



Ss. Cyril and Methodius University  
Faculty of Economics - Skopje



# MHRO 18

## International HR Conference

**MHRO18 - JUBILEE CONFERENCE  
OF THE 5th ANNIVERSARY OF THE  
STRATEGIC HUMAN RESOURCE  
MANAGEMENT MASTER STUDIES**

**Book of Abstracts**

**4<sup>th</sup> - 5<sup>th</sup> October, 2018  
Skopje, Macedonia**



# MHRO18- JUBILEE CONFERENCE

OF THE 5th ANNIVERSARY  
OF THE STRATEGIC HUMAN RESOURCES  
MANAGEMENT MASTER STUDIES

4-5 October 2018 Skopje, Macedonia

## Editorial Board:

**PhD Ljubomir Drakulevski**  
**Full professor, Dean of**  
**Faculty of Economics-Skopje**

Ss. Cyril and Methodius University in Skopje,  
Blvd. Goce Delchev 9V  
Tel: ++389 2 3286 844

**PhD Ljupcho Eftimov**  
**Associate professor,**  
**Head of SHRM master studies**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje  
Blvd. Goce Delchev 9V  
Tel: ++389 2 3286 875

**PhD Violeta Cvetkoska**  
**Assistant professor**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje  
Blvd. Goce Delchev 9V  
Tel: ++389 2 3286 920

**PhD Marina Trpeska**  
**Associate professor**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje  
Blvd. Goce Delchev 9V  
Tel: ++389 2 3286 846

**MSc Marijana Sekulovska**  
**Head of Career center**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje  
Blvd. Goce Delchev 9V  
Tel: ++389 2 3286 835

**Publisher:** Ss. Cyril and Methodius University in Skopje, Faculty of Economics-Skopje,

**For publisher:** PhD Ljubomir Drakulevski - Dean

**Design:** Davitov Vlatko

**All rights reserved. No part of this publication may be reproduced or transmitted, in any form or by any means, without a prior written permission of the editors and publisher.**

CIP - Publication categorization

National and University Library "St. Clement Ohridski", Skopje

005.95/.96(062)(048.3)

MHRO18 - Jubilee conference of the 5th anniversary of the strategic human resources management master studies : book of abstracts

: 4-5 October 2018 Skopje, Macedonia / [editorial board Ljubomir Drakulevski ... и др.]. - Skopje : Faculty of Economics, 2018. - 31 стр. ; 30 см

ISBN 978-608-212-058-4

а) Менаџмент на човечки ресурси - Собири - Апстракти  
COBISS.MK-ID 108355338

# TABLE OF CONTENTS

<b>Bace, E.</b>	<b>STRATEGIC HUMAN RESOURCES AND GOVERNANCE IN BANKING</b>	<b>9</b>
<b>Best, S. &amp; Eftimov, Lj.</b>	<b>ENTERPRISE, ENTREPRENEURSHIP AND INNOVATION: WHY THESE MATTER FOR THE NEW HR PROFESSIONAL</b>	<b>10</b>
<b>Bozhinovska, T.</b>	<b>BOARDS' INVOLVEMENT IN STRATEGIC HUMAN RESOURCES DECISIONS: TOWARDS AN INTEGRATIVE MODEL</b>	<b>11</b>
<b>Bunjak, A. &amp; Černe, M.</b>	<b>IN THE MOMENT: MINDFULNESS AS A KEY BOUNDARY CONDITION IN THE RELATIONSHIP BETWEEN OPTIMISM AND ENGAGEMENT</b>	<b>12</b>
<b>Cvetanoska, M. &amp; Trpeski, P.</b>	<b>THE IMPACT OF HUMAN CAPITAL ON ECONOMIC GROWTH IN MACEDONIA</b>	<b>13</b>
<b>Cvetkoska, V.</b>	<b>KEY FACTORS INFLUENCING STUDENTS' CHOICE OF UNIVERSITY FOR POSTGRADUATE STUDIES ABROAD: A MULTICRITERIA DECISION MODEL</b>	<b>14</b>
<b>Debarliev, S., Brzovska, E. &amp; Janeska-Iliev, A.</b>	<b>HR BRANDING AND THE POTENTIAL VALUE: EMPIRICAL EVIDENCE AND PRACTICAL IMPLICATIONS</b>	<b>15</b>
<b>Djogo, M.</b>	<b>THE LABOR THEORY OF VALUE STRIKES BACK: ULC + METHOD FOR MEASURING THE LEVEL OF NATIONAL COMPETITIVENESS</b>	<b>16</b>
<b>Gavrovska, M. M. &amp; Slaveski, T.</b>	<b>FACTORS CONTRIBUTING TO DEBT GROWTH IN THE HOUSEHOLDS SECTOR IN MACEDONIA AND ASSESSMENT OF THE POSSIBLE IMPACT ON THE FINANCIAL SYSTEM</b>	<b>18</b>
<b>Gockov, Gj. &amp; Mladenovska, M. S.</b>	<b>FACTORS DRIVING THE PUBLIC DEBT DYNAMICS: THE CASE OF THE REPUBLIC OF MACEDONIA</b>	<b>19</b>

<b>Harney, B.</b>	<b>ACCOMMODATING HRM IN SMALLER FIRMS: FROM STRUCTURAL CONTENT TO FUNCTIONAL PROCESS</b>	<b>20</b>
<b>Ilieva, V. &amp; Drakulevski, Lj.</b>	<b>APPLYING BEHAVIORAL ECONOMICS INSIGHTS AT THE WORKPLACE</b>	<b>21</b>
<b>Ivanović, T. &amp; Jovanovska, B. .</b>	<b>INDIVIDUAL AND SOCIAL ASPECTS OF GLOBAL HUMAN RESOURCES STAFFING</b>	<b>22</b>
<b>Josimovski, S., Kiselicki, M. &amp; Pulevska, L.</b>	<b>SOCIAL MEDIA SCREENING: IMPACT OF GDPR AND MACEDONIAN LAW FRAMEWORK</b>	<b>23</b>
<b>Karahan, Ö. &amp; Çolak, O.</b>	<b>EXAMINING THE VALIDITY OF WAGNER'S LAW VERSUS KEYNESIAN HYPOTHESIS: TURKEY'S ECONOMY EVIDENCE</b>	<b>24</b>
<b>Lašáková, A., Bajžíková L. &amp; Blahunková, I.</b>	<b>A SHORT COMMENTARY ON NEW CONCEPTUALIZATION OF THE VALUES ORIENTED LEADERSHIP AND ITS LEVEL IN COMPANIES IN SLOVAKIA</b>	<b>25</b>
<b>Mihelič, K. K. &amp; Zupan, N.</b>	<b>PSYCHOLOGICAL CONTRACT BREACH: TOWARDS UNDERSTANDING THE SPECIFICS OF YOUNG TALENTS</b>	<b>26</b>
<b>Nakov, L. &amp; Ivanovski, I.</b>	<b>BUSINESS ETHICAL BEHAVIOR AS A CHANGE FACTOR IN TRANSFORMATIVE MODELS FOR HUMAN RESOURCE MANAGEMENT (HRM) IN THE INSURANCE INDUSTRY – THE CASE OF REPUBLIC OF MACEDONIA</b>	<b>27</b>
<b>Ristovska, A. &amp; Eftimov, Lj.</b>	<b>THE ROLE OF HUMAN RESOURCES MANAGEMENT IN RETAINING THE TALENTS IN THE REPUBLIC OF MACEDONIA: EMPIRICAL ANALYSIS OF YOUTH IN THE REPUBLIC OF MACEDONIA</b>	<b>29</b>
<b>Žnidaršič, J. &amp; Zupan, N.</b>	<b>ASSERTIVENESS, PERCEIVED IMPORTANCE AND COMMUNICATION SKILLS AMONG STUDENTS AND YOUNG GRADUATES IN SLOVENIA AND FYR MACEDONIA</b>	<b>30</b>





# STRATEGIC HUMAN RESOURCES AND GOVERNANCE IN BANKING

**Edward Bace**

Middlesex University, London

E-mail: e.bace@mdx.ac.uk

## ABSTRACT

The importance of human and corporate governance, crucial to all serious undertakings, is particularly critical in the fields of finance and business. Banks and other financial institutions play a key role in a nation's economy, and also have global implications for growth and prosperity. The abuses of the financial system, vividly illustrated in the 2008 crisis, reinforce the need for improved conduct and corporate governance among financial institutions, in which the Human Resources (HR) function, by virtue of its expertise, should play an enhanced and influential part. This summary paper argues for a strengthening of the HR position, emphasizing greater independence and more elevated reporting lines. It is the HR experts who should know better than most management in a bank about human foibles who contribute to system abuse and how to mitigate them. This way, the banks can more quickly win back the public trust they have gradually lost.

**Keywords:** *Human resources, corporate governance, banking*

**JEL codes:** *D21, G20, G30, M11*

# ENTERPRISE, ENTREPRENEURSHIP AND INNOVATION: WHY THESE MATTER FOR THE NEW HR PROFESSIONAL

**Simon Best**

Senior Lecturer Enterprise, Entrepreneurship and Innovation,  
Middlesex University, Hendon, UK  
E-mail: s.best@mdx.ac.uk

**Ljupcho Eftimov**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics - Skopje  
E-mail: eftimov@eccf.ukim.edu.mk, Skopje, Macedonia

## ABSTRACT

The purpose of this paper is to explore and stimulate discussion around the changes to the way people work in the near future and what this means to the HR Professional. Much has been written about the changes to the way people work through automation of work tasks. What is emerging from the literature is that certain skills and abilities will disappear while others emerge or increase in value. This paper is intended to stimulate discussion amongst HR Professionals about the need for enterprising, entrepreneurial and innovative behaviors, not only amongst the HR Professional, but also amongst the employees that they will work with. The paper is built around a Keynote Speech given at the International Scientific Jubilee Conference MHRO2018: Transforming the business for future: Building a modern HR organization, in Skopje, Macedonia, October 2018.

**Keywords:** *Enterprise, entrepreneurship, innovation, human resources, industrial revolution, computerization, IT*

**JEL codes:** *L26, O14, O15, O31, M12*

# BOARDS' INVOLVEMENT IN STRATEGIC HUMAN RESOURCES DECISIONS: TOWARDS AN INTEGRATIVE MODEL

**Tihona Bozhinovska**

PHD Student at Ss. Cyril and Methodius University in Skopje

E-mail: tihonabozhinovska@gmail.com

## ABSTRACT

The recent studies of corporate governance have been focused mostly on investigating the association and correlation between board's characteristics and organizational performance. However, board's effectiveness, as crucial internal mechanism of corporate governance, is indirectly, but not completely, determined by its structural characteristics. Board's involvement in strategic decision making has a significant impact on the assessment of board's effectiveness and board's power is a critical factor in deterring board's ability to perform their strategic role. Therefore, the aim of this paper is to analyze the character of board's involvement in strategic human resources decisions. In order to achieve this objective, we have analyzed the corporate government's theories and their implication to the board's involvement in SHRM. In addition, we offer a comprehensive model of board's involvement in SHRM.

**Keywords:** *Corporate governance, board's involvement, SHRM*

**JEL codes:** *M10*

# IN THE MOMENT: MINDFULNESS AS A KEY BOUNDARY CONDITION IN THE RELATIONSHIP BETWEEN OPTIMISM AND ENGAGEMENT

**Aldijana Bunjak,**  
University of St. Gallen,  
School of Management, Switzerland  
E-mail: aldijana.bunjak@unisg.ch

**Matej Černe,**  
University of Ljubljana,  
Faculty of Economics, Slovenia  
E-mail: matej.cerne@ef.uni-lj.si

## ABSTRACT

This paper investigates the interrelationships among optimism, mindfulness, and engagement. Based on the theory of behavioral self-regulation, optimism, mindfulness and their interplay are hypothesized to positively impact employee engagement. In a field study, data obtained through an online survey of 291 working professionals were analyzed using a series of hierarchical linear moderated regression analysis. Data collected through an experimental study were analyzed using multivariate analysis of variance (MANOVA) analysis. The results of the field study indicate a positive role for the interaction of high optimism and high dispositional mindfulness in stimulating employees' work engagement. In the experimental study, however, state mindfulness was positively related to engagement when optimism was low. The nuances of the interplay of dispositional and malleable mindfulness with the optimism construct in predicting engagement are discussed.

**Keywords:** *Optimism, mindfulness, engagement, multi-study approach*

**JEL codes:** *D23, J24, L20, L29, O15*

# IMPACT OF THE HUMAN CAPITAL ON ECONOMIC GROWTH IN MACEDONIA

**Marijana Cvetanoska**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics-Skopje  
E-mail: Marijana.Cvetanoska@eccf.ukim.edu.mk

**Predrag Trpeski**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics-Skopje  
E-mail: predrag.trpeski@eccf.ukim.edu.mk

## ABSTRACT

The role of human capital in a country's growth process is of a great importance. As a separate factor of production, it contributes to the solving key economic problems in the process of globalization, especially in economies based on knowledge. The aim of this paper is to illustrate the impact of human capital on economic growth in Macedonia in the period from 2000 to 2016 through the usage of an econometric analysis of time series of human capital indicators that are widely accepted in theory and empirical research. It is about education and health, i.e., the educational qualifications of the employees and life expectancy. For that purpose, we use a regression analysis followed by examination of stationarity of time series, as well as the necessary conditions for selecting the best model from all of the available alternatives. The results show that there is a positive link between human capital and economic growth in Macedonia. In addition, educational qualifications and life expectancy have a positive effect on GDP per capita in Macedonia for the analyzed period. All of the variables show statistical significance, but higher education qualifications have proved to be an indicator of human capital with the greatest impact on the economic growth in Macedonia. Therefore, the creators of economic policies should accept and promote education, as well as health, as healthy economic investments, which raise not only the quality of life, but also increase the productivity of the market and therefore the output in the country.

**Keywords:** *Economic growth, education, GDP per capita, health, Macedonia*

**JEL codes:** *I15, I25, J21, O11, O40*

# KEY FACTORS INFLUENCING STUDENTS' CHOICE OF UNIVERSITY FOR POSTGRADUATE STUDIES ABROAD: A MULTICRITERIA DECISION MODEL

**Violeta Cvetkoska**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics-Skopje  
E-mail: vcvetkoska@eccf.ukim.edu.mk

## ABSTRACT

Since everything around us is changing, it is necessary for each individual and each organization to improve continuously. In order to be able to respond to the problems and challenges that organizations face, it is necessary to upgrade the knowledge and acquire new knowledge. Therefore, each higher education institution should invest in the academic staff by providing access to appropriate databases, contemporary literature, participation in seminars, trainings and conferences, schools and study visits, all in order to increase its net worth in the area of interest, to be more competent in research and to transfer the knowledge to the future drivers of the economy – the students. In addition, higher education institutions should build an inextricable link with the business sector in order to strengthen students with the knowledge and skills required by this sector and thus make a significant contribution to society. The aim of the paper is to develop a multicriteria decision model for choosing a University for postgraduate studies abroad. The research has been conducted through a questionnaire distributed to the students in the fourth year of undergraduate studies at the Ss. Cyril and Methodius University in Skopje, Faculty of Economics – Skopje, in order to gain information on what is valuable for them, i.e. which factors are important when choosing a University for postgraduate studies abroad. Those factors that appear the most serve as inputs to the multicriteria decision model. Then, a group of 9 respondents made individual judgments of the importance of the criteria regarding the goal (choosing a University for postgraduate studies abroad), and by computing the geometric mean of the individual judgments, the group judgments are further acquired. The obtained results of the model are presented and discussed. This model will serve both students (for the purpose of choosing the most appropriate University for postgraduate studies abroad) and higher educational institutions (for the purpose of taking adequate next steps, i.e. making better decisions that will create value for students).

**Keywords:** *University, postgraduate studies, students, criteria, AHP, group decision-making*

**JEL codes:** *C44, I23, I25*

# HR BRANDING AND THE POTENTIAL VALUE: EMPIRICAL EVIDENCE AND PRACTICAL IMPLICATIONS

**Stojan Debarliev**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics-Skopje  
E-mail: Stojan.Debarliev@eccf.ukim.edu.mk

**Ezeni Brzovska**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics-Skopje  
E-mail: Ezeni.Brzovska@eccf.ukim.edu.mk

**Aleksandra Janeska – Iliev**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics-Skopje  
E-mail: Aleksandra.Janeska-Iliev@eccf.ukim.edu.mk

## ABSTRACT

Despite the growing popularity of the employer branding concept, academic research on the topic is limited and this is the pivotal and pioneer research in the Republic of Macedonia. The purpose of the research is to investigate the possible factors that might affect the specific dimensions of firms' HR branding, such as: employer branding, internal branding and total rewards branding. Different parametric and non-parametric test were run to determine if there were group differences in employer branding, internal branding and total rewards branding scores between groups within eight evaluated variables divided into three categories. The results confirmed the expected differences in some of the evaluated HR branding dimensions between employees with different professional characteristics (job level position and customer contact level).

**Keywords:** *HR branding, employer branding, internal branding and total rewards branding*

**JEL codes:** O15

# THE LABOR THEORY OF VALUE STRIKES BACK: ULC + THE METHOD FOR MEASURING THE LEVEL OF NATIONAL COMPETITIVENESS

**Marko Djogo**

University in East Sarajevo,  
Faculty of Economics, Bosnia and Herzegovina  
E-mail: markodjogo@yahoo.com

## ABSTRACT

National competitiveness, macro-competitiveness, and competitiveness of states; those seemingly simple and common terms, are actually highly controversial. These terms were not explicitly recognized in economic theory until the second half of the 20th century. This was the consequence of basic postulates in the theory of international trade<sup>1</sup>, which for almost a century and a half, were claiming that all the countries involved have benefits from taking part in international trade (division of labor) i.e. this is the game in which, at state level everybody wins. But, after the end of WWII and the division of the world in capitalistic and communistic blocks, western economic theory decided to “put this issue on the table” and numerous authors started to work on the issue of national competitiveness. When it happened, it became clear, that it was not as easy as expected to reach full consensus regarding the criteria that separate competitive from uncompetitive economies. With time, it became clear that this dogmatic, or even political question, affects the interests of great and strong countries (earlier the USSR, now the USA and the EU). So, it is not surprising that, in a relatively short time period, economic theory moved from ignorance of the term “national competitiveness” to the development of the third or even fourth generation of methods for measuring it. The interpretation of historical backgrounds and basic postulates which are the foundations of methods for the measurement of macro-competitiveness from the 1970s to the present, is a matter of interest in the first part of this paper. Just after this, we will provide critical observations on methods used so far - which is necessary if we want to make a contribution to the further development of theory (and practice). The second part of this paper which may be short but high in quality, is committed to the development of the theoretical foundation for the development of the new fourth generation of methods for the measurement of macro-competitiveness. The title of this method is ULC + the method for the measurement of national competitiveness and it is based on the synthesis Michael Porter’s idea that productivity is a synonym for competitiveness and the direct (outputs) methods

---

1 Theory of international trade was basic field of interest in earlier stage of development of economy as science. David Hume, Adam Smith and David Ricardo made their greatest contribution to science right on this field. It was I middle of XIX century issue when of allocation of created value took primate.



for the measurement of national competitiveness. We have done this by using working hours as a common measuring unit which would enable us to sum “apples and pears”, meaning the cost of labor and the cost of capital.

**Keywords:** *National competitiveness, outputs methods for measurement, productivity, labor theory of value, synthesis*

**JEL codes:** *E20, F40*

# FACTORS CONTRIBUTING TO THE DEBT GROWTH IN THE HOUSEHOLDS SECTOR IN MACEDONIA AND ASSESSMENT OF THE POSSIBLE IMPACT ON THE FINANCIAL SYSTEM

**Milica Milosheska Gavrovska**

Komercijalna banka AD Skopje, Lending sector  
E-mail: milica\_miloseska@yahoo.com

**Trajko Slaveski**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje, Department of Economics  
E-mail: slaveski@eccf.ukim.edu.mk

## ABSTRACT

This paper reviews the recent developments in the finances of the households sector in the Republic of Macedonia, whereby it was established that households are increasingly gaining importance as a debtor in the banking system. The aim of this paper is to determine the factors that contribute to the increase in the debt of the “households” sector in Macedonia and to assess the possible impact on the financial system. The main contributory factors to the debt increase are the favorable movements in the supply and demand of loans, the change in the attitude of the households towards borrowing, the favorable macroeconomic environment, the innovations in the financial products and the favorable government policies. The assessment of the impact on the financial system is based on the financial indicators that are most commonly used in the economy, such as debt in relation to GDP, debt in relation to disposable income and the debt service ratio. The results show that the possibilities for increasing the household debt are not yet exhausted.

**Keywords:** *Debt, households sector, disposable income, financial system*

**JEL codes:** *C10, D10, D14, G21*

# FACTORS DRIVING THE PUBLIC DEBT DYNAMICS: THE CASE OF REPUBLIC OF MACEDONIA

**Gjorgji Gockov**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics - Skopje  
E-mail: gjorgji.gockov@eccf.ukim.edu.mk

**Suzana Makreshanska Mladenovska**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics - Skopje  
E-mail: suzana.makresanska@eccf.ukim.edu.mk

## ABSTRACT

This paper investigates the factors driving the public debt dynamics in the Republic of Macedonia over the period 2003-2017. The public debt gained huge public attention in the last decade. Although the level of indebtedness is still moderate (below 50% of GDP), the public debt dynamics since 2008 is worrying (the public debt has doubled in only 7 years, from 23% of GDP in 2008 to 46% of GDP in 2015). The accumulation of public debt is driven by three main factors: the primary balance, the “snowball” effect, and the deficit-debt adjustment. Our analysis showed that general government debt ratio over the period 2003-2017 increased by 3 p.p., as a result of a significant increase in the primary deficit (by 16 p.p.), but was almost completely offset by the positive “snowball” effect. In addition, we found that in the pre-crisis period (2003-2008), the general government debt ratio declined by 16 p.p., mainly as a result of positive “snowball” effect but also because of the primary surplus. Contrary to pre-crisis developments, general government debt ratio increased significantly (by 16 p.p.) in the post-crisis period (2009-2017), due to the significant primary deficit increase (by 20 p.p.) while the positive “snowball” effect was moderate.

**Keywords:** *Public debt dynamics, fiscal sustainability, debt-to-GDP ratio, snowball effect*

**JEL codes:** *E60, E62, H60, H62*

# ACCOMMODATING HRM IN SMALLER FIRMS: FROM STRUCTURAL CONTENT TO FUNCTIONAL PROCESS

**Brian Harney**

Dublin City University, Ireland  
brian.harney@dcu.ie

## ABSTRACT

This paper examines HRM in the neglected domain of smaller enterprises. In doing so the objective is to move beyond mere recognition of the heterogeneity of HRM in smaller firms towards understanding and accommodation. In particular, the paper draws upon the concept of functional equivalence. By disaggregating the management of the employment relationship into key components, this concept serves to negate the traditional formal versus informal dichotomy which plagues research in this domain. Empirical findings from four case studies illuminate the value of this concept in capturing the underlying dynamics of the employment relationship. It follows that, for HRM researchers operating in differing contexts, comparison with normative ideals should form the beginning rather than the end of analysis.

**Keywords:** *Small firms, HRM in context, employment relationship, HRM process*

**JEL codes:** *M12, O15*

# APPLYING BEHAVIORAL ECONOMICS INSIGHTS AT THE WORKPLACE

**Viktorija Ilieva, PhD student**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje  
E-mail: viktorija.ilieva@eccf.ukim.edu.mk

**Ljubomir Drakulevski**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje  
E-mail: Ljubomir.Drakulevski@eccf.ukim.edu.mk

## ABSTRACT

Behavioral economics incorporates insights from cognitive and social psychology. It is widely recognized by policymakers across the world and the list of success stories is ever growing as reported by research and the particular national nudge units. Although there is a solid theoretical foundation and abundant role models in the public sector, the private sector still doesn't seem to be fully embracing these insights or at least it is less commonly reported. This opens up a new research field and there is a notable call among researchers and potential practitioners for accumulation of evidence-based nudge interventions at the workplace. This paper reviews studies that apply behavioral economics insights in an organizational setting. The reviewed workplace interventions are based on reminders, default nudges, implementation intentions and priming. There are important take-home messages for human resources practitioners from this relatively novel research stream which has already helped policymakers improve individual and societal welfare worldwide.

**Keywords:** *Workplace, behavioral economics, nudging, interventions*

**JEL codes:** *D90, M12*

# INDIVIDUAL AND SOCIAL ASPECTS OF GLOBAL HUMAN RESOURCES STAFFING

**Tatjana Ivanović**

University of Belgrade,  
Faculty of Organizational Sciences  
E-mail: tatjana.ivanovic@fon.bg.ac.rs

**Mimoza Bogdanoska Jovanovska**

St. Kliment Ohridski University in Bitola,  
Faculty of Information and Communication Technologies – Bitola  
E-mail: mimoza.jovanovska@fikt.edu.mk

## ABSTRACT

Globalization has become one of the most influential trends in the business environment over the recent decades. Since companies started to spread their operations beyond national borders and to employ people originating from different countries, new challenges for human resources management function have emerged. The aim of this paper is to attempt to ascertain, summarize and explain specificities of staffing in international context, theories dealing with global staffing, as well as basic approaches to the staffing process, in order to identify various determinants which may affect the process of choosing an appropriate staffing policy in multinational companies, i.e. decision-making process on staffing of global managers in international business environment. Various research have shown that the success of a global manager depends not only on employee's personality and adaptability to different culture, but also on willingness and readiness of his family members to move to a foreign country. The conclusion of this paper is that staffing decisions for global managers, besides technical competencies and expertise, should take into consideration different individual and social factors (i.e. different personal attributes and skills, as well as specific requirements of manager's family) and that selection procedures should be customized so as to enable finding out the best individuals for managerial positions in foreign subsidiaries of multinational companies, who will be able to fit into new environment quickly and easily and perform the job in an expected manner.

**Keywords:** *Human resources management, staffing, global manager, multinational company, international assignment*

**JEL codes:** O15, J24, J61, F23

# SOCIAL MEDIA SCREENING: IMPACT OF GDPR AND MACEDONIAN LAW FRAMEWORK

**Saso Josimovski**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje  
E-mail: sasojos@eccf.ukim.edu.mk

**Martin Kiselicki**

Integrated Business Faculty, Macedonia  
E-mail: martin.kiselicki@fbe.edu.mk

**Lidija Pulevska**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics – Skopje  
E-mail: lidijap@eccf.ukim.edu.mk

## ABSTRACT

E-recruitment has been the focus both of research and commercial use in the past decade, with the addition of social media recruitment in the recent years. Public profiles and information on a potential candidate has exploded with the emergence of profiles on social network web-sites, which is highly utilized by companies and recruiters in the employment process. Despite different ethical and practical issues, there are also legal ramifications for using personal data of candidates in the recruitment process. The paper focuses on the legal aspects of screening candidates, as part of the recruitment process, more specifically on the screening via social media. Our research examines the introduction of the new GDPR Law which has been in effect in EU countries since May 2018, and comparisons are made with the existing laws for data protection of candidates in the Republic of Macedonia, as a candidate member state for the EU. The research shows that screening through social media for reasons other than job performance is considered as a breach in principles through GDPR, as well as considered as discriminatory and illegal in the Macedonian Labor Law. The comparison between GDPR and Macedonian Labor Law shows strong points such as clear lines for direct and indirect discrimination, as well as weak points such as not enough guidelines for transparency, protection and control over candidate data in the Macedonian law. Companies are subject to GDPR regardless of whether they reside in an EU country, making the law of tremendous importance to Macedonian companies which employ or recruit candidates who are permanent residents of the EU. Recommendations are made to engage technology changes in a timely manner, as well as to introduce regular checks on companies for their process of screening candidates through social media.

**Keywords:** *Screening, GDPR, candidates, recruitment, social media*

**JEL codes:** *M51, M54*

# EXAMINING THE VALIDITY OF WAGNER'S LAW VERSUS KEYNESIAN HYPOTHESIS: EVIDENCE FROM TURKEY'S ECONOMY

**Özcan Karahan**

Bandırma Onyedi Eylül University, Department of Economics  
E-mail: okarahan@bandirma.edu.tr

**Olcaç Çolak**

Uşak University, Department of Economics  
E-mail: olcay.colak@usak.edu.tr

## ABSTRACT

The direction of the causality relationship between public expenditures and economic growth is one of the most controversial issues of the literature, which also causes great disagreements in the design process of economic policies. There are two opposing approaches on this subject and are called "Wagner's Law" and "Keynesian Hypothesis". Keynesian hypothesis asserts that the causality relationship runs from government expenditure to economic growth, and hence concluding that government expenditure can be used in the framework of expansionary fiscal policy to stimulate economic growth. Contrary to that, the Wagner's law argues that public expenditure is a dependent variable which fluctuates based on the extent of economic growth. Therefore, government expenditure cannot be used as an economics policy tool to affect the generation of national income. This paper aims to examine the validity of Wagner's law and Keynesian proposition in Turkey using Granger Causality tests and Autoregressive Distributed Lag (ARDL) model for the period 1998-2016. The results of Granger causality test point out the existence of unidirectional relationship running from public expenditures to economic growth in accordance with the Keynesian view. Further analyses in the ARDL model framework have shown that the effect of public expenditures on economic growth is positive in the short run but negative in the long run. From an economics policy standpoint, the presence of unidirectional causality relationship from public expenditures to national output enables policy makers in order to promote Turkish economic growth through expansionary fiscal policies in the short run.

**Keywords:** *Fiscal policy, public expenditures, economic growth, time series model*

**JEL codes:** *E62, H50, O40, C22*



# A SHORT COMMENTARY ON NEW CONCEPTUALIZATION OF THE VALUES ORIENTED LEADERSHIP AND ITS LEVEL IN COMPANIES IN SLOVAKIA

**Anna Lašáková**

Comenius University in Bratislava,  
Faculty of Management, Slovakia  
anna.lasakova@fm.uniba.sk

**Ľubica Bajzíkóvá**

Comenius University in Bratislava,  
Faculty of Management, Slovakia  
lubica.bajzikova@fm.uniba.sk

**Ivana Blahunková**

Comenius University in Bratislava,  
Faculty of Management, Slovakia  
ivana.blahunkova@fm.uniba.sk

## ABSTRACT

This short paper builds on the current trend in scholarly literature that reflects the leadership from an ethical perspective. While today the leadership ethics discourse is well established in Western Europe and the U.S., in Slovakia this trend has begun to develop with a certain lag and currently it is still at the brink of scholarly attention. In addition, one of the many streams in ethical leadership discourse, the values oriented leadership (VOL), represents a relatively new terrain within ethical leadership studies and to date no systematic approach to its exploration has been established. This paper briefly addresses the given gaps. It introduces theoretical underpinnings of a new conceptualization of VOL and, based on results of a pilot study, it informs briefly on the overall level of VOL in companies operating in Slovakia.

**Keywords:** *Ethics, leadership, values, values oriented leadership, Slovakia*

**JEL codes:** *M12, M14, M54*

# PSYCHOLOGICAL CONTRACT BREACH: TOWARDS UNDERSTANDING THE SPECIFICS OF YOUNG TALENTS

**Katarina Katja Mihelič**  
University of Ljubljana,  
Faculty of Economics  
E-mail: katja.mihelic@ef.uni-lj.si

**Nada Zupan**  
University of Ljubljana  
Faculty of Economics  
E-mail: nada.zupan@ef.uni-lj.si

## ABSTRACT

Psychological contracts have been in the centre of scholarly investigations, because their fulfilment fosters productive employment relationships and, in turn help retain the talented employees in organizations. When one of the parties however, perceives a breach in their side of contract, negative consequences arise and are costly for the individual, department and the organization. In this paper, we take a closer look at the concept of psychological contract breach and aim to summarize the existing research that focuses specifically on younger employees. We propose a research framework that could guide empirical investigations targeted at creating and nurturing employment relationship tailored to young talents' values, needs and aspiration.

**Keywords:** *Psychological contracts, psychological contract breach, young talents, research framework*

**JEL codes:** *M12, J24, J63*

# ETHICAL BUSINESS BEHAVIOR AS A CHANGE FACTOR IN TRANSFORMATIVE MODELS FOR HUMAN RESOURCE MANAGEMENT (HRM) IN THE INSURANCE INDUSTRY - THE CASE OF THE REPUBLIC OF MACEDONIA

**Leonid Nakov**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics - Skopje

E-mail: Leonid.Nakov@eccf.ukim.edu.mk, Skopje, Macedonia

**Igor Ivanovski**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics - Skopje

E-mail: Igor.Ivanovski@eccf.ukim.edu.mk, Skopje, Macedonia

## ABSTRACT

Insurance industry heavily relies on trustworthiness and confidence principles. Ever since its beginnings and even more in its future development phases, the issues and value of creating and sustaining consumers' trust have been rooted deeply in the core business as a determinant for an increasing market share and a spread-out of new services and products. Insurance industry is facing fundamental change in terms of absorbing new technologies, particularly artificial intelligence (AI) and big data systems, and preserving the crucial role of human factor in doing business. Managerial tendencies are dealing with issues of reshaping and changing internal processes under the increasing competitive pressure and regulation, and moreover, the public perceptions of insurance services' lower value and quality. Organizational changes of companies are struggling to impose higher and more sustainable models of ethical behavior at all phases, including prevention, consultative and executive models, as well as within intermediary entities, while the InsureTech and AI are stretching the classic business understanding boundaries. With regard to this, both internal and external HR need to be systematically and carefully adjusted to consumers' needs and expectations, at the competitive level and under the assumptions for company's growth. Lessons learned from mature and highly developed insurance markets are a sound platform for further development and regulation of developing insurance markets, such as the Macedonian one. The insurance industry of the Republic of Macedonia is showing a limited but steady growth. However, additional stimulus can be created by imposing and applying advanced ethical business models more as means of an increased competitive factor and profitability, rather than a formal regulative prerequisite. Consumers' understanding of the industry is prevailing and it is characterized by a lack of confidence, transparency and accountability, as well as by no clear

distinction between the role of companies and intermediaries. An almost equal proportion of companies' direct sales and intermediaries' distribution channels is connected with possible all-industry dispersion of the negative outcomes.

HR developmental processes in the insurance industry are weak and limited, while interactions with the rest of distribution channels are poor. The absence of executive, sustainable and interactive ethical models within companies per se, or within their HR systems in particular, from the top to the bottom, is one of the critical factors for the industry's limited growth, as well as for a sustainable growth and creation of higher insurance culture and demand, aimed at increasing the ethical compliance of all parties involved in the insurance process. The aim of this paper is to offer qualitative analyses of contemporary business ethical challenges in the modern insurance industry and to explore the possibilities for overcoming the limited companies' investment in HR management and in particular, in ethical business behavior as a precondition for higher consumers' trust and confidence as key factors of companies' market share and industries' growth.

**Keywords:** *Business ethical behavior, ethical compliance, HR systems, insurance industry, Republic of Macedonia*

**JEL codes:** *M12, G22*

# THE ROLE OF HUMAN RESOURCES MANAGEMENT IN KEEPING THE TALENTS IN THE REPUBLIC OF MACEDONIA: EMPIRICAL ANALYSIS OF THE YOUTH IN THE REPUBLIC OF MACEDONIA

**Andrijana Ristovska, PhD student**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics - Skopje  
E-mail: andrijana.ristovska@eccf.ukim.edu.mk

**Ljupcho Eftimov**

Ss. Cyril and Methodius University in Skopje,  
Faculty of Economics - Skopje  
E-mail: eftimov@eccf.ukim.edu.mk, Skopje, Macedonia

## ABSTRACT

This paper elaborates the issue of the „brain drain” phenomenon observing it through the prism of its intensity in the Republic of Macedonia, and also its positive and negative impacts, but also its effect on the development of human resources management in the country, as one of the key departments of any organization. This research, which targeted 1400 respondents aged between 15 and 29, begins by providing answers to the questions about the extent to which this phenomenon is present in Macedonia, what are the characteristics of the people who tend to leave the country, what are the pull factors that attract them to go abroad and also what are the push factors that stimulate them to leave their own country and finally, what is the impact of human resources departments on retention of staff, as well as recruiting staff back to the country, analyzed on the basis of an additional survey conducted among 10 human resources managers in large Macedonian companies. The Republic of Macedonia is threatened by serious losses from brain drain that could decrease the human capital of the country and its economic growth. Furthermore, companies’ HR department policies on retaining, recruiting and repatriation of staff as well as attraction of new employees in the economy are underdeveloped and hugely influenced by heavy economical and political influences within the country.

**Keywords:** *Migrations, brain drain, brain gain, brain circulation, HRM, intellectual capital*

**JEL codes:** *M12, M54, O15, F20, F22.*

# ASSERTIVENESS, PERCEIVED IMPORTANCE AND COMMUNICATION SKILLS AMONG STUDENTS AND YOUNG GRADUATES IN SLOVENIA AND FYR MACEDONIA

**Jana Žnidaršič**

University of Ljubljana,  
Faculty of Economics  
E-mail: jana.znidarsic@ef.uni-lj.si

**Nada Zupan**

University of Ljubljana,  
Faculty of Economics  
E-mail: nada.zupan@ef.uni-lj.si

## ABSTRACT

Employers consider soft skills, especially the ability to communicate, as an important skill, which affects employability and performance at work. At the same time they claim that these skills are insufficiently developed among young college graduates. The purpose of our paper is to get an answer about the perceived importance and presence of communication skills among students and young graduates in two countries, Slovenia and FYR Macedonia. The results of a survey show that young people are aware of the importance of communication skills, but at the same time some business related communication skills are less developed than general skills that they use on a daily basis. Assertiveness is also rather poorly developed. The results also show that those who learn to communicate at work have better developed skills and therefore business communications training should be incorporated not only in formal education programs, but also in training programs in companies, especially in on-the-job training which can offer a lot of opportunity to practice and develop business communication skills.

**Keywords:** *Business communication, assertiveness, soft skills, developing communication skills, on-the-job training*

**JEL codes:** M12



<https://mhro18.wordpress.com/>