to the question on size and headcount. The size of the company can be inferred from the number of the employees. (Figure 5). Most respondents, 24%, work for companies with 2-5 people, however 22% of the respondent enterpises have a staff number over 250. The number of consultants is shown by figure 5 an it is visible that an enterprise 2-5 men is the most common. 33% of the surveyed domestic-owned enterprises, are micro-enterprises with 2-5 men, 12% - 12% employ between 6-9 and 10-19 people and 8% have more than 250 employees. The surveyed foreign-owned enterprises typically operate with a staff number more than 250.

Figure 5. Company headcount – Consultant headcount



Source: Author's own research

2.1.3. Most typical consulting activities

Table 1 shows the ownership structure of the surveyed companies. 60% of the interviewed consulting companies have Hungarian owners, while 18% of the companies are in the hands of foreign ones.

Table 1: Origin of key owner

		Frequency	%	Cum %
Origion of key owner	Local	82	60,29	60,29
	Foreign	25	18,38	78,67
	Mix	15	11,03	89,7
	Other	14	10,3	100
	Total	136	100	

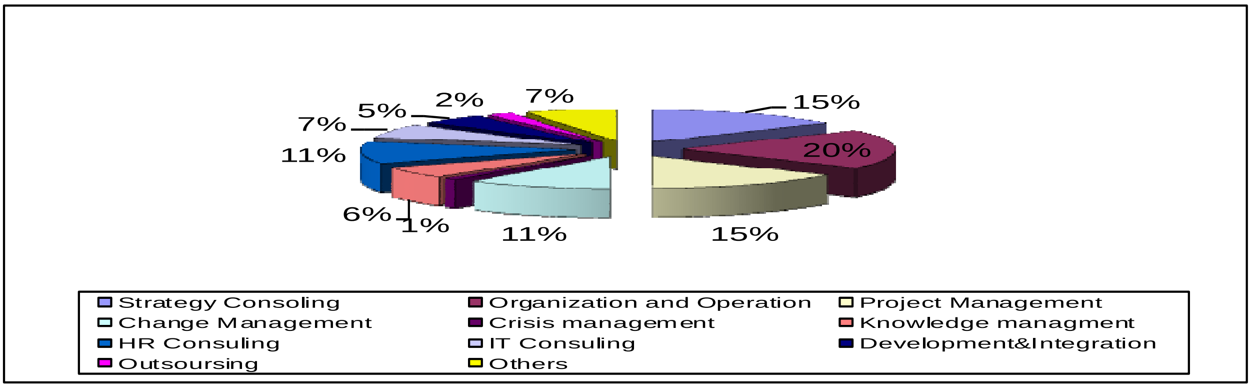
Source: Author's own research

2.1.4. Most typical consulting activities

Figure 6 shows the typical consulting activities of the consulting companies participating in the survey (Note: three answers could be given by the respondents.) The following activities represented the largest proportion:

- operation and development consultancy 20%
- strategic consulting and project management 15-15%
- change and HR Consulting 11-11%
- IT with systems engineering 12%
- Knowledge Management 6%
- while divorce counselling 1%

Figure 6: Most typical consulting activities



Source: Author's own research

3. Consulting Approaches

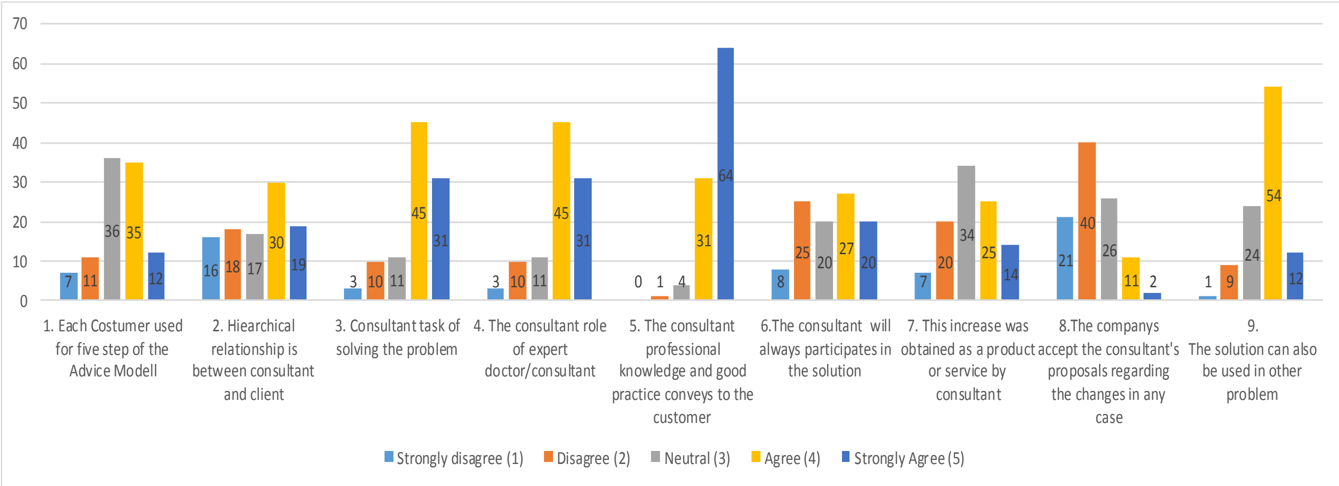
In the following group of questions we analysed, the practical application of methods based on the responses of the advisory business in the light of the ownership structure. We wanted to know whether and to what extent the firms use various methods for practical guidance in the consultation process.

3.1. Expert Consulting

3.1.1. Usage of expert Consulting at domestic users

The domestic owned consulting firms use the practice of expert advice methods in the course of their daily work. According to 40% of the respondent companies, the five steps of the expert advisory model are suitable for all clients.

Figure 7: Usage of expert consulting at domestic users



Source: Author's own research

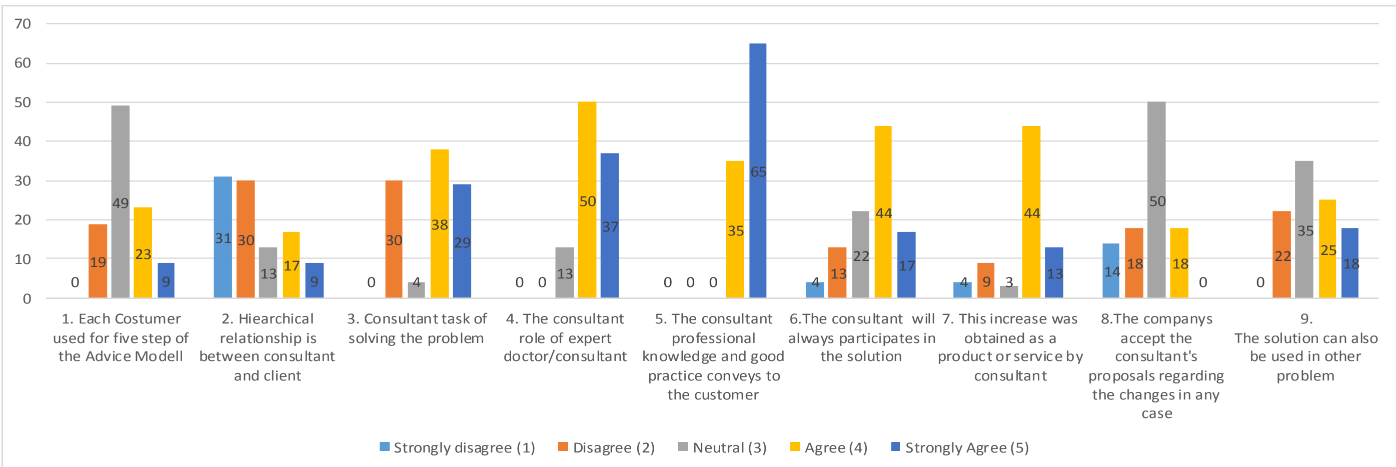
According to more than 70% of the respondents, the task of the advisor is problem solving, the consultant follows his professional knowledge and transmits the good practice to the client, where the expert – with a medical analogy – plays the role of the "doctor".

According to 50% of the respondents, the advisor participates in the implementation of the solution, but only 30% of the customers receive the solution in the form of a product or service. According to 50% of the surveyed Hungarian-owned management consulting firms, the customer does not accept the proposed solution in all cases (Figure 7).

3.1.2. Usage of expert consulting at foreign owned users

The foreign-owned companies interpret the practical application of expert consulting a little differently, they represent a different perspective. According to 70% of the surveyed consultants, the 5 steps of the advisory model are not suitable for all customers. 60% of the respondents think that the relationship between the client and the consultant is not hierarchical, but vertical and functionality is characteristic, the consultant participates in the solution. The counsellor's responsibility is problem solving and according to more than 80% of the interviewed consultants, the consultant acts as an expert/doctor, where the consultant's professional knowledge and good practice is conveyed towards the direction of the client.

Figure 8: Usage of expert consulting at foreign owned users



Source: Author's own research

3.1.3. Usage of expert consulting at jointly owned users

The practical application of expert advice differs in the case of jointly-owned enterprises from domestic and foreign-owned ones. More than 40% of the interviewed consultants think that the five steps of the consulting model are applicable to all clients, but according to more than 50% of the consultants, the relationship between the client and counselor is not hierarchical. This confirms the fact that the customer should be treated as a partner and must be involved in the consultation and implementation process. In this form of cooperation, the problems become more visible and understandable for the client. More than 50% of the interviewed consultants said that the task of the consultant was problem solving and, according to 2/3 of the interviewed consultants claimed that the consultant filled the role of the expert/doctor in the consultation process, where the consultant conveys professional knowledge and professional experience to the customer.

3.2. Process Consulting

Based on the responses of the surveyed management consultants, they focus on problem-solving and on improving the customer's problem-solving ability. The consultant works together with the client in the consulting process and encourages the client to carry out the problem-solving actively.

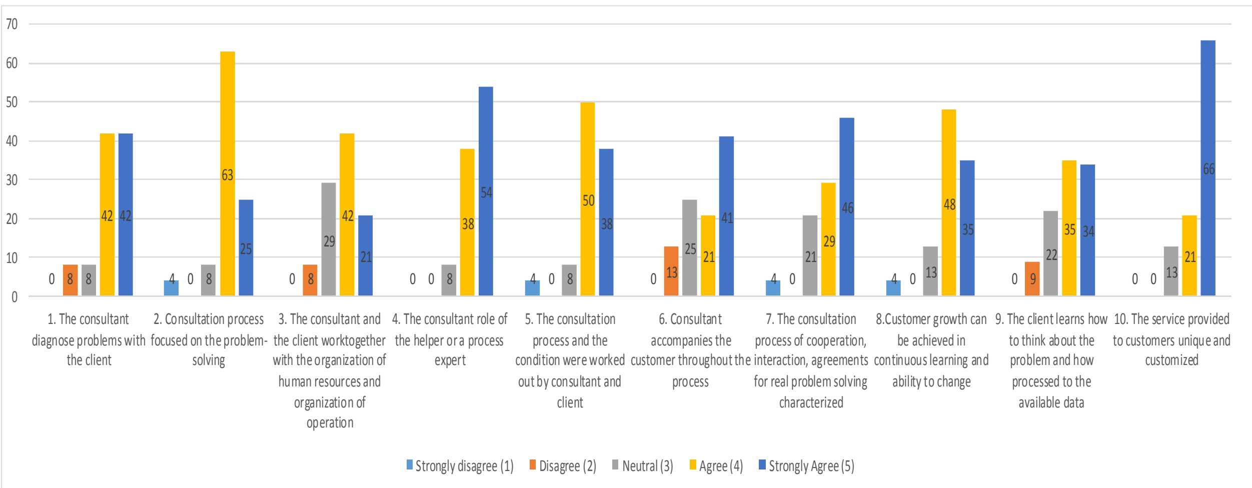
3.2.1. Usage of process consulting at domestic users

The results also show that the interviewed consultants agree that the consultant diagnoses the problem together with the customer. For this reason, a personal, long-term, and process-oriented, direct relationship develops between the counsultant and the client. The consultant attempts during the implementation process to make the client understand the connection between the received and the processed data and relationships. As a result, the client learns how to think about the problem and how to process the available data. The responses of the interviewed consultants indicate that the consultants develop the solution jointly with the clients and accompany them during the solution process. Therefore, we can say that process consulting offers unique, customized solutions to those companies and enterprises which enlist the services of consultants.

3.2.2. Usage of process consulting at foreign owned users

The responses received from management consultants of foreign-owned enterprises also show similar results as in the cases of the domestic- or jointly-owned enterprises in the process of consulting experience. 80% of the interwied consultants claim the process consultant diagnoses the problem jointly with the client, which is an important element of this type of consulting for. The focus here is a problem, where an organization, a department or an organizational process, will be restructured and the appropriate operational will be implemented. These changes will not produce immediate results, as the processes need time for being converted (Figure 9).

Figure 9: Usage of process consulting at foreign owned users



Source: Author's own research

3.2.3. Usage of process consulting at jointly owned users

The responses received from the consultants of jointly owned companies clearly show that in practice the identifying of the problem is the assessment of the situation, which is based on feelings and attitudes. More than two thirds of the interviewed consultants think that the growth in terms of the number of clients can be achieved with common work and continuous learning and with the ability to change. The uniqueness of the solutions requires the establishment of an open relationship and mutual trust between the client and the consultant. The practical application of process consulting also requires continuous development and learning on behalf on the consultant's part. In our rapidly changing and developing world, a consultant must be familiar with the latest theoretical and practical solutions, research findings.

3.3. Inquiry Consulting

The most important characteristic of inquiry consulting is that the emphasis is not on the problem but on the achievement of the desired result. In practice, this means that it targets the result; the determination of the best and shortest way to the result. The most characteristic part of the counsulting process that the counsultant and the client are equal partners in the consultation process, they work together as partners on the issues regarding the changes. Combined knowledge will lead to the desired goal. The consultant is able to determine the client's knowledge within the organization by questioning. During the elaboration of the solution processes, the exploration and exploitation of explicit and implicit knowledge contribute significantly to the success of the final result. In the implementation of the final results, it is very important to take into account the external effects that require processing and the development of alternative scenario-related opportunities and outcomes.

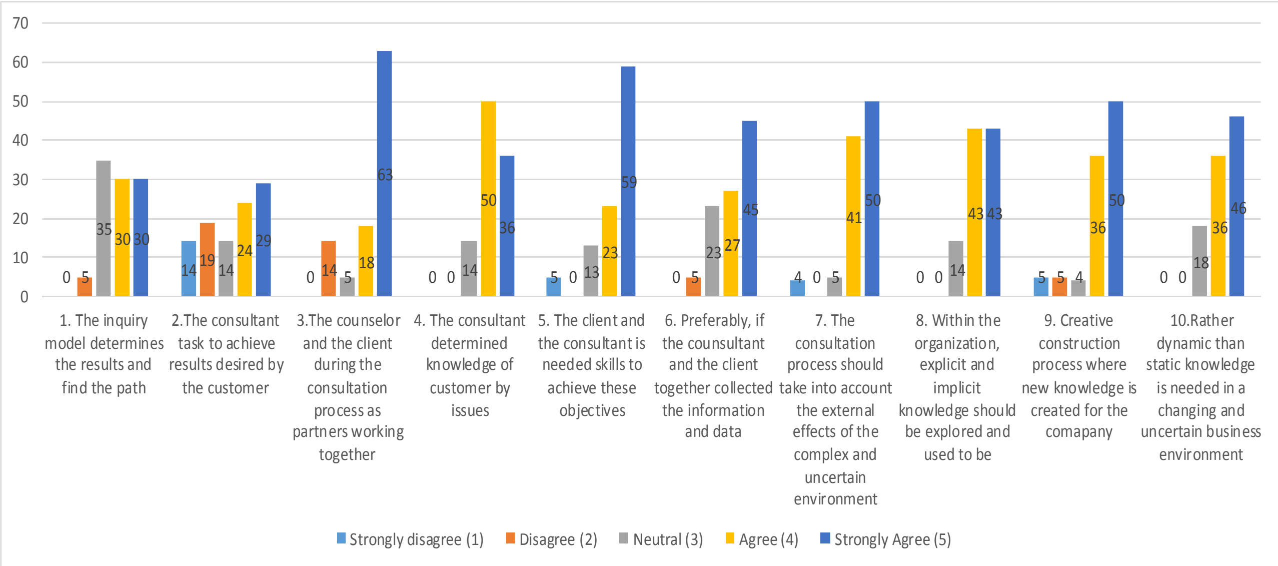
3.3.1. Usage of Inquiry consulting at domestic users

65% of the surveyed domestic owned consulting organizations are of the opinion that the objective determines the path, but only 45% of them think that the consultant's responsibility is to assure the achievement of the desired objectives. Respondents are strongly of the opinion that the consultant and the client work together as partners in the consultation process. According to nearly two thirds of the respondents processing of the combined knowledge and the jointly collected information are needed to achieve the targets. Understanding and use of explicit and implicit knowledge produced by the organisation are part of a building process where new knowledge is created for the organisation. In a rapidly changing world an organization and an individual need rather dynamic knowledge than one. The ability of continuous learning and adaptation are essential for the organizations in order to respond to the challenges of the future.

3.3.2. Usage of Inquiry consulting at foreign owned users

According to 60% of the consultants working at the surveyed foreign-owned enterprises the result determines by the path. It is a very important aspect for them to set the desired results and ensure the implementation in cooperation with the client. Based on their opinions and practices they identify the problem together and so do they in the process of implementation. It is important to recognize the quality and quantity of this knowledge within the organization and to use it during the implementation of the solution processes. In the estimation of the knowledge, existence and application of dynamic knowledge is essential for a successful implementation (Figure 10).

Figure 10: Usage of inquiry consulting at foreign owned users



Source: Author's own research

3.3.3. *Usage of Inquiry consulting at jointly owned users*

According to 2/3 of consultants employed by jointly owned enterprises, the consultant and the client work together as partners within an organisation, where, in the achievement of the goal the common knowledge is crucial in the implementation process. The consultants are of the opinion, that if they work properly the organisation thrives on knowledge and they have an influential role in the creation of the attitudes within the organization and in the implementation and monitoring of the process of change. The knowledge provided by the consultant is only partly used for those problems that arise later, but the organizational knowledge is expanded. The consultant should have a wide range of knowledge in order to integrate "best practise" properly within the organization in the problem solving processes.

Conclusion - General situation in Management Consulting in Hungary

In connection with the management consulting, the results of the questionnaire-related analysis show us the experience of the development and introduction of new practices. The research field of the questionnaire is how the Hungarian consultant market interprets the practical models and whether the professionals see the consultant-client relationship similarly compared to the descriptive expert opinions. The research provides the opportunity to explore the differences and the correlations between the theoretical and practical methods. The interviewed consultants work in the private- and public sector and present their practical experiences, which are included in this part of the analysis. The 50 used interpretations show a mixed picture of the field of practice, generally speaking, all types of practical methods are applied by the consultants in order to use the "best practice" for a successful consulting and to process and integrate the know-how successfully.

The practical application of consulting methods can be classified, depending on the kind of problems that arise. In connection with these filling the expert roles, managing the processes and changes or application of inquiry methods mean the differences. In all cases, the models have their own characteristics which the consultant applies in the very situation in order to achieve the required success. The results of the analyses show clearly that there is an overlapping in the practical application of hard and soft elements. Process- and inquiry consulting will take over the role of implementation of operational tasks and topics. It can be claimed that the cooperation between the client and the consultant is getting a more and more important role on the basis of which, emphasis shifts from a generalist focus towards an operational focus and the counsellor-client relationship is vertical.

The interviewed consultants deal with processes in process consulting and the main motivator is problem solving. Consultants and clients develop jointly the conditions and the whole process of consultation. The whole process is characterised by cooperation, interaction and agreements for real problem solving where the creativity of the consultant is of great importance as well as the close cooperation between consultant and client, the precondition of which is the openness of the client. In these processes, the consultant fills the role of an assistant who helps the client learn how to work together effectively, though it is a complex challenge for both of them. The consultant must learn how to develop the skills to achieve growth, for continual learning, as the environment continues to evolve and it is essential to follow changes. During the whole process of consulting the client learns how to think about problems, how to process the available data, which means the customer will be able to solve further similar problems which may arise – this is the real knowledge transfer. During the process consulting both the client and the counselor should provide significant resources.

It is a characteristic of the inquiry consulting that the consulting moves from the orientation consulting in the direction of the inquiry questioning, the aim of which is problem solving, which means that the client wants to achieve the set goals and results. While applying the model, it is important that the consultant use not only professional knowledge, but also the explicit and implicit knowledge within the organization during the implementation process. However, it is a very important factor to the client to track the current trends and to be open to the development and to be able to see opportunities for further development. The collective knowledge will lead to the achievement of objectives, in which different experiences are combined. The consultant needs dynamic consulting skills, but we can say that there are no identical problems within the industry, since the consultant acquires broader and deeper skills/knowledge by the use this inquiry method. Thus, the consultants become deeply familiar with the organization and by receiving relevant information and data the consultant becomes aware of the complexity of the problems.

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ENTREPRENEURIAL MOTIVATION POTENTIAL OF ECONOMICS STUDENTS IN SLOVAKIA: WHICH ARE THE HRM IMPLICATIONS FOR ENTREPRENEURIAL POLITICS AND PRACTICE?

Mario BOGDANOVIĆ, Lara CAKIĆ

Abstract

On the sample of N=304 economics students from Slovakia are examined the following entrepreneurship motivation variables: a) professional attraction of entrepreneurship; b) social valuation of entrepreneurship; c) perceived entrepreneurial capacity; d) entrepreneurial intention; e) key entrepreneurial motivators (extrinsic and intrinsic); f) perceived entrepreneurial support; g) perceived entrepreneurial barriers.Obtained results suggest relatively low attractivenes of entrepreneurship profession in relation to the other professional options; average social support in realization of entrepreneurial idea; relatively low perception of entrepreneurial knowledge importance; relatively low entrepreneurial intention; intrinsic motivation factors showed as more important than extrinsic; not perceived any important supportive/logistic to entrepreneurs; predomintly are perceived entrepreneurial barriers. Calculated entrepreneurial potential showed as rather low, what gives HRM implications for entrepreneurial politics and practice.

Key words

motivation variables of entrepreneurship, entrepreneurial motivational potential, entrepreneurial politics, entrepreneurial development, management with motivation factors of entrepreneurship, HRM.

JEL Classification: M5, M51, M52

Introduction

Entrepreneurship is a multifaceted phenomenon that cuts across many disciplinary boundariess (Low & MacMillan, 1988). In broader sense entrepreneurship is the result of combination of psychological, social, cultural, ideological, religion, ethnic and institutional relationship which sources we can find in personality theories of entrepreneurship such as socio-cultural theories of entrepreneurship (Bogdanović, Svrznjak & Kamenjak, 2008). Entrepreneurship is also seen as a process through which new knowledge is transformed into products and services, which can be sold. Entrepreneurship as creator of jobs is considered as significant factor in the development of human capital (Zahra & Dess, 2001). An entrepreneur is a person who undertakes and operates a new enterprise or venture, and assumes some accountability for the inherent risks (Uddin & Bose, 2012). For socio-economic and organization development (i.e. creation of new products) it is crucial to understand the entrepreneurial motivation (drive), because entrepreneurial motivation is causal factor of entrepreneurial engagement and is important part of entrepreneurial success. Some aspects of motivation for entrepreneurship include *profession attraction of entrepreneurship, social valuation of starting new business, perceived entrepreneurship capacity, entrepreneurship intention, external and internal motivational factors, entrepreneurship support, entrepreneurship barriers and general entrepreneurship motivation* (Liñán**,** 2005; Liñán & Yi-Wen Chen, 2009; Malebana, 2014). *Professional attraction* captures the respondent's career plans, the type of profession they would choose based on external environment from medium to long term perspective and whether becoming an entrepreneur attracts them or not (Azhar, Javaid, Rehman & Hyder, 2010). *Social valuation* of starting new business estimate how acceptable it is by the society to become an entrepreneur. *Perceived entrepreneurship capacity* measure ability to manage and monitor the entrepreneurship project. *Entrepreneurship intention* is measure of interes to be entrepreneurshiper. Measure of *external and internal motivational factors* (Liao, Welsh & Pistrui, 2014*)* suggest that entrepreneurship is affected by the need for achievement from within (McClelland, 1961), internal locus of control; the belief that the outcome of events will be influenced by the individual efforts (Brockhaus, 1982); the practical purposiveness of the individual's actions (Bird, 1988); risk-taking propensities (Slevin & Covin, 1992); and the belief in the individual's capacity to perform a task (Boyd & Vozikis, 1994). *Entrepreneurship support* measure the views/perception on personal and institutional support, and *entrepreneurship barriers* measure the views/perception on personal and institutional barriers that may prevent entrepreneurship.

For entrepreneurial activity very important are motivational factors which support entrance, keeping and maintaining high interest of entrepreneurs on new entrepreneurial projects/ventures (Bogdanović, 2015). For entering into the world of entrepreneurship (motivation to enter) key are psychological characteristics of entrepreneurs, and for keeping in the entrepreneurship (motivation of stay) important is entrepreneurial success itself. Entrepreneurship personality research specify that entrepreneurial personality exist (Markman & Baron, 2003; Holland, 1997), and this personality characteristics (as motivation factors) are also important for entrance into the entrepreneurship world.

The European Commission's (2016) call to foster entrepreneurial skills (and so indirectly entrepreneurial motivation) through entrepreneurial education was the first attempt to propose entrepreneurial education as a possible solution to the youth unemployment problem. It is now a priority in the EU to address the issue of entrepreneurial education. It is thought that entrepreneurial graduates will become self-employed and perhaps even contract others.

According to that the purpose of this research was to measure the concept of motivation for entrepreneurship by means of economics students respondents in Slovakia in order to better know this part of entrepreneurship phenomenon, to conceptualize the calculation of entrepreneurial motivation potential as general measure and at the same time to estimate the entrepreneurship motivation potential, on Slovak sample. The research problems are defined as follows:

1) To identify the level of professional entrepreneurship profession attraction in two stages (as summary grade and in analytical way).
2) To identify the level of social valuation of starting new business also in two stages i.e. as social valuation from important social groups (friends, imediate family, colleagues) and general cultural valuation of entrepreneurship.
3) To identify the level of perceived entrereneurial capacity (entrepreneurial ability).
4) To identify the level of entrepreneurial intention.
5) To identify the level of important motivational factors. To calculate the level of extrinsic and intrinsic motivation indicators and caluculate the final indicator of intrinsic and extrinsic motivation.
6) To identify the level of entrepreneurial support/logistics.
7) To identify the level of entrepreneurial barriers/obstacles.
8) To identify the general entrepreneurial motivation (EM) and calculate the entrepreneurial motivation (EM) by means of mentioned seven indicators, on Slovak sample.

1 Goal and Methodology

Motivation for entrepreneurship/entrepreneurial motivation is for entrepreneurship an important scientific and professional question because entrepreneurship by the nature (creating/starting new business) is *mental*, i.e. *human resources phenomenon* and is initiated by the human entrepreneurs.

The first aim of this paper was to identify the level of this entrepreneurial motivation (analiticaly and holistic) by the Slovak economics students population. This is made by the measuring for important entrepreneurial motivation indicators:

a) Professional attractiveness of the entreprenership as professional option (as unique measure and in comparison with concurent salaried and liberal professional options);
b) Social valuation of starting new business (by important social groups of potential entrepreneur (friends, imediate family, colleagues) and general (cultural) social valuation of entrepreneurial activity;
c) Perceived entrepreneurship capacity (perceived ability to be an entrepreneur i.e. perceived ability to create new business);
d) Entrepreneurial intention (intention to be an entrepreneur i.e. perceived seriousness to be an entrepreneur);
e) Key entrepreneurial motivators (intrinsic and extrinsic). This indicators show as the concrete motivational sources for entrepreneurship, which are devided in intrinsic and extrinsic and so measured);
f) Perceived entrepreneurial logistics/support. This indicator show how are perceived the main general supports in the context of perceived easyness of creating new business and so create an entrepreneurial profession;
g) Perceived entrepreneurial barriers/obstacles. This is an indicator of perceived difficulties/ obstacles in entrepreneurship and shows perceived personal opinion (perceived lack of specific

entrepreneurial competences but also social and other barriers as potential complications in starting new business). Perceived personal obstacles can be indicators of suboptimal entrepreneurial education, and perceived social and other obstacles as the indicator of perceived economic (non)freedom perception.

Because there is little evidence about the entrepreneurial motivation research in Slovakia and other transition economies on young student population which should be expecially entrepreneurship prone (i.e. entrepreneurship is the power of the „youth“) it is considered that the topic (although interesting and for business very relevant) is a new line of motivational research of entrepreneurship in the frame of psychological i.e. motivational theories of entrepreneurship.

This work has its foundation in a sample of economic students from the Faculty of Economics at the University Matej Bel in Banska Bystrica, Slovakia - hereafter referred to as entrepreneurial Slovakia sample.

The second goal was to research the level of key entrepreneurial indicators (variables: professional attraction of entrepreneurship; social valuation of entrepreneurship; perceived entreprenurship capacity; entrepreneurial intention; key internal and external entrepreneurial motivators; perceived entrepreneurial logistics/support; perceived entrepreneurial barriers/obstacles), research the connections of this variables with different socioeconomic variables: gender, study level, area of economic study, working/organizational experience, entrepreneurial experience) which are important for entrepreneurial activity and future entrepreneurship of economic student population.

The third goal was to find general formula to calculate entrepreneurial potential and to calculate it on the level of Slovak sample.

This type of research can forecast the future economic efficiency in entrepreneurial activity of such human resources (i.e. economics students), and improve entrepreneurial starts in different types of business starts.

1.1 Mesurements instruments

In order to measure different indicators of entrepreneurial motivation we used the combination of two questionnaires i.e. from the research of Malebana, 2014. and Liñán & Yi-Wen Chen, 2009. which measures different indicators of entrepreneurial motivation i.e.:

1) Professional attraction of entreprenership itself and in comparison with other professional posibilities
2) Social valuation of starting new business and general social valuation of entrepreneurial activity
3) Perceived entrepreneurship capacity
4) Entrepreneurial intention
5) Key entrepreneurial motivators (eksternal and internal)
6) Perceived entrepreneurial logistics/support
7) Perceived entrepreneurial barriers/obstacles

So prepared and used measurement instruments consist of mentioned seven scales. The measurement instrument is made on english language. Origninaly it is translated on slovak language so students can understand and give answers on their native language.

1.2 Colected data and sample characteristics

The measurement was conduced in May 2016. on the sample of N=304 economic students on the Faculty of Economics University Matej Bel in Banska Bystrica, Slovakia.[1]

In the sample were N=235 (77,6%) female and N=63 (20,7%) male respondents and N=5 (1,6%) of respondents did not answered on this question. The respondents were in average M=22,15 year old with standard deviation s=1,63 years. Also there were N=153 (50,3%) students of bachellor degree and N=151 (49,7%) of master degree. By nationality in sample were N=287 Slovaks (94,4%), N=2 Ukrains (0,7%) and N=15 (4,9%) of respondents did not answered on this question, so the sample is treated dominantly as Slovak sample obtained on Faculty of Economics University Matey Bel in Banska Bystrica.

Detailed characteristics of the sample are presented in the next three tables according study type, working experience in organization and entrepreneurial working experience.

[1] In the data collection helped the staff of Faculty of Economics University Matej Bel in Banska Bystrica, Department of Corporate Economics and Management, Slovakia., where first author was on teaching-researching study stay in 2016.

Table 1: Sample of respondents according economic study type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A	59	19,4	19,4	19,4
	B	107	35,2	35,2	54,6
	C	2	,7	,7	55,3
	E	6	2,0	2,0	57,2
	F	12	3,9	3,9	61,2
	G	5	1,6	1,6	62,8
	H	104	34,2	34,2	97,0
	I	9	3,0	3,0	100,0
	Total	304	100,0	100,0	

Legend: A-Tourism; B-Business Economics and Management; C- Business Economics and Management in English Language; E-Territorial Management; F-Public Economics and Management; G-Business Economics and Management of Tourism; H-Business Economics and Management of Small and Medium-Sized Enterprises; I- Marketing Management of Business.

Table 2: Sample of respondents according working experience in organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		2	,7	,7	,7
	A	56	18,4	18,4	19,1
	B	65	21,4	21,4	40,5
	C	34	11,2	11,2	51,6
	D	56	18,4	18,4	70,1
	E	91	29,9	29,9	100,0
	Total	304	100,0	100,0	

Legend: A-no experience; B-0-3 month; C-3-6 month; D-6-12 month; more than 12 month

Table 3: Sample of respondents according entrepreneurial working experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		5	1,6	1,6	1,6
	A	280	92,1	92,1	93,8
	B	8	2,6	2,6	96,4
	C	4	1,3	1,3	97,7
	D	4	1,3	1,3	99,0
	E	3	1,0	1,0	100,0
	Total	304	100,0	100,0	

Legend: Entrepreneurial working experience: A-no; B-0-3 month; C-3-6 month; D-6-12 month; E-more than 12 month.

1.3 Procedure

It was applied prepared questionnaire on the selected economics student population. Before questionnaire application the Dean and Vice Dean of Pedagogy ot the Faculty of Economics were kindly asked for approval of the research. Before the questionnaire fulfilling to the students were explained the goals of the research, and they were kindly asked for their approval to be included in this research. Only students who gave their approval for research, participated in the survey. The questionnaire fulfilling was anonymous and took approximatelly 20 minutes. The data processing was conducted in the SPSS statistical package.

2 Results and discussion

To deal with problems of entrepreneurial motivation which can be calculated by the menas of all the entrepreneurial indicators, we identified all the key descriptive statistic values of targed items and variables in the researched sample (arithmetic mean, standard deviation, skewness and standard error of the variable). The results are presented in different tables according defined problems because of good review of results. The discussion of the results is prepared according defined criterion. To define such a criterion what is in fact the higher value for scale of 7 degress it is used the criterion that for entrepreneruship is higher value 4,90 (70% of values, the same as the degree 3,50 on the scale of 5 degree – the typical scale of school degree in Croatia). So where the value was less then 4,90 from maximum 7,00 it is treated as low and under desired indicator level. The values which are equal of higher than 4,90 are bolded.

3.1. First research problem

In the table 4. are presented the indicators of professional attraction of dominant professional types (salaried, liberal, entrepreneurial) in two parts. At first are presented the results of general grade (summary evaluation) of different professional options, and after that is presented the analitical evaluation for entrepreneurial professional attractivenes by items and then is calculated linear combination of 5 items (composite variable titled professional attraction of entrepreneurship composite).

Table 4: Attraction of different professions (salaried, liberal, entrepreneurial) as general grade and entrepreneurship professional attraction as analytical evaluation

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
OT 9 Attractiveness of salaried work	302	4,68	1,433	-,248	,140
OT 10 Attractiveness of liberal profession	296	4,24	1,579	-,240	,142
OT 11 Attractiveness of enprepreneur profession (evaluation by general/summary evaluation method)	298	4,87	1,505	-,444	,141
OT 13 Entreprenership has more advantage then disadvantage	301	4,44	1,497	-,070	,140
OT 14 Entrepreneur career is totally attractive to me	300	4,70	1,631	-,272	,141
OT15 If I had resources and opportunity I'd like to start a business	300	**5,25**	1,681	-,873	,141

OT16 Among various options, I would rather be an entrepreneur	300	4,46	1,554	-,226	,141
OT17 Being an entrepreneur would entail great satisfaction for me	300	4,49	1,600	-,152	,141
PROFESSIONAL ATTRACTION OF ENTREPRENEUR SHIP COMPOSITE (Composite OT13 to OT17)- evaluation by analiytical evaluation method	300	4,67	1,38		

Legend: negative values of skewness indicates the values above average (M=3,5), Standard error measure depicts how reliable was the measurement. Bolded are te values above 4,90 and higher as desirable values who support entrepreneurship

According to such criterion from the presented table above we can see that:

PROFESSIONAL ATTRACTIVENESS OF ENTREPRENEURSHIP. Near that desirable value was entrepreneurial attractiveness of entrepreneurial professsion (M=4,87) achieved by summary evaluation method but still under desirable level (M=4,90 and higher). More precisely analytical evaluation (Noe at all, 2006) of attractiveness of entrepreneurial activity composite shows somewhat lower (M=4,67) what is also somewhat under desirable level. For demotivational factors which produced such relatively low entrepreneurial attractiveness can be seen a lack of opportunities and resources because in the case of such resources the examinee would like to start a business (M=5,25).

The calculation of statistical differencess between the professional attractiveness of different profession showed:[2]

a) There is no found statistical difference in attractiveness of salaried and entrepreneur profession (t=1,58; df=598; p=0,11 i.e. p>0,05).
b) There is found statistical difference in attractiveness of salaried and liberal profession (t=3,57;df=596; p=0,00004 i.e. p<0,01) in dirrection of more appreciated salaried profession (M=4,68 vs.M=4,24).
c) There is found statistical difference in attractiveness of liberal and entrepreneurial profession (t=4,98; df=592; p=0,0001 i.e. p<0,01) in direction of more appreciated entrepreneurial profession (M=4,67 vs. M=4,24).

From this results can be concluded that salaried job is still highly appreciated and in comparison with entrepreneurial profession there is no found statisticaly significant difference. This results shows us on relatively low entrepreneurial attraction because examine still perceive that salaried job is as good professional option as entrepreneurial one. This is probably because of security of perceived salaried job. The free (liberal) profession showed the lowest attraction (statistically significant differences with entrepreneurial and salaried job profession) what is to explain with insecurity and relatively low perceived profit from such profession in comparison with entrepreneurial one. So, as salaried job is still very attractive professional option if we want more entrepreneurs it should work to improve attractiveness of entrepreneurial professions, by improving variables who creates the dependent variable of entrepreneurial motivation (EM). Professional attractiveness of entrepreneurship composite (measured analitically) showed somewhat lower attraction (M=4,67) than

[2] Quick calculation of statistical differences can be made by means of the Internet portal www.graphpad.com/quickcalcs/ttest2/ (retrived on 10. 07. 2016.)

masured as general grade attraction (M=4,87). As it is known that analytical approach gives more precise inoformation can be conclueded that attraction of entprepreneurship is much nearer to the attraction of salaried work (M=4,67 vs. M=4,68). Therefore when examinees analitically think about entrepreneurship (with more consciousness) they perceive the entrepreneurial profession less attractive, esspecially low is evaluation the cost and benefit of entrepreneurship (M=4,44) – what is an very important economic indicator and evaluation of entrepreneurship in the comparison with possibility of other options (M=4,46), so examinees are not quite sure if entrepreneurship is really the best professional option. So according to this results if it is the goal to have more entrepreneurs (more business with more employment) education institutions/society should work on improving the perception of by means of impression management and improvement of objective characteristics of this professional option. If the society has developed entrepreneurship it creates so much new business that there is lack of working force (human resources). Such situation nowdays e.g. we have in Germany and Scandianavian countries.

3.2 Answer on the second research problem

The basic results as answers on the second research problem are presented in the table 5.

Table 5: Social approval of important social environment (friends, immediate family, colleagues) for creating new business and cultural approval (analiticaly measured) and general evaluation of entrepreneurship activity composite

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
OT 18 Social approval for creating a business by friends	301	**5,13**	1,389	-,706	,140
OT 19 Social approval for creating a business by immediate family	301	**4,97**	1,531	-,545	,140
OT 20 Social approaval for creating a business by your colleagues	298	4,69	1,294	-,149	,141
SOCIAL APPROVAL FOR BUSINESS CREATING (Composite OT18 to OT 20)	298	4,94	1,203		
OT33 General social valuation of entrepreneurial activity by the family	304	3,92	1,423	,120	,140
OT34 General social valuation of entrepreneurial activity above other activities and careers	299	4,31	1,296	-,247	,141

OT35 National social valuation of entrepreneurial activity considered as worthwhile despite the risks	297	4,01	1,318	,005	,141
OT36 Perception of national culture as favorable towards entrepreneurial activity	296	3,53	1,340	,180	,142
GENERAL VALUATION OF ENTREPRENEUR SHIP ACTIVITY COMPOSITE (Composite of OT33 to OT 36)	294	3,94	1,024		

Legend: negative values of skewness indicates the values above average (M=3,5), Standard error measure depicts how reliable was the measurement. Bolded are te values above 4,90 and higher as desirable values who support entrepreneurship

SOCIAL VALUATION OF ENTREPRENEURSHIP. Friends (colleagues) are realy social support (M=5,13), so this indicate that the culture of younger student Slovak people support the idea of entreprenurship. Also the immediate family supports idea of entrepreneurship (M=4,97) so there is possible cultural shift to entrepreneurial desirableness. Interesting result is that social evaluation of important persons (friends, family, colleagues) for creating the business is much higher (M=4,94) than the cultural general approval (source of national culture) for entrepreneurial activity (M=3,94). This result is sign that younger people have different perception about near social support (more positive) about entrepreneurship than is this support from the whole population (national culture) which perhaps has it souce in the former perception which stams form former socio-economic perception (real socialism) who is changing but accoding such general valuation is still present in some amount. So the aritmetic mean of this two sources of social valuation is somwhat lower than desirable, i.e. (4,94+3,94)/2=4,44.

3.3 Answer on the third problem

The basic results as answers on the second research problem are presented in the table 6.

Table 6: Perceived entrepreneurial capacity for doing business

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
OT21 Easy start a business	301	3,46	1,422	,337	,140
OT22 Ability to control the new business process	300	4,12	1,402	,129	,141
OT23 Complete control of situation in case of starting to run new business	303	4,31	1,398	,040	,140
OT24 Knowledge of parctical detailes needed to start a business	303	4,16	1,505	,062	,140

OT25 Perception of easily start and run a business	303	3,66	1,512	,406	,140
OT26 Perception of high chance of being successful in new business	301	4,02	1,263	,208	,140
ENTREPRENEURIAL CAPACITY COMPOSITE (Composite OT21 to OT 26)	298	3,96	1,090		

Legend: negative values of skewness indicates the values above average (M=3,5), Standard error measure depicts how reliable was the measurement. Bolded are te values above 4,90 and higher as desirable values who support entrepreneurship

PERCEIVED ENTREPRENEURIAL CAPACITY. Analiticaly measured is somewhat lower than desired (M=3,94) where especially was low the perception of easy start a business (M=3,46) and run a business (M=3,66). Such results follow us to conclusion that there are needed more qualitative entrepreneurial education in different important areas such as: economic competences, managerial competences, innovative competences, ethical/social responsibility competences (Bogdanović, 2015; Cingula&Veselica, 2010) to achive better entrepreneurial competences for starting/run (discipline entpreпreneurship) and maintain a started business (discipline management and organization). Therefore it is of interest of society that young people on economic faculties especially are very good educated in every part of entrepreneurial competences so they will be therefore also more motivated.

Namely learning and knowledge has also important motivational funcition. If people permanent learn about something in the same time they will be more motivated. Also is true in the organizational settings, so if people in organization learn more they are also more motivated.

3.4 Answer on the forth problem

The basic results as answers on the second research problem are presented in the table 7.

Table 7. Entrepreneurial intention

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
OT27 Readyness to do anything to be an entrepreneur	301	3,85	1,701	,145	,140
OT28 Professional goal to be an entrepreneur	302	3,76	1,701	,171	,140
OT29 Readyness to make every effort to start and run own business	299	3,61	1,611	,163	,141
OT30 Determination to crate a business venture in the future	301	3,81	1,702	,251	,140
OT31 Serious thought in starting a business	302	3,83	1,822	,145	,140

OT32 Firm intention to start a business someday	300	4,00	1,769	,047	,141
ENTREPRENEURIAL INTENTION COMPOSITE (Composite OT 27 to OT 32)	292	3,81	1,593		

Legend: negative values of skewness indicates the values above average (M=3,5), Standard error measure depicts how reliable was the measurement. Bolded are te values above 4,90 and higher as desirable values who support entrepreneurship

ENTREPRENEURIAL INTENTION. Analitically measured it was lower then desired (M=3,81). Especially low were the variables readyness to make every effort to be an entrepreneur (M=3,61) and professional goal to be an entrepreneur (M=3,76). This is a sign that entrepreneurship is still perceived as difficult and risky activity and many people perceive that it is not very wise to be entrepreneur if thay have other attractive posibilities. So to strenghten the entrepreneurial intention can be advised, i.e. should be maked the two types of future entrepreneurs empowerment:

a) Individual empowerment in the sense of improvement of self-esteem, better entrepreneurship knowledge/competences
b) Objective empowerment by the improvement of attractive contextual factors for entrepreneurship

3.5 The answer on the fifth problem

The basic results as answers on the second research problem are presented in the table 8.

Table 8: Perceived motivational factors of entrepreneurship

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
OT44 E. Motivation to be his own boss	296	**5,62**	1,581	-1,261	,142
OT45 E. Motivation to have interesting job	302	**5,66**	1,544	-1,259	,140
OT46 E. motivation in challenging her/himself	303	**5,37**	1,591	-,914	,140
OT47 E. motivation to take advantage from creative talents	302	**5,41**	1,482	-,977	,140
OT48 E. motivation in earning more money	304	**5,37**	1,488	-,911	,140
OT49 E. motivation in taking advantage of market opportunity	304	**5,02**	1,436	-,648	,140
OT50 E. motivation in maintaining the family tradition	301	2,96	1,826	,603	,140
OT51 E. motivation in increasing her/his status/prestige	304	4,57	1,638	-,584	,140

OT52 E. motivation to follow the example of person who I admire	303	3,65	1,858	,156	,140
OT53 E. motivation in the need for a job	302	4,73	1,499	-,577	,140
ENTREPRENEURIAL MOTIVATION COMPOSITE external+internal (Composite OT44 to OT53)	290	4,89	1,013		

Legend: negative values of skewness indicates the values above average (M=3,5), Standard error measure depicts how reliable was the measurement. Bolded are te values above 4,90 and higher as desirable values who support entrepreneurship

MOTIVATIONAL FACTORS OF ENTREPRENEURSHIP (extrinsic and intrinsic). The main motivational factors (motivators) for entrepreneurship according the evaluation equal or higher then M=4,90 were: To be my own boss (authonomy/freedom motivation) (M=5,62); To have interesting job (internal motivation who is sourced by personality) M=5,66; To challenge myself (internal motivation of challenging job) M=5,37; To take advantage of my creative talents (internal motivation of using abilities) M=5,41; To earn more money (external motivation) M=5,37; To take advantage of a market opportunity (external motivation) M=5,02. Global (extrinsic and intrinsic motivation) was at almost desirable level (M=4,89). Intrinzic motivators (i.e. OT 44-47) were on higher level (M=5,53) than the extrinsic motivators (i.e. OT 48-53) where M=4,38. Here were esspecially low the motivation of family tradition maintenance (M=2,96) because of low entrepreneurial tradition in Slovakia (because of former socio-economic formation). The good sign is that young people (economics students) are intrinsic motivated for creating new business (higher values than the other entrepreneurial indicators, although they could be also better so there is also an important space for improvement), and somewhat lower extrinsic motivation which can be explained as due to the perception of low logistics/support and perceived barriers/obstacles in entrepreneurial acitivity in Slovak Republic.

3.6 The answer on he sixth problem

The basic results as answers on the second research problem are presented in the table 9.

Table 9: Perceived support for entrepreneurship

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
OT40 I know the different types of support offered to people who want to start new business	301	4,49	1,624	-,171	,140
OT41 Informations about government support is accessible	298	4,19	1,369	,072	,141
OT42 My level of knowledge about the types of support offered to people who want to start a business is high	300	3,85	1,511	,093	,141

OT43 The government proviedes adequate support to start a business	301	3,20	1,376	,278	,140
PERCEIVED ENTREPRENEURIAL SUPPORT COMPOSITE	296	3,93	1,411		

Legend: negative values of skewness indicates the values above average (M=3,5), Standard error measure depicts how reliable was the measurement. Bolded are te values above 4,90 and higher as desirable values who support entrepreneurship

PERCEIVED ENTREPRENEURIAL LOGISTICS/SUPPORT. There is no evident high perceived opportunity which supports entrepreneurship (all degrees of such variables were lower then 4,90). Also the mean value of perceived entrepreneurship support (composite variable calculated as linear combination of items) was lower than perceived entrepreneurship obstacles (M=3,93 vs. M=4,44).

So when support/logistics (opportunities) are perceived lower then barriers/obstacles (threts) we have the situation of declined potential of possible strategy (speaking in terms of SWOT analysis) and the solution is to avoid such actvity (i.e. entrepreneurial in this case) to minimize looses. So this perception should be better what can be achieved by objective better support of enterepreneurs in the reality.

3.7. The answer on the seventh problem

The basic results as answers on the second research problem are presented in the table 10.

Table 10: Perceived obstacles/barriers of entrepreneurial activity

	N	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
OT54 Lack of HRM skills	303	3,98	1,385	-,023	,140
OT55 Lack of operations skills	300	3,89	1,424	,056	,141
OT56 Lack of business planning skills	302	3,89	1,438	,050	,140
OT57 Lack of general management skills	303	3,90	1,389	,037	,140
OT58 Lack of finantial skills	301	4,09	1,553	-,086	,140
OT59 Lack of marketing skills	300	3,55	1,438	,443	,141
OT60 Lack of savings or asset	300	**5,10**	1,813	-,817	,141
OT61 Lack of suitable premises	301	4,41	1,684	-,301	,140
OT62 Difficulti in convincing others to support your ideas	301	4,18	1,518	-,088	,140

OT63 Difficulty in finding suitable labour	300	4,10	1,423	,139	,141
OT64 High income tax	300	**5,01**	1,486	-,540	,141
OT65 High labour costs and fees	300	**4,91**	1,541	-,555	,141
OT66 Compliance with goverment regulations	300	**5,04**	1,583	-,540	,141
OT67 Fear of failure	293	4,71	1,746	-,347	,142
OT68 Difficulty in obtaining finance	299	**5,12**	1,540	-,648	,141
OT69 High risk in starting new business	299	**5,15**	1,522	-,797	,141
OT70 Uncertainity of the future of the business	296	4,79	1,475	-,560	,142
OT71 Bad economic indicators in general	300	4,30	1,430	-,104	,141
OT72 Lack of informations about business start-ups	300	4,04	1,510	-,115	,141
OT73 Lack of knowledge about where to obtain support	301	4,16	1,379	,079	,140
OT74 Problem of finding the right partner	299	4,35	1,493	-,184	,141
PERCEIVED ENTREPRENEUR SHIP OBSTACLES/BAR RIERS COMPOSITE	276	4,44	0,887		
Valid N (listwise)	272				

Legend: negative values of skewness indicates the values above average (M=3,5), Standard error measure depicts how reliable was the measurement. Bolded are values above 4,90 and higher as important perceived obstacles for entrepeneurship

PERCEIVED ENTREPRENEURIAL OBSTACLES/BARIERS. As serious obstacles for entrepreneurship are seen: Lack of savings or asset (M=5,10); High income tax (M=5,01); High labour costs and fees (M=4,91); Compliance with government regulations (exaggerated administrative and bureaucratic load) (M=5,04); Difficulty in obtaining finance (lack of start-up financing and initial capital for young people) (M=5,12); High risk in starting a new business (M=5,51). Perceived personal limitations (lack of different skills for starting and maintainting the business) are seen lower (all lower than 4,90) then objective limitiations. They show us that students feel that they are not quite competent for entrepreneurial activity, so this can be attributed to not satisfactory entrepreneurial education/socialisation. So near the strenghtening the subjective entrepreneural capacities should also strenghten the objecive situation in the environment which is not optimal, to achieve more entrepreneurial motivation. Such results in perception of objective variables which are seen as barriers indicates a lower level of economic freedom in this variables-which can be crucial for entrepreneurial motivation. Namely economic i.e. entrepreneurship activity is in direct function of economic freedom. If this freedom is low (e.g. exaggerated regulations) the economic/entrepreneurship activity will be also low.

3.8 The answer on the eight problem

To deal with problems of the whole entrepreneurial motivation (EM) which can be calculated by the means of all the entrepreneurial indicators, we identified all the key descriptive statistic values of target items and variables in the researched sample. In order to have clear and useful global measure of motivation for entrepreneurship, there is created the „face validity“ formula for measuring total entrepreneurial motivation (EM) which include all mentioned indicators. This formula consist of six indicators which are in the same direction (i.e. increases the value of entrepreneurial motivation) and one is in the opposite direction (i.e. decreases the value of entrepreneurial motivation):

EM= (a+b+c+d+e+f)-(g)

So by the principle of Occam's razor[3] it is created this simple formula which can be useful for measuring and comparing the results of EM in different settings and examined populations. According this formula can be calculated the EM in different settings where we have the interval from the minimal to the maximal value of EM.

Minimal entrepreneurial motivation (EMmin) = (1+1+1+1+1+1)-7= -1

Maximal entrepreneutial motivation (EMmax) = (7+7+7+7+7+7)-1= +41

So, the EM can achieve the values in the closed interval (min,max) (-1; +41)

In creation of this formula of EM it is hypothesed that high professional attraction of entrepreneurship, high social valuation of entrepreneurship, high entpreprenerial capacity, high entrepreneurial intention, high intrinsic and extrinsic entrepreneurial motivators and high perceived entrepreneurial support increases entrepreneurial motivation (has positive impact on entrepreneurial motivation), and high perceived barriers have negative impact on entrepreneurial motivation. The purpose is to have real insight (measure) of the complex dependent variable of EM in order to have good diagnostic tool. So can be made comparisons in EM in different settings and samples and of course to make improvement in entrepreneurial motivation after we know which indicators are good/appropriate and which less good/appropriate. Finnaly consequently this measure has the goal of improvement in creating and runing new business in Slovakia from one potentialy very propulsive population of economics and business students. Namely, hypothetically can be expected that young economics and business students should have higher entrepreneurial motivation because of chosen study and their youth/energy (i.e. entrepreneurship needs the energy of the youth) and knowledge they receive on their studies (entrepreneurship is economic field in economics which is studied mostly on Economics and business faculties), so it is important to know what is level of their entrepreneurial potential (diagnostic) and if it is suboptimal to make recommendatins how to improve them in order to have more entrepreneurs which are the currier of economic activity in market societies. After obtaining the descriptive results we calculate the dependant variable entrepreneurial motivational (EM) who can use as comparison and corrective actions in the improvement sense.

Calculated EM for Slovak sample = Professional attractiveness of entrepreneurship+social valuation of the entrepreneurship+perceived entrepreneurial capacity+entrepreneurial intention+actual motivation for entrepreneurship+perceived entrepreneurial logistics – perceived entrepreneurial barriers/obstacles = (4,67+4,44+3,96+3,81+4,89+3,93)-4,44=+21,26

EM (Slovak sample)= 21,26/42= 50,61=51%

The possible evaluation scale which should also pass through empirical testing can be created as follow:[4]

[3] Occam's razor is the methodological priniciple in the cognition which tell us that the simpliest explanation is usually the truth.

[4] The proposed formula is maded by the idea that EM has „face validity“ indicators which are the sign of the higher or lower motivation potential. Although between the chosen indicators can be some empirical overlaping (some items measure the similar or the same thing) they are all directed in the same direction. Here is not made empirical validation of the used measruement instrument, to see this empirical overlaping because this is not the purpose of this paper. Also there is not made the empirical norming of values needed for each evaluation grade for the examined Slovak population. So this evaluation values and proposed evaluation skale is „face valued“ and arbitrary/hypothetical set of norms, which are ussualy used in schools when we evalate the achievment of students or wokers. This scale so do not satisfy strong psychometric norms needed for estimation of achieved values (as are the norms in standardized IQ tests).

0-50 grade 1 - very low entrepreneurial motivational potential (EMP) in population

51 - 60 grade 2 low EMP

61 – 70 grade 3 middle EMP

71 - 80 grade 4 high EMP

81-100 grade 5 outstanding EMP (entrepreneurship as key and model social activity)

According the obtained results and maded evaluation scale can be hypothetically stated that the entrepreneurial motivation potential of Slovak economy and business students is low, and if we want to improve it we should make educational and cultural improvement in this sense.

4. Theoretical and practical value of the conducted research

This research provided us with the global formula for measuring entrepreneurship motivational potential, so we can on the systematic way compare the results from different countries and cultures. Because we also can measure the components of global entrepreneurship potential which has characteristics of entprepreneurship motivation predictors, we also have clear diagnostic tool for measuring the key indicators of the concept of entrepreneurial motivation potential.

In practical sense this means that on the ground of obtained data from this diagnostic tools we can propose different HRM practices in order to manage entrepreneurial potential. For example now we can practicaly propose the following HRM practices on the ground of obtained results from Slovak sample:

a) To change the perception of low desirability of entrepreneurial profession there should change the impression of this profession. This could be made by the increassing the number of successful entrepreneurs, giving good opportunities to young and entrepreneurs which for the first time want to create its own jobs, to lower the perceived and real entrepreneurial barierrs.

b) Important suggestion is to stronger the entrepreneurial capacity by means of entrepreneurial eduacation. Namely to stronger the motivation is important to internalize important knowledge i.e. knowledge about economic, managerial, innovational and ethical aspects of entrepreneurship, to have practice and to simulate entrepreneurial experience during study.

c) To stronger the entrepreneurial motivation of young people in the context of personal variables it is important to „free the energy of the youth“ by internalizing more self-esteem and self-efficacy perception. Here is also important cultural change because „obedience and dependance culture“ is not connected with entrepreneurial culture, therefore should be created the culture which promotes economic freedom where is easy to start and conduct the business.

d) The education system can also internalize important motivational factors such as: authonomy/freedom education, using abilities and challenge prone attitutes, promoting „earning money“ and „to take advantage of market opportunity “ attitude.

Entrepreneurship is primary mental and cultural phenomenon, therefore strongly depends on HRM practices in the whole society, especially in the educational institutions such as Economics & Business faculties.

5 Limitation of conducted research and proposal for further research

In high-quality psychometric research, there is a need to standardize questionnaires that are supposed to be valid in a specific cultural surrounding, therefore we used the questionnaires from different authors which has different cultural background (from the authors with European-Spanish, Chinese/USA, South-African), and supposed by “face validity” it will be also good measure for Slavic population i.e. Slovak Republic sample, but did not tested so created entrepreneurship questionnaire.

We assumed that combination of cross-cultural instrument from Liñán &Yi Wen Chen, 2009. and South-African (Malebana, 2014) measurement entrepreneurship intention and motivation measurement instrument will be the best solution for measurement of entrepreneurial motivation potential. For be sure such approach is the best one in strong psychometric sense there should be culturally testing the questionnaire in psychometric sense.

The other limitation of the conducted research is a limited sample which is conducet only in Slovakia sample on one Economics Facutly, so it would be better to have results from other “transition”countries, and have the possibility to compare the results from different contexts. We suggest that further research of entrepreneurship motivation potential should be conducted in other transition economics of Europe, or even world, where different results can be expected-so such research would enable detailed testing the validity of measurement instrument. Another limitation in this concrete study is that it`s focused on analyzing the groups perceptions without taking into account the gender. Also, the studied group could include postgraduate students of Economics, which could have more personal experience with entreprenurship so obtain different resutls from this group. Results of this study can`t also be generalized to students of other faculties (i.e. engineering students). Also limit of this concrete study is that the results are descriptive not conclusive. The research of the entrepreneurship motivation potential is in transition economies in a very early phase, and treatment by systematic HRM practicies in order to manage it (improve it) also. Threrefore there is a quite a large space for further research in the area of entrepreneurship motivational potential in transition countries but also all over the world.

Conclusion

This study conceptualised global measure for entrepreneurial management potential measurement. So it is found that global measure of motivation for entrepreneurship of Slovak economy and bussiness students were low. Their perceived entrepreneurial capacity were low, especially of easy start a business. They highely appreciated salaried job comparing to liberal and entrepreneurial jobs. Their entrepreneurship intentions were low especially measured effort and goal to be an entrepreneur. They consider that cultural general approval for entrepreneurial activity were lower than support of their friends and family. The main motivational factora for entrepreneurship were „to be own boss“ because authonomy and freedom and to have interesting job. They didn`t perceived opportunity which supports entrepreneurship and perceive serious obstacles as lack of savings, high income tax, high labour costs and fees, compliance with goverment regulations, difficulty in obtaining finance and high risk in starting a new business.

It`s expected that students of economy and bussiness have higher entrepreneurial motivation and according to this results there is opportunity to improve entrepreneurship motivation of students. According obtained results we can propose several HRM practices in order to manage (i.e. improve) entrepreneurial motivational potential such as:

a) Organize education in important entrepreneurial knowledge (economic, managerial, innovative and ethical) in order to also improve entrepreneurial motivation.

b) Organize educational practices which enable rising self-esteem and self-efficacy of young people so they internalize the attitude „Yes, I can start my own business and be successful entrepreneurer“. This is connected with the cultural aspects of education, because some educational systems still prefere obedient and dependant pupils/ people what is not stimulative approach for more entrepreneurs and entrepreneurial activity .

c) Lower the perception of entrepreneurial barierrs i.e. deminish the real (objective) entrepreneurship barriers by making the real and psychological climate of „high economic freedom“ that highly encourage young people in doing his own business.

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ACCOUNTANT AND AUDITOR AND THEIR SKILLS AND COMPETENCES IN CONTEMPORARY ENVIRONMENT

Darina SAXUNOVA

Abstract

Globalisation process has an impact on the entrepreneurship. Enterprises must adjust to changing conditions and new trends, adopt new innovative technology while performing their duties. These new trends emerge in the area of entity's establishment, taxation and tax law and accounting and others. Accounting is a scientific discipline that requires a special expertise and skills. As far as knowledge management, in many cases it follows the development in accounting practice. The performance of an accountant is crosslinked multidisciplinary and requires knowledge of finance, financial analysis, mathematical skills, investment, etc. Sometimes it is very difficult for human resource people to comprehend what skills are essential for the position of an accountant, how to choose a proper person for the position of an accountant. The objective of the scientific paper is to analyse and compare how the requirements for the accountant's work performance have changed highlighting various accounting positions in the company and various certificates in the area of accounting knowledge management.

Key words

Accountant's responsibility, certificates ACCA, CIMA, CFA, CPA

JEL Classification: M40, M41, M48

Introduction

Bookkeepers of the companies record enormous number of transactions which are results of the past transactions fulfilling certain criteria, such as their reliable measurability; existence of legal documents accompanying these transactions having been thoroughly controlled by accountants for their compliant to all legal requirements; their direct linkage to an economic (accounting) entity. The linkage is evidenced by changes in entity's fundamental accounting elements caused by this transaction. After their processing, final financial information is reported in the form of financial statements for all external and internal users. Moreover, accountants prepare taxes for individuals. Public accountants can also perform audits, prepare taxes and provide consulting for companies. Internal accountants propose processes to search for and to eliminate financial loss and fraud. Management accountants record qualitative and quantitative information affecting decision making and analyse financial information to utilise it in the process of next-period budget preparation. Government accountants – at the federal, state or local level – maintain records of government agencies and audit private enterprises or individuals whose activities fall under government regulation or taxation. All in all, accountants are primarily responsible for managing, updating, correcting, and reporting the organization's accounts. An accountant is a practitioner of accountancy with a proper education and training.

Goal and Methodology

The objective of this scientific paper is aimed at analysing traits required for an employee's good performance in one of accounting/finance positions. Identifying an accountant's key traits and skills may help the human resource personnel to find a proper candidate for the working position. In addition, the paper also focuses on new professional expertise or changes in requirements for the accountant's work performance. Nowadays myriad accounting/finance positions are recognised in larger companies requiring a special expertise, those positions could be cumulative in smaller companies. Depending if the positions require more expertise from the area of financial accounting, managerial accounting, financial analysis, investments or risk analysis there are various areas for obtaining professional certification which represent an attractive bonus or a working benefit for somebody seeking a job, particularly if the company pays employees for obtaining some of certificates. To accomplish the objectives traditional scientific methods were used, for instance, traditional conceptual analysis, theoretical thresholds are studied and then methods as analysis and synthesis, induction and deduction are utilised. Facts are collected and highlighted observed phenomena of the real life are critically compared and systemized resulting in new knowledge formulation i.e. (resulting in the new knowledge of implementing a management process). Finally, recommendation for the work of human resource personnel is derived based on the facts and arguments summoned associated with the profession of accountants.

1 Essential Traits and Skills of an Accountant

Openness to learning new things. Latest accounting rules, changes in standards and theories must be mastered by accountants, they continuously update their knowledge related to the industry's general accepted accounting principles or GAAP, or in a statutory accounting laws or any changes in tax laws.

Ability of being organized and structured. An accountant should personally be a very organized person who is comfortable performing within a highly structured environment. Organization skills, being able to prioritize duties and responsibilities and having a system in the mass of records, documents, full of numbers are essential for an accountant due to the specific work with figures, information systems. Having a system saves time and it enables to find the information accountants need efficiently. An accountant's work can be repetitive and strict rules and regulations must be followed, the accountant is believed to be thorough at his work, diligent, reliable and responsible. If accountants establish a manageable structure to follow while performing their number-crunching duties and various analyses it allows them to save their energy and resources and be more productive. Accountants must be good at their time management therefore time management skills are essential to meet many deadlines and to accomplish many complex projects.

Ability of being accurate and detail oriented. The work with numbers requires personal traits such as accuracy and having sense for details, to be fully concentrated on work resulting in no errors made. Doing due diligence, a detailed examination of a company and its financial records, is one of the fundamental competencies of accountants and requires their excellent knowledge of accounting as one small error could cause a huge difference in an entity's future. Accountants must record precisely and keep very detailed notes about their progress and meetings in order that their clients may be well informed.

Accountability. Accountants are aware of the responsible work they conduct. To make a mistake is human, in spite of an accountant's being detailed oriented and precise while performing their work, they also may be fallible. Human errors occur but it is important that they are not deliberate mistakes happening too often.

Ability of being business-minded and client-centric. Accountants are interested in business which contributes to them to be a better accountant. If an accountant understands business models, if he can recommend what economic and accounting methods might fit best with a business's goals it can lead to important business decisions. Deciphering the information hidden in numbers, couching an accountant's suggestions in terms of a business's bottom line is perceived as a great help to their clients. Especially when accountants understand their clients and the type of business their clients have the accountants' advice will be very valuable and appreciated.

Ability of being a team player. Accountants typically work in teams and participate in face to face meetings with their clients and on a regular basis they consult business issues with other decision makers. They must adjust to the clients' needs and must be good communicators. They share their knowledge, they are sensitive to other's needs aimed at supporting their team's goals. It is crucial to be able to work with different types of personalities.

Creativity and inquisitiveness. Problem solving situation requires from the accountant to implement creative strategies to solve client dilemmas not appearing in textbook cases through applying theoretical conceptual framework. Paradoxically, being organized and structured in how accountants approach their everyday responsibilities inspires and ignites their minds to creative solutions that benefit clients. New ideas for overcoming obstacles or dealing with financial difficulties are positive results of an inquisitive mind that always wants to learn more and research new methods for an accountant's efficiency.

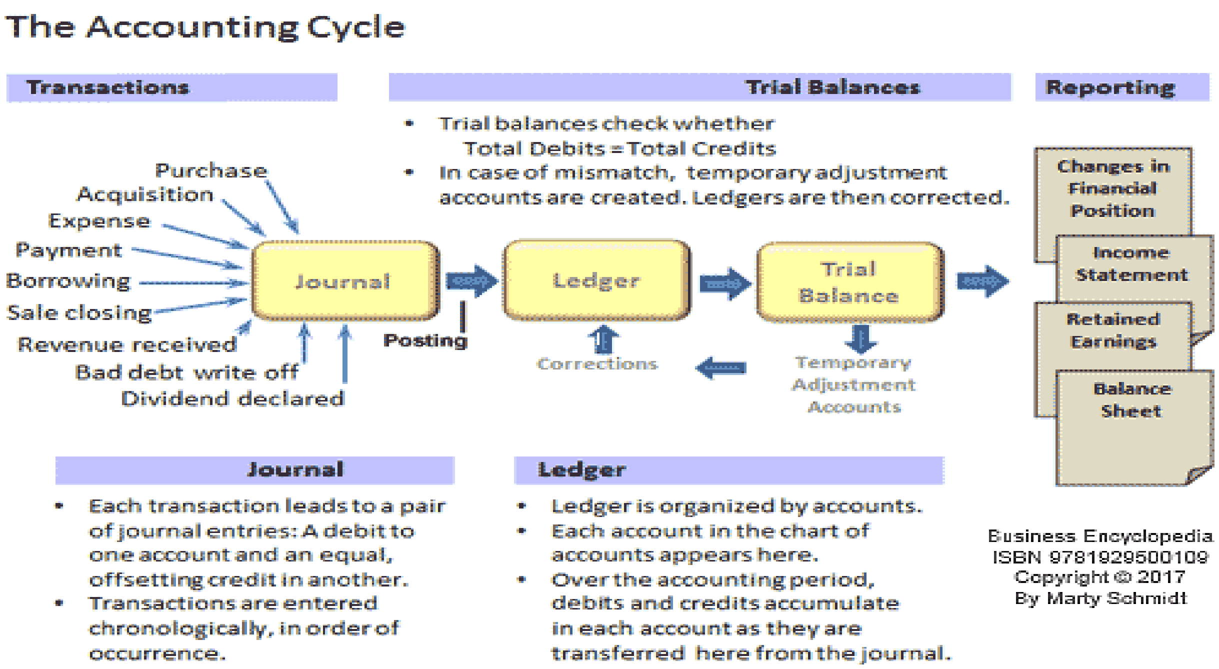
Trustworthiness. Accountants work with the information confidential in nature, their professionalism is an important trait which should be always abided having proved to be the right and ethical approach to conduct a business. To be professional will lead to a reputation of trustworthiness winning accountants more clients in the long run. Trust is a trait that must be taken utmost seriously in order to earn clients' positive feedback, when lost it is difficult to be obtained again.

Top-notch communication skills. Having the ability to interpret jargon and explain complicated accounting concepts that can easily be comprehended by clients is a valuable trait that should be possessed by an excellent accountant. Clients and employers search for an accountant who is able to interact with easiness and get his/her ideas across clearly to anyone.

Strong ethics and integrity. A good accountant is an honest professional with a strong sense of integrity. Accountants, loyal to the integrity principle will make sure that they keep confidential information private. They will also ensure their clients to abide all relevant laws enabling to avoid potential problems. Accountants with these traits inspire confidence in their work and professional practice, especially if such traits are reflected in their personal lives as well. Morally upright and living as an upstanding citizen is someone who will most probably obey the rules of law in the professional area as well, for instance, while doing the accounting books. (Dwilson, 2015).

The following picture illustrates the steps of accounting cycle highlighting bookkeepers' duties recording accounting transactions into the journal. Accountants duties start when the information is posted into the ledger.

Fig.1: The accountant's role starts with posting journal transactions to the ledger.



Source: (Schmidt, 2017)

1.1 Accountant's Skills, Competences and Responsibilities

The risk that the auditor does not detect a material misstatement due to fraud committed is higher than the risk that he does not detect it owing to an existing error. Sophisticated and carefully organized schemes designed to conceal fraud complicate fraud detection, there is a variety of examples such as forgery, deliberate failure to record transactions or notice and report unusual transactions, elaborated carousel schemes with VAT evasion, falsified documents to conceal the origin of illegal income, etc. Concealed transactions or actions may be even more complicated to detect when accompanied by collusion. Collusion may be the reason for an auditor to believe that collected audit evidence is convincing when it is, in reality, false. The auditor's ability to detect a fraud is dependent on factors such as the perpetrator's skillfulness, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. Therefore nowadays there are high requirements to be fulfilled related to the increasing auditor's expertise and his/her highly ethical behavior.

The significant element in the enterprise transparency is the role of an auditor because of his independent stance towards the entity, moreover, it also supports the fundamental task of prevention of the business sustainability. The auditor assures protection of ethical enterprising and safety measures for business orientation of profit, not-profit or public sector. The main duty of each auditor in accordance with going concern of the entities is to warn the entities and highlight the potential breaching of this principle to users of financial statements.

Economic entities which are obliged to have financial statements audited by the auditor are actually controlled externally in spite of it that no tax control was conducted in the entity. Audit is frequently more complex than a tax control focused only on income taxes or value added taxes. In the audited companies there is a lower probability of illegal tax reduction, tax fraud, carousel schemes, avoiding social security payments to social insurance or health insurance. It is required to promote all anticorruption practices and to urge a thorough control comprising the increase of use of accounting audit under the condition of Slovak economy. The relation between an auditor and top management is exceptionally important in the companies. The higher freedom in doing business the more increased is also the responsibility of the top management and the duty of controlling, with sanctions responding to the extent of breaking the accounting, tax and commercial legislation. Shareholders, owners or top managers must control the entity from inside and the auditor controls it as the “guard patrolling the entrance the castle gate”. (Novackova, Saxunova, 2015)

Similarly Slovak accountants follow the Act on Accounting or IFRS for recording and analyzing transactions and if unusual ones they must be reported. A high morale of a tax controller/tax advisor assists in protecting against tax evasions.

Although there are some associate degrees for accounting, a bachelor's degree generally looks better to prospective employers. Some employers may even prefer that their accountants have a master's degree in accounting or business administration with a concentration in accounting. Universities and colleges offer a five-year combined bachelor's and master's degree program, suitable for students hoping to take the Certified Public Accountant exam.

Management accountants, also called cost, managerial, industrial, corporate, or private accountants, record and analyse the financial information of the companies where they are employed. The information prepared by them is intended for internal use by business managers, not by the general public. Their responsibilities include: budgeting and performance evaluation, planning the cost of doing business, evaluation of alternatives for decision making, asset management in cooperation with financial managers, that involves planning and selecting financial investments such as stocks, bonds, and real estate.

Government accountants maintain and examine the records of government agencies and audit private businesses and individuals whose activities are subject to government regulations or taxation. Accountants employed by federal, state, and local governments ensure that revenues are received and spent in accordance with laws and regulations.

2 Areas of Accountancy

Table 1 : Area of Accountancy

Areas of accounting	**Tasks performed**	**Clients of accountants**	**Financial documents provided to potential investors**
Traditional			
Public accountants	accounting, auditing, tax, consulting	corporations, governments, individuals	disclosed by law, e.g. income tax return, balance sheet
Management accountants	analysing a company‘s costs, e.g. controlling, budgets, job costing performance evaluation	work as employees in the private corporations (industry)	not disclosed, for internal use only, not for public
Government accountants	examination of the records and audit of their clients	government agencies, private businesses & individuals (are subject of government regulations or taxation)	disclosed for public
Auditors	controlling whether entity’s fund are not mismanaged or controlling proper functioning of information technology	a) inside of the company (internal auditors) b) outside of the company (external auditors) c) IT auditors	external auditors: Auditor’s opinion disclosed in the company’s annual report for outside users

Non-traditional accounting jobs				
Forensic accountants	Entertaining accountants	Sport accountants	Environmental accountants	Accountants assisting to develop software

Source: elaborated by the author

Internal auditors control whether an entity‘s funds are well managed by identifying ways of process improvement in order to find, reduce or minimize losses and eliminate fraud. The practice of internal auditing is not regulated, but The Institute of Internal Auditors (IIA) provides generally accepted standards.

External auditors‘ duties are similar to the duties of internal auditors. They are employed by an outside company. They review clients’ financial statements and inform investors and authorities that the statements have been correctly prepared and reported in accordance with the GAAP.

Information technology auditors are internal auditors reviewing controls for their company’s computer systems to provide assurance that financial data comes from a reliable source. (ACCA, 2016)

2.1 New Non-traditional Accounting Job

Forensic accountants cooperate closely with law enforcement institutions to investigate white-collar crime, financial disputes, contract disputes, and other complex and criminal financial transactions, bankruptcies, fraud and embezzlement, money laundering, and various types of fraud. Forensic accountants combine their knowledge of accounting and finance with law and investigative techniques to determine if an activity is illegal. Many forensic accountants cooperate closely with law enforcement personnel and lawyers during investigations and frequently act as expert witnesses during trials.

Entertainment accountants work as an accountant for a movie or TV production company, music and gaming production focusing on overseeing production budgets that is crucial part of the responsibility. Expertise and experience required to be offered the accounting position in the entertainment industry is the knowledge of copyright law and royalties except from the accounting knowledge.

Sports accountants in the sport industry handle variety of tasks involving money, including setting ticket prices and managing payroll.

Environmental (green) accountants work to help large corporations to sustain profitability while implementing eco-friendly standards matching government regulations. Tasks include: e.g. consulting on the sale of industrial byproducts, overseeing the construction of environment-friendly buildings.

Accounting software development. Accountants are needed to support a software company's team of managers and developers. In addition to assuming billing and time tracking responsibilities, they may also address such activities as license audits. They can step outside their accounting role in companies that focus on producing accounting and finance software to assist in user experience design.

3 Education and Professional Certificates

Public accountants, many of whom are Certified Public Accountants (CPAs), ACCAs or in Slovakia called Auditors, generally have their own enterprises or work for public accounting firms.

The students interested in accounting may decide for completing bachelor’s degree in accounting major program to earn BA with major in accounting or BSc in accountancy. Job seekers with additional credentials, earning master degree or even the certificates of the ACCA, CPA or in Slovakia the Auditor’s Certificate provide the competitive advantage to such qualified applicants.

Comparing these professional certificates in the area of financial accounting, we emphasize that ACCA (global certification) or CPA (USA certification) for financial accounting are comparable to Slovak certification called Auditor’s certificate, i.e. an auditor’s exam taken by auditors, organized by Oversight Audit Authority in Slovakia UDVA. For clarification in Slovakia there are two certifications and this is the Certificate of a Financial Accountant (organized by the Chamber of Financial Accountants) and Auditor’s Certificate, what countries like United Kingdom or the USA, Australia, Japan and many other countries do not have. I consider Slovak practice to be uselessly costly, we recommend cancelling one certification, as each auditor must be a good accountant, it offers the argument to cancel a financial accountant certificate.

Professional certification worldwide includes:

a) Association of Chartered Certified Accountants – ACCA qualification (global certification for IFRS) vs CPA (Certified Public Accountant in the USA)
b) Chartered Institute of Management Accountants – CIMA (European certification centred in London) vs CMA (Certified Managerial Accountant in the USA)
c) Chartered Financial Analyst (CFA)

Slovakia does not have certification for chartered managerial accountants or chartered financial analysts. These knowledge is missing in Slovakia and by introducing similar certifications could lead to the improvement of management knowledge. Each Slovak auditor has to pass auditor’s exams to obtain an auditing licence, similarly to get licence for a certified accountant licence passing the various levels of the exams depending whether the applicants decided to become a) accountant assistant, b) accountant of financial statements preparation and c) accountant expert.

3.1 ACCA qualification

ACCA is the oldest accountancy body, with more than 188000 members in 181 countries. Employers worldwide seek out ACCA–trained professionals. Their expertise: strategic thinking, technical skills and professional values to drive their firms forward. The Table 2 presents the milestones in the ACCA history.

Table 2. ACCA History

1904	30th November, 8 accountants founded the Association of Accountants	London, ACCA forerunner
1905	The Circular – is launched, produced still as AB magazine today	Member's journal
1905	The first exams introduced	Examinations
1909	Woman's participation Ethel Ayres Purdie – the first woman in the professional accountancy body	
1913	The first branch outside the UK in South Africa opened	Global branch
1936	Malaysia – Singapore branch founded	Asian branches
1940	During the WWII. war prisoners sit for an ACCA exam	Red Cross assistance
1950	Branches in Hong Kong, Rhodesia (Zimbabwe since 1980), Trinidad and Tobago, Guyana, Nigeria and Malawi	Expansion
1965	A joint examination established in Jamaica, partnership in the area	Caribbean expansion
1974	Royal recognition of excellence	UK Royal Charter
1980	Exploration of opportunities in CEE, assistance in developing the profession in former Soviet Union states and in the Russian Federation	Behind the Iron Curtain
1980	Vera di Palma – the first female president of any international accountancy body	Madam president
1986	In the UK ACCA is recognised under the Financial Services Act	Statutory recognition
1988	Market development in China	Eastern opportunities
1991	Environmental reporting awards scheme is launched – the first of its kind, Anthe Rose – the first female chief executive 1993	Going green
1995	www.accaglobal.com, a comprehensive suite of e-business services	Going online
1996	New syllabus launched based on the IAS, (a first in profession)	Setting the standards
1999	Oxford Brookes University- BSc in Applied Accounting launched – degree and professional qualification –the largest undergraduate accounting programme in the world	undergraduate accounting programme in the world
2001	An exclusive MBA programme with Oxford Brookes University	For members – degrees
2004	100000 people are ACCA members	Centenary event
2007	Do the right things – ethics and professionalism as a part of ACCA qualification	Revamped ACCA qualification
2009	The first CSR report	Improving transparency
2011	Increase the chance for more people to access the profession via new entry level suite of qualifications launched	
2012	Online Job board launched	ACCA careers
2013	Global strategic partnership with the institute of Management Accountants	IMA
2014	The first accountancy body to examine integrated reporting	Integrated reporting exams
2015	Partnership with University of London – Master degree and ACCA qualification	MSc and ACCA jointly obtainable
2016	Partnership with ACCA of Australia and New Zealand	expansion

Source: Adapted from www.accaglobal.com/ie/en/about-us-history.html#d-1970 (2017-10-3)

The ACCA course consists of 14 papers divided in 4 levels (knowledge –3 papers, skills – 6 papers, essentials – 3 papers, options – 2 papers out of 4 papers). Passing mark for all examination is 50%.

Knowledge: F1(Accountant in Business), F2(Management Accounting), F3(Financial Accounting).

Skills: F4(Corporate and Business Law), F5(Performance Management), F6(Taxation), F7(Financial Reporting), F 8(Audit & Assurance), F9(Financial Management.

Essentials: P1(Governance, Risk & Ethics), P2(Corporate Reporting-UK/International), P3(Business Analysis.

Options: P4(Advanced Financial Management), P5(Advanced Performance Management), P6(Advanced Taxation), P7(Advanced Audit & Assurance-UK/International).

Time span for passing all exams is 10 years.

A recent change: from early 2016 students the period for exams: 7 years for the exams at professional level (P1,P2 and P3), 7-year-time limit starts when a student passes the first professional level exam and two of P4-P7 exams. (London School, 2017).

3.2 CIMA vs CGMA qualification

CIMA is the leading and largest professional body of management accountants in the world. Certified global management accountant qualification is an attractive, revised CIMA (UK also spread in western Europe, in the British Commonwealth countries) or CMA certificate comprising subjects of management accounting, financial accounting and business-focused subjects and preparing experts for leading entities to sustainable success. A new version of CIMA or CMA, the CGMA Chartered Global Management Accountant certificate was elaborated by the AICPA (American Institute of CPAs) together with CIMA, based on global management accounting principles which these institutions encourage to adopt worldwide.

The course covers: Fundamentals of Business Economics, Management Accounting, Financial Accounting and Ethics, Corporate Governance and Business Law.

Papers include 3 levels, each level covers enterprise (E), performance (P) and financial (F) pillars and the case study exam have to be solved as well.

A. Operational level (E1- Organisational Management, P1- Management Accounting, F1 – Financial Reporting and Taxation, operational case study exam) – Award: CIMA Diploma in Management Accounting.
B. Management level: (E2 –Project and Relationship Management, P2 – Advanced Management Accounting, F2 – Advanced Financial Reporting, management/Gateway case study exam) – Award: CIMA Diploma in Advanced Management Accounting.
C. Strategic level (E3 – Strategic Management, P3 – Risk Management, F3 – Financial Strategy and strategic case study exam) – Award: Membership of the CIMA and the CGMA designation. (CIMA, 2017).

3.3 Chartered Financial Analyst (CFA)

CFA program provides: a strong base of advanced investment analysis and real-world portfolio management skills. Practice required: 4 years of professional work experience or a combination of professional work and university experience totalling at least 4 years. It takes about 4 years to complete 3 exams (Level I, II, and III).

Target group: a) portfolio and wealth managers, b) investment and research analysts, c) professionals involved in the investment decision-making process, d) finance students keen on the investment management profession. The following areas are included in three levels of examinations.

I. Ethical and Professional Standards	VI. Equity Investments
II. Quantitative Methods	VII. Fixed Income
III. Economics	VIII. Derivatives
IV. Financial Reporting and Analysis	IX. Alternative Investments
V. Corporate Finance	**X**. Portfolio Management and Wealth Planning

3.3.1 CIPM program

CIPM program's award is the certificate in Investment Performance Measurement. It takes minimum 1 year to complete 2 exams (Principles and Expert). Experience required: 2 years of specific professional experience in investment performance-related activities or 4 years in the investment decision-making process.

It prepares the experts for advanced, globally relevant and practice based investment performance and risk evaluation skills. **Target group:** a) portfolio managers, b) investment consultants, c) financial advisors, d) sales & client service professionals, e) other investment professionals involved in selecting portfolio managers, evaluating portfolio performance, or communicating with clients. (CFA, 2017)

Findings

After communication with the management or those charged with governance the auditor in Slovakia is in charge of :

a) Comprehension of management's controlling processes in order to identify and respond to the risks of fraud in the enterprise.

b) Comprehending internal controls created by management for risk mitigation.

c) Evaluating unusual business transactions, unusual/unexpected relationships if identified during the performance of analytical procedures (including ones in revenues accounts), may indicate risks of material misstatement due to fraud.

d) Assessing presence of fraud risk factors in the information obtained from performing risk assessment procedures.

e) Designing and performing procedures that are responsive to assessed risk.

f) Confirmation that the financial statements are materially misstated as a result of fraud or the auditor is unable to make a conclusion whether fraud might have occurred, the auditor shall assess the implications for the audit and determines the professional and legal responsibilities.

g) for acting in the case of fraud, the auditor is bereft of confidentiality and has to inform top management or the supervising board of the accounting entity. Finally, the auditor decides whether there is a professional or legal requirement to report to regulatory authorities about the case.

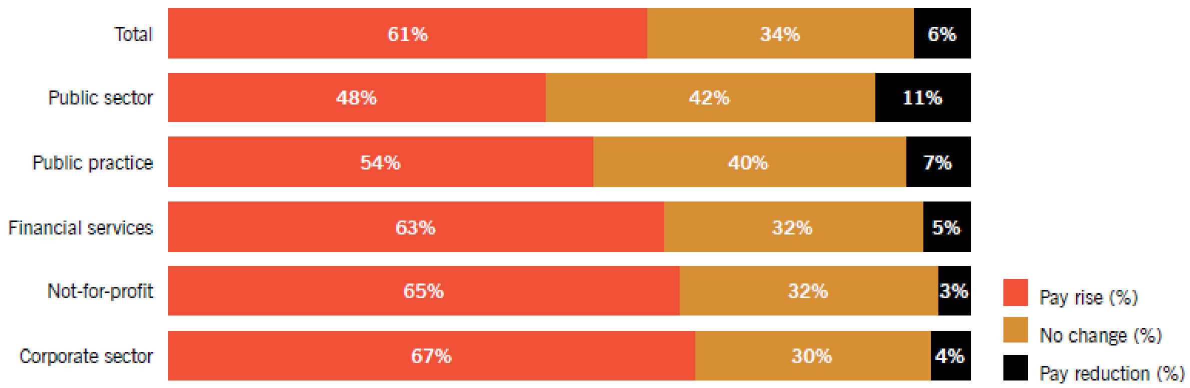
Understanding what traits, skills and responsibilities the accountants should be endowed with allows the human resource manager to elaborate a proper methodology or policies, for example, a) for hiring process of the professionals similar to accountants, or b) methodology or directive for performance measurement on the base of elaborated core competences of various accounting positions in the company, or c) just and rewarding policy to motivate people to stay ethical, honest and a highly moral employee or shareholder and be a responsible and reliable member of the team, or d) for preparation of incentive programs for the best and loyal employees to encourage them to a productivity increase. They are articulate and they communicate the findings to the top management and prefer rather transparent information reported to the external users.

Recommendations for HRM personnel: organising refreshers attendance for accountants, encourage them to take part in conferences and seminars in order to help keeping accountants updated in accounting trends. Evolution of technological advancements progresses rapidly and changes in the technology must be followed and studied by accountants to be able to service to clients and the business.

Discussion

The ACCA career survey conducted in 2013 on 4000 ACCA members worlwide proved the attractiveness of accounting jobs, the Bureau of Labor Statistics projects that 142,400 new accounting and auditing jobs will open up by 2024 in the USA going up by 11percent rate. Figure 3 shows the salary development in various sectors, as we may see the highest paying sector is a corporate sector, on the contrary, the public sector shows the smallest pay rise, but results in a salary growth are still sufficient and satisfactory. (ACCA, 2013).

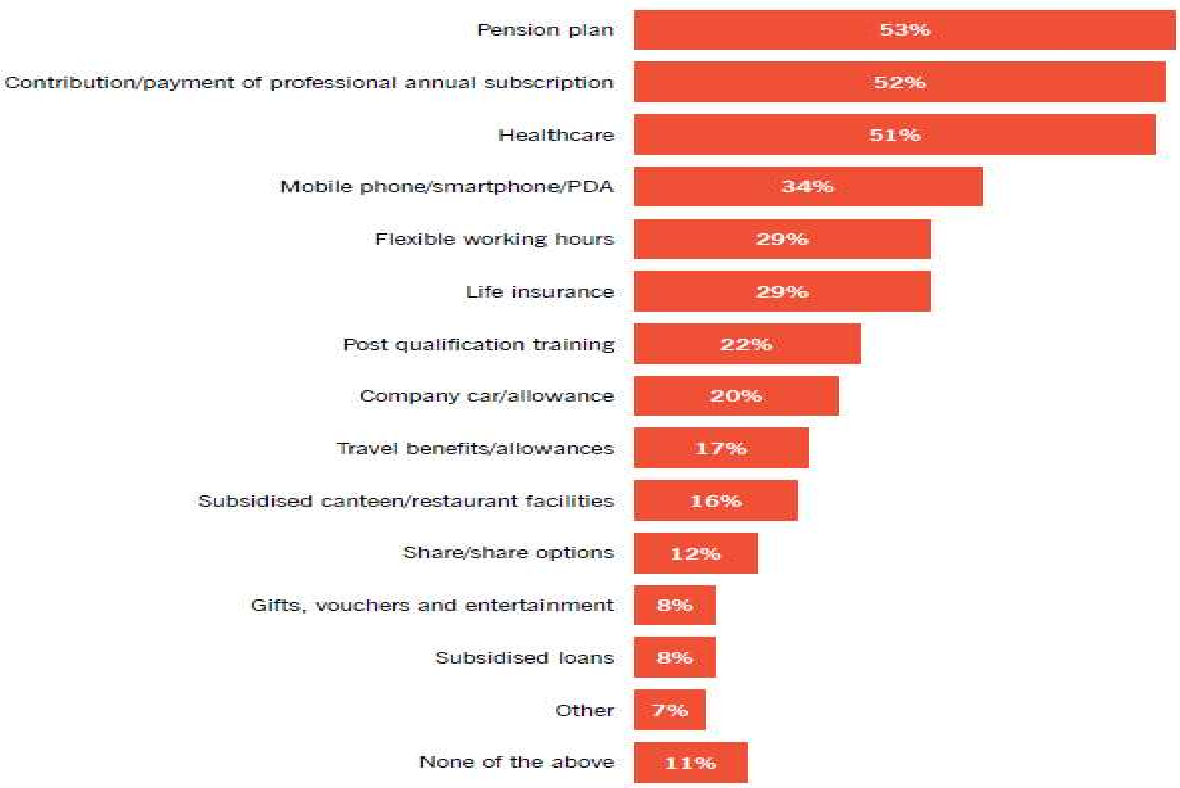
Fig. 3 : Salary change by a sector



Source: (ACCA, 2013)

The figure 4 demonstrates benefits which many employers provided to accountants in 2013 to hold them employed in the company. Many businesses lack accounting professionals, a shortage of experienced candidates is especially for regulatory accountants, management accountants, product control and internal audit therefore they belong to the most high-paying accounting jobs, spurred by growing demand as it was shown in the 2016 Robert Walters Salary Survey which is shown in table 4. (Clarke, 2016).

Fig. 4: Employee's benefits



Source: (ACCA, 2013)

Table 4: Highest paying accounting jobs globally

AMOUNTS IN 000S USD			AMOUNTS IN 000S USD	low	high
The lowest and highest amount paid	**low**	**high**	Management reporting, Hong Kong	120	193
Treasury manager, Switzerland	160	200	Tax director, Germany	88	135
Taxation manager, SVP, New York	170	200	Product control, VP, London	112	170
Strategic planning and analysis, Singapore	100	214	Regulatory reporting manager, investment management, London	118	140
Regulatory accountant, London	112	170	Product control, pricing, SVP, New York	180	270
Management accounting in investment banking, Tokyo	155	175	Internal audit, wealth and fund management, Singapore	93	250
Internal audit, VP, London	112	170	Controller, New York	190	370
Internal audit, investment banking, Hong Kong	116	232	Financial/regulatory reporting, Hong Kong	120	212

Source: (Clarke, 2016)

The global report has revealed drivers of the change through to 2025 in the accounting profession and what future skills will be required. (ACCA, 2016). This report enables us to obtain an in-depth insight into the future of the accounting profession. The survey was conducted in 2014 and 2015 globally, 2,000 professional accountants participated in the survey. The research highlighted drivers which will be causing significant changes to the accountancy profession, representing four broad thematic areas:

- Regulation and governance,

- Digital technologies,
- Expectations,
- Globalisation.

The changes specific to six technical areas of accountancy are examined and then seven 'professional quotients' are presented necessary for adoption by accountants in response to change: a) technical and ethical (TEQ), b) intelligence (IQ), c) creative intelligence (CQ), d) digital (DQ), e) emotional intelligence (EQ), f) vision (VQ), g) experience (XQ).(ACCA, 2016).

Conclusion

A competent auditor, highly ethical, should be an exceptionally experienced accountant, who has knowledge also in the area of taxes and is very good at financial analysis of the company, thus he/she has good mathematical and technical skills, and deep knowledge of accounting. He masters accounting systems of government, profit and non-profit organizations and national legislation. The audit must be used for mapping potential area of grey economy and for beginning a complex implementation of legislation in practice on money laundering, as well as it must be executed through institualisation of certified accountants, who would verify accounting entities internally whether they follow legal respectively national accounting norms. The accounting profession will have to cope with significant challenges estimated for the periods of the next three decades. The most significant impact on the proffesion according to Islam (2017) will be caused by the changes: 1) evolving smart and digital technology, 2) continued globalization of reporting/disclosure standards, and 3) new forms of regulation which is imminent because of massive tax avoidance, transfer pricing, and money laundering exposed via the panama papers. These scandals cause increasing turmoils and dissatisfaction among working employees with the politics in the states. It will be expected from many professional accountants to act in order to limit base erosion and profit-shifting.

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DATA SHARING – WAY TO IMPROVE REAL ESTATE VALUATION QUALITY: LITHUANIAN CASE

Jadvyga ČIBURIENĖ, Rusnė JEGELAVIČIŪTĖ

Abstract

With the growing quality of life, the construction sector is also growing, and more and more people are willing to acquire their own housing and settle in it. For financing purposes, many are applying to banks for housing loans, therefore it is highly important to adequately determine the value of real estate in order to create mutually suitable conditions for financing the purchase. In most cases, the current assessment of value is based on the subjective opinion of experts. In this paper, the authors propose to create a database ensuring the sufficient and comprehensive amount of data securing the accurate valuation of real estate. The creation of an accurate and comprehensive database with constantly updated and processed data would allow appraiser to work with limited amount of data while performing the assessment of real estate, to automatically capture causal relations between explanatory variables and asset prices, as well as to determine the short-term market value of the property, which becomes increasingly important.

Key words

valuation, market value, data, database, data sharing

JEL Classification:

Introduction

Historically, the real estate market has been viewed as a local phenomenon. For decades, builders and investors felt proud of their ability to find the most suitable place grounded on their local knowledge. Although the real property is the least "traded" product taking into account the fact that it is immobilized in a physical sense, it can be bought and sold within the country and internationally (Bardhan and Kroll, 2007).

The real estate plays an important role in the national economy. A considerable role of the real estate is associated with other sectors of the economy, which have a significant impact on the state economic development. The vast majority of both construction developers and property buyers ensure their funding from bank loans and other sources of financing. It is important to note that the assessment of property is essential for the mortgage purposes. In practice, it is observed that the value of the same property assessed by different appraisers may substantially differ and the difference may exceed 30%. Such discrepancies and inaccuracies in value are influenced by the lack of market knowledge and data as well as poor preparation of appraisers. It is important to emphasize that individual assessment tasks performed by real estate appraisers are highly complicated as appraisers have to conduct perceptive analysis in each stage of assessment procedure.

In order to obtain the most objective assessment result, it is essential for the appraiser to have good knowledge in the real estate market, to objectively formulate the purpose of assessment, to perform the market research and to be able to select the appropriate method of assessment.

In his work, the appraiser must carefully analyse the vast amount of incomplete and uncertain data, which is available in public data sources. The collection, analysis and interpretation of these data contribute to inaccuracies in the assessment process. It should be noted that various institutions and natural persons refer to assessment results when making decisions on economic and commercial activities (substantiation of investment projects, development and determination of economic activities and their volumes, legal decision-making, etc.) or on the improvement of own household (acquisition of better housing or realisation of superfluous housing). Incorrect assessment of the market value of the property may result in the adoption of wrong decisions, for instance, favourable investments may be postponed or accelerated. Due to the fact that the appraiser is influenced by the analysis of the real estate market and the subjectivity of the assessment process, the assessment of real property is grounded on these data, and the amount and quality of these data have direct impact on the accuracy of the assessment. In practice, appraisers tend to refer to decisions based on experience (Zhou, Liang, Zhang, 2015).

The development of computer systems allows to create tools, which can transform the appraiser into a qualified expert able to analyse the market parameters (Schulz, 2003).

Through the scientific literature, the article aims at presenting the model providing the possibility of sharing the data related to the real estate market. The possibility to create the real estate databases enabling to perform the assessment of real estate more accurately and promptly with large amounts of data has not been analysed in Lithuania.

Research tasks:

1. To analyse the need for the assessment of real estate.
2. After the analysis of literature, to present the methodology for the collection of data.

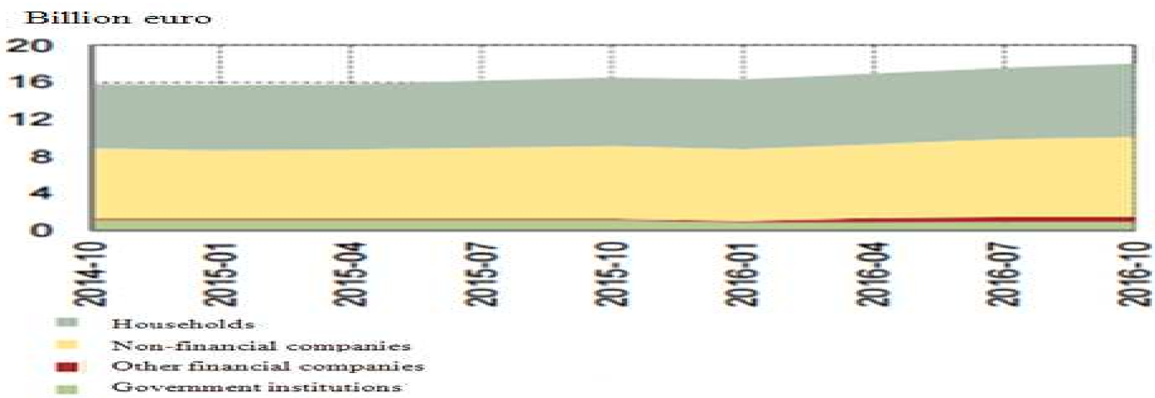
Importance of the assessment of real estate

In many countries, the real estate constitutes a large capital resource and a component of economic well-being. Along with the main participants of the real estate market, there are many interested parties involved in or related to this market. It includes the state performing the normative regulation of the real estate market, real estate agencies, designers, builders, banks. A large number of related parties makes the real estate market particularly important for the entire economy.

The pecuniary expression of the real estate owned by natural persons and legal entities is relevant to the state for the determination of tax obligations. All unique features of real estate objects and the heterogeneity of the real estate market presuppose the need to create the value category, which allows to decide upon the value of the object as a part of economic environment, i. e. the estimated amount of money, for which the property could be sold on the date of valuation under the normal market conditions, upon the conclusion of a transaction between the seller willing to sell the property and the buyer willing to buy it, after the proper introduction of such property in the market, when both transacting parties act constructively, prudently and without compulsion (EVS, 2016). The accurate assessment of value is also highly important in the individual level. Households, businesses, public authorities are interested in learning the market value of their property even if they do not intend to sell it in the market. The awareness of the market value may be necessary for accounting purposes, decisions based on the composition of assets, profit and loss (Schulz, 2003).

One of the most important participants in the real estate market are banks providing funding to buyers of the real estate. It is important to note that the assessment of property is essential for the mortgage purposes. The examination of the overview of bank activity prepared by the Lithuanian Bank revealed that the net value of the loan portfolio provided by banks to their customers increased by EUR 471 million, up to EUR 18.1 billion, during the third quarter of 2016. The overview revealed that the change in the net value of the loan portfolio was almost equally shared by households and businesses. During the third quarter, the value of the loan portfolio for businesses increased by EUR 265 million (3.2 %), for households – by EUR 205 million (2.6 %). The value of the loan portfolio for government institutions and other financial companies changed only marginally and the overall impact of these two segments on the loan portfolio during the period was neutral.

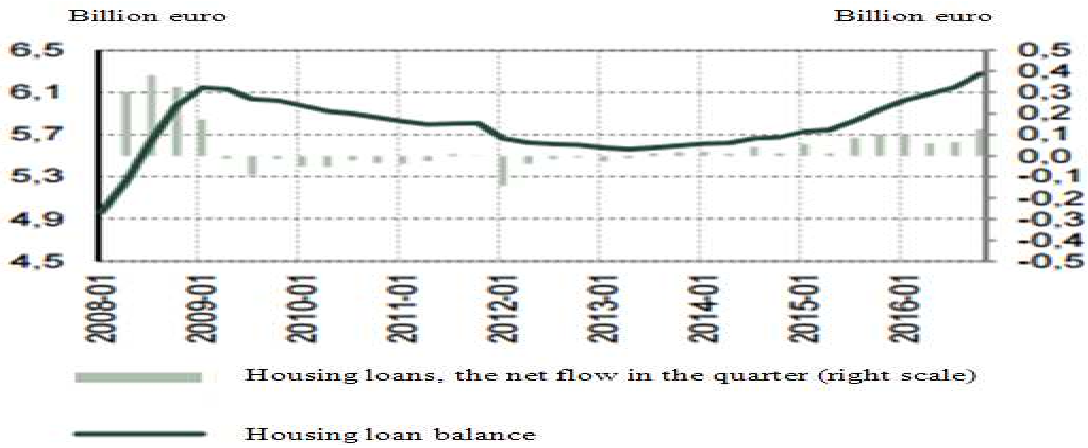
Fig. 1: Banks loan portfolio, bill. EUR



Source: Banking business overview, 2016

During this period, housing loans were distinguished a bit more than usual. Within three months the net value of this portfolio increased by EUR 125 million (2.0 %) and resulted in the increase by more than a half of housing loans during the third quarter. Housing loans increased by 5.8 % during the year. During the first three quarters of 2016, the value of the bank loan portfolio increased by EUR 1.7 billion, in 2015 it was EUR 0.8 billion during the relevant period.

Fig. 2: Housing loan portfolio, bill. EUR



Source: Banking business overview, 2016

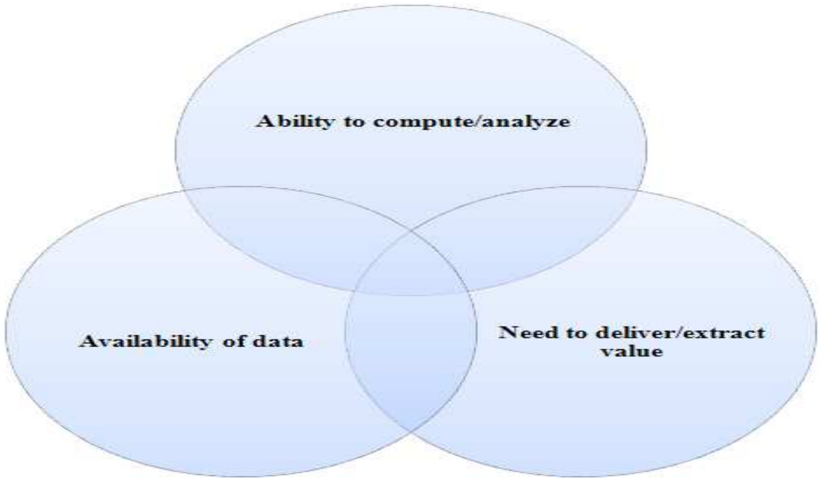
In view of the net value of loan portfolios provided by banks to their customers and taking into account the amount of money involved in the real estate market, there is the need to improve the real estate assessment system as incorrect valuation of the real estate may result in significant losses incurred by both the buyers and financial institutions as well as other parties involved in the real estate market.

Data Database

Access to the data is the most important currency in the information age. When information becomes more easily accessed through a number of channels, the property appraisers can better prepare to utilize the complex analysis (Zhou, Liang, Zhang, 2015). In other words, the data is a freely available raw material; however, it must be integrated with business models by structured productive way. This is achieved through a single stage, which combines innovative development and structural transformation – at least this is the case with regard to the theory of economic development (Catella, 2015). With the upcoming age of large amounts of data, it provides an unprecedented space of development of the assessment of real estate. The assessment of real estate involves data extraction and processing; the amount and quality of these data have direct impact on the process and quality of the assessment of real estate. Therefore, the lack of data or incorrect data affects the accuracy of the results (Zhou, Liang, Zhang, 2015). The value of the real estate depends on many factors. Investors and owners are interested in the maximum return on property, which it may generate. Housing is one of the basic human needs; the real estate has always been characterized by a strong demand in developed cities. The price of the real estate has always been the main criterion for the buyer to purchase the property. Several studies revealed that property prices generally include physical and economic characteristics, location, environment, identity, etc. These and many other factors are difficult to assess (Chaphalkar, Sandbhor, 2013). Currently, at the edge of the information age, the bigger problem is not the lack of data but rather their abundance (Zhou, Liang, Zhang, 2015). Presently, the appraiser of real estate has a lot of data from the real estate market. These data are analysed before drawing up the report on the assessment of any kind of property. According to the author, as the profession of a real estate appraiser is evolving, the existing methods of assessment will have to be amended in the nearest future. The author believes that the change of these methods will be influenced by the fact that significant drawbacks are presently determined in the practice of assessment of real estate. Modified assessment methods should be applied on a larger scale, using objective information (Dudek-Dyduch, 2011).

The main task of modern times becomes the sorting and storage of these data, as well as the rejection of redundant data. In recent years, social, economic and fiscal changes constitute significant factors in the real estate market; presently, it seems like a complex system, which is characterised by constant transformations. Under these circumstances, property appraisers use the data which are available to them (Morano, Tajani, Torre, (2015). The appraiser's success is mainly determined by the available correct and complete information at the right time. The figure below presents the main data tools.

Fig. 3: Data drivers



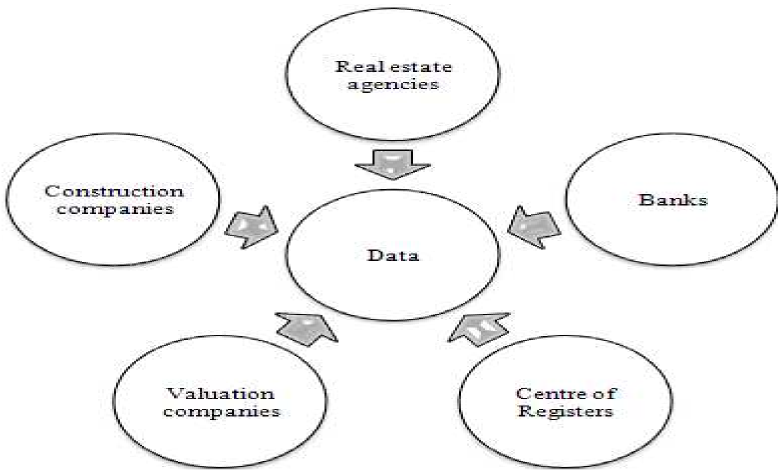
Source: EY, 2014

The accessibility of data, the possibility to analyse them and obtain the results of the processed data are closely related to the objectively assessed value of the real estate. Using the example on sales prices of real estate, the main way to obtain data relating to the real estate is to analyse data of real estate agents, to consult in real estate agencies, to track the supply data and to accumulate data received from the real estate register. The real estate data has always been the most important and complex issue on the accumulation of information (Zhou, Liang, Zhang, 2015).

Tasks performed by real estate appraisers are particularly complex as appraisers have to perform perceptive analysis in each stage of the assessment procedure. The need to carefully analyse the vast amount of incomplete and vague data confirms that a special computer system, aiding the real estate appraiser in each stage of his work, is essential (Dudek-Dyduch, 2011).

With the large amount of data, enterprises, public authorities, educational institutions, etc. should cooperate and share their data.

Fig. 4: Interested parties



The application of computer system completely changes the assessment procedure as the appraiser does not concentrate on correct calculations, but rather focuses on the correct selection of market parameters, which may be easily rectified (Dudek-Dyduch, 2011). The real estate assessment database based on large amounts of data may solve real estate assessment problems associated with the lack of data (Zhou, Liang, Zhang, 2015). Instruments required successful data base is presented below (EY, 2014).

Fig. 5 Path to a successful database

Source: EY, 2014

According to the authors, this scheme may be helpful to make the real estate assessment system function easier and more accurately. Good management is essential for large data initiatives. This includes clear and consistent managerial and decision-making procedures. Businesses must ensure a standard and comprehensive collection of data; currently, companies, organizations and other institutions must start to exchange their data. The next stage is management, which includes data integration and data transfer among companies. In order to ensure the use of the incoming data, "the architecture" is highly important, i. e. the system ensuring the integration and analysis of large amounts of data in various formats. The collection of data leads to the main challenge, namely the interpretation, comparison and analysis of large amounts of data. Ensuring the quality of data, they must be constantly analysed and complemented. Data in such a database must be secured and the accessibility must be guaranteed only to interested parties.

The creation of the data collection system requires knowledge in information technologies, as well as both theoretical and practical knowledge related to the assessment of real estate. The most challenging stage of the creation of such a data collection system is the application of practical knowledge. This is because most certified appraisers are not willing to involve in the development of a computer system. The authors believe that if such a database is created only on the basis of theoretical knowledge, it would not be useful in practice. In the scientific literature, it is defined as the main reason why professional computer systems are not developed for the assessment of real estate.

Conclusion

Households, businesses, public authorities are interested in learning the market value of their property even if they do not intend to sell it in the market. The awareness of the market value may be necessary for accounting purposes, decisions based on the composition of assets or expenses. One of the most important participants in the real estate market are banks providing funding to the buyer of the real estate, however, it is important to note that the assessment of property is essential for the mortgage purposes. In view of the net value of loan portfolios provided by banks to their customers and taking into account the amount of money involved in the real estate market, there is the need to improve the real estate assessment system as incorrect valuation of the real estate may result in significant losses incurred by both the buyers and financial institutions as well as other parties involved in the real estate market. The creation of an accurate and comprehensive database with constantly updated and processed data would allow appraisers to work with limited amount of data while performing the assessment of real estate, to automatically capture causal relations between explanatory variables and asset prices, as well as to determine the short-term market value of the property, which becomes increasingly important.

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SMART EDUCATION IN SLOVAKIA, BELARUS AND LEBANON AND ITS IMPROVEMENT USING INTELLIGENT DECISION SUPPORT SYSTEM (IDSS)

Jozef HABANIK, N. SINIAK, A. HABIB, N. SHARIF, Karol KRAJCO

Abstract

Smart educational has been established at all stages of education in Lebanon, Slovakia and Belarus, but in different perspectives. In order to evaluate the usefulness of decisions as well as measure the significance of further competences, Decision support system (DSS), a collaborating information system of computer based that is intended to provide support to outcomes of decision problems, has become a research focus. The intelligent decision support system (IDSS), which is the outcome of the coalescing artificial intelligent (AI) and (DSS), seems to be an efficient tool for improving technical educational. Generally speaking, IDSS is an "interactive computer information system" that can provide assistance to decision-makers for using of facts and figures to solve complex problems. the study intends to use IDSS as a tool to evaluate the quality of decisions and therefore enhance the effectiveness and efficiency of education in the developing countries like Lebanon, Slovakia and Belarus. The study aims to relate the historical background of IDSS, present latest trends, tools and techniques in IDSS and end up with a conclusion enforced with many recommendations for a promising educational development.

Key words

development strategy, technical institutes of higher education, Lebanon, Belarus, intelligent decision support system (IDSS).

JEL Classification:

Introduction

Since 1950, 13 economies have grown at an average rate of 7 percent a year or more for 25 years or longer. At that pace of expansion, an economy almost doubles in size every decade. It is possible only because the world economy is now more open and integrated. This allows fast-growing economies to import ideas, technologies, and know-how from the rest of the world. One conduit for this knowledge is foreign direct investment, which several high-growth economies actively courted; another is *foreign education*, which often creates lasting international networks. Since learning something is easier than inventing it, fast learners can rapidly gain ground on the leading economies. Sustainable, high growth is catch-up growth. And the global economy is the essential resource. No country has sustained rapid growth without also keeping up impressive rates of public investment—in infrastructure, education, and health. (The Growth Report, 2008). It paves the way for new industries to emerge and raises the return to any private venture that benefits from healthy, educated workers, specialists, passable roads, and reliable electricity.

In 21th century, represented as knowledge-based era, education should pursue internationalization, openness, innovation, fusion, and creativity. Technology can play a significant role in increasing productivity at every level of the education system. State programs, policies, and practices can invest in, encourage, or make room for the smart use of technology – not as an add-on or to reproduce current practice, but to accelerate learning and expand access. Smart use of technology is primarily about allowing each person to be more successful by reducing wasted time, energy, and money and create the base for joint distance education. At the global level, international collaborative programmes started in the early nineties, and in most cases, as bottom-up initiatives of academics. Today, international Joint Programmes are interesting experimental grounds that support innovative forms of international cooperation, teaching and learning. There is no "one-size-fits-all" model, but rather, many different approaches building on the richness of institutions and diverse institutional profiles, as well as national and regional contexts.

For several decades Lebanon had been a higher education center of the Middle East, but with the passage of time it lost its benefit because of its political exertions. The regionally well-known Lebanese system of education is extremely established at all stages, with a high admission and transition from school to higher education institutions. However, the deficiency of a flawless vision, plan, and strategies for the entire educational sector are considered major problems facing their development.

Putting into practice the economic and social transformation policy in the Republic of Belarus, a protuberant hinge on the substantial level on human resources and, on the country's educational level has been remarked. According to the Education, Audiovisual and Culture Executive Agency (2012) modernization of the higher educational system of Belarus started in 2005. The modifications in the higher educational system give emphasis to the usage of advanced principles and methods to learning and teaching, improving and upgrading the technical based education, appropriate balance between free of cost education and the education delivered on the basis of fee-paying, availability of a range education programs and practice of information technologies.

In aforementioned context, the study intends to use IDSS as a tool to evaluate the quality of decisions and therefore enhance the effectiveness and efficiency of education in the developing countries like Lebanon, Slovakia and Belarus. The study aims to relate the historical background of IDSS, present latest trends, tools and techniques in IDSS and end up with a conclusion enforced with many recommendations for a promising educational development.

Theoretical background

Generally speaking, IDSS is an "interactive computer information system" that can provide assistance to decision-makers for using of facts and figures to solve complex problems. According to Zhou *et al*. (2008), intelligent decision support system (IDSS) is an outcome of the coalescing artificial intelligent (AI) and decision support system (DSS). 2005). Decision support system (DSS) can be described as information system (IS) which contributes and assists the human beings' process of decision-making Liu*et al*. (2010). It can make available a range of reliable programs and scrutinize the assumptions and requirements of decision-makers, as a consequence of attaining the objective of decision-making support. As the artificial intelligence (AI) approaches have been integrated into the systems for creating intelligent decision support system (IDSS), scholars have endeavored to measure the significance of further competences (Phillips-Wren *et al*., 2009).

Historical background of IDSS

Decision support system (DSS) is an important area of information system (IS) discipline which focused on the systems that provide assistance and develop decision-making capabilities (Arnott&Pervan, 2008). From approximately four decades of the history, decision support system has been transformed from a fundamental movement to a different approach of information systems and perceived in the corporate as a mainstream information technology movement in which all organizations participate (Arnott&Pervan, 2014). At this period, DSS has sustained to become a substantial sub-field of information system. The research on DSS has an extensive history of utilizing design-science exploration approaches, and several of the initial DSS projects included designing and instigating innovative information technology based systems.

Artificial intelligence (AI) improves the prospective of the decision support system (DSS) in actual management circumstances (Rosenthal-Sabroux&Zarate, 1997) through, for instance, take along dissimilar resources composed and encompassing support competences. Not only IDSS can develop consequences, the usage of AI practices have emotional impact on the procedure of decision-making by giving the overall potential for actual response, mechanization, personalization, erudite reasoning arrangements, and extensive information bases on which decisions are depending (Phillips-Wren *et al*., 2009). Intelligent systems merely do things contrarily than those systems do not implant intelligence. Therefore, it is proper, then, to precisely identify system advantages initiating in procedure, as well as result, sustenance. The IDSS decision value can resolute from the multi-criteria assessment using the procedure of, and result from, the process of decision making as a criteria of top-level.

The foundation of DSS can be found back to previous effort in two key research streams: one is theoretical research of organizational decision making and second is technical research on interactive computer system (Keen & Scott Morton, 1978). First model of process of decision making comprised of three stages: "intelligence, design and choice" (Simon, 1960; Simon, 1977). Here, intelligence is related to finding of problems, design comprises of alternatives' development, and the choice is related to scrutinizing alternatives and choosing one for execution. This was a classic problem solving model and the intelligence design choices model had been extensively accepted and implemented. Even though, later the model was extended with a fourth phase called monitoring (Frantz, 2003), the research on DSS continued primarily concentrated on the originally developed three phases model.

The work from management information technology researchers was also extensively recognized. Influential publication (Eom, & Lee, 1990) focused on the design issues of DSS. Keen and Scott Morton (1978) worked on a wider interactive orientation of DSS as scrutiny, design, application, assessment and improvement. However, the research on decision making and decision support system still continued in several ways by a number of practitioners and scholars (Nutt 2007; Arnott&Pervan, 2014), as well as scholars from other categories as Artificial Intelligence (AI), and Management Information System (MIS) that have brought lushness and density to the research of DSS (Zhou *et al*., 2008; Phillips-Wren *et al*., 2009).

A fast look exposed that the importance of traditional DSS seemed to be diminishing in the period of 1990s (Claver*et al*., 2000) as many different challenges raised for the standing alone DSS. The key challenges comprised: first technology transferals from "database to data warehouse" and OLAP (On Line Analysis Processing), from mainframe systems to server, and from solo user to World Wide Web access; second rising interconnection with new dynamic organizational setting and intellect that was addressed by further information systems like ERP (Enterprise Resource Planning), CRM (Customer Relationship Management), and SCM (Supply Chain Management); third was the growing complication of decision conditions which places huge cognitive amount of work on the decision makers.

One communal important concern behind the overhead challenges is the outdated problem solving characteristics of DSS that has to be extended and combined to be well-matched with innovative technologies, organizational settings and intelligence, to permit more translucent collaboration between system and decision makers, not only to improve the effectiveness and efficiency of the process of decisions, but as well for cooperative sustenance and virtual group working. Many academics have at present get on the excursion of integrated and intelligence approaches aimed at addressing those challenges (Liu *et al*., 2010).

Latest trends, tools and techniques in IDSS

Education sector is most important sector and education is the most imperative issue of the whole world. The context is an inclusive situation in which institutions race for more enrollment with one another. Recently, DSS is an efficient tool for dealing with any type of circumstances, where it is required to take decisions efficiently. Huge numbers of structures have been anticipated for consolidating the knowledge relevant to decision support system (Power, 2001).

Seven general types of DSS depend upon the prevailing technology element are suggested as:

Personal Decision Support Systems (PDSS) are generally the systems for small-scale, developed for single person, or less number of autonomous managers, for supporting the decision task. Possibly the ancient DSS category, PDSS, still remains significant in practice, especially in the form of user-built models and data analysis systems (Arnott, 2008).

Group Support System (GSS) is the usage of the combination of hardware, software, communication, language mechanisms and DSS technologies that facilitate the active working group involved in decision making meetings (Pervan& Atkinson, 1995). Negotiation Support Systems (NSS) exist where DSS works in the group but consist of application the IT for facilitating negotiations (Arnott&Pervan, 2008).

Intelligent Decision Support Systems (IDSS) include an application of techniques of artificial intelligence to support decisions. IDSS has been categorized into two groups such as the one included the practice of rule-based adept system for supporting decision, and the other practices neural systems, fuzzy logic and genetic processes (Turban *et al*., 2005).

Knowledge Management-Based DSS (KMDSS) are the systems that provide assistance to decision making through the addition of knowledge storage, recovery, transfer and implement by associating individual and group memory, and the knowledge access of inter-group (Burstein &Carlsson, 2008). Data Warehousing (DW) are the systems that make available the data infrastructure of large-scale to support decision. Generally speaking, the data warehouse created for providing information to make decisions (Cooper *et al*., 2000; Watson, 2001).

Enterprise Reporting and Analysis Systems (ERAS) are the enterprise concentrated DSS that consist of Executive Information Systems (EIS), Business Intelligence (BI), Corporate Performance Management Systems (CPM) and Business Analytics (BA). BI tools get access and examine data warehouse facts by predefined software relevant to reporting, query and analysis tools (Hall *et al*., 2005).

ERP is the concepts and techniques used for integrated management collectively, from the perspective of efficient use of managerial resources for improving the competence of management. Vohra and Das (2011) pointed out three main limitations of EPR systems. Firstly, the executives cannot produce convention reports without programmer's help, and this prevents them from attaining information rapidly. Secondly, this system does not make available past information as it provides only recent status and for good decision making present and past both status are necessary. Thirdly, data cannot be combined with other units and it does not consist of external intelligence.

DSS are basically designed for semi-structured and unstructured activities. But the process for decision making is not a solo task as it slightly can be described as collective correlated tasks containing: information gathering, inferring and exchanging; generating and recognizing scenarios picking among different alternatives, and applying and observing (Bresfelean*et al*., 2009). But applying DSS is a challenge due to some of its disadvantages. Firstly, applying DSS can reinforce the viewpoint of rationality and overemphasize the process of decision making. The trouble is created in resolving complex semi-structured and unstructured activities due to traditional DSS. Secondly, the system of data-base and model-base management are the primary parts of decision support system. A suitable database management system should be available to perform with both internal and external data. But the absence of assimilation data may also leads towards ineffective applications of outdated DSS. To get a precise, operative and improved decision making process, the data should be inclusive, precise and up-to-date.

To eliminate the disadvantages of ERP and DSS both systems, intelligent decision support systems (IDSS) are required to use. IDSS is the outcome of combination of artificial intelligent (AI) and DSS. Its elementary design is the combination of knowledge cognitive methods of AI and rudimentary functional models of DSS. It is required and economically reasonable to use IDSS for nonspecific problems that required monotonous decisions. IDSS is collaborative computer-based system that utilize data, models, and professional knowledge for associating data mining to resolve semi-structured and unstructured problems by integrating artificial intelligence method (Eom, 2007).

Begin With Basic Principles

In an era of smart growth and sustainable development policymakers, and educators can analyze smart resource implementation decisions using several basic criteria:

- ✓ *Put student outcomes first.* Policymakers can constantly evaluate all policies and practices against the ultimate bottom line: is this policy or practice improving student outcomes?
- ✓ *Invest in what works, not what doesn't.* When funding is tight, reviewing information about which policies, practices, and programs have evidence of effectiveness takes on even greater importance.
- ✓ *Share ideas and learn from success.* Leaders can leverage successful approaches and practices by reaching out to each other and to outside experts in order to put those approaches and practices in place in more faculties and universities and to identify areas for improvement.
- ✓ *Work collaboratively with stakeholders.* As universities take on these challenges, engaging in productive dialogue with teachers, principals, unions, and other stakeholders will ensure that input from all involved stakeholders informs relevant decisions and increases the likelihood of successful and sustained implementation.

Conclusion.

The best government decision is provide a smart international education, which makes it easier to pick up new skills, and a strong rate of job creation, which makes it easy to find new employment. To improve the status of the institutions, universities attempt to put on plans and develop different tools to develop the excellence of education and research accomplishments and arrange for public pertinent facilities and knowledge so more students can take admission in the institutions. Information and communication technologies (ICT) have been becoming progressively an important part of the updated standard of living. ICT is gradually becoming very imperative for assisting the processes of decision (Alsurori&Salim, 2009). Data mining (DM) and Decision Support Systems (DSS) are suitable technologies to make available decisions support in environment of higher education by creating and offering related facts and knowledge to improve the quality of educational process and administration (Bresfelean*et al*., 2009). In the context of recent governmental initiatives to push universities to the top of a number of international rankings by 2020, nowadays is the right time to assess and highlight the current Joint Programme activity to find potential and challenges for future developments in Lebanon, Slovakia and Belarus.

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GLOBALISATION AND ITS IMPACTS ON THE SLOVAK LABOR MARKET

Daniela NOVÁČKOVÁ

Abstract

The inevitable part of the globalisation process is a change of economic relations, investment relations, and trade relations that is taking part in nowadays global environment. Referring to the theoretical postulates the globalisation also affects the employment policies of the states, and facilitates economic development. The most important actors of globalisation are transnational corporations that are highly concentrated mainly in the oil and automotive industries worldwide. The aim of this paper is to analyze the impact of globalisation on the Slovak labor market and to reveal major changes in employment policy as a result of foreign investments. At the same time, we have focused on the state economic instruments that are provided to economic entity's players provided new jobs are created. Globalization of the business is closely related to increasing frequency of international interaction of managers and employees, closer teamwork and need of new form of international collaboration. It increases demand for international management, for managers with international competences and effective leadership abilities in multicultural work condition.

Key words

Labor market, globalization, investments relations, trade, new jobs

JEL Classification: J8, L14,

Introduction

The way of life and work of citizens of the Member States of the European Union has been changing rapidly. The main reasons for these changes are globalisation, deepening European integration, increase of new technologies. Further to the globalisation the national economics are integrated into the world economy with the aim to ensure economic growth, while often the national interests of their states are limited. In essence it is the development of cooperation in the various areas that has international dimension. People are adapted to global culture, global economy and global change of environment. The change of economic relations, investment relations, change of legal forms of doing business, accounting, taxation, etc. also represents the part of globalization processes. The activities of transnational companies enable the reorganization of international division of work and bidirectional movement of capital. Globalisation thus can be defined as the increased openness of economies. In this spirit Šíbl and Šaková (2002, p. 228) state as follows: „economic and commercial globalization is the process, where national economies and markets have been gradually opened to competition, capital, technologies and information. It also means the general introduction of rules and standards regulating economy. Globalisation is an economic phenomena perceived by some either as wealth-being creator or evil for the society, it is a parallel process in the human world, creating both opportunities for, and barriers to, sustainable development (Saxunová, 2015). It also follows from the decision of a big number of countries to become the part of global economy, so that than can take part in contributions, which are brought by such economy.“ Globalisation- a combination of technological developments and economic liberalisation – enables goods, services, capital, companies and people to reach almost any part of the globe rapidly and easily.(European Commission, 2016, p.4). Globalization of the business is closely related to increasing frequency of international interaction of managers and employees, closer teamwork and need of new form of international collaboration. It increases demand for international management, for managers with international competences and effective leadership abilities in multicultural work condition. (Sulíková, 2011) Globalisation and European integration have largely influenced the labor market in Slovakia too, in particular traditional rules and labor and legal relations. It is the financial interests of employer and his/her position in the market among other competitions, i.e. voluntary integration of social and economic interests into everyday activities of a company, which is in the centre of interest of employers, and not the interests of employees.

Objective and Methodology

In the year 1995 the institute of state aid was introduced, on the basis of which the financial means can be provided to create new jobs and to train or re-qualify employees. The company doing business in Slovakia can ask the respective state authority to provide non returnable financial contribution. In this context it is necessary to stress that there is no legal entitlement for the state aid to be provided. The contribution analyzes the concrete impacts of globalization on the Slovak labor market and shows its negative and positive sides in the given area. The ambition of this study is to provide the point of departure for deeper examination of quite large area of problems and to provide impetus for wider and more intensive expert discussion about globalization influencing also the Slovak labor market. To achieve the objective, we used traditional scientific methods of analysis, synthesis, induction and deduction and comparative analysis.The numerous data, information and fundamental arguments, for us the most essential, were analysed (legal framework, granted state aid). The method of synthesis enabled us to monitor the relations among the facts, the character of their mutual linkage. The method of induction served us to formulate general scientific conclusions based on evaluating basic, scientific knowledge on state aid subsidies. The method of deduction was applied to creating general and partial conclusions associated with positive and negative aspects of globalisation related to the employment policy.

Findings

Negative and positive side of globalization in relation to the employment policy

The globalization brought with itself also the whole range of new phenomena, which have shed the entire new light on the postulates valid so far. The classic economic theory on foreign investment has without any criticism and subjectively stressed only advantages brought to the host state by the foreign investments. The strongest argument was the flow of foreign investments to the country. (Stiglitz,2002) The theories about the equality of opportunities in doing business and on the creation of suitable and favorable condition for the development of business have their ratio, however, the economic practice stresses the importance on the postulate of incentives being justified by the removal of regional differences and the reduction of unemployment. Although the investors represent the signal about the trust in the stability of the country and they create jobs in the territory of the state, where the investment is realized and their contributions are measurable, the state interventions in their direct or indirect form have clear impacts on the state budget. The interventions of states to the economy reduce the changes to apply the principle of equality in doing business. There are regions in Slovakia with the low level of employment. The fundamental reason for this is the inequality between the offer and demand in the labor market, being influenced by the demographic development, as well as by the insufficient number of newly created jobs, flexibility and quality of lifetime training. (Hudec,2006) The foreign investors are from this reason searching for such places that provide guarantee that they can apply for state aid in the form of financial contributions for the newly created jobs or for training. This fact is from the point of view of proper functioning of internal market the reason for the lack of equality between the competitors. The creation of favorable conditions for the realization of investment intention has thus the clear impacts on the public finances. In consideration of necessity to quickly and adequately respond to changes brought by exposure on global markets, it is essential that enterprises identify actual opportunities in a broader competitive environment. Globalization as shown in many studies and authors brings both positive and negative impacts (Kajanová, 2016).

In connection with the openness of the Slovak economy, its qualitative and quantitative limits the newly created jobs are strongly dependent on the investor, who is the recipient of state aid and who created the new jobs. On one hand his/her business activity has positive impacts on the economy of the state, on the other hand, however, it creates the dependence on the fact, whether the new jobs will be kept, as well as on the relations with subcontractors and on the economic growth in the given region. Many strategic investors with the recognized status of significant investment do not invest means into the development of future labor force, however, it is again the state, which as a consequence of the arrival of new investor bringing new technologies and modern production tools adapts its training system of secondary and vocational schools to the requirements of investor. As Slovakia became the assembly workshop for the car industry, there has been constant demand for experts – specialists for automatization, mechanics, quality and logistics specialists. The advantage have the graduates of technical schools with education focused on engineering, electrical engineering, mechatronics, etc. It means, that the education at secondary schools supported by the state is adapted to the requirements of economic practice with the special regard on the regional development. The change of the system of education requires the adaptation of curricula as well as of academic personal capacities. With regard to the fact, that the role of information technologies in all areas is being increased, it is necessary to ensure the education in this area too, which has the economic consequences for all entities ensuring the education and training, because the schools have to be both materially and technically equipped to be able to educate students. As a consequence of developing international investment relations and the inflow of foreign capital to Slovakia it is not possible to define area at present, which would in long term (in 10 to 20 years) shape the perspective of generating the new jobs in sufficient volume.

In the last years growth of the Slovak economy accelerated thanks to revitalisation of domestic demand, but also due to favorable foreign trade. Improvement of situation on the labour market together with decreasing prices led to increasing of disponsable prices, which rose households consumption in the last years. (Paškrtová L., 2016).

Discussion

The economic interests of foreign investors should be combined with the protection of employees. The labor force – the employee working in employment that is characterized not only by its contractual relationship, but also and mainly by its personal character, is the subject of protection of constitutional rights, such as the right for personal dignity – Article 19 of the Slovak Constitution, or the right of employees for fair and satisfactory working conditions, in particular the right for the remuneration for the performed work, sufficient to enable the decent standard of living. (Barancova,,2002) According to our view the rise of productivity of work and the introduction of modern technologies (automatization of the manufacturing process) can also mean the loss from the perspective of working opportunities. In another words, if the foreign investor focusses on the rise of the productivity of work, it contributes to the increase of profit, and at the same time it has the consequence in reducing the number of jobs and in cumulating the working activities. As a consequence to the preference for generating the higher profit the profitability is focused in particular on the area of cuts related to human resources in the production as well as cuts related to the lower level protection of social rights of workers. With the arrival of foreign investors the positive changes in the development of company environment and culture in the field of diversity and gender equality/equal opportunities are expected. Several transnational corporations in their branches and subsidiaries in Slovakia have in fact actively implemented the programs aimed at support of reconciliation of family and labor life, however, in the areas such as the participation of women in the decision making, or gender differences in remuneration do not show better results as the domestic companies. (Kotulova,Mitkova, 2016) The foreign investors in Slovakia are considered as the key factor for creation of new jobs, however, if we would consider them in view of fairness, we have to take into account the negative side of inflow of foreign investment to Slovakia as well.

Tab. No.1 : Negative and positive aspect of globalization in relation to the policy of employment

Positive aspect	Negative aspect
Creation of new jobs.	Impacts on public finances (if the state aid is provided).
Inflow of new technologies, strategic innovations, improvement of skills.	Economic interests prevail over the protection of rights of employees, which increases the uncertainty on the side of employees.
The State does not provide the employed persons the dole and nor does pay to the system of social security.	High productivity of work of employees has the impact on their health and life and health conditions for living for their families.
Opportunities for the secondary development of SMEs in the region – creation of new jobs.	Slovak business entities are not able to cope with the strong competition, and therefore also the Slovak production enterprises are stagnating in the field of modernization of production and innovations.
Increasing the standard of living of population.	
Removal of regional differences.	

Resources : own processing (2017)

On the basis of this it is possible to state that the globalization has the minimum impact on the labor market. The sources of competitive advantages are not only the low production costs and natural resources, but also the human capital. Through internalization of business activity the systemization of jobs is changed as well, combining both its performance and effectiveness.

1 Changes at the Slovak labor market as a consequence of the globalization

Slovak economy is strongly influenced by the development of globalization and European integration as well as by obligations stemming from its membership in the international organizations. The process of European integration that was connected with the process of preparation of the Slovak Republic for its membership in the European Union was undoubtedly demanding, since the legal and economic obstacles to the free movement of natural and legal persons were gradually removed. The main goal of the labor market reform was to increase the mobility of labor force, to introduce more flexible forms of employment, to support social businesses, to increase the efficiency of unemployment compensation and to introduce various incentives for employers to create new jobs. The fundamental measures of a social system reform and labor market concerned the increase of flexibility of labor market, the introduction of activating allowances and systems of activation support, the reduction of taxes and levies connected with labor, the transfer of disbursement of health allowances during first ten days of sick leave upon the employer and the introduction of tax and levy bonus for a child. The labor market represents the traditionally sensitive and vulnerable place of Slovak economic environment. According Saxunová and Nízka SMEs businesses including also social businesses, which are frequently subcontractors to big corporations, provide the labour market with creating a blended workforce, a combination of people who have barriers to employment and people who do not, workers who are developmentally disabled are particularly effective at performing repetitive tasks, frequently out-producing people who can be bored with monotonous work; creating taxpayers and offering people an opportunity via trust and responsibility delegated to them (2012, 2015). The reforms in various fields with the institutional support of the European Union were introduced. Slovakia is more than one decade the full fledged member of the European Union (the EU) and keeps fulfilling the economic strategic goals of the Union. The labor market ranks among highest priority areas within the EU strategies, which fully corresponds with the long term needs of Slovak economic policy. (Lubyova, 2015, p.11-12)

Together with the globalization the position of transnational corporations, which started to operate in the territory of states of Central and Eastern Europe has been increased. The huge increase of foreign investors has significantly influenced the structure of market in these states too, which had the negative impacts on the small and medium size entrepreneurs. There have been occurring several reasons for foreign investors for their entry into the economy of host country. In principle it is the increase in the outlet of goods, competitiveness, getting in the new markets or using the cheap labor force with the aim of reducing the costs of production. (Šturma, Balaš, 2013,306) The activities of foreign investors require also their ability to adapt to local requirements with the global perspective. In the interest of fulfillment of goals of the company they have to be able to link transnational elements of doing business and to create the synergies of cultures, to support international cooperation and the process of learning. The transnational companies have their dynamic and flexible structure of management, as well as modern IT technologies, and the local labor force has to adapt to them. The arrival of foreign investors to Slovakia has also influenced the labor market. We can talk about the obligation to create the new jobs by the foreign investors at present. In the larger context we have to take into account the fact that foreign investors are interested in realizing their intention to invest in states, which have been providing competitive advantages and the low level of investment risk. The economic instruments of the state – state aid and investment incentives form part of competitive advantages. The economic entity gets the competitive advantage from the state in accordance with the rules of the European Union and in accordance with the Law on Investment Incentives in exchange of newly created jobs. Every single job created directly in connection with the investment intention has to be filled and preserved during the period of at least five years from the date of its first occupation by employee. This obligation stems directly from the Law on Investment Aid. This imperative can also be understood as the systemic measure related to the removal of regional differences, because the state aid is provided mainly in areas with GDP lower than 75%. The presence of foreign investors was concentrated in the past mainly in the Western Slovakia, at present their presence has been spread to Central and Eastern Slovakia as well further to the conditions applicable in order to gain investment incentives.

In spite of a number of persuasive arguments pointing out the advantages of globalization, this process has numerous impacts on the Slovak labor market. On one hand it has positive impacts, as further to the globalization the transnational corporations enter into the territory of other states and create new jobs through the realization of the investment intention. On the other hand, the newly created jobs cause some difficulties, as job applicants in the newly created companies with dominating modern production technologies do not fulfill the criteria of professional qualification nor skills. The investors themselves are aware of the fact, that failing to invest to the professional training of their employees would negatively influence not only the quality of production, but also it would increase the risks of occupational injury. Insufficiently professionally prepared employees would encounter difficulties in reaching the increase in productivity of work, which could unfavorably influence the economic competitiveness in global scale. The arrival of foreign investor is connected with several factors: realization of investment intention, creation of new jobs and training of employees.

For concrete illustration we have chosen the foreign company PSA Peugeot Citroën Automobiles Slovakia, Ltd. with its seat in Trnava, which on the basis of the decision of the Ministry of Economy of the Slovak Republic No. 62/2003-001 of 13th February 2003 obtained the status of „significant investment." (Ministry of Economy of the Slovak Rpublic,2003) The mentioned company asked the government of the Slovak Republic for the contribution for training and for the creation of new jobs. The Government of the Slovak Republic by its resolution No. 332 of 15th April 2004 approved the state aid in the requested amount to the foreign investor. (Project PSA Peugeot Citroën Automobiles Slovakia ,2004) The legal base for the provision of legal aid was the Commission Regulation (EC) no 68/2001 of 12 January 2001 on the application of articles 87 and 88 of the EC Treaty to training aid (OJ EC L 10,13.1.2001) and article 7a of the Law no. 231/1999 Coll. on the State Aid as amended. The state aid represents one of the economic instruments, which started to be provided in Slovakia from the year 1995. According to the legal regulation of the European Union „any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods shall, *in so far as it affects trade between Member States, be incompatible with the internal market.*" (Art.107 TFEU OJ EU C 83.30.3.2010)

State aid is compatible with the internal market, when the balance is ensured between the final distortion of competition and advantages resulting from this state aid provided. The reviewing the compatibility of the state aid with the internal market is in principle based on its negative influence on the trade and the competition, while the aspects of its contribution to the achievement of clearly defined goals of common interest are taken into account. The exemptions, on the basis of which the state aid can be regarded as compatible with the internal market, are stipulated in Article 107 paragraphs 2 and 3 of the Treaty on the Functioning of the European Union. The state aid can be regarded as compatible with internal market, if it promotes the economic development in the regions, where the standard of living is very low or where the unemployment is very high and, if it promotes the development of certain economic activities or areas, provided that this aid will not affect adversely the conditions of trade in such a way that it would contradict the common interest.

The company asked for the contribution for the creation of new jobs according to article 93a of the Law No. 387/1996 Coll. on Employment as amended in the amount of 40 000,- Slovak crowns for one job, in the overall amount of 245.000.000,- Slovak crowns (in the period of 2004-2006). At the same time it required the financial contributions for the requalification of employees in the amount of 480.000.000,- Slovak crowns (in the period of 2004-2006). The mentioned company according to the project planned to create 3.500 new jobs, from among of which 3.000 for the professions of workers and 500 for the technical staff and management staff. As the consequence of the realization of the investment intention many other jobs were created for providing services through subcontractors from small and medium enterprises.

The company was the recipient of state aid for the support of specific and general training and preparation of employees with the aim to increase the level of their education, working potential and adaptability of employees. The training was realized partly in Slovakia and in France in the period of 2 to 7 months. The company is still prospering in spite of the big competition of car industry in Slovakia, however, at the same time it has problems with staff capacities. Information published in the website concerning the recruitment of new workers serve as the evidence thereto. The company offers jobs for the graduates of universities, secondary vocational schools, as well as to the candidates with basic education. New employees have to pass the adaptation training program in order to acquire needed knowledge and skills and to be able to perform their working duties. The dual training taking place both at school as well as in the given company represents the novelty. The dual training is the first type of education, which has been accommodating the needs of practice. (PSA-Slovakia,2017)

- The investment intention of the company PSA Peugeot Citroën Automobiles Slovakia, Ltd. was realized with the support of state financial resources, whereby this foreign company gained the competitive advantage and improved its position at the market. At the same time the employment in the region, as well as foreign trade balance of the Slovak Republic was improved. The openness of Slovak economy provides for the arrival of foreign investors to Slovakia who make use of the institute of state aid as the supplementary tool for the successful realization of investment intention. In the wide spectrum of investors there are not only the investors from the EU Member States, but also from the non EU Member States. In general it has been pointed out that they come to Slovakia because of cheap labor force, however, in our view they are also economic tools of the state improving the status of investor in the market among competitors. The competitive advantages provided to business entities do not last long time, and after their expiration the investor mostly searches for better conditions for the development of his/her business. Company PSA Peugeot Citroën Automobiles Slovakia, Ltd. Trnava ranks among business entities that are interested in keeping doing business activities in Slovakia, although it is not the recipient of state aid anymore at present. In general it is possible to sum up, that the mentioned foreign investor is one of the biggest employer in Slovakia and the biggest one in the region of Trnava. It provides the employment for 2.447 employees at present, from among of which there are 130 management and administrative staff. In addition there are also other companies doing business in Slovakia:

1. Volkswagen, joint stock company with its seat in Bratislava employs 10.800 employees (2016)(Volkswagen,2017)
2. Kia Slovakia, Ltd. with its seat in Žilina employs 3.646 employees (2015) (Kia.sk,2017)

These companies are considered as the strategic economic entities ranking undoubtedly among the strategic economic companies which are clearly the biggest employers in Slovakia. In total the labor force in the field of car industry increased with 36.0000 people as compared with the year 2001, which represents the increase in the level of 120,0 %; from the year 2008 of 11,0 %. (Summary Report on the Gender Equality in Slovakia for the year 2012) There is no doubt that the arrival of every new foreign investor is perceived positively, however, there are also investors, who obtained competitive advantages from the states in the form of tax relief and after the elapse of time period, during which this over standard treatment applied , left and are leaving Slovakia. This negative phenomenon can be regarded as the part of the freedom of establishment and making use of more advantageous conditions for the development of business activities.

Conclusion

The globalization brings new possibilities, intensifies the international movement of capital and international division of labor. International division of labor follows from the comparative advantages of national economies (state aid in Slovakia), on the basis of which the specialization for production of those goods and services takes place, where higher productivity in comparison with other areas is achieved. The extent of involvement of Slovak economy into the international division of labor can be quantified by the proportion of export and import in the created GDP as well by the proportion of foreign investment. At present we can talk also about the expansion of foreign investors especially in the field of car industry to Slovakia, where they rank among the biggest employers.

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VACANT POSITIONS AT THE SLOVAK LABOUR MARKET

Rozália SULÍKOVÁ, Ľubomíra STRÁŽOVSKÁ

Abstract

The submitted scientific article is focused on the current problems of the Slovak labour market. Currently there are multiple tools that support creation of the new job positions and employment of disadvantaged people. Nevertheless, Slovakia has a high rate of unemployment compared to the EU. In this article we analyze the causes why there are still vacant positions in the Slovak labour market and we point out to creation of the new positions with the support of EU structural funds. The goal of this article is also to highlight the socio-economic context that justifies the high number of vacant positions. In Slovakia, there is currently an intensive discussion about unemployment and job vacancies. The issue of employment is currently one of the priorities of the Slovak government and it is also the part of the Europe 2020 Strategy. One of the objectives of the Europe 2020 Strategy is to increase the employment rate of men and women aged 20-64 years to 75%.

Key words

Employment, labour market, vacancy, education

JEL Classification: E24, E60,

Introduction

In consequence of globalization Slovakia is facing striking changes which affect also employment rate and labour market. The changes include for example: • the employment structure • the lack of job security • increasing income inequality • emergence of new forms of labour relations • the change in requirements of employers towards the employees (and vice versa). In the field of personal characteristic, the requirements for continuous development of employees and their ethical behavior is getting more and more attention. Personality characteristics of individuals, so called soft skills, are coming to the forefront. Many multinational organizations highlight the level of EQ (emotional intelligence) and CQ (cultural intelligence) besides the expertise of the candidate in the selection process of employees. Personal characteristics such as flexibility, adaptability, openness to other opinions and points of view, friendliness, acceptance of others, effective communication, presentation skills are becoming important. The requirement for ability to lead the cross-cultural teams and ability to cooperate, creativity, pro-activity, stress resistance are the assets that are coming to the forefront. On the other hand, the most common insufficiencies which employers mentioned in connection with the employment of high school graduates in Slovakia are entrepreneurship, responsibility, commitment, self-management, communication, information management, learning abilities and cultural sensitivity. The above mentioned characteristics need to be developed among the graduates and thus increase their competitive advantage when applying for a vacant position.

In Slovakia, there is currently an intensive discussion about unemployment and job vacancies. Offices of Labour, Social Affairs and Family and employment agencies point out to the fact that although in Slovakia there is high number of job vacancies, there is still a large number of registered unemployed people.

The issue of employment is currently one of the priorities of the Slovak government and it is also the part of the Europe 2020 Strategy. One of the objectives of the Europe 2020 Strategy is to increase the employment rate of men and women aged 20-64 years to 75%. Higher employment rates in Europe should be achieved mainly through higher employment of women, older people, young people, and people with low qualifications. Based on the statistics, in 2014 the female employment rate in the EU-28 was 59.6%, whereas the rate for men was 70.1%. In Slovakia women's employment continues to be hampered by the lack of availability of services in child care. The employment rate of women (aged 25-49 years) with children under the age of six years is below 40%, while of men the same age group and marital status it is 83%. It reflects the lack of quality and affordable childcare services and relatively long parental leaves. (Eurostat, 2015)

The low level of total employment is caused not only by lower economic activity rate of women but also of older people. The cause of high long-term unemployment can be also a lack of job vacancies with lower skills qualification.

High employment rate - more than 70% has Germany, Great Britain, and the Netherlands. Low unemployment rate is also in Canada - in 2015 the unemployment rate was 7%. At the other end of a spectre is Greece with its low employment rate that is among the lowest in EU. (Eurostat, 2015)

It should be emphasized that long-term unemployment has negative impact not only from the social point of view but especially from the perspective of an individual - the loss of work skills and learning skills, loss of self-esteem and motivation. Unemployment is also associated with social and psychological problems resulting from some of its effects such as loss of income, discouragement, degradation of skills and exclusion from the labor market in long-term unemployment. (Niang, 2014) This may result in extreme reactions, such as crime and suicide.

Goal and Methodology

The objectives of the scientific paper are to assess the causes why there are still vacant positions in the Slovak labour market and to highlight the socio-economic context that justifies the high number of vacant positions. We point out importance of the support of EU structural funds in the process of creation of the new work-positions. The methods of analysis, synthesis, comparative analysis and induction will be used for the elaboration of the scientific paper.

Findings

Slovak Government adopts various actions to support employment creation and sustainability of already created jobs that are financially supported from the state budget or EU structural funds. Nevertheless, the unemployment rate in Slovakia is high in comparison with the other EU member states. The registered unemployment rate in Slovakia reached 8.26% in January 2017. (NBS, 2017) Having this level of unemployment rate, which is the highest among the countries of the Visegrad four and Austria (4.9% Czech Republic, Austria 9%, Hungary 4.7%, Poland 8.2%), companies still report a shortage of workers. (etrend, 2016) Shortage is mostly among low-qualified but specialized professions such as electricians, heating contractors, plumbers, and carpenters. Government has in interest to implements initiatives to reduce this high unemployment rate. One of the concrete actions to support the employment of young people have been initiatives to apply for grants focused on intensifying of support for small and medium-sized companies and support for youth employment. (Government Resolution No.717, 2012) As a result of this program, new jobs for young unemployed people under 29 years have been created. In regional terms, most of these jobs were created in Prešov and Žilina regions.

Table 1: Overview of the number of new jobs created by projects

Type of the initiative	**Count of Projects**	**Funding (EUR)**	**Count of NWP**	**Young people**
Call KaHR-111SP-1201	157	139 523 140,91 EUR	1 519	841
Call KaHR-31SP-1201	50	29 109 711,48 EUR	298	216
Call KaHR-111DM-1301	317	46 472 744,39 EUR	712	179

Source: The final report about the implementation of the program aimed to enhancing of support of small and medium-sized companies and to support the employment of young people by MESR. www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-205640?prefixFile=m_,(2017-13-1)

The table above shows that many new jobs were created due to these governmental initiatives, particularly jobs for young people. The question is whether these newly created jobs will be retained or will be cancelled after the project will finish. Current practice suggests that the jobs are abolished after the end of the project. In the study by OECD it is stated that a 10% increase in initiatives on labour market policies per unemployed person reduces the unemployment rate by 0.4%. (Bassani, Duval, 2006) Early intervention reduces not only the long-term costs on unemployment but also a social exclusion.

Among the effective actions to increase employment which should be financially supported are retraining courses as well as consulting services (e.g. how to successfully apply for a job designed mainly for long-term unemployed who have lost not only their working habits but often social and communication skills), help for unemployed people to find a job, lifelong learning and the promotion of selfemployment and entrepreneurship. Introduced initiatives should be flexible and easily to be administrated.

Discussion

Problems of vacant positions and unemployment in the Slovak labour market are very topical. Despite the fact that Slovak government has in interest to implement initiatives to reduce high unemployment rate results are not sufficient enough. It is important to focus especially on young people and to create suitable working conditions for them. One of the important requirements of the young people is to harmonize the work-life balance and establish flexible forms of work. Another problem is to motivated marginalized groups of society to participate in more active way in programs for training and in re-qualification courses. Special category of the labour market are women, as valuable potential of economic development. For their integration into work life it is necessary that both society and companies create tools that would allow women to participate on work and entrepreneurial processes. Especially women-mothers with infant children are reliant on assistance from both the society and employers when they aim to combine their professional duties with a family life. (Suliková, Strážovská, 2016, p. 2167-2173)

It is important also not only to decrease the discrepancy between the content of education and the requirements of employers, to support cooperation between private companies and educational institutions and lifelong learning in more effective way but also to develop personalities of young people – their abilities to be more cooperative, to develop creative and innovative ways of thinking, effective interpersonal interaction, flexibility and opened to the diversity. The most common insufficiencies which employers mention in the connection with the employment of high school graduates in Slovakia are responsibility, commitment, self-management, communication, learning abilities and cultural sensitivity. The above- mentioned characteristics need to be developed among the graduates and thus increase their competitive advantage when applying for a vacant position. (Suliková, Strážovská, 2016, p. 2167-2173) According to Taylor and Bond (2014) in the employment process are also crucial the employment specialist competencies because they can serve as predictors of employment outcomes.

Socio - economic context justifying the high number of job vacancies

Despite the high unemployment rate there are numerous job vacancies registered by Ministry of Labour, Social Affairs and Family in Slovakia. Labour offices inform registered unemployed people about job vacancies and provide information about suitable potential employees who are registered in the database of unemployed persons to employers. Employer usually announces job vacancy to the Office of Labour, Social Affairs and Family. Most vacancies are in the region of Prešov and the least vacancies are in Košice region. Prešov region dominates in migration policy - most people in this region are working abroad in positions that require lower education (Netherlands, Switzerland). Overall, there was 31 881 job vacancies registered in the database as of January 30, 2017. (istp, 2017)

In terms of demand, in 2016 the highest numbers of vacancies were open for skilled workers and craftsmen, operators and mechanics and for workers in services and sales. The lowest numbers of job vacancies were for workers in agriculture, forestry, and fishing.

Although there is an interest to implement actions to reduce unemployment in EU countries, the activities are not sufficient. There are many reasons why unemployment and job vacancies exist at the same time. One of the most frequent reasons for unemployment of women is the problem of harmonization of work and family life and unsatisfactory access to child care services. In Slovakia there is still a persistent lack of state childcare facilities, and women who have children even in old pre-school age are forced to stay at home (many families cannot afford private pre-schools). There is also continuous stereotype in Slovakia about family care where this role belongs to women. Barcelona's priority from 2020 that became also part of the Lisbon strategy 2010 (to remove barriers to women's participation in the labour market, taking into account demand and in accordance with the national systems in this field, established in countries by 2010 childcare facilities for at least 90% of children older than three years and to the mandatory school age and at least 33% of children under three years of age) has not been completely fulfilled yet. Currently there are actions to support an establishment of new pre-school facilities but those activities do not cover all the requirements. Some organizations have begun to establish their own nurseries in order to ensure that not only that their employees return to work sooner but also to secure the employees loyalty towards the organization. In order to promote a harmonization of work and family life flexible forms of work have been introduced into the Labour Code. People with parental responsibilities have an opportunity to use the institute of flexible forms of work aimed to harmonize work and family life. However, not all employers are open to such employment relationship. Flexibility also includes flexible organization of work that enables quickly and effectively master new needs of production from the perspective of qualification and skills, and eases the work life style balance. The provision of § 49 in the Labour Code allows employers to create so-called job sharing which in practice means that staff in an employment relationship with reduced working time on this shared job decide among themselves how to share working time and workload related to this shared job. Since 2007 Slovak Labour Code also mentions the option of telework. Slovak Republic became one of the only five EU member states that have incorporated telework in their Labour Code. On the basis of § 52of Labour Code, workers may perform work for the employer under the conditions agreed in employment contract, be it at home or at another agreed place, using information technology (teleworking), during working hours scheduled by themselves. However, in Slovakia, this type of contract is used only seldom. Another reason of high unemployment is the age of unemployed people, specifically group of older people aged 55 to 64 years. There is also relatively high unemployment rate of older women and this trend has a growing tendency in Slovakia. The highest employment rate of older women is in Sweden (71.5%), a high level, above 60%, is also in Estonia (63.1%) and Finland (61.4%). (MPSVR, 2015) Unemployment of older people is determined by the low qualification and by the actual access to employment opportunities. Despite the introduction of lifelong learning possibilities only a small group of older women are able to prepare for new jobs on the labour market.

Long-term unemployment is also one of the reasons for the inability or reluctance to find a job. Some long-term unemployed people are people who have most often only basic education and are not motivated to participate in programs for training and in re-qualification courses. Long-term unemployment appears mostly among marginalized groups of society. Long-term unemployment has many negative effects and among the most dangerous are the loss of work habits, motivation, loss of skills and lack of motivation resulting from the relationship between the social welfare benefits and remuneration for their work. Actualy the improving labour market has not translated into significantly lower levels of long-term unemployed. High and persistent long-term unemployment represents still a policy challenge, particularly affecting the low-skilled and young, while large regional disparities persist. The education system is insufficiently geared towards increasing Slovakia's economic potential. (Milošovičová, Stachová, 2016, p. 461-462)

Demotivating factor is also the high rate of tax and social security burden on labour income. In Slovakia, based on the recommendations of the European Council several activities were taken since 2015 to lower the tax and social security payments from low income employees, for example by introducing a tax deduction for health insurance.

Undesirable phenomenon of these days is an increasing unemployment rate among young people (aged around 25 years) with secondary as well as university education. Graduates from secondary schools and universities often gain only theoretical knowledge during the studies. They have only little chance to use this knowledge practically and very often it does not correspond with the actual labour market requirements. The most critical group among unemployed are the graduates of secondary vocational schools, such as: car mechanics - mechanics (329), cooks (305) and hairdressers (283). Study fields with the highest number of unemployed graduates from vocational secondary schools are business academies (934 graduates), electrical engineering (285) and health care assistants (196). A significant group of unemployed university graduates are also graduates of social sciences. (Vláda SR, 2017)

Many new jobs are created by foreign investors that bring new technologies or create shared service and competence centres. However, educational institutions in Slovakia are not able to respond so quickly to these real-life requirements of employers. Thus, there is discrepancy between the content of education and the requirements of employers. Modern production technologies and IT systems are dynamically evolving and it is not possible in the educational system that has its own specifics to immediately modify content of education. Development of lifelong learning and training systems requires a close partnership between private companies and government bodies and municipalities.

In the Slovak labour market there are several vacant positions with salaries that do not meet the expectations of the unemployed population. The Slovak Government adopted a law establishing a minimum wage. The minimum wage rose to € 435 per month in 2017 (for an employee paid a monthly salary) and € 2.5 for hourly paid works.

Another phenomenon are unemployed people who are not always interested to integrate into the labour force once they consider all the circumstances such as the cost of transport to the workplace, childcare, social welfare contributions, etc. It may actually happen that their financial situation does not improve significantly once employed. Labour mobility helps to eliminate unemployment but in Slovakia it is mostly present among younger people who are interested to travel for work. For example, the mobility of labour is visible in Volkswagen in Bratislava where about 60% of employees are not residents of Bratislava. Most employees - men - commuting to work are in the construction industry.

Globalization is another determinant of employment – it has positive effects on the employment rate growth in Slovakia. However, the changes that globalization brings require rapid responses from both companies and workers. Globalization breaks the traditional legal concepts of legal status of an employee and puts high requirements to the areas like social rights, social security, and social justice. Employees might be losing job security as an effect of globalization as many enterprises operating in Slovakia discontinued their production in Slovakia and moved to other countries with lower production or labour costs. The lifetime jobs are also a matter of the past. Employees are losing working habits cultivated for years and also the belief that if they work hard and identify their interests with the interests of their employer they have a chance to remain at their positions. Multinational trading companies create new jobs and bring new elements of corporate culture to the countries where they operate. This affects not only the production process but employees must adapt to these new trends also. However, the adaptation process is not always successful. Not all the employees accept the rules coming from different cultures and it can of course create various problems. There a many foreigners working in Slovakia (in 2016 there were 35 000 foreigners working in Slovakia). Most of the foreigners are residents of EU member states. For example, in 2015 - 414 men and 174 women from Croatia who had completed secondary education or lower secondary education worked in Slovakia. The largest group were foreign people aged 35-40 years. (Vláda SR, 2017) In the times of globalization of the world economy the situation on labour market is also changing because of computerization and introduction of new modern technologies.

Conclusion

The main argument why there is such a high unemployment in Slovakia is the fact that there is a skill mismatches on the vacant positions and skills of unemployed people, lack of jobs for job seekers from specific groups (such as people older than 50 years, disabled people, low-skilled people) or reluctance of unemployed people to work away from home. It is relatively difficult to employ the long-term unemployed people. In broader context, the question is whether labour offices have an appropriate strategy to eliminate unemployment and whether the implemented instruments are effective and efficient. Also the unemployment rate does not tell us whether the same persons are unemployed all the time during a given period. Strengthening of active policies on the Slovak labour market calls for the new financial sources being concentrated on individualized and preventive policies. But these are not going to be more effective only by raising of total spending. Their effectiveness depends on their quality and adaptation to a dynamic labour market.

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CONSEQUENCES OF LABOUR IMIGRATION AND MIGRATION MANAGEMENT

Magdaléna TUPÁ

Abstract

The given study deals with the issue of consequences of labour migration and its management on the side of a country which aims to maximize its benefits and minimize its losses due to labour imigration. Based on the statistic data (EUROSTAT, WTO, Statistical Office of the Slovak Republic, Ministry of Labour, Social Affairs and Family of the Slovak Republic and World Bank) on the volume of labour imigration and its calculations, the study identifies variables influencing economy of the target country and provides its model calculation which represents the basis for its migration management. Evaluation is provided from economic, social and demographic point of view. Conclusion of the work proposes a system of suggestions on migration management of the target country which would positively support and minimize negative effects of labour migration. A summary of all circumstances of migration in professional, scientific and general communication creates conditions to see the immigration more negative with significant loses for the state compared with positives or with the moral duty to protect human life.

Key words

Imigration, migration management, labour migration, work force, target country.

JEL Classification: F22,

Introduction

Labour force migration as an economic, social and societal problem has become actual for Slovakia after establishment of independence of Slovak Republic. However it was gaining intensity after joining to European Union and the next milestone is enter into the Schengen area in December 2007. Nevertheless, Slovakia belongs to countries with the lowest ratio of migrants per capita. The low interest in the issue of migration and the integration of immigrants into Slovak society is marginalized by policy makers, professionals and public. After enter into European Union was paying attention to the migration by Conception of foreigner integration in the SR (2009) and Migration policy with a view to 2020 (2011) and by changes in the employment of foreigners from third countries, a purely formal approach. The leaders of policies showed Anti-migration approach regarding with migration crisis in Europe and therefore the attention is dedicated only to limitation of the access of refugees to our country. Professional public works with theme of migrants in scoping appreciation of immigration policy and compare approaches to immigrants. The most substantial debate in this problem is the safety risk of terrorist attacks resulting from the experiences in the other Europeans countries, which is increasing by uncontrolled influx of refugees. Attacks are based on the different culture and religion (Karabinoš, F.,Balga, J., 1997; Haládik, J., Csámpai, O., 2002; Andersson, R., 2016). The crime is growing and the statistics show that the suspects or convicts are foreigners. Institutional provision of immigrants, the asylum procedure, return process and integration process point to a technical, personnel and material absence. The threat is the collapse of the primary care manifested by total lack of accommodation premises as well as lack of financial resources from public budges for food, health care, clothes, school supplies and pocket money falling under this system.

A summary of all circumstances of migration in professional, scientific and general communication creates conditions to see the immigration more negative with significant loses for the state compared with positives or with the moral duty to protect human life. On the other hand, in the context of labour migration without restrictions between Member States of the European Union we can talk about proof of a high degree of integration. In the view of the rising employment and a shortage of skilled labour in the labour market labour immigration is providing an important source for creating added value for the target country (Daugėlienė, 2007; Čekanavičius, Kasnauskienė, 2009; Blanchflower & Shadforth, 2009; Favell, A., 2014; Kahanec, M.,2015). Therefore it is necessary to deal the issue of labour force immigration in the professional and scientific publications, make a thorough analysis and investigation. Thus manage the migration in order to maximize profits and minimize losses. Immigration of highly skilled labour is the condition for its use in the process of innovation with high added value, which is the basis for the intensification of economic growth (Weidlich, R., 2000; Kazlauskienė, Rinkevičius, 2006; Daugėlienė, 2007; Polakowski M., Szelewa D., 2016). Educated workforce for the target country means the cost saving for the education, health and social care in the process of training and also the potential to produce the highest economic value in the life of immigrant, because they usually migrate in their productive and high reproductive age.

Goal and Methodology

The main purpose of this study is to create an evaluation model of balance of losses and benefits of immigration, its management on the side of a country which aims to maximize its benefits and minimize its losses due to labour immigration. The realization of this objective assumes the elaboration of economic criteria and determines set of mathematical calculations of balance of economic gains and losses from immigration workforce for the state and society.

Implementation of named calculations is based on available statistical data from Statistical Office of the SR, Ministry of Labour, Social Affairs and Family of the SR, Ministry of Interior of the SR, Presidium of the Police Force of the SR, Migration Office of the SR, World Bank, Eurostat, WTO and also data from empirical surveys which are published in specialized publications. In the study are used scientific methods of induction, deduction, scientific method of abstraction and comparison, method of analysis and synthesis of selected factors, phenomena and processes. To convert the obtained data, we used many mathematical and statistical methods and calculations.

1. Principles applied in the evaluation of losses and gains causes by labour force immigration

The study works with two main categories of immigrants: category of labour immigrants and refugees. Labour immigration is the coming of workforce in to the country in order to find a job and make some manual or mental activity (Andrijasevic, R., Sacchetto, D., 2016; Pajnik, M., 2016). A process of developing man ability to work requires systematic and purposeful education. Part of this process, which is performed by the State, represents the expenses of public resources for material, financial and staffing (Rievajová, E., Bernáthová, A., 2002; Mau, S., Burkhardt, Ch., 2009; Spies, D., Schmidt-Catran, A, 2015). If the immigration labour force is in the working age (coming to the destination country after graduation) it will represents a net gain for the state. As well as gain in the cost saving for health care, social security, social insurance during study and so on. Created GDP, taxes paid to state and to local budgets, paid social contributions are profitable item of the destination country.

The benefits and losses of immigration workforce make sense to speak, because its flows are still more extensive, both in terms of time as well as intensity. Recording and monitoring the number of immigrants is a very difficult process. In the European Union countries, as well as in Slovakia, there is no reliable evidence of regular migration. Most trusted source of monitoring immigration to Slovakia is the Interior Ministry of the SR and the Office of Alien and Border Police, which annually publishes a summary and also a partial statistics recording legal and illegal migration.

Slovakia was an emigration country in the past, country where the people go to another country for various reasons (Divinský, 2005; Divinský, 2007). Significant changes were brought by entry of Slovakia into the European Union and enter to the Schengen area.

Table 1: Development of valid residence in the SR of foreigners in the years 2009-2016

	Citizens of third countries				Citizens of EU	In all
	Temporary residence	Permanent residence	Tolerated residence			
2009	4646	820	245	5711	6079	1179
2010	3764	923	218	4905	4630	9535
2011	14368	9739	226	24333	41858	66191
2012	14080	10681	258	25019	42858	67877
2013	14561	11342	254	26157	45492	71649
2014	16642	12297	232	29171	47544	76715
2015	21089	13270	902	35261	49526	84787
2016	26590	14347	295	41232	52015	93247

Source: Ministry of interior of the SR, Ministry of labour, social affairs and family of the SR, 2017

The highest number of foreigners with a residence permit in Slovakia was 93247 people, which is a 1.72% of the total population in 2016. Since 2004, when the Slovak Republic becomes a member of the European Union, the number of legal immigrants increased from 22,108 persons to 93,247 persons in 2016. Despite the positive development of our country it has the sixth lowest proportion of foreigners from European Union countries. Below Slovakia is only Bulgaria, Croatia, Lithuania, Romania and Poland, all with a share of less than 1%. Slovak Republic is a destination country for the inhabitants from neighbour countries, which may be a due to make a deeper work, family and other social ties. Number of immigrants from the Czech Republic, Hungary, Poland, Austria and Ukraine is 42% of the total number of immigrants. An important group is formed by citizens of southern European countries, especially Romania, Bulgaria and Serbia. The motive for immigration to citizens of those countries is mainly the work, study and family reasons. The maximum number of Romanians employed in Slovakia was 7394 Romanians in year 2016. At the beginning of the independence of the Slovak Republic the most numerous evolving group of migrants came from Asian countries, especially from Vietnam, China and Korea, but their growth has eased and now form only less than 6% of immigrants. According to the nationality of the migrants of third countries, at most 13,024 people arrived in the country in 2016 from Ukraine, 7232 people from Serbia and 4035 people from Russia, further followed by people from Vietnam, China, Korea, Iran, Macedonia, the United States and Turkey. In 2015, the numbers and also the nationality of immigrants were similar and to the top of the ten most numerous immigrant countries also includes Syria. Citizens of European Union there were nationals from Czech Republic in the number of 10317, 7813 from Hungary, 6907 from Romania followed by Poland, Germany, Italy, Austria, United Kingdom, Bulgaria and France. The number of employed Czechs in 2016 was 4134 persons.

For calculations proposes of direct costs for reproduction of the labor force are considered relevant data about immigrants education. In terms of educational attainment by the Central Office of Labor, Social Affairs and Family of Slovak Republic, 70,3% of them had completed secondary education, the number of university graduated was 20,8 % and primary education had only 8,9 % of working migrants coming from the European Union. In 2013, on the university had been studied according to OECD 10183 foreign students of which more than half were from Czech Republic. For calculations of gains and losses from immigration we will be based on a scenario where we take into account the number of immigrants who remain working in Slovakia but their education had been gained as much here. In addition to indirect costs for reproduction of labor saved expenditures on education at primary, secondary schools and universities represents the largest item. The most significant gain range is established immigrants GDP. A significant benefits are paid by direct taxes levied on all income of immigrants in that country that reached and indirect taxes paid on consumption. Secondary are savings on health care, the nursery, kindergarten or post-secondary studies. And economic losses from remittances, domestic consumption in origin country, also from gained qualification and experiences in Slovakia in case of return and getting employed in the home country and the other cannot affect the scope of benefits creating the GDP.

The second category are refugees whose rating is significantly more difficult because of the moral view of the objective reality. Refugees representing the category of migrants at risk of life or persecuted, who leaves their home country for fear cannot be evaluated only economically. An important sight is the human approach and the protection of life as the highest value.

Table 2: The development of illegal migration in the years 2009 - 2016

Year	2009	2010	2011	2012	2013	2014	2015	2016
Number of illegal migrants	1785	1477	1219	1479	1091	1304	2535	2170

Source: Ministry of interior of the Slovak republic, 2017

The most of illegal migrants in 2016 came from Ukraine total of 1234 persons, 145 from Iraq, 123 from Serbia, 114 from Afghanistan, 82 from Syria, followed by Vietnam, Russia, Pakistan, Moldova and Turkey. In the 2015, in the top ten of most numerous countries was Kosovo and Bangladesh. In 2014, the most illegal migrants came from Ukraine – up to 550, in Afghanistan and Kosovo it was 91.

Table 3: The development of the number of asylum applications in the years 2009-2016

Year	2009	2010	2011	2012	2013	2014	2015	2016
Number of asylum applications	505	309	491	730	441	328	330	146

Source: Ministry of interior of the Slovak republic, 2017

The number of asylum applications filed by nationality: Ukraine 25, Afghanistan 16, Syria and Iraq 14, Pakistan 13 persons in year 2016. In 2015 it was 172 persons from Iraq, 37 from Afghanistan, 25 from Ukraine and 9 from Kosovo, Georgia and India too. In 2016 from the number of apprehended illegal migrants which was only 78 from 2170 submitted a declaration to the application for asylum, in 2015 where were 112 from 2535.The number of employed immigrants to Slovakia in 2016 was 35090 people. To 71 domestic workers account for one working immigrant. In 2004, there were 3351 working migrants in Slovakia, today it is more than ten times. The most employed in 2016 it was from Romania – 7394, from Serbia it was 5140, 4134 from Czech Republic, from Hungary 3696 and from Poland it was 3204. By the sex of the immigrants three quarters are men.

Slovakia during the migration crisis that hit Europe in 2015 is mostly a transit country. It based not only on economic indicators of the country that are comparable with the other EU countries, but also of quality of life and well-being of domestic people. Along with anti-migration oriented government policy and the geographical orientation of the country is not Slovakia primarily aim of immigrants.

Foreigners from the third countries can be employed in Slovakia under a license or obtaining an information card. In the country was working like this in 2016 through permits 3685 foreigners and over 7351 foreigners through information card. When analysing education we found that most of the 1833 foreigners with permission attained tertiary education which is more than half and 841 foreigners with info card what is one third. Only primary education had 431 foreigners. If they get employed as immigrants from countries of the European Union in Slovakia they are creating GDP, paying taxes, contributions to social and health insurance, supporting domestic consumption and more. To immigrants is providing from public sources essential care – accommodation, food, clothing, school supplies, health care, language courses and pocket money, which represents expenses for the country. As well as the education of minors and insurance of basic care. Therefore, it should become the main objective of the state as soon as possible locating of asylum seekers in the labour market and their independence, thus ensuring life in the receiving country.

Next we will try to create a model of the balance of economic benefits and losses from the emigration of the labour force.

2. The model of evaluation of economic loss and benefits of immigration

In the calculation of the gains from education in the case of a well-educated work force from abroad on the basis of statistical data on the number of employed immigrants and the amount of their education. Of the total number 35090 immigrants had 25,9 % completed university education, 65,6% had ended secondary education and only 8,5 % had basic education. In the year 2013 have been the average costs on education per student in the amount of 4300,7 USD in pre-school facilities, 5136,3 USD in the elementary schools, 5253,9 USD in high schools and 7630 USD in the universities (OECD, 2013). In previous years, costs on education grow, on the elementary school slowly, on high schools and universities it was about almost 10 %. When we take into account that number of years of schooling consists of 1 year pre-school education, 9 years of primary, 4 years secondary and 5 years of studies on university, the total cost of basic education per student represents 50527,4 USD, for higher education 71543 USD and for studying on university – 109693 USD. When calculating these costs appropriate to the amount of education (number of years of study), it is the total overall cost of education to 35 thousand of immigrants represents 2211,82 million USD savings. The same is also with savings of the costs of health care. The cost of health insurance for 35 thousand people in the course of their education and training to the profession, according to the costs in the year 2013, they would be around 723 millions € (General, 2015). Together, these costs of education in the amount of 2036 billion € (2,2 billion USD converted in €) and costs on health insurance would represent a direct economic savings to the state in the amount of 2759 billion €. In 2015, the Slovak Republic achieved a GDP in current prices 76521 million €. In the economy there were working 2492,1 thousand people. On one of the working man it was 30705,4 €. Of which was 35090 foreigners who in

2015 have created a GDP of 1077 billion €, representing 1,41% of the GDP of Slovakia in 2016. In case, if 242 thousand emigrants in 2013 were employed at home, so they would by one year create an amount of GDP that be equal to 7,4 billion €, what would constitute 10,4% of the GDP of Slovakia from year 2013.

As profits from the immigration of foreigners in Slovakia that have found a work can be seen payed taxes of income and excise taxes. On the basis of the average wage in the year 2016 in the amount of 912 € 35,09 thousand immigrants have paid into the state budget tax from income on average 3,16 million €. According to the survey of Sberbank Slovakia in 2013 the average costs of one citizen of Slovakia on food, clothing, housing, energy, etc. were 1921,00 € (Sberbank, 2013). From this to the state budget in the form of taxes on the added value came 318,00 €. Value added tax for 35,09 thousand immigrants would be other 11,16 million €.

Health insurance and social insurance also can be considered as a benefit from the immigration of the labour force. Health insurance and social insurance on the side of 35,09 thousand employees is approximately at the level of 4,29 million € and on the side of employer – 11,26 million € (General 2016, Social 2016).

Discussion

Slovakia with its immigration policy seems to be oriented as an anti-immigration country, which is based on historical, cultural and political context. Despite the integration process, which Slovak Republic has undergone over the past three decades, the attitude toward immigrants has not changed. Macroeconomic indicators during the transformation pointed to the difficult economic situation in which the country found itself. High unemployment rate, low number of vacancies, low rate of creation of new jobs, low wages, etc., is not presented as very attractive for immigrants. Developments in the country significantly improve the economic situation, but Slovakia still lag far behind compared to the EU countries. This trend is significantly signed in the development of immigration, which for the last ten years has greatly improved and the number of immigrants has increased twice. This is despite the attitude of Slovaks and political elites towards immigrants. Reasons we can search at the protection of the labour market and another uncontrolled growth of unemployment, the fear of the downward pressure on wage levels, drawdown public funds to provide basic necessities to refugees as one of the categories of immigrants. Other fears may be the threat of terrorist attacks and crime increasing due to increased and especially uncontrolled influx of foreigners into the territory of our country, which we can observe in countries which apply the positive immigration policy, for example: Germany, Austria, Great Britain and others. On the one hand we can talk about the significant benefits of immigration, when the country acquires prepared costless labour force that come in the country to work and thus create added value. Migration from the countries of Western Europe is mainly educated workforce that will come to Slovakia with foreign investment flowing into the business; they take jobs, which generate higher added value. Labour migration from southern and eastern Europe is for us benefits in terms of saved funds for education and preparation for work, and health and social security in a time of education and training, but generally are employed in lower job positions generating lower added value. This category of immigrants is a workforce occupying vacant jobs that cannot be filled by the domestic workforce due to lack of interest in the job with such wage or not complying with the qualification composition.

On the other hand, we are talking about economic losses of immigration of refugees, who are the financial burden of the country. However, a refugee as a person who is in the country persecuted or in danger to life requires by society at a certain stage of development, protection. Life as the highest value in society cannot be converted into economic value. The benefit is to build a multicultural society and to learn tolerance for diversity. After successful completion of the asylum process and assistance in economic and social integration of the immigrant he becomes a benefit to society from an economic point of view - the payer of income tax, indirect taxes from the consumption, supports the consumption in the country and others.

Economic evolution in Slovakia demonstrates the increasing shortage of skilled labour that more and more endangers increasing economic growth. Slovakia lacks highly skilled workers in the information technology sector, designers and development engineers for industrial production, but also artisans and operators in production. Increased outflow of workers in the health and social services to the countries of Western Europe is causing labour shortages in the sector. Doctors, nurses, caregivers, carers, physiotherapists are leaving for better working and living conditions to abroad and the Slovak labour market in these professions begins with a lack of qualified labour.

It follows that the country should create a migration policy which would stabilize the situation in the labour market through migration management. To attract the best students from Southern and Eastern

Europe and from third countries constitutes is a solution to the lack of highly qualified workforce when the internal resources of the country is not possible to fill these jobs. Despite the fact that the workforce we need to educate and to ensure that preparation for work from own resources. Other way is the stimulation of return migration, the country make a suitable tool to create conditions for the return of emigrants from abroad. They will represent a further benefit for the economy, because they bring experiences and know-how.

Conclusion

Assessment of the consequences of labour migration shows a lack of accurate data and statistics to the extent, intensity and scope of the work, the causes and motives of immigrants, their social and demographic statistics of immigration not only in Slovakia but also in other European Union countries. Missing data would allow a deeper investigation and following a thorough analysis could be deduced ways and approaches to migration management with an emphasis on maximizing the benefits and minimizing losses to the state and society.

The consequences of labour immigration from EU countries indicate in favour of the benefits. The costless ready labour force, more or less competent in the age at which one produces the greatest added value is a net benefit for the country. As well as levied income tax paid value added tax and excise duties, an increase in consumption in the country of origin and the resulting multiplier effect. With the right approach to migration policy and the management of immigration, it is possible to some extent to minimize losses and maximize the benefits of immigration workforce. Filling of vacant posts that cannot be filled by the domestic workforce is to sustain economic development necessary. The starting point can be support for immigrants to study at Slovak universities. Thus, it is possible to prepare a highly skilled workforce in the structure that the labour market needs. Attractive conditions for employment of graduates will increase the number of foreigners who employed after graduating in Slovakia. Important place in solving this problem is the support for the return migration from among Slovaks working abroad.. Support programs tailored to emigrants who left for work, along with their return arrives in Slovakia know-how acquired language skills and abilities, work and personal contacts. A special category represent the refugees who for asylum and integration process are the state increased spending, but their economic and social integration can bring to the state budget financial resources than any other worker. Just thinking on the economic consequences of labour migration is inadequate because it does not create the complete picture of all the consequences for the state and society. The complexity of the issue requires an assessment of social goals and other society factors of human, of moral, of psychological, of cultural or of demographic.

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FROM OLD PUBLIC ADMINISTRATION TO THE NEW PUBLIC SERVICE

Martina KLIEROVÁ, Ján KÚTIK

Abstract

Public administration is an important factor in building and shaping the society. To keep and maintain their own position is an important status of the state bureaucracy. This includes procedures for the implementation of policies and institutions running management. The State should participate on growth in living standards of their citizens. The main role of the State is the provision of services and well-functioning public administration in collaboration with the guarantee of quality standards of public services. Public services need roof in terms of both quantity and quality. The quality of these services significantly determines the quality of human resources involved in this system. The result of this synergy are cheaper, more efficient and easier public services and public administration.Public services and public administration should be cheaper, more efficient and more accessible to citizens. The role of public administration is to significantly reduce the burden for citizens (saving time and money). The main idea of ESO reform is to relieve people from unnecessary administrative burdens and change the status of citizen, which is a main topic of this article.

Key words

Citizen, Human resources, Public administration, Public services, Reform ESO

JEL Classification: H11, H41, O15, O38

Introduction

Public administration is an important and integral part of the state and social reality. Through public administration the State provides citizens with public goods and public services. The form of these goods and services is a reflection of the needs, expectations and demands of citizens and the State. The complexity and dynamism of modern society develops intense pressure on the qualitative and quantitative growth in requirements relating to governance. The State must reflect the economic efficiency and compliance with the principles of good governance and builds a model of public administration corresponding to the 21st century. Improving the environment of public administration is therefore based on cooperation and participation of different bodies. These entities have the obligation to cooperate actively, points to new possibilities for the development of this environment, as well as pointing out the shortcomings of that system. Application of innovative components, systems and procedures, it is possible to build a new system of public services, which both citizens and the State deserves. ESO reform creates and modernizes public administration environment, changes the organizational structure of public administration, appeals to the quality of their own human resources and puts the citizen in a completely different role what he held previously. This article points out the changes resulting from the ESO reform in a new model of service provision.

1 The existence and public administration needs

Public administration is an integral part of a dynamically changing society. Its essence lies in pursuing public interest and public welfare building. Close links between the public administration and the State speaks about the consistency of the relationship and linkages between these entities. In the absence of a uniform legal framework for solving the problems, implies, that each State, or the ruling apparatus is adapting public administration to their own needs, demands and options. Any political regime or system attempts to adapt the management of issues of public interest to the existing political situation, and its own goals and needs (Koišová, Masárová, Hahánik, 2016). These, however, must coincide with the needs, demands and options for citizens and companies. The structure of this model of the state public administration with democratic elements of government must adequately fulfill all the above attributes.

The complexity of the knowledge of public administration as a social phenomenon testifies not only the variability of public administration models, but also the variability of approaches to the definition of public administration. The solution of this problem is the subject to the existence of the two delimiting lines of the public administration. Public administration can be determined as dynamic or static variable. When defining public administration as dynamic variable, based on ideas of Bolfíková (2000), which sees public administration as executor of outputs, respectively outputs of legislature. It is therefore a system of decision-making processes, relationships and activities of state bodies (Kosorín, 2003). Because public administration is linked to the law, the necessary condition for the implementation of these activities is legislative compliance of individual acts.

When defining public administration as static variable, it must be based on the characteristic feature of which is strict institutionalization (Holomek, 2015). Within this perspective we highlighting that the institutions and its hierarchical arrangement forms a structural framework of public administration of the State. State as the most important element of social mechanisms is directly responsible for the functioning of public administration. The State has also a part in building the relationships of the subjects of this mechanism, because it represents the drive force. From the above mentioned, it is obvious, that the direct contact of subsystems of community at the state level, state and local government can be considered as an initiating element of active development of a modern public administration transformed into a good governance.

The term "good administration" is relatively young. It can be defined as a group of stimulatory factors for economic growth support, job creation and social inclusion, confidence-building and company development. These ideas are based on applying the principles of good governance enshrined in the documents of the European Union and the Council of Europe. Their main mission is to protect clients / citizens in area of legality, impartiality, proportionality, equality, non-discrimination and the right for information. In addition, the good governance is based on quality of the executor of individual acts. For this reason, attention is focused on compliance with the Code of Good Governance (Recommendation CM / Rec / 2007) and the Code of Good Administrative Behavior (EUR Lex 2000/791 / EC). These codes as important elements in building good governance focuses on the recipients of administrative measures in order to guarantee the right to good administration, as well as to themselves the executors of government. The rules enshrined in these legal documents contain substantive rules and procedural nature, as well as a set of non-obligatory requests. Non-obligatory requirements apply to the field of action of good behavior standards of public morality and general decency of the executor

Under the term of "executor" we mean human resources that are part of public authorities. According to Palan (2002), human resources have a key role in the development of the organization. These resources drive all the other resources (material, financial) and determine their use. It is to be noted that one of the tasks of human resources of public administration is building a positive image towards the general public. The employees of public administration should be open to customers, identified with the mission of public administration and the role they occupy in it, able to work on oneself, be critical and at the same time participate in the development of building good governance. Based on Pšenková (2011), they perform the tate service in an impartial, apolitical, professional and efficient, and their performance must meet the criteria of stability and ethics.

1.1 Public Administration of the SR

Public administration is an important factor in building and shaping the society. To keep and maintain their own position is an important status of the state bureaucracy. This includes procedures for the implementation of policies and institutions running management (Hughes, 2003). The modification of state bureaucracy stems from the need and necessity of the existence of a number of factors which significantly affect its role and form. This transformation does not always lead to the desired results. The company sees any change sensitively, not excluding changes in the area of public administration. It is therefore very important to create an adequate environment that can guarantee supple and flexible adjustment to each component of the system, including customers / citizens. At the same time, these changes should minimize the negative impacts and risks associated with the adjustment of public administration environment.

The Slovak Republic has undergone several periods of fighting hard for their own existence and space that marked the political power and social influence. The road to independence was marked by several losses, which it moved and amalgamated, but also some large and small victories that are the hope and valuable experience at the same time. Similar parallel can be seen in public administration, e.g. the form, the role, the structure of its components, and others.

The first record relating to public administration in our territory can be dated back to the period of Samo's Empire (7th century), which in terms of development is the first administrative center of the Slavs. Significant enroll in our history is Principality of Nitra, in which we have managed to acquire independent status in the Frankish Empire, and strengthen that independence within the Great Moravia. At the same time, these periods can be regarded as basic stones for the construction of public administration as we know today. Slovakia during the Hungarian state until the establishment of Czechoslovakia has undergone dozens of reforms and adjustments. The first known government reform of the reign of Stephen I of the family of Árpád, is the reform of the territorial administrative nature, ie building a system of castles. Equally, an important deed was executed by Hungarian king Ondrej II, who in the 13th century acknowledged rights and privileges to tendon (ie. Zlatá bula). In the times of so-called "enlightened absolutism" (Emperor Joseph II) thera was an approach to the further reform of public administration, when the whole Hungary was divided into 10 administrative districts. Subsequently, there has been a revival of administrations and institutions (ie. October Diploma). After the collapse of the Austro-Hungarian Empire, the Czechoslovak Republic (Table 1) took over in Slovakia a county system, later replaced by the land establishment. Municipalities were subject to provincial authorities, the districts to the Land Offices.

Table 1: Origin and termination of the CSR

<table>
<tr><td rowspan="5">Czechoslovak republic
(1918 -1938)</td><td colspan="2">Sudetenland
(1938-1945)</td><td rowspan="4">Czechoslovak republic (1945 -1960)</td><td rowspan="4">Czechoslovak Socialist Republic (1960 -1990)</td><td rowspan="4">Czech and Slovak Federal Republic (1990 -1992)</td><td rowspan="2">Czech republic
(1993 - present)</td></tr>
<tr><td rowspan="4">Czech-Slovak Republic (1938 -1939)</td><td>Protectorate of Bohemia and Moravia
(1939 -1945)</td></tr>
<tr><td>Slovak republic
(1939 -1945)</td><td rowspan="2">Slovak republic
(1993 - present)</td></tr>
<tr><td rowspan="2">Part of Hungary
(1939 -1945)</td></tr>
<tr><td colspan="3">Ukrainian SSR
(1945-1991)</td><td>Ukraine
(1991 – súčasnosť)</td></tr>
</table>

Source: own processing

To the radical changes in the geopolitical environment and affecting the Czechoslovak Republic we can count german plans and efforts to create Third Reich. Autonomy of Slovakia, Slovak provincial government formation, Slovak Diet and other autonomous bodies were the result of the Vienna Award. The political character of the first Slovak Republic (Slovak State) predestined also the nature of government. From 1st January 1940 was in accordance with Act no. 190/1939 Coll. restored two-level local government, under which Slovakia divided into a 6 counties (Bratislavská, Nitrianska, Trenčianska, Tatranská, Pohronská, Šarišsko-zemplínska) under which was formed system of 59 districts.

After the restoration of Czechoslovakia (1945) the situation has returned to the pre-war status, although significantly marked by the influence of the communist regime. It was the main idea of events, which at the end of 1989, radically intervened to the society. The events in November 1989 led to a change of control of the State and its transition to a democratic way. The first major steps after the revolutionary changes of public administration issues, was restoring the self-government in villages (SNR Act no. 369/1990 Coll. on the municipal establishment) and change in the structure of government (SNR Act no. 472/1990 Coll. on the organisation of local state administration are omitted the words "territorial plans of municipalities and"). The period of national committees of all levels ended, and created the apparatus of 38 county offices and their 121 subordinate offices - district offices. In 1996, Slovakia began geographically subdivided into 8 regions and 79 counties (Law no. 221/1996 Coll. on regional and administrative division of the Slovak Republic). In 1999, in addition to local self-government at the local level, there is an another second level, the regional level. To the other major changes in government belongs reorganization of local government in to the form of 50 district offices and 613 specialized offices of local state administration (NR SR No. 515/2003 Coll. on the Region Offices and the County Offices).

The last change in the organization of local government environment is a series of actions and measures resulting from the ESO reform (Effective Solid Open) - Law no. 180/2013 Coll. on organization of the local government and the Cadastral *Act*. Its central theme is pro-client oriented and transparent public administration, which has to its clients provide services quickly, effectively and efficiently. This orientation leads to support of sustainable growth, job creation and social inclusion (Table 2).

Table 2: The objectives of the reform ESO

The objectives of public administration reform
- promoting smart, sustainable and inclusive growth through cost-effective modernization of public administration;
- consolidation of public finances and costs, achieve sustainability of public administration through optimizing management systems and resources (including human resources and assets under management);
- improving the quality and efficiency of services, their systematic development in all segments of public administration by strengthening analytical capacity and implementing system changes;
- strengthening the participation of social and economic partners, civil society in policy making and services development;
- increase the transparency of actions and decisions of government;
- minimizing the contact between the client and public administration;
- transparent and measurable implementation of public administration in relation to the public funds.

Source: Ministry of Interior of SR (2014)

ESO reform has two basic phases:

Phase 1 - ***Integration of specialized competences of government*** (1 January 2013) - abolition of specialized state administration at the regional level and transfer their competencies to existing district offices in the territory of the region (abolition of 64 state offices).

Phase 2 - ***Integration of all responsibilities of local government to the one state office*** (1 January 2014):

I. Pillar - *Super Offices*

- integration of specialized local government offices under the County Office (72 county offices)

II. Pillar - *All in one*

- client center services for citizens (contact and administrative site for the citizen - KAMO)

III. Pillar - *Cost and Time*

- saving in the area of agenda processing and handling (citizen/client - state)

ESO reform results regarding public administration environment are still not flattering, this fact testifies the OECD Economic Review 2014 report. The OECD notes and advised to focus on the efficient and effective performance of public administration and better business environment regulation. In the process of public administration moderinazation, the aspect of human resources, management and managing should not be overlooked. Focus should be also in the horizontal and vertical coordination and cooperation with the government. Strengthening the position of the judiciary both in terms of efficiency and independence is necessary. And last but not least, to ensure transparency in public procurement, applying the principles of the economically most advantageous tender.

The Public Administration Section of the Ministry of Interior under the operational program of Effective public administration (Table 3), targeted actions leading to the strengthening of institutional capacity and efficiency of public services at national, regional and local level.

Table 3: Operational program Effective Government (2014-2020)

1 Strengthened institutional capacities and efficient public administration (PA) - quality-improved systems and optimized PA processes o interoperability of services and processes (elimination of duplicates, pro-client orientation) o improvement in the PA availability - www.slovensko.sk, Client Center (KAMO) o the implementation of a quality control system in PA o the measurement of customer satisfaction and active participation of citizens in the process - modernized human resources management (HRM) and increased employee competence o to increase the expertise of PA employees o to strengthen analytical and methodological capabilities o the independence of HRM in PA from political cycles - transparent and effective application of public procurement rules and consistent application of the principles of 3E (economy, effectivness and efficiency) o to increase the public oversight o the simplification of rules and procedures of public procurement o the saving of public investment o a decrease of corruption
2 Rationalized judicial system and increased law enforcement - increased efficiency of the judicial system - improved quality and strengthened independence of the judicial system
3 Technical Assistance - material and technical equipment - modern and functional ICT

Source: Source: Ministry of Interior of SR (2014)

1.2 The form of public service in the SR

Based on the each step of the ESO reform (Table 4) and the operational program Effective Public Administration, the understanding of public services moves forward by giant leaps. The Government and the State interest is to provide not only a quantitative, but especially qualitative base of public services which affect every stage of life of the individual /client.

Table 4: Basic services agenda - County Offices

County offices in Region	County offices	Selected county offices
- Road Transport and Roads - General internal administration - Trades - Crisis management - Property-legal issues - Education - Development and housing policy - Environment care - Land and Forest Department - Land Registry Department	- Road Transport and Roads - General internal administration - Trades - Crisis management - Environment care - Land and Forest Department - Land Registry Department	- Crisis management - Environment care - Land Registry Department

Source: MV SR (2014) - own processing

These services must relieve the client from administrative burden and cost, and should be a prerequisite for sustainable development and enhance the transparency of their management. Increasing the efficiency of level and availability of eGovernment services (Table 5) can be achieved through ICT, which is in line with the objectives of the Digital Agenda for Europe (EC, 2010).

It is also important to have liaison officers in the form of human resources, trained and familiar with the new concept of roles and responsibilities relating to the new form of service provision. It is the employees of the county offices (72 county offices), KAMO centers (46 customer centers), etc., that create and build image of the environment.

Table 5: Strategic objectives of eGovernment SR

1. Satisfaction of clients and public authorities with the functioning public administration
- strengthening the range of electronic PA
- reduction of administrative burdens through transparent procedures
- increase the participation of citizens in public affairs
2. Electronic government services
- interconnection of registers used for legal acts
- upgrading the portfolio of public e-services
- the implementation of eGovernment services
3. Efficient and effective government
- homogenous infrastructure of eGovernment services
- avoiding of duplication in work and operations
- transparent public procurement by electronic means
4. Increased competences of public administration
- enhanced computer literacy of PA employees
- increase in the number of training courses for PA employees

Source: eGovernment in Slovakia (2015)

Adjusting the procedure of the public authority execution by electronic means is regulated by law no. 305/2013 Coll. on the Electronic Form of Governance Conducted by Public Authorities and on amendments and supplements to other acts. The purpose of this law is to enable the implementation of electronic services by setting a uniform method of execution without the need for intervention in to the each specific part of legislation and provision of electronic alternatives as possible equivalent to a "paper" way of public power execution.

Table 6: eServices SR 2017

Services for citizen	Services for businesses
Housing (cadastre, change of residence, construction management, property tax) **Travel** (matrix events, travel documents) **Transport** (technical inspection and emission, traffic accidents and violations) **Finance** (taxes, subsidies, fees, execution) **Culture**(use of public area, grants, notifications) **Citizen and state** (proposals, suggestions, complaints, registration and registration office, voting card) **Defense and Security** (city police, police, fire) **Family and relationships** (benefits, allowances, marriage, divorce) **Education and Sport** (scholarships, loans, recognition of qualifications) **Employment** (instruments for the approximation, court decisions) **Health** (medical devices, patient care) **Environment** (waste management, protection)	**Administrative and economic run of the business** (insurance, consumer tax, accounting, tax, public procurement) **Intellectual property** (design, trademarks, copyrights, patents, utility models) **Business** (subsidies, sales, international tenders, customs declaration, trade register, commercial register, accounting) **Science, research and innovation** (register of information) **Corporate responsibility** (waste management, eco subsidies, forest protection, soil, water)

Source: own proccesing with www.slovensko.sk

Increasing the level of online interaction between the public, public administration and the State is sets so that clients have the opportunity to earn not only information. They also have the opportunity to consult and manage their agenda through the online forms and online portals. It is necessary not only to raise, but mainly improve the complexity of the public administration agenda in the field of computerization.

Customers will thus see this way of communication not only as an alternative to the scheme already in force, but as a common and obvious element of public service of the 21st century. Since 2014 the electronic services portal www.slovensko.sk is available to citizens and bussineses (Table 6).

The provision of these services is growing up. Unilateral character (information, download formulars) is replaced by a higher form, and this is the opportunity of computerization the agenda with the competent authorities (eg. Social Insurance, Tax Directorate)

State government has thus gradually become more transparent, simple and more accessible for citizens and businesses. The opportunities of this environment offers, and obligations arising from it (business environment) make it possible to implement several specialized operations and transactions in a shorter period of time.

Conclusion

Modernization and orientation directed to the use of ICT environment affected by both individual households and private companies, as well as the environment of the state and public administration in it. State seeks to apply new technologies and ideas so that as far as possible be beneficial for the society. In our conditions is sufficient space for changes. The use of electronic means of communication with the State and public administration is a normal part of citizens life of several modern countries. Relief of citizens and the State through eProstredie brings many benefits to society of the 21st century. In this context, it is important to take into account and to ensure the quality of staff, which not only controls the whole issue but also executes it. The daily contact of human resources in the system of public administration with clients must provided and carried out professionally and efficiently. They must also speak pro-client and receive new challenges that brings them not only change of the system but also the individuality of clients.

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