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MURAT ÇETIN

The Role of the Internet in the Development of Marketing and Electronic Services in Business

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Abstract

Internet marketing and e-services are considered the latest areas of research, which represent a strategic importance for businesses that have directed their efforts towards e-marketplace. Studies have shown that online consumer behavior differs from consumer behavior in the traditional marketplace. On the other hand, managers seem to have a good understanding of the needs of consumers to meet them effectively and efficiently in the electronic environment. Few things have dramatically and instantly affected our lives and the way many businesses operate more than the development of the internet. The ways in which some marketing activities are carried out have changed since businesses turned to trading. The Internet offers opportunities for an organization to grow its business in an efficient and practical way. This means that the internet can be used to conduct marketing research, reach new markets, better serve customers, distribute products faster, solve customer problems, and communicate more efficient with business partners. The benefits of online marketing include improved information flow, new products and customer service, improved availability, and better market transparency. To design and implement a successful e-marketing program, a number of theories, applications, and technologies need to be carefully analyzed and understood. In this paper we will examine the best ways of Internet marketing for business success. The main objective of this article is to understand the impact of the Internet on various areas of marketing, such as product development and service delivery, promotion, pricing and channel distribution. The paper shows that when manufacturers connect directly with customers and shorten distribution channels, inefficiencies can be eliminated, product delivery time can be reduced, and manufacturers can build closer relationships with customers. Consumers use the internet to reduce costs, find otherwise unavailable products, or increase the ease of their purchase. Online customers expect simple, understandable and secure ordering and payment systems. Consumers want confidence that orders will be fulfilled immediately. E-commerce creates value for consumers in many ways. Consumers are treated as a market of one. They may have access to a greater variety of products, often at lower prices. The study suggests that businesses need to pay special attention to the impacts of the Internet and its uses in marketing to be successful and profitable.

Keywords: Internet, Marketing, Business, Companies, Strategy, Consumers, Success

Introduction

The Internet is not an idea that is having a major impact on every aspect of human life, but it is a compact technological structure that has the ability to store all kinds of information on its own, and distribute it to any country in order to immediate. Furthermore, the Internet allows for automated and interactive interaction between all types of interconnected elements such as people, computer programs, electronic devices, Internet networks, and more. Due to this complex compression, it is easy to understand that the Internet as such cannot develop on its own. In this regard, businesses are estimated to be key and key factors that have pushed the development of new technologies to achieve strategic priorities in successful profitable developments.

Analyzing and clarifying the elements of the "development trilogy" facilitates understanding the impact of the Internet on bringing a new strategic point in the field of business: developing strategies for the development of new Internet technologies. From this point of view, the interconnection and dependence of the elements of the "development trilogy" for most companies is only the basis for development.

further business strategies. It offers the possibility of implementing modern business activities, within companies and outside them with suppliers and customers. The trilogy in question, in fact, represents a "circuit of causes" where its elements, the development of the Internet, the development of Internet content and business development - are selected from the "cloud of development" (English: development cloud) which contains all the other factors surrounding business development - have been used to clarify the impact of the Internet on the development of new strategies that lead to the development of new business models. Business development, Internet development and Internet content development on the one hand influence each other in the development of their strategies and on the other hand promote the development and improvement of each other. Thus, the development and improvement of the Internet have a direct impact on the growth and development of Internet content and these elements together dictate the development and change of business strategies.

The Internet division is deliberately defined as a global system of interconnected computer networks using the Internet Protocol Suite (TCP / IP), and the Internet content that represents all the content stored on tools for data storage and open access through Internet transmission services. In-depth analysis of the interconnection and development of these two components clarifies their impact on each other and, most importantly, their impact on the development of new models. of business.

The Internet is a complex structure that is not seen to end in its own development. This structure, developing and improving, is driven by businesses that claim high goals. The impact of individuals through benefit projects or free projects, in this regard, is marginal¹. One of the most important lessons to be learned in this regard is the importance of the elements of the "development trilogy". Thus, if one of the elements in a stagnant company, then the "cause circuit" comes to the fore where the impact of the negative development (stagnation) of that

¹ Mustafi, S., *Matured and still emerging: The Changing Position of The Internet in Business Strategies of Companies Since the DotCom Hype*, FHNW, Olten, 2011

element directly affects the development of the other two elements, so this affects the overall success of the company¹.

1. Internet development and business addiction

"Information technology and business are inextricably intertwined. I don't think anyone can talk meaningfully about one without talking about the other. Bill Gates"

Companies that have already expanded their sophisticated internet network to their structures and developed specific content that is vital to their business needs are not said to have reached the peak of their business success. Nowadays the internet is the key technology that enables businesses, especially small and medium enterprises (these enterprises in English are known by the abbreviation SMEs from the words Small and Medium-size Enterprises), to adopt it internationally to improve their performance². In this regard and in all other respects, the Internet is a living system which is becoming bigger, better, and more insecure with each contribution of private individuals and / or various organizations. . This latest argument highlights the need for companies to consider more than just the adoption of a modern technology, but also aspects that have a direct impact on the vital processes of their business.

The aim of this analysis is to highlight two very important perspectives of businesses that have started and are implementing plans for the implementation of information technologies, namely 1) how the development and use of the Internet affects the change of structure and processes. of companies and 2) the way information technology affects the growth of interaction and dependence between companies and the internet. This analysis will help to understand the importance of developing new, unusual strategies for traditional businesses, both to achieve greater benefits in adopting information technologies and to reduce the risks of using these technologies and creating partnerships. with the lowest possible risk.



Figure 1. Distribution of companies³

1.1. Company - Internet connection and Internet addiction.

The rapid development of the Internet has raised many issues that need to be taken very seriously by companies, among them: Internet addiction, security and privacy, identity individual and organizational online, individual and organizational similarity, differences and relationships with their identities in the physical-real world and others. The intensity of the

¹ Westwood, J., *Marketing Your Business: Make the Internet Work for You; Get Into Exports; Learn about Products and Pricing*, Kogan Page Publishers, 2011

² Johnston, D. A., Wade, M., & McClean, *Does e-Business Matter to SMEs? A Comparison of the Financial Impacts of Internet Business Solutions on European and North American SMEs*, Journal of Small Business Management, 45(3), 354-361, 2007

³ Johnston, D. A., Wade, M., & McClean, *Does e-Business Matter to SMEs? A Comparison of the Financial Impacts of Internet Business Solutions on European and North American SMEs*, Journal of Small Business Management, 45(3), 354-361, 2007

impact of the above issues differs from company to company depending on their type of business and their business model. Companies grouped into three types of traders, analyzed in the article Understanding e-business, can best be presented visually as in Figure 1 where all types of companies are distributed in a strip at the ends of which are pure traditional traders, in one, and pure online traders, in the other. Thus, switching from left to right more companies' activities and / or processes are focused on the Internet, and less on the traditional aspect. Moreover, the more a company is involved in an online environment, through structures and investments in technology and other elements that make up the technological-information development, the more this company's connection with the Internet increases and, logically, it also increases its dependence on the internet. From this perspective, for example, Internet-based companies use the Internet for every aspect and process of their business, including accepting purchase requests, inventory control, production planning, implementing communication plans, and developing software. and sales activities, development of plans and activities of services and other ancillary programs. Thus, these companies support their core activities entirely online by creating challenges and risks which require new ways of thinking to plan responses to potential incidents and developments of new business models appropriate to the environment¹. This implies the fundamental issue is that virtual companies depend on the Internet for their existence, as their business model is based entirely on the Internet. Not only this, all companies, especially virtual ones, are obliged to continuously and in a short period of time review the life processes of their business, and even the whole business model to adapt or change completely. in line with general trade and technological changes.

2. Internet and companies

The Internet as a sophisticated structure, the basis of information flow within and outside companies has a two-way impact on businesses: 1) it increases the dependence between companies and the Internet itself and 2) it increases the interconnection between businesses. In other words, the more companies develop and disseminate information technology in their business and use this structure for it the better you communicate with your partners, the more their dependence on the Internet increases on the one hand and on partners on the other.

Ignoring other issues, here I will focus on bringing only one important issue of interconnection between the Internet and Internet companies and companies, that is security. Security is the most obvious risk for companies operating online. The business and information that make up the business base of these companies are secured but open to the whole world which has any kind of internet access.

We are witnesses in the case of the company SONY and many others where it has reached the sensitive information of the company without its permission by third parties with only a few can. This is an example of internet security problems which in many discussions raises the question of whether the virtual world is again moving towards "dot com bubble". For this, Business Roundtable (2007), the association of chief executive officers (CEOs) of US companies estimates that companies should assess their dependence on the Internet from the perspective of their business to ensure that they are in be able to have life-saving operations in place as soon as possible after a major internet disruption", as this action is critical to

¹ Business Roundtable, *Growing Business Dependence on the Internet — New Risks Require CEO Action*, Washington DC, 2007

minimizing potential hostile attacks, as well as to minimizing the negative impact on the economy and overall security of the country. Also, Business Roundtable (2007) concludes that "business is not able to treat significant Internet disruptions wisely."

3. Marketing for a successful online business

Marketing. Many businesses hate this word while online marketing can be even more difficult. Since there are so many websites and businesses competing in every "corner" of the market, using online marketing to get the most out of them can seem like an incredible challenge. This is especially true if you do not have much money to put on your marketing budget.

But there are many tips that any online business can use to market their business regardless of their financial situation. Here are five strategies to develop a successful online marketing strategy:

Recent statistics show a galloping increase in internet use to promote businesses and services. As a result, as everywhere in the world, online marketing is increasing its weight in the Albanian marketing market day by day due to the need to be part of the global trend. From the need to enable the recognition of services and products. From the ideas to create online platforms to serve individuals, businesses and various institutions, there are many, as well as open platforms, but are they successful?



Figure 2. Steps for an efficient strategy¹

Did you know that over 2000 articles are published on different blogs every day? So in short when you are pressing the button to post an article on your blog to increase visitors, another 1,999,999 are doing the same. Wondering when others attract a lot of visitors and have effective strategies? Then let me give you some help.

Everything, no matter how small, needs planning. This is the basis for success and step-by-step planning enables it. What you need to do is not forget them and always keep the following steps written somewhere:

Step-1: Browse the internet and find successful marketing forms (blogs, informative graphics, videos, email marketing campaigns) that have been successful.

Step-2: Find them and analyze them carefully with the aim of further improving them.

Step 3: Promote your article / strategy directly to the individuals / businesses that are interested in them.

¹ <http://smartmarketing.al/blog/2016/06/10/strategji-te-suksesshme-ne-marketingun-online/>

Let's analyze the above steps together. Many individuals or online platforms around the world and in Albania publish articles with content that they think makes you work. They start with the idea that "if I publish a lot of articles, someone will fish and read them." Wrong. Quantity and themes are completely different concepts. Start implementing the first step, search and find something that has succeeded. Have you heard of flippa.com? No. How to say this site is like e-bay for sales-purchases. It's like Adam Smith for the economy. It's like Einstein for science. You realized that this page shows that you are in the right place to search.

Then look for businesses or platforms that offer the same service or have the same scope, for example, for online marketing. In front of you will be listed the sites that have the most unique visitors per month, in the field of activity you requested. Bingo! You have already found a platform like yours that has succeeded.

Then look for the article that has attracted the most visitors, take it, read it, and analyze it carefully. As you read it, start creating your own similar article that appeals to the Albanian consumer. Also tickle with the keywords "best", "best of 2015" and "50 best". In less than 30 seconds, you will be given the opportunity to remove or add extra things to your original idea. BuzzSumo? Would you ask what it is? He is a 5-second counselor. Add to that your idea.

Now we move on to the second step. To create something better than the best. Usually we create something similar to the best or the best. Aim for your article or strategy to hit, create a new trend, and be number one. Today the consumer is faced with a host of online platforms and a lot of information, make sure that the article on your blog is current, arouses interest and remains in the reader's memory.

The final stage is publication and promotion. Let me illustrate this with a tangible example from everyday life. Interesting and curious is the fact that many of our friends on social networks often distribute posts of various articles and advertisements. If you ask them why they are distributing them, most of them will answer with the phrase "I just like it".

But in the world of marketing and consumerism, the question is, what makes them click on the post link and then share it? Do you like the content? Some respond that they have not read them at all. What we need to keep in mind and remember are the three things that attract: a) the striking title; b) description (no more than two sentences); c) design. Thus, the more striking the title and the more beautiful the accompanying design, the more interested they will be in reading it or simply distributing it on social networks (which enables a high viewership, and consequently interest). Since we are at content and design, let us bring an example of how current and interesting it is. Email marketing is gaining popularity and widespread use, but the issue lies in the effectiveness of campaigns. Some have followed the above steps and hit with an attractive and interesting title at the same time, but when you open the design leave you speechless. Just like children when we realize that grandparents do not exist. This was research that everyone starting with individuals and online marketing platforms should consider before planning their strategies to increase visitors and reach consumers interested in products or services offered.

4. How important is internet marketing for the success of an organization?

There is no exact answer to this question. It depends on the nature of a company's business line. There are many companies that currently use the Internet as the main business transactions such as DELL, AirAsia, etc. However, companies like UPM, the world's leading

producer of forest products use only the internet as a medium to introduce the company and its products to customers through its website.

In addition, throughout the purchasing decision-making process, consumers not only use the Internet in isolation to search for products, but also other media such as printing, TV, direct mail and outdoor. These media still play an extremely important role for marketers to communicate with customers, for example, direct or face-to-face marketing helps marketers build trust with customers and encourage them to buy products. Therefore, it is better to use the Internet as part of a multi-channel marketing strategy which "defines how different marketing channels should integrate and support each other in terms of their development of merit-based proposals and communication. their relative to the consumer and the company. "

These cannot be answered simply by a formula because the context and dynamics of the market are strong variables in these decisions. Although the interest in social media is great, some companies understand what the term - media can mean for their businesses.

According to some research (which we will graphically provide in the following chapter), we know that 92% of consumers report that "word of mouth and recommendations from people [they] know" are the main influence on behavior. their purchase. Only 37% believe in search engine ads, and only 24% believe in online banner ads. They trust their friends and family the most when looking for brand recommendations. But which types of recommendations carry the most weight? Brands are eager to use the power of recommendations, and many companies measure an "NPS," or Net Promotion Level, which illustrates how likely someone is to recommend a particular brand or company¹.

According to a study, "a 7% increase in open word advocacy opens up 1% additional company growth." His research also shows that "a 12% increase in brand advocacy on average generates a 2x increase in revenue growth rate plus market share increases" and, conversely, "a 2% reduction in negative word growth increases sales by 1%".

It is important to understand the connection between digital communication and traditional communication in older media; for example, televisions, radios, newspapers, magazines and billboard advertising, the communication model was and is one-very-much compared to one-to-one or many-to-many communication models in digital media like blogs, social networks , wikis and other social media.

The increased fragmentation of the media and consumers, as well as the revolution in mass communication from new communication channels - internet and mobile communication technologies - has created the need for a new marketing communication approach that can provide centralized management and a consistency of communication messages.

The Internet has become a media tool for consumer-sponsored communication. It now represents the number one media source for consumers at work and the number two media source at home. Consumers are moving away from traditional sources of advertising: radio, television, magazines and newspapers. Consumers also constantly demand more control over their media consumption. Consumers are increasingly turning to different types of social media to conduct their information research and make their purchasing decisions.

¹ Chaffey, D., Ellis-Chadwick, Johnston, K.F. dhe Mayer, R., *Internet Marketing: Strategy, Implementation and Practice*, 2nd ed., Edinburgh: Pearson Education, 2003

5. The Role of the Internet in Marketing Strategy

Marketing practitioners have devoted considerable effort to identifying the effect of the Internet on marketing. Early studies predicted the Internet as such an important driver that it would transform even the most basic business environment.

Given the importance of the Internet in business then it should be aimed at presenting a systematic analysis of early predictions of how the Internet will change the business environment and its subsequent impact on marketing strategy¹.

The Internet is revolutionizing the way business is run and its use is becoming increasingly critical to the success of business firms². The Internet is becoming such a widespread tool that any company will use it in one way or another for several years. It is a powerful tool that a business can use to gain a competitive advantage. It offers many business opportunities to grow in sales and reduce costs. Small businesses that use the Internet have grown 46 percent faster than those who do not. Some of the major changes brought about by the Internet can be seen in the way we purchase products and services, obtain information, and make payments through our banks. Consumers can quickly find product and price information and get advice from a wide variety of vendors. Online visitors can check the availability of the product, place an order, check the status of an order, and pay electronically. Using the Internet empowers customers because they can go to the Web and quickly find out where they can get the lowest prices for a particular product or service. Consumers benefit from the Internet because it reduces search costs for products and product-related information³.

Web combines elements from a variety of traditional media, but is more than the sum of the parts. The Internet can be considered a market interruption because it represents a shift in any of the market forces or their interconnections that cannot be predicted with a continuum of historical trends and that, it happens, can significantly affect the performance of a firm or an industry⁴.

Kotler (1999)⁵ describes the growth of e-commerce as the only greater opportunity and threat to almost any industry. These pioneering articles considered the Internet as a major driver of change for marketing, in other words as a new technology that presents new dimensions that offer a new basis for competition or the way of doing business. Throughout the years, knowledge about the impact of the internet and new technologies in the field of marketing has accumulated and due to the unique characteristics of the virtual world and its great business

¹ Mayer, R., *Internet Marketing: Strategy, Implementation and Practice*, 2006

² Smith, P.R. and Chaffey, D., *E-Marketing Excellence At the Heart of E-Business*, Butterworth Heinemann, Oxford, UK, 2005

³ McArthur, D.N. & Griffin, T., *A marketing management view of integrated marketing communications*, Journal of Advertising Research, 1997

⁴ Vollmer, C. & Precourt, G., *Always On: Advertising, Marketing, and Media in an Era of Consumer Control*, McGraw-Hill Education, 2008

⁵ Kotler, P., *Marketing for Hospitality and Tourism*, 5th edition, New Jersey: Pearson Prentice Hall, 2010

potential, a special flow of research has emerged attracting interest from strategy, online and marketing discipline¹.

Business organizations will not survive in the age of the Internet unless they change the way they do their business.

Success in the internet age is about learning new business rules, not giving up on basic business principles. Many internet-based companies are not capable because they are built on business models that never have a chance to win². While the internet has become an indispensable tool in marketing, many marketing managers do not understand how to integrate the internet into their marketing strategy. Developments in Web-based technologies make it necessary to review how businesses should develop and market their products, as this new technology affects all aspects of marketing. Success marketing depends on the degree of business market orientation. Companies that fail to understand the customer's point of view in designing their internet strategy have only a small chance of success. Unfortunately, many firms use the internet no matter how it fits within their marketing strategy³.

This paper fills an important gap in our understanding of how to integrate the Internet into the formulation of marketing strategy. We argue that the Internet should be seen as part of the firm's long-term marketing strategy and should be integrated with all other means of formulating and implementing strategies in a way that it conforms to the principles of a sound business strategy. The marketing strategy can use the ideas presented in this document to formulate the most effective Internet-based marketing mix strategies⁴.

6. Recommendations

In the future, all businesses that will seriously orient their business in general and the marketing factor in particular towards e-marketing will first need to offer an efficient website that is easy to navigate, used by online users and an easy and secure system for internal staff.

Kosovo companies must definitely become part of this wider community, be involved in the new era of virtualization and modern technology.

The Internet or Electronic Marketing enables us to quickly advertise to all those who are interested in our products or services.

To reflect our activity through electronic marketing, means to identify faster and more, it means to be more successful than others, summarizing them all in a single sentence; it means that we have found the gate which enables us a wide publicity.

Considering the research conducted, it is recommended that businesses improve e-marketing. Undoubtedly, the perception of the value of a service or good has a significant impact on

¹ Howard, C., *Winning the Net Game: Becoming Profitable Now That the Web Rules Have Changed* by Howard, Entrepreneur Press, 2002

² Hoffman, D.L. and T.P. Novak, T.P., *Marketing in Hypermedia Computer-Mediated Environments: Conceptual Foundations*, Journal of Marketing, 1996

³ R.A. Peterson, S. Balasubramanian, B.J.J.A.M. Bronnenberg, *Exploring the implications of the internet for consumer marketing*, Journal of the Academy of Marketing Science, 1997

⁴ Kotler, P., *Marketing for Hospitality and Tourism*, 5th edition, New Jersey: Pearson Prentice Hall, 2010

customer satisfaction. This value can be increased through online marketing strategies by saving time and cost and providing quality services to attract and retain customers for a long time.

Adopting strategies that consumers will find most suitable for shopping by sitting at home and finding goods and services of their choice. There are also several alternative options for each category of goods that were not available in the traditional marketing and purchasing system.

E-marketing-oriented businesses should offer discounts on their products and services using the same method of motivation in buying the same as with traditional marketing.

They must provide better service quality and security.

Electronic payment to provide greater freedom to individuals in the payment of taxes, licenses, fees, etc.

Reduce deployment costs and make information distribution easily accessible.

Avoid long lines and other expectations.

Electronic marketing to be used for the primary purpose of reducing costs and saving time.

7. Conclusion

The Internet is revolutionizing the way companies do their business and is becoming an increasingly critical tool for marketing success. The Internet enables companies to take some competitive advantage over competition. Some of the changes brought about by the internet can be seen in the way we buy goods and services, find information about products and services, and make our own banking. The Internet has significantly reduced the cost of producing and distributing digital goods, such as software, news, music, stock quotes, and photographs.

Marketing managers need to evaluate the role of the Internet in their marketing strategy. The Internet has changed the way the marketing strategy is formulated and executed in a number of ways. All aspects of marketing, including marketing research, consumer behavior, segmentation, relationship marketing, product management, pricing, distribution and promotion are affected by the internet. Today many companies are integrating the internet with traditional marketing methods in a holistic view of consumers and business. This process means a merging of online and offline approaches to a new business model and value proposition. The exact nature of the new entity will depend on the particular business. Every organization needs to strike the right balance between its offline and online business to meet the needs of its customers.

E-marketing is the activity of marketing, the group of institutions and the processes for creating, communicating, distributing and exchanging offers that have value for customers, clients, partners and society in general. It is the application of information technology in traditional marketing practices.

The dynamic electronic marketing environment offers opportunities to develop new products, new strategies and tactics, new markets, new media and new channels. E-marketing has become an integral part of modern marketing. This possibility of e-marketing operation increases the various levels of marketing risks. More than ten years of internet marketing research have yielded a number of important findings. Based on our review of these findings,

it is clear that the internet is playing an increasingly important role in the field of marketing. Traders and their customers are becoming aware of the need to measure cooperative marketing effects (i.e., how the Internet affects store sales). Customer loyalty can be a profit. Personal attention can be given from the market to the consumer, also quality service can be served.

The findings show that the growth of Internet technology has great potential for businesses. There are certain types of customers who are likely to be internet customers. They are people who are happy with technology and innovation. If the business expects consumers to use the Internet to buy its products, marketing efforts should be directed at innovators and early adopters. The Internet brings new issues to consider and may require a review of the existing marketing mix.

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Albania's Plan: Response to COVID-19

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Abstract

The current novel coronavirus (COVID-19) outbreak, which began in December 2019, represents a significant challenge for Albania, as well as for the entire world. This study considers that Albania has prepared several action plans over the years related to pandemic influenza preparedness, health security, and health emergencies. The result shows that sharing information about the preparedness of Albania's plan has a significant positive impact on the response adequately and in a timely manner, offering protection to the population. This paper first investigates the novel nature of the virus during a pandemic situation in Albania and proposes public protection plans to respond to the coronavirus. In brief, the current main objectives in Albania are to create a protected environment, update information and create response measures for the Albanian population. The results show that the measures taken are helping the health indicators to stay constant and decrease the curve of the pandemic.

Keyword: coronavirus, measures, indicators, response, Albanian population

Introduction

Despite lack of data, Albania has been prepared against and affected by several outbreaks including the Spanish flu, Asian flu, Hong Kong flu, etc. Spanish flu, between 1918 and 1919 caused an estimated attributable worldwide excess mortality of 20 - 50 million, with a case fatality of around 2% and typically affected children, young adults, and pregnant women. In 1957-1958, Asian flu originating from Southern China was responsible for claiming the lives of 1 to 4 million people with a case fatality of 0.1 - 0.2% mainly affecting children. Hong Kong flu started as an emergency also in Southern China between 1968 and 1969 causing a moderate influenza pandemic with an estimated mortality ranging between 1 and 4 million people, with a case fatality of 0.2 - 0.4% and affected all age groups. The first pandemic that we possess country data on is the recent AH1N1 outbreak which started in Mexico and caused a mild influenza pandemic with an estimated worldwide attributable excess mortality of around 18'000, and a case fatality of less than 0.025% affecting mainly children, young adults, pregnant women and people with chronic disease. Fortunately, Albania was not affected by Serious Acute Respiratory Syndrome (SARS) outbreak between 2001 and 2002 and from the Middle East Respiratory Syndrome (MERS) that started in 2012, both with high mortality rates of approximately 10% and 30% respectively, affecting middle aged and the elderly. Nonetheless, Albania is affected every year by seasonal flu epidemics which in some instances, such as the 2015-2016 flu season, are more severe than others, affecting individuals across all age groups, but showing a more severe impact on children, pregnant women and people

suffering from chronic diseases. To summarize, Albania has a lot of experience in facing outbreaks from having undertaken significant preparedness work for seasonal influenza throughout the years, as well as from outbreaks caused by emergent viruses such AH5N1 outbreak in poultry, Congo Crimean hemorrhagic fever, Hantan hemorrhagic fever, other outbreaks from the past such as cholera and polio, as well as recent occurrences such as last year's measles outbreak. This experience provides the foundation for the effective response to COVID-19, which later on can be adapted according to the situations that arise and to the information that becomes available.

Overview of Albania's national approach

In the face of an outbreak of a serious disease, such as COVID-19, Albania, aim to plan and decide on the measures and steps that ought to be taken and increase their efficacy based on the following principles.

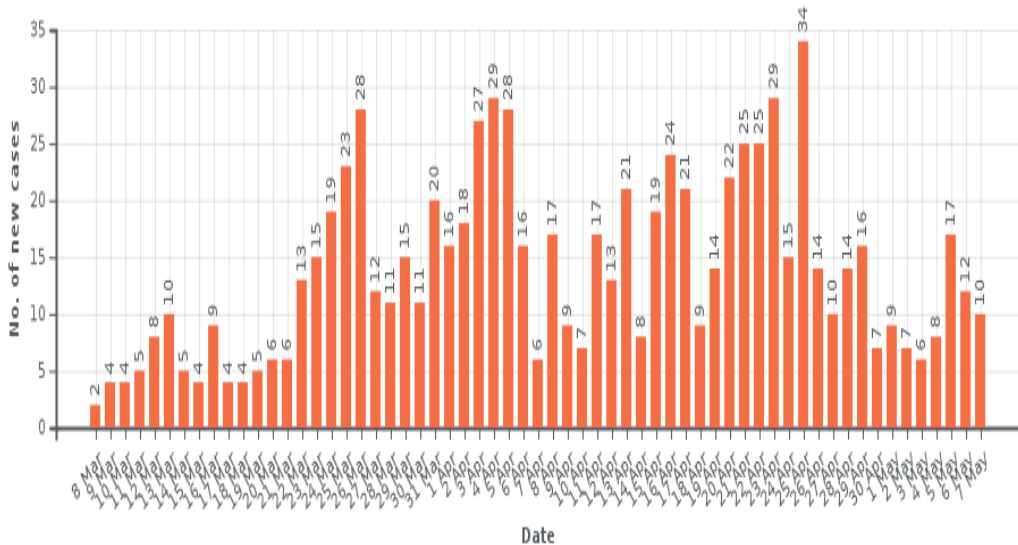
To this day, the COVID-19 situation in Albania remains in Scenario 0, and the steps has taken thus far, summarized below, aim towards having in place a system that allows for timely identification of cases, follow up with their contacts and prevention of spread. The COVID-19 expert committee was established as a decision making body based on medical and scientific analysis of the situation. Furthermore, Albania has established the new coronavirus task force focused on tackling COVID-19 in a cross-institutional fashion, by employing measures to prevent the spread while also reporting and advising the COVID-19 expert committee observations made in the field and steps that might be needed. Case definitions are being updated in real time in accordance with the recommendations from WHO and ECDC. Albania has developed a system to manage the infodemic of misinformation by identifying and addressing rumors spread to create panic in the population. The Institute of Public Health of Albania has prepared guidelines, procedures and plans to early detect and isolate the first case (s) of COVID-19. All local public health agencies and the health inspectorate have worked with border control, port officials and flight carriers to implement and reinforce health measures in all points of entry including temperature control. All guidelines, procedures and plans have been distributed and tested throughout the country. A scheme for cascade training of health care workers with regard to COVID-19 was designed and implemented. Public health units have passed on information to all health professionals on steps needed to be taken in the event of a patient who may have COVID-19. The 127 emergency number, coordinated by national health emergency center in collaboration with public health and health expert teams with trained staff and necessary equipment are able to conduct the triage process and are ready to receive and transport patients providing coverage across the whole country. Upon entering the Albanian territory, all residents and travelers receive a text message on their mobile phones informing them on the importance of calling 127, as a measure to ensure that all people with symptoms are given appropriate advice and tested when appropriate. Public health recommendations with regard to minimizing the chance of transmission of disease have been widely publicized and are updated regularly. Travel advice on what individuals need to know before deciding whether or not to travel and steps to take if they are affected by an outbreak of COVID-19 while travelling has been provided and made public and is continuously updated as the situation evolves. Advice has been provided to first responders, employers, educational institutions, social care institutions and other sectors and business, on identifying and reporting possible cases and taking the necessary precautionary measures. Self quarantine or self isolation is advised for those returning from the affected areas. Guidelines on how to handle individuals under investigation are in place and have been tested. Influenza like illness

and severe acute respiratory infections (SARI) surveillance program have been strengthened and adapted to COVID-19.

Covid 19 pandemic situation in Albania and the adaptation of measures

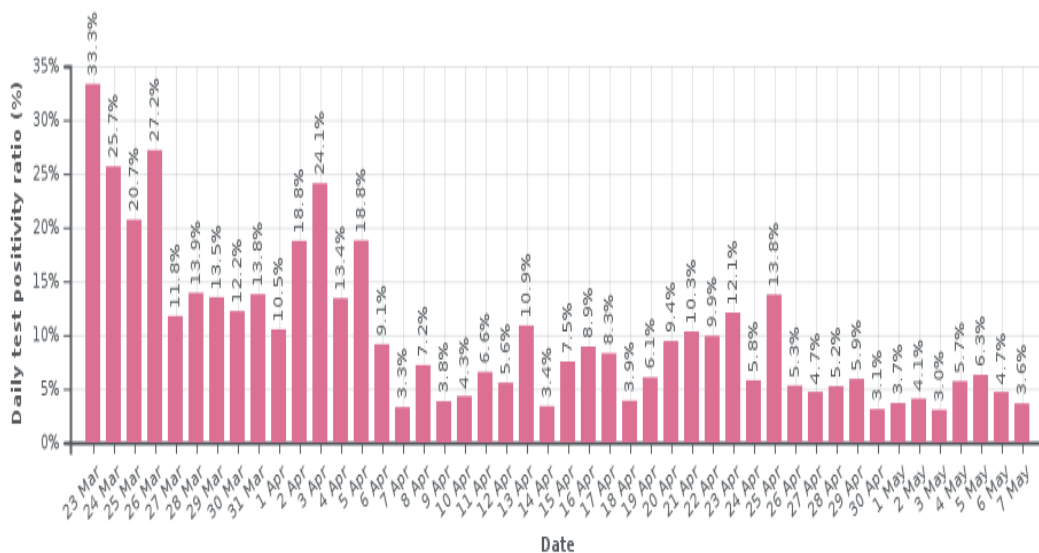
Containment of the infection

Albania is now in its 9th week of the Covid 19 pandemic as the first cases were recorded on 8th of March in 2 people coming from Italy. Data show that the spread of infection has been contained; (i) the epidemic curve was ‘flattened’ with infection circulating in clusters only; the number of cases in need of hospitalizations never threatened the stability of health care; (iii) the mortality rate is kept at low levels.



Daily diagnosed cases of Covid 19 in Albania

In the 9th week of the Covid 19 pandemic, Albania recorded only thirty-one covid related deaths. At the same time, are only thirty-eight patients in two covid hospitals in the country, with only seven of them in intensive care. From 9.806 tests 842 were confirmed positive, with more tests being carried out. Since mid April, the number of recovered cases is higher than the number of active cases and the trend continues. Although the disease has affected most districts of Albania at various degrees, there are still many municipalities with no confirmed cases. There are still active clusters in many regions of the country, and new cases are being identified every day, but the trend during the last two weeks of May, has been on decrease.



Daily test positivity ratio in Albania

Measures taken

Albania has inherited good public health structures from the past and has passed a new bill on control of infectious diseases quite recently. After the Wuhan situation in January, before covid, Albania started to prepare a strategy to respond to an eventual pandemic. Laboratory was equipped with new tests, new epidemiology protocols were developed, and staff in districts was trained. Albania, observed with attention and concern the surge of cases in Northern Italy in late February and drew valuable lessons about the extent and intensity of the measures which would be needed. Alertness was increased to maximum and special measures were introduced for all travelers from Italy. Albania reacts with nationwide measures, starting with schools which were closed on Mars. One day later all flights from Italy were suspended and on Mars 14th - 15th all national borders were closed. Self quarantine was required for all those who entered the country in the first week of Mars. Some services and activities were closed since 10th of Mars. From Mars 12th to Mars 18th all travel between main cities was limited or banned. On second week of Mars government introduced first limits of moving out of home. Then on third week, all essential activities were limited to 05:00-13:00 o clock. During weekends there was almost total curfew strictly enforced. There has been massive compliance by the public. Also, religious communities of the country supported the measures taken by authorities and suspended their ceremonies or carried them out without public. Since 15th of Mars measures were introduced to minimize contact with health services, while planed surgeries were postponed and private health services were requested to adapt to the emergency rules. Since 10th of Mars strict rules were introduced to avoid contagion of residential institutions. On 24th of Mars Government raised the emergency situation to the highest possible catastrophe. The existing emergency is coupled with the earthquake emergency which left without homes almost 20 000 people.

Adaptation of measures and the normalization strategy

While the measures are being very effective to contain the circulation of the virus and suppress the effect in health of the population and health system, the situation has been hitting the economy and society as whole. After successfully controlling the pandemic during March and April, Albania is adapting gradually and carefully the measures to the epidemiologic situation. Since 25th of April, Albania has announced the establishment of "green zones". The Ministry of Health and Social Protection of Albania, in collaboration with other ministries, has developed a comprehensive strategy to guide the country through normalization in four (4) phases. This strategy assures that the steps forward be gradual and cautious, accompanied with other measures and intensive monitoring, while health system is continuously strengthened: (i) it is being gradual and cautious; (ii) every decision for lifting some of the measures is followed by two weeks periods of monitoring the indicators; (iii) a system of alerts is put in place and Albania is ready to stop the 'normalization' if indicators start to worsen; (iv) activities are categorized in green, yellow and red, in terms of public health risk, based on a score from one (1) lowest risk to five (5) highest risk. Risk is estimated based on the number of potential contacts, intensity of contacts, geography of contacts etc. Health risk is prevailing over economic rationale.

Recommendation

The activities and businesses with highest public health risk will be normalized the last.

The gradual normalization of activities is being accompanied with extra sanitary measures to be applied during the phases. A list of eight sanitary protocols for a range of businesses is prepared to assure that social distancing is maintained risk of infection is minimized; (ii) health system will continue to be prepared for all scenarios; a new quarantine hospital will be ready in May, stocks of equipments will continue to be increased, and health services normalization will be centrally planned during the phases; (iii) public health and epidemiology capacities for case finding and testing will be strengthened, with new serologic testing already starting. Tests will continue to be carried out intensively to assure good control of infection community spread; (iv) vulnerable categories and risk populations will continue to be specifically protected. Albania has been effective not allowing outbreaks in its residential institutions and will continue to keep in place the measures for protecting its elderly, during all normalization phases; (v) strategy of normalization will be dynamically adapted as international data and knowledge on Covid 19 improves.

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A Resilience for Survival: Reimagine. Reconfigure. Restart

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Abstract

Governments, Industrialists and CEOs are agreeing that the COVID-19 crisis will impact us way more than the 2008 crisis (Gurnani, 2020). No one really knows how to solve the financial crisis set into motion by COVID-19. Amidst this, there is mounting pressure on sales teams in organisations to sell products and services without sufficient salespeople. To make any sale, or receive funding, organisations go through a process where they must develop a business proposal. Almost no business in the B2B (business to business) market is won without a formal business proposal. Business proposal management and writing has evolved over the years with best practices and certifications, just like project management, but the COVID-19 crisis has given it a jolt unlike any other. Salesteams, bid and proposal management teams, proposal writers and associated graphic specialists need to use this crisis as a catalyst for change. There is a resounding, echoing bell ring that asks us to reimagine, reconfigure and restart. And the bell does not ring just for teams but also for individuals. The future depends on interactive technologies and proposal teams must think about playing strategic roles if they want to stay relevant. For the investigation and writing of this paper, we have used both primary and secondary research techniques. They are listed as follows: **Primary Research** - Questionnaires and Interviews; **Secondary Research** - Journals, Harvard Business Review, Economic Times, Internationally acclaimed websites, Textbooks

Keywords: Sales, Presales, Bid Management, Proposal Management, Strategy, Marketing, Change, Change Management, Future, Collaboration, Virtual Teams, Design, Automation

Introduction

The word “thrive” has taken backstage, at least for now. Right now, organisations need to have a plan to survive. No one in an organisation can get comfortable in their cubicle chair and let their world spin on autopilot. With a crisis looming that is greater than what we faced in 2008, resilience is key. Reimagining the way we do things, reconfiguring the way we work and restarting our business with a fresh outlook is the order of the day. It may be the only way for organisations to survive this dark phase of human history.

Scope of The Research

The scope of this research is limited to organisations which have turnovers of over a million dollars and range upto several billions (USD). All of them are B2B. These huge organisations

and the people they employ have a direct impact on how governments operate and international trade across the world runs.

Considering the COVID-19 crisis, it is important that these organisations generate sales, and convince their customers to make purchases in order to restart the global economic cycle.

Trends Proposal Teams Are Expressing

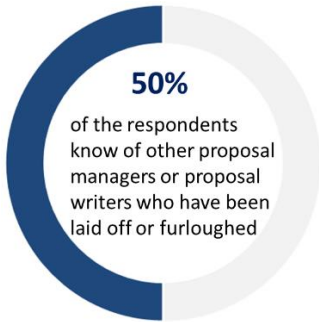


Figure 1: COVID-19 has brought gloomy days to proposal teams

For an industry to not be affected by the COVID-19 scenario is a pipe dream. Despite organisations having risk-mitigation plans, due to crises as tremendous as COVID-19, they began laying off employees.

Sales and presales teams in most industries and companies have dramatically dwindled. However, there is an undeniable demand for someone in the organization to write proposals. This brings us to two frequently asked questions.

What are business proposals?

What makes them so important?

A Brief Introduction to RFXs and Business Proposals

Customers send a document with a thorough list of requirements to multiple vendors. This document is called the RFX. The X can be replaced with alphabets such as I, Q and P.

The Differences Between an RFI, RFQ and RFP		
Request for Information	Request for Quotation	Request for Proposal
RFI	RFQ	RFP
Market research to adequately identify vendor/ vendors who best meets requirements	Obtain quotations from vendor/ vendors to buy products or services required	Identification of a strategic partner who best meets requirements and fits constraints
Common qualities of RFIs, RFQs and RFPs		
<ul style="list-style-type: none"> • Dates and Deadlines • List of requirements • Terms and Conditions • Confidentiality Clauses 		

Figure 2: What are RFIs, RFQs and RFPs?

Customers send a document with a thorough list of requirements to multiple vendors. This document is called the RFX. The X can be replaced with alphabets such as I, Q and P.

While vendors find it hard to respond to RFPs, customers find it equally hard, if not harder to create RFPs.

Once it arrives, sales teams immediately try to gather information about the customer. They try to identify if the customer already has a favourite, or an incumbent vendor- who is currently supplying the product or service.

Then, they prepare the response document, also called a proposal. A business proposal is light years away from a marketing brochure. It is customised to the customer's needs. At its heart, it understands that customers do not care about vendors, their products or their services. Customers care about themselves.

Without doubt, consistently winning proposal teams are doing something radically different from their competition's proposal teams.

Proposal Strategy

Outline: "Hope" is never a strategy while creating a business proposal. At least, having an idea of the customer's needs, issues and motivators and identifying sponsors helps create a better strategy. Identifying the degree of competition and therefore developing partnerships gives organisations an extra edge. Proposal teams must work with agility and steadfastness to beat the clock in order to achieve this.

Getting all roads to lead to Rome: Proposal teams manage various meetings- the first being the kick-off meeting- where everyone is introduced, and everyone's goals and roles are set. Most importantly, the due dates are discussed, and a thorough plan is developed by the proposal manager that gets everyone to contribute and complete the RFP response.

RFPs are hot potatoes: RFPs can be several hundred pages long. Getting even one of the terms and conditions, or making a wrong observation can cause the organisation to lose the deal, or worse, cause the organisation to get into legal and financial obligations.

Troubles shared are troubles halved: There can be anywhere between three (3) to three hundred (300) people involved in responding to an RFP depending on its deadlines, value, risk and complexity. Proposal teams assist technical teams in conveying their message to the customer in a clear, succinct, attractive, legally accurate and time-bound manner to ensure organisations win more business.

How Important Is a Proposal?

Proposals are worthless unless they induce a behavioural change in the customer. It is meant to woo, not repulse. It is meant to impress, not bore. It is meant to cause a desire that otherwise was not there.

Hence the name "proposal". It needs to be sought after. It needs to be something the customer wants, not just needs. It needs to be loved. Every page should trigger a sense of anticipation.

How proposals are written is just as important as what is written in them.

How has COVID-19 Impacted Proposal Teams

Proposal teams are being laid-off, furloughed, or are taking pay cuts in many organisations that are not seeing business opportunities. The work of proposal teams is being passed on to delivery teams in order to reduce costs in these organisations.

However, a few organisations from industries like pharmaceuticals, telecommunications, medical device manufacturing, are growing in these times. Proposal teams are being hired by them.

Collaboration Has Never Been a Problem

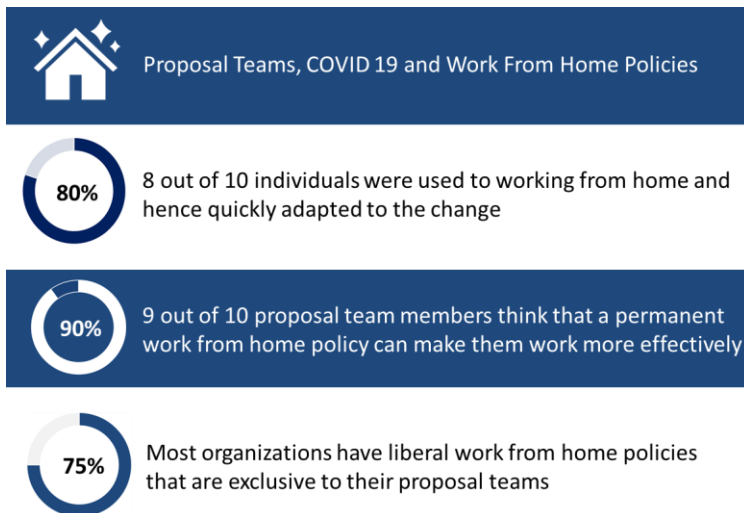


Figure 2: What are RFIs, RFQs and RFPs?

Global collaboration has dramatically increased across organizations in all teams by over 1000% (Samik Roy, 2020). Although other teams across the world have been shaken up by new work-from-home norms, most proposal teams have reported that there is almost no difference in how they worked.

Proposal teams can continue to work-from-home unless of course, it is crucial for a major deal that requires war-rooms. Today, even those can be virtual. However, we only recommend that cameras be turned on so that the human element is not lost.

Survival of the Fittest

To adapt to COVID-19, some organisations have committed to not lay-off their proposal management teams or change processes. However, most organisations have realised that they might need to shift their modus operandi to a way of work that would continue to keep the company profitable. The ultimate way to win this battle during this crisis is to find solutions and techniques that will:

- Focus on strategy and competitive advantages (offer something unique to customers)
- Develop better partnerships with other organisations
- Reduce costs by reducing employee headcounts and/or remunerations

- Increasing revenues by responding to more RFPs in less time
- Exploring new markets
- Improve effectiveness and efficiency > Bring in automation, tools and techniques
- Reimagining Proposal Management and Sales

Case Study

Christopher (name changed) has about twelve proposals he was working on simultaneously. Only one of them is winnable and no one is working on it.

The multi-million-dollar company Christopher worked for, faced a massive blow due to the COVID-19 crisis. 60% of their clients were from the tourism and travel industry. As a result, the organisation went into panic mode. They tried to get their hands on every single RFP available- even if they had very limited chances of winning it.

Because of the ensuing crisis, a few proposal managers, writers and graphic designers were laid-off. The graphics team predominantly prepared customised content that clients would find relatable

Suddenly, Christopher's laptop crashed. Along with it went all the information that went into the proposal. Some of the information on the laptop was not saved on the cloud and was not passed on to any team members.

Two candidates who contributed to the proposal had left the organisation. Although their data backup was taken, no one knew how to find it and re-assemble it at such short notice. Christopher now is unable to find the information he needs the most.

Suddenly, an entire proposal had to be built from scratch. With just five days left to submit the proposal, Christopher's fingers tremble, as he visualises incoming migraines. With a cold sweat breaking, Christopher empties a cup of coffee each hour to stay awake. Panic escalates into horror.

He enlists the help of another overworked proposal writer who is based out of a different time-zone to review the styles, fonts, themes and colours. He gets a graphic designer who already has a plethora of work to cater to and pleads with him to create a cover page. The graphic designer tells him he cannot do it and suggests that Christopher can choose from a set of previously created cover pages.

Christopher does the best he can, with the resources he has. And in five days, he submits the proposal to the customer after getting a review done.

The proposal goes to the customer and Christopher finally goes to bed. Barely a minute after he has hit his pillow, he gets a call from his manager telling him it is urgent. He shows Christopher that in several places of the document, there is the name of the wrong client- an indication that sufficient attention has not been paid. In the proposal world, that mistake is a monstrosity. It happened because Christopher copied the content from other proposals he could find. He pasted it without thoroughly checking its relevance.

And then his manager shows him that some content that was placed is old and there is new, better and more mature content available from a technical and a non-technical point of view. Literally, the proposal is a piece of trash. Every single minute spent on it amounted to nothing.

From a graphical point of view, there is nothing that tells the customer that Christopher's proposal was crafted with professional intent. Christopher was forced to focus on submitting the proposal. He did not have the time, nor the resources to win it.

Christopher was living Murphy's law: "Anything that can go wrong- will go wrong"

Strategy 1: Bid to Win. Not Just Submit

Christopher's organisation was trying to grab every opportunity they got to stay afloat, instead of focusing on the one they could win. Also, Christopher was an overworked, confused, and unrested proposal manager who was working without the support of a team. A recipe for disaster- it has been proven, tried and tested that none of these strategies work. It results in limited organisational focus and excessive organisational chaos.

To solve this conundrum, organisations must, at the least, ask themselves the following questions before opening up RFPs and sending them to proposal managers to work on:

Is this within our business area?

Does the customer really intend to buy?

Do we know the customer and the customer's vision?

Have we considered the global crises that can prevent this purchase?

Is there an incumbent who the customer is not satisfied with?

Do we have any competitive advantages that our competition does not possess?

Do we have any competitive disadvantages that we need to tactically manage?

Is there a risk we face if we bid / do not bid for this opportunity?

Can we really win? How and why might we lose?

Is the pursuit worth the effort?

In times like these, sales-persons may be tempted to hunt for any opportunity available. However, a thorough bid validation must be done before engaging proposal teams on a deal, lest it waste their time and wear them down.

When they get involved, proposal managers must be able to showcase compliance rather than finding reasons for non-compliance to customer requirements. They must be able to show an understanding of the customer's pain points and motivation to spend money despite market conditions

Strategy 2: Make Proposals Sing

In his bestseller entitled "Epic Content Marketing", Joe Pulizzi asks, "Your customers are exposed to over 5,000 marketing messages per day. Are your messages cutting through the clutter and making an impact?" (Pulizzi, 2014) Although Pulizzi is talking here about content marketing, one can extend his theory to proposals. With all the clutter of information, will your message matter?

In another study (Nicholas Toman, 2017), where several thousand executives at companies across the world were asked to describe the entire purchase process, out of which, obviously,

reading RFPs from multiple vendors and coming to a conclusion would be one. Some responses included “hard”, “awful”, “painful”, “frustrating” and “minefield”.

In a world where 140 characters is all one gets to convey information that is meaningful (Twitter), proposal contributors must aim to keep their messages as short and simple as possible.

Keeping it Simple

Proposal Teams ought to take the effort needed to make the proposal a joy to read. And yet, almost no proposal evaluator would express that reading proposals is a pleasure, or a joy. Instead, proposals are pompous and boring. Evaluators seldom find them engaging and feel like they are not tailored for them and are corporate mumbo-jumbo.

Proposal contributors are under the impression that a lot of information on a subject will impress the customer. One study (Nicholas Toman, 2017) points out that customers are increasingly overwhelmed and often feel paralysed than empowered by information overload. Information overload births unnecessary questions, inquiries and probes. This causes a 65% delay in purchase decisions, and often, deviations towards other sellers / vendors. Clearly, proposal contributors must learn to respect the time of evaluators.

The Impact of Good Design in Proposals

A business proposal is like a salesperson. It cannot afford to be shabbily dressed. It is crucial that the first impression be good. People think that they are not bewitched by first impressions, but that is not true. Hence, graphic design is becoming extremely important.

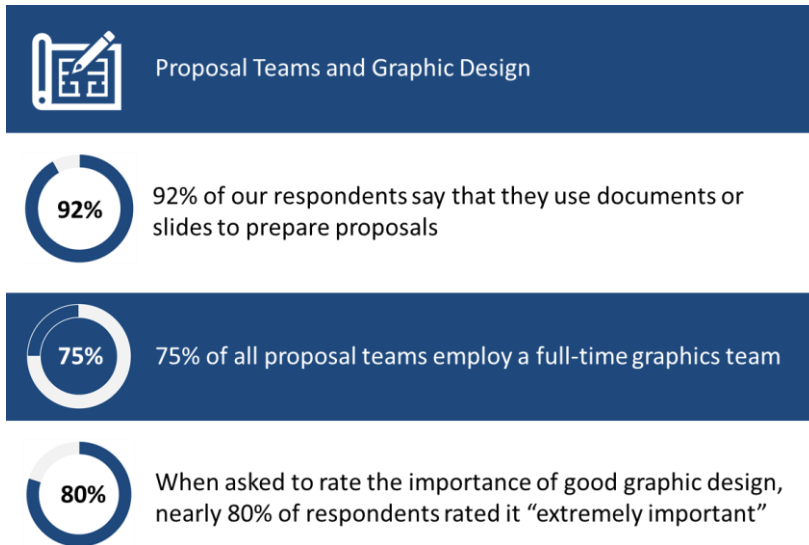


Figure 2: The Impact of Graphic Designers

Although the famous idiom goes “Do not judge a book by its cover”, several studies found that people make judgements about the quality of the content in a book by looking at the cover page in just about five seconds. In fact, there are so many proven logical fallacies that the human brain is prone to make based on design such as:

Implicit Association Bias: Just because something looks good, we assume it is good.

Von Restroff Effect: When multiple options are present, attention is subconsciously directed towards the one that stands out.

Law of Triviality: We tend to spend time on trivial, good-looking things- whether or not they are important or are serving our purpose.

The Future of Proposals

Organisations are realising that they need proficient graphic designers to design proposals for them. There are huge indicators of how important graphic design is and how dependent the proposal teams are upon them.

In a world where everyone is using documents and slides, there are organisations which are silently moving towards software and web applications that are far more effective and engaging.

For nearly twenty years, Microsoft's PowerPoint and a few other similar tools have been used to create customer pitches. Multiple presentations attached in a single email, confused evaluators and waste their precious time, thereby sometimes annoying them.

But things are changing. LinkedIn's PointDrive, for example, is changing the way presentations are done. Instead of making content static, it is making it dynamic. Evaluators are also more inclined to read content sent to them via PointDrive is because they can interact with content on any device. From a proposal author's point of view, PointDrive allows them to see which content has been most interacted with. (Burnett, 2017).

PointDrive, and similar tools are already being used to submit proposals. In fact, organisations have started presenting proposals based on augmented reality and virtual reality.

In a world where people prefer engagement, why would anyone want to read? That is why UI (user interface) and UX (user experience) is becoming important. We anticipate UI and UX being given a colossal importance in the future. We have already seen how much importance organisations are giving graphics teams.

We recommend that graphics teams learn more skills and upgrade themselves. At least, they must be able to make customised video presentations and have an idea of how augmented reality and virtual reality works, and what tools can be used to prepare futuristic presentations.

Under anonymity, one proposal manager we interviewed, explained how the organisation he is working with is currently crafting presentations that are designed for presentations on Zoom, GoToWebinar, Skype or MS Teams. "Each platform works differently and streams content differently. So, we design presentations based on the platform. We do not do that for every deal, but we are getting there. We realized that things do not look the way we intend them to look if we do not know the platform they will be streamed on. Customers are beginning to tell us that there is a noticeable difference, and that our presentations look better than our competitors' presentations", he said.

87.5% of our respondents agreed that proposals need to be designed in a manner that needs as little explanation as possible, with minimalism and engagement.

Owing to the COVID-19 crisis, no presentation is being made at the customer's office. Even if a video presentation is recorded, because of its length, customers are not willing to watch them. That is why, the proposal presentations being sent to them must be engaging and interesting enough for evaluators to want to go through them. For this too, a graphic designer supplies life blood.

Strategy 3: Exploring Automation

The word often instils fear and paranoia. According to many, it is a necessary evil, which feeds corporate greed. However, history has proven that whenever automation came, it led to the loss of a few jobs but created several thousands, if not millions more. However, if the question is "will automation take away my job as a proposal manager or a proposal writer?", the answer is most likely "yes".

Proposal managers, for example, need to coordinate a proposal from end to end- which includes not just ensuring compliance, but preparing the proposal, getting proposal contributors to update content, making calls to get information, managing proposal playbooks and getting approvals, to name a few

For example, Amjad and Samina, based out of Maryland, USA are creating a futuristic RFP tool called Zbizlink. The tool can almost effortlessly improve the speed of proposal processes three times over by helping managers. It automatically pulls out requirements from RFPs. It also helps managers create workflows, plug in content, manage collaboration and do a whole host of other things- all over one web-based application that can be accessed both on the proposal teams' laptops and mobile devices.

When it comes to proposal writers, there are tools already available that radically improve the proposal's quality, tone, professionalism and uniformity. Another huge problem that writers face is the famous "writer's block". There are automation tools, which, when fed with bits and pieces of necessary information, literally write content. Shipley ROSE for example, helps proposal authors write anywhere between 50-70% of the executive summary within just ten minutes

We are already seeing automation technology enter the proposal management space helping proposal teams. Instead of asking what automation will take away from us next, we need to ask what work automation will enable us to take on.

Content Management

In organisations where content is diverse and solutions are aplenty, it is important to appreciate and make way for a proper content management system. It is a terrible idea nowadays to maintain all content on a few computer devices or dump content onto a server.

In our survey, 31 out of 40 respondents said that they had some form of organisational content repositories. Among them only 7 had automated content repositories that would use metadata to identify content. In fact, very few organizations have heard of AI driven content management solutions. But they are out there.

Organisations that have systematic content management repositories and teams, also express a greater degree of success. Out of the 40 respondents we interviewed, there were 33 respondents who had content repositories. This meant that they recognized its importance. However, they did not have content management tools and did not invest into content

management teams. They expressed having often used old and irrelevant content and were able to trace it back to not being able to find the right content at the right time.

Do you use content management tools and centralised content repositories in your organization?

Answered: 40 Skipped: 0

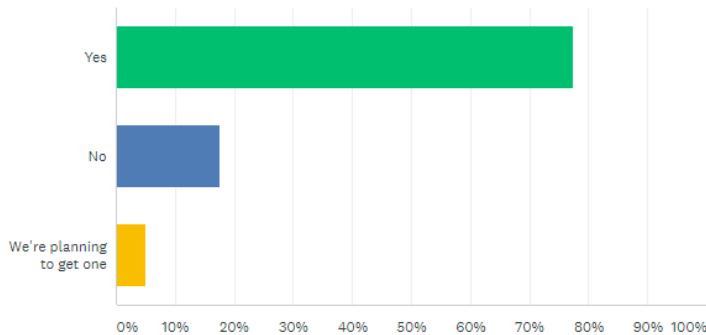


Figure 3: How Teams Are Managing Content

At the least, organisations should attempt to organise data on the cloud- where content would be accessible and retrievable with minimal downtime.

Established organisations have content management teams who curate content and upload content onto the cloud. Better still, they do this using tools that manually or automatically absorb metadata that is tagged to the document. This allows proposal teams to find what they want, when they want it, without having tunnel vision or slowing down. They will have the most recent content that has been curated and pre-approved.

Like other aspects of business, knowledge and content management is moving from traditional human input towards artificial intelligence that reads a document and automatically identifies metadata tags.

This enables proposal teams to be more than cut-copy-paste artists. This gives them time to become strategists, wordsmiths and artisans in their field.

A good content management strategy is not just something “nice to have”. It must become an integral component of the proposal management team’s armour. It is an incredibly important component of the proposal management team’s battle gear when they go to war. Is it expensive? Maybe, yes. But going to battle without it might result in severe damages to reputation, credibility, and reliability in the eyes of the customer.

Reconfiguring Proposal Management

Case Study

Typically, customers could not read a proposal that came from the company where Christopher worked without yawning incessantly. Most of them never got to the last page. Although Christopher’s boss got feedback regarding the kind of proposals that went out, he never found enough time to take a stab at them and improve them.

With the advent of COVID-19 however, everyone woke up. The senior management wanted to see more deals being won. Christopher and his boss had to get their act together or bid their jobs goodbye.

Strategy 1: 4 Step Improvement Model

Although the COVID-19 crisis is not exactly a crown, it certainly does come with some silver linings. One of them is that organisations are not getting many RFPs to work on. The time could be used for process improvement and eliminate operational waste. There are organisations where for several years, the proposal team has been static with no one looking into the modus operandi- as a result of which, the organisation is not able to open up to its market potential.

We recommend that if organisations find a little extra time, they should not waste it. They must improve their processes, and align themselves with the vision of becoming leaner, stronger organisations. It goes without saying that organisations must do what is necessary without causing any major business disruption.

Proposal teams can follow the proven “Four Stage Model of Operational Improvement”. The model was developed by Professors Hayes and Wheelwright of Harvard University with contributions from Professor Chase of the University of California.

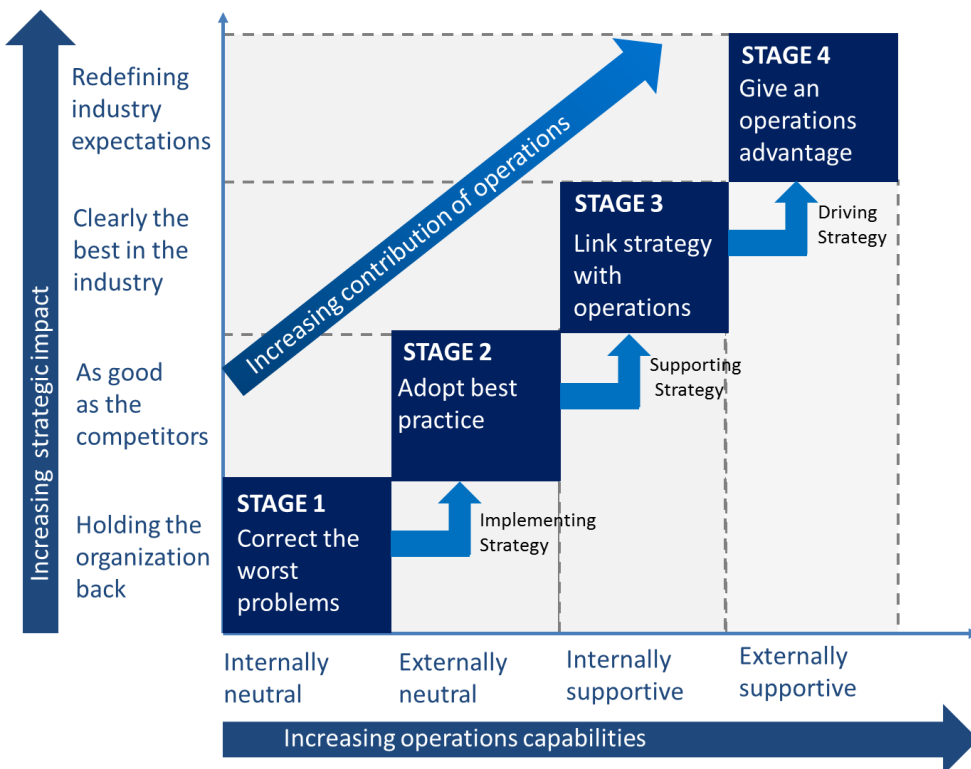


Figure 4: The Four Step Model for Operational Improvement

During Stage 1, the proposal team may identify the top three most pressing issues and worst problems they face and use a systematic approach to solving them. Do not go after small

problems. Try identifying problems within the team which are causing genuine pain to the business. The goal is to fix those pains.

During Stage 2, now that the team has fixed the worst problems, the team works towards industry best practices. This may include adopting unexplored and relevant APMP best practices for proposal management, reviews, improving quality of executive summaries, and improving content repository capabilities. The goal is to be as good as the competition.

During Stage 3, the team develop strategies on becoming industry leaders on how proposals can be written. A simple example would be adopting tools and techniques and develop guidance tools that will assist proposal contributors avoid writer's block. There are so many tools available in the market that can and help write better proposals and present them to customers in a more professional manner. Tools like Shipley ROSE for example, helps proposal contributors write anywhere between 50-70% of the executive summary within just ten minutes. The goal in stage 3 is to become better than the competitors.

During Stage 4, the team starts preparing for the next global crisis or the next big scenario that is going to hit their industry; and works towards staying one step ahead of the competitors. Simply put, the goal in stage 4 is to identify the trends of the future before they come and stay prepared.

Strategy 2: Create Compelling Content

A great way to improve a team's proposal writing skills and increase the win ratio is to teach them the art of persuasive proposal writing. HBR recommends using the Who-Why-What-When-How chart (Garner, 2012)

This need not be just for content written afresh, but for boiler-plate content already present in the organization's repositories.

Additionally, we recommend the following steps to creating persuasive and profession content:

Step 1: Asking the question, "*Why write this?*" before composing content in any section. helps instil the necessary tone, morale and pace, thereby reaching the goal of the proposal.

Step 2: Avoid verbose content, jargon, convoluted sentences and paragraphs that instil boredom in the reader. Understand that poorly written content is a huge waste of the reader's time. If writers do not get to the point quickly enough, the reader might switch-off. Be relentless in achieving this

Step 3: Use tables and graphics to keep the proposal engaging. Use them to illustrate something discussed in the text. The goal is to help readers understand in 4-5 seconds via pictures what would take 2-3 minutes to read

Other strategies that would dramatically improve the persuasiveness of proposals include:

Using the customer's name more frequently throughout the proposal

Quantifying benefits of the solution

Keeping the most important ideas first while writing content.

Helping customers perceive differentiators and discriminators.

Composing headings that guide readers rather than using abstract headings.

Adding graphical inputs (such as call-out boxes or figures with action captions) aids readability and increases customer interest.

“Make It Easy” Policy

Business proposals are often written by technical teams, who tend to pay less emphasis to strategic details- which help win more business. They often state the features of the product, rather than the “benefits” and “advantages” that customers gain when they purchase them.



Benefits and advantages are compelling but customers are not persuaded enough to purchase products if these “advantages” are not shared with them. It is crucial that proposal authors make it a point to articulate benefits throughout the proposal.

Consider the following statements.

Statement 1: The laptops come with inbuilt 8GB RAM

Statement 2: The laptops come with in-built 8GB RAM – *which allows you to work faster and lessens the scope of the laptop crashing by 35%*

The statement above in italics helps customers identify benefits rather than just providing them with features

The Shipley Proposal Guide says, “Benefits have the strongest and most lasting impact on customer decisions as they are explicitly linked to alleviating issues. In short, customers buy benefits.” (Newman, 2016)

Differentiators and Discriminators

Organisations need to be more intelligent in how they sell. Often, proposal teams do not have sufficient input on the strengths and weaknesses of the organization’s competitors.

Amongst those that understand the competition, most proposal contributors focus on *differentiators*, and not enough on *discriminators*. Differentiators are what make organizations different from their competitors.

Discriminators, on the other hand are differentiators that can be acknowledged as important to the customer.

Additionally, proposal teams must deal with a proposal’s weaknesses.

If competitors can articulate features that are beneficial to the customer, which the proposal does not provide, they become negative discriminators and proposal teams need to examine addressing the issue in their proposals.

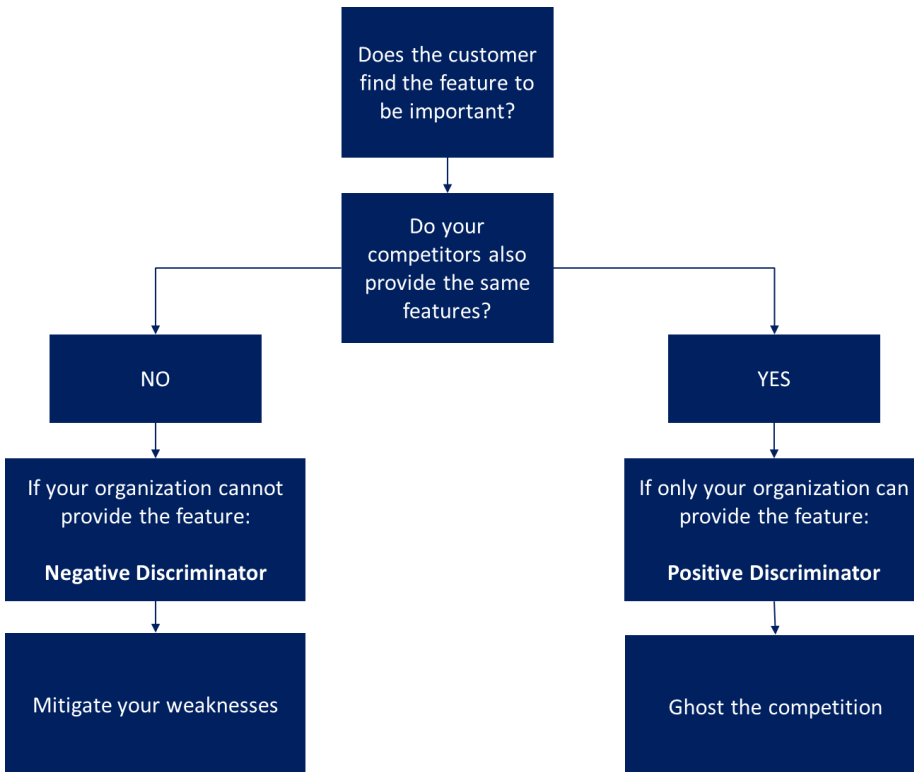


Figure 6: Understanding Discriminators

Proof Points

While being customer focused, proposals must include relevant referrals and case studies. This helps prospective clients gain more trust that the proposal is more than just a can of empty words.

Strategy 3: Change Management

People get into a rhythm that makes them resistant to change. To understand the mindset, try changing hands when you brush your teeth in the morning- Gary Gesme, Deere & Company

Studies show that anywhere between 70% – 80% of change efforts flop. They either fail to deliver the anticipated benefits, or they are abandoned entirely. (Steven H Appelbaum, 2012)

Before proposal teams work towards radical shift in how operations are run, they should spend time studying them. Do they really need to be improved?

A frequent adage at a multi-billion-dollar organisation goes “In our organisation, change is the only constant”. While that might be true, organisations must not make changes that are so dramatic and frequent that chaos would ensue.

The catalyst for change must be the pursuit of value. If there is no tangible value that change would bring, organisations must not pursue radical changes.

According to Kotter, the eight steps to transforming an organization (which can be applied to proposal teams) are:

Establish a sense of urgency about the need to change because people will not change if they do not see the need to do so.

Create a guiding coalition- assemble a group of individuals who have the power, energy and influence to lead the change.

Develop a vision and a strategy. Create a vision of what the change is about. Tell people why the change is needed and how it will be achieved.

Communicate the change vision – tell people, in every possible way and at every opportunity, about the why, what and how of the changes.

Empower broad-based action – involve people in the change effort, get people to think about the changes and how to achieve them rather than thinking about why they do not like the changes and how to stop them.

Generate short-term wins – seeing the changes happen and recognising the work being done by people towards achieving the change is crucial.

Consolidate gains and produce more change – create momentum for change by building on successes in the change. Invigorate people through the changes and develop people as “*change agents*”.

Anchor new approaches in the corporate culture – this is critical to long-term success and institutionalising the changes. Failure to do so may mean that changes achieved- through hard work and effort, slip away with people’s tendency to revert to the old and comfortable ways of doing things.

Through a process of change, proposal team members' responsibilities are being increased or altered in order to win more business. There is nothing wrong with this. It just needs to be systematic and not an act birthed out of panic.

Efficiency is doing things fast while effectiveness is doing things right. We see proposal teams pursuing value, often focussing on efficiency and not on effectiveness. Organizations can pursuit change but ensure that it does not hamper the effectiveness of proposal teams.

Preparing for Changes

Before changing a process, tool or policy within the proposal teams, we recommend that teams develop clarity by using the following screens (Slack, 2009)

Restarting

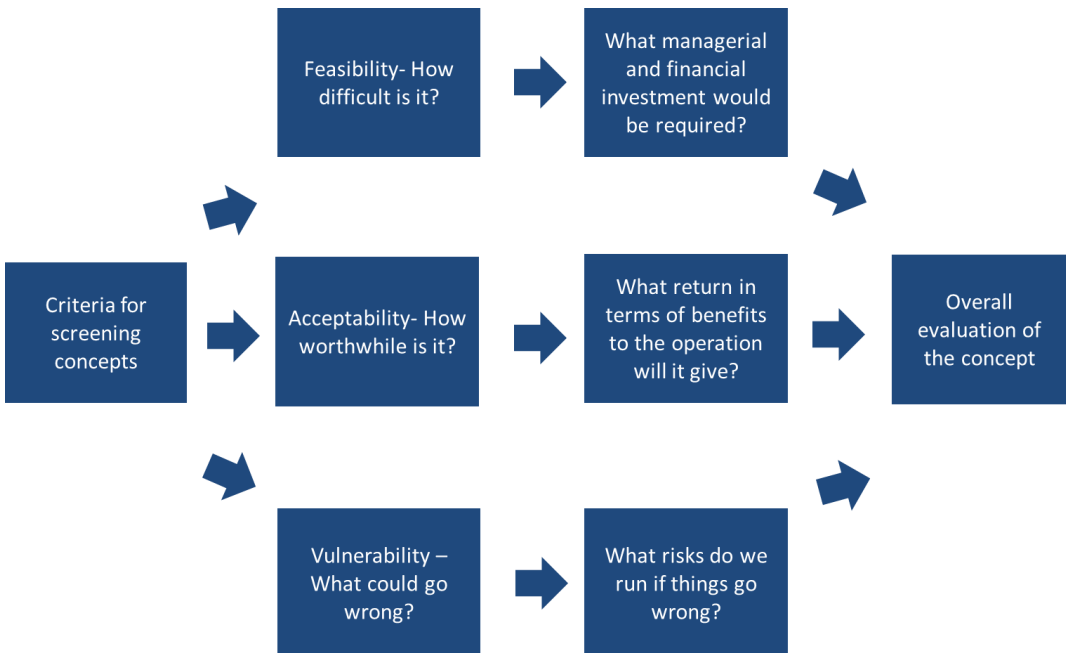


Figure 9: Categories of Evaluation Criteria

Case Study

At the turn of the page, Christopher aimed to type in a boisterous business buzz word. But no matter how many fancy phrases went in, his proposals did not win. Christopher worked 15 hours a day, despite frequently earning the wrath of his wife. Since his boss knew of the long hours Christopher spent, he could not understand why they were not winning deals.

So his boss decided to spend some budget and hire someone despite the financial crisis. After three months of head hunting, they realized they hired someone with essentially zero skills. How did that even happen?

Strategy 1: Changing Modus Operandi

Hiring Strategies

Maybe interviews should be a thing of the past. With all the information available online nowadays, people can falsify resumes, pretend to be really good at interviews and fail miserably once they are working. For the team that is hiring them, it is a terrible waste of time, effort and capital.

Instead, it is advisable to ask prospective candidates to work on a demo proposal, if not a live proposal to assess their management proficiencies, writing abilities and evaluate how well they would fit into the team's environment. That would be a more wholistic approach to hiring proposal teams.

Overcoming Workaholism

Proposal Teams needs to consider if there are individual heroes who get overworked and pulled into every single "major deal" or get to find about it themselves and go vouch for it. IF that is the case, the team needs to consider if workaholism is going to become a problem in the long term. The typical workaholic ends up not sleeping and "burns the midnight oil". Unfortunately, the corporate system rewards them for it.

It takes a toll on the health of the individual in the long term, and at some point, the individual will experience burnout. In their book titled *Rework*, Fried and Hansson remark "Workaholics miss the point. They try to fix problems by throwing sheer hours at them. They try to make up for intellectual laziness with brute force. They even create crises. They do not look for ways to be more efficient because they actually *like* working overtime. They enjoy feeling like heroes. Workaholics are not heroes. They do not save the day. They just use it up. They may claim to be perfectionists but that just means that they are wasting time fixing inconsequential details instead of moving on to the next task" (Jason Fried, 2010)

Workforce Training

Most organisations we interviewed do not take proposal management seriously enough, and do not invest into training proposal management teams. While experience is a good thing, some theory can help teams remember what they may have forgotten or help them arrive at new ideas. It might allow proposal teams to reduce errors, improve proficiency, build confidence and increase overall team morale. This might enable the team to take a leap of excellence and possibly even increase organisational win ratios. Investing in trainings has become less expensive as most of them are happening virtually.

It is important to remind employees that learning new skills and sharpening existing ones is the only way to survive. Cal Newport argues in his bestselling book, "So Good They Can't Ignore You" that "*skills trump passion in the quest for work one loves*" (Newport, 2012). If organisations do not invest in them, employees need to take initiative and invest in themselves.

Strategy 2: Kaizen-ing Proposal Management Strategies

The word "strategy" is used in so many business meetings these days- a pause to think about the meaning of the word. The word has its origins in Greek. "Strategos" means "leading an army". Clearly, there is a military metaphor. It is intense and powerful. Today, it is a word that is almost borderline business jargon.

With businesses finding themselves in such volatility today, effective business proposal strategy is essential.

Having Any Plan Is Better Than Having No Plan

It may be said that having any plan is better than having absolutely no plan, even if in hindsight, it proves to be the wrong plan. The following story is quoted by Slack and Lewis in their famous textbook for Operations Strategy:

A group of Hungarian soldiers got lost doing manoeuvres in the Alps. The weather was cold, and the snow was deep. In the freezing conditions, after two days of wandering, the soldiers gave up hope and became reconciled with a frozen death on the mountains. Then, much to their delight, one of the soldiers discovered a map in his pocket. Much cheered by the discovery, the soldiers were able to escape from the mountains. When they were safe back at their headquarters, they discovered that the map was not of the Alps but that of the Pyrenees. The moral of the story? A plan (or in this case, a map) may not be perfect, but it gives some sense of purpose and a sense of direction. If the soldiers had waited for the right map, they would have frozen to death. Yet, their renewed confidence motivated them to get up and create opportunities. (Slack, 2009)

Conflicting Strategies

Proposal strategies that conflict with one-another must be discussed and ironed out. For example, a proposal's strategy may be to increase organisational profitability. And in order to increase profitability, the organisation may choose to decide to outsource. Outsourcing decisions may improve profitability but must not hamper quality and reputability of output.

Strategy 3: Infuse Clarity Into Proposals

Over 77% proposal writers and managers think that the proposals they write are jargon-free and easy to read. Only 15% admit that they only do it when they have time.

A sample study into 30 proposals from 30 different authors has shown us that over 88% of proposals have complex jargon that does not explain itself and have a Flesch Reading Ease¹ score of 10 or less, which proves that content is extremely complex, and authors just do not know how to measure and correct it. A poor writing style makes reading cumbersome.

Writers hope to persuade readers by adding jargon and business buzz words. However, organisations which had been responsible for introducing business jargon are now studying the effect of easy reading.

Deloitte studied thirty people in a Starbucks cafe who were given two documents each. One document was compiled with a lot of jargon and long sentences. The other was radically simple and easy to understand. Both were in effect- trying to share the same message.

Subjects read the two documents, and were given a list of character traits to associate each document with. The list of character traits had fifteen positive ("good") and fifteen negative ("bad") traits. The study found that 100% of the readers associated the document with jargon and complicated sentences with "obnoxiousness, rudeness, stubbornness and unreliability". Not a single positive trait was attributed to the complicated document. (Brian Fugere, 2005)

¹ Flesch Index scores range from 0-100. A Flesch Index of 0-10 indicates that the document is very hard to read and may at best be understood by university graduates.

On the other hand, subjects who read the document without jargon did not associate it with even one negative trait. Instead, they associated with traits like “likability, energy, friendliness, inspirational and enthusiastic”. Not a single negative trait was attributed to the document that was easy to read.



Figure 7: How Readability Influences Likeability

Donald Murphy, the editor of an agricultural newspaper found that reducing the complexity of his articles from a ninth grade to a sixth-grade level increased newspaper readership by 43% for an article on 'nylon'. There was an increase of 42,000 readers in a circulation of 275,000. Reducing the complexity also caused a 60% increase in readership for an article on 'corn'. (Murali Mohana, 2016)

Easy reading increases readers' perseverance to complete reading the document. In the 1950s, Wilber Schramm, the director of Iowa Writer's Workshop interviewed 1,050 newspaper readers. He found that easier reading styles help decide how much of an article is read. He found that people read fewer long articles than short ones. A story nine paragraphs long will lose three out of ten readers by the fifth paragraph. A shorter story will lose only two. (Murali Mohana, 2016)

Studies like this transformed how American newspapers were written. Most American newspapers are now written at a 11th grade level. A cursory observation of popular novels shows that most of them are written at a 7th grade level. America's most sold publications – TV Guide and Readers' Digest- are written at a 9th grade level. (Murali Mohana, 2016)

In summary, all research points to three things that are prime culprits for making reading difficult and must be avoided in proposals

The lack of logic and focus in writing

Jargon and complicated words

Long Sentences and endless paragraphs

Conclusion

Proposal management and writing are time-bound and mission-critical activities crucial to the survival of B2B business, and must involve the right people. Involving the wrong people to write a proposal is like asking a steward to fly a plane.

Organizations must hire the right people and train them. Proposal contributors must be able to write compelling content that sets them apart from competition. The presentation of their proposals must thoroughly delight readers.

Proposal contributors must spend their time strategizing and not brooding over rudimentary tasks. They must be enabled with the process and technology required to do so.

We recommend that organizations adopt change gradually, and transform the way they manage, write and present proposals. Organizations must bid to win. Not just submit.

Consistent winning happens through effort and design. It is driven by purpose. If chemistry were to be used to give an analogy, one might say that there are no accidents that bring forth glorious proposals. Each element has to be weighed with precision and its relevance pondered upon. That defines the purity of the compound. Some elements must at all times be avoided- or the compound at the output would be worthless sludge. A complete waste of time, effort, and material of the chemist and not something of significance, beauty or worth.

We believe that effective proposal management and excellent proposal writing is not wishful thinking or a stroke of luck. We believe it needs to be cooked to perfection with a recipe- like a stew at a restaurant that people would want to visit over and over again.

The proposal must only have the right amount of persuasiveness for too much of it will sound suspicious. It must have sufficient evidence to back up claims. It needs to have clarity and not sound obnoxious. It needs to be managed well from end to end without getting anyone overworked (which is why training everyone is necessary).

Like a shrewd diplomat, a proposal emphasizes its strengths and benefits to its customer. In doing so, the proposal adds enough potent content that reveals a competitor's weaknesses and inadequacies.

Finally, it needs to be packaged well to invoke the emotion of persuasiveness and look like a work of meticulous, thoughtful and thought-provoking piece of art.

Author Note

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An Exploratory Study of Place Marketing Factors in Albanian Football

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Abstract

Beyond the beautiful game, place is another factor in terms of importance for mix marketing. In football industry place is mainly related to the stadium where the football is produced and consumed from the fans of clubs. For football marketers the atmosphere of the stadium that must prevail to make the fans experience unique, remains one of the most important challenges every week of the seasons. Fans around the world tend to have special experiences in the stadiums, not only for the conditions and services but also mainly for the equipment with the latest technology around it. In Albania, poor quality stadiums and their hostile environment is still an obstacle to the development of football. The main purpose of this study is to understand how the place marketing factor affects football fans in Albanian championship. Using a national representative sample of football fans (N=800), we use exploratory factor analysis to analyze place marketing factor, thus exploring dimensions that define football consumption behavior. The analysis results in four factors, which display nuances of the place marketing factor in the football consumption of Albanian fans. Further, ANOVA is used to examine differences between groups.

Keywords: football, place marketing factor, stadium, attendance, Albania championship

Introduction

The importance of the stadium dates back to ancient Rome when various sports took place in stadiums or arenas with very large capacity in terms of the number of benches. Over time, the stadium has gained special importance not only to make the experience of the game within it as attractive as possible for the fans but also becoming an important asset and source of incomes for football clubs.

For both clubs and fans, the stadium is considered fanatically as their home, and from business and marketing point of view stadium has become a necessity for generating significant financial incomes. Generally, studies focused on stadiums are based on economic aspects like population, GDP and salaries comparing with other entertainment alternatives audience

attendance (Body & Krenbeil, 2003). Factors that affect fans attendance on the stadium may vary on the context and on the consumer's characteristics (Silveira et al., 2019).

Based on the championships and elite European clubs that offer spectacular football for their fans we can understand that the stadiums and services included within it have a primary impact on their satisfaction, thus influencing the constant repetition of this experience. Having loyal fans is a key success for the club, because their consumer behavior can be repetitive and continually purchasing the football products (Bee & Havitz, 2010). In sport context, a game place can be a focal point providing many pleasant experiences to fans and participants (Cho et al., 2019).

Recently in Albania football championship the stadium issue has become very sensitive among club and few of them are in construction funded from the government and UEFA through the Football Albania Federation (FSHF). The importance of football that has prevailed for decades in Europe has received attention in the Albanian championship and particularly its elite clubs in "Kategoria Superiore". Facing such a challenge, in a way all the actors of this sport are committed to improving the infrastructure and the services of the stadiums for increasing their fans experiences. The aim of this paper is to understand how the Albanian football fans are influenced from the stadiums in "Kategoria Superiore" based on conditions and services within them.

The aim of this study is to understand the underlying dimensions of place marketing factors in influencing football consumption in the Albanian championship. Further we purpose to explore differences in these factors between various relevant groups.

Literature review

For every football clubs building and maintaining a stadium is an important strategy that requires considerable time and effort to be implemented (Gómez-González et al., 2016). Normally this arena requires professionals who have ability to ensure their function by offering the highest fans experiences and profits for club finances. Elements who are directly related with stadiums and increasing the fans satisfaction during the game attendance are, stadium conditions, security, day and the time of the match, the weather conditions, positions in the stadium, the distance from the stadium, the transport and the parking around it.

According to Wakefield and Sloan (1995) arena infrastructure levels depends on the age and design of the stadium while other aspects of cleanliness and services can improve the image of the stadium, especially when are offer with a convenient price. Prior research shows that providing high quality services is a precondition to make it as easy as possible for fans to show up in the stadium supporting their team, creating loyalty and increasing revenues for the football clubs (Dale et al, 2005).

The parking is another element that affects fans experience because they don't prefer to spend a lot of time to find or parking around the stadium (Bitner, 1992). Basically in "Kategoria Superiore" the stadiums are situated near the urban area and only during the derby match the parking around the stadium become frustrated for the fans.

Security is another crucial element during every week of the season, because fans behaviors change among different groups and their safety has become essential (Ali et al., 2011). Most of them tend to be violent depends on the rivalry with other teams (Bernstein, 1991) and sometimes they react also aggressively from the consumption of alcohol (Leerhsen, 1988). In

Albanian championship violent rivalry between fans is familiar and the security within the stadium frequently is not at the right level to prevent such situation.

The match day has an important impact on the fan's behavior because during the weekend they are most prepared to support their club in the stadium instead following the match through the television (Uribe et al, 2020), without neglected the time of the match. In Albania comparing with different realities of European football championship only the national stadium (Air Albania Stadium) has the UEFA standards, the rest of stadiums are uncovered and is very frustrated for fans to support their team when is raining, snowing or sunny day. In addition to sports purposes, stadiums are increasingly used for other activities such as concerts, outdoors film festivals and events with large attendance spectators, where for their pleasure should be provided protection form wind and rain (Persoon, 2008).

In the end an important element that affects fan experience during the match is the visual appearance of the game which consensually depends on the position where the fan sits during the game. Based on this position, marketers fixed ticket prices considering the positions of the benches in the stadium. Closer is the position of the benches with the field of the game the more expensive would be the ticket price. In "Kategoria Superiore" the stadiums are smaller so the benches positions are not distant with the field of the game. These are the main elements related to the stadium which influence the football fans for supporting their closely, although other elements may be taken or included in these studies.

Methodology

Considering the nature of the Albanian championship, the questionnaire was conducted across 11 football matches. The questionnaire was distributed on average 30 minutes before the game, as it took only 10 minutes to be filled. Based on the literature, questions capturing place marketing factor were composed in a five-point Likert scale (one = not important to five = very important). Pre-testing and piloting were conducted to validate the relevance and full understanding of the motives included. Although no important changes were made, small changes and fine tunings resulted in an improved questionnaire. The questionnaire was finally piloted during two championship matches to validate the instrument.

The conduction of the questionnaire resulted in 800 interviews. Originally there were collected 873 hard copy questionnaires, but after the data cleaning process, 73 of them had considerable deficiency, such as groups of unanswered questions, or even discovered patterns of providing the same answer for a large group of questions. About 96% of the sample is composed of male football fans, while only 4% of female football fans. The absence of women attendance in Albanian stadiums is much due to the primitivity and vulgarity still occurring, and on the other hand to the marginalized role of women in the Albanian society, which is mostly manifested in the regions rather than in the capital city. However, this stands as a general observation, an assumption, as there is no particular study to explore this issue.

On the other hand, the sample covers all age categories: 18 – 24 y.o. (27%); 25 – 34 y.o. (24%); 35 – 44 y.o. (12%); 45 – 54 y.o. (16%); 55 – 64 y.o. (16%); 65 y.o. and over (5%). Some other sample profile information includes: (i) 30% of the sample declare to attend every match (or almost every match); 33% to usually attend matches (2 - 3 times per month); 21% to sometimes attend matches (once a month); while 16% to rarely attend matches (once in two months or less); (ii) 3% of the sample declared not being a football fan of a particular team, but rather general football enthusiast, while the remaining were fans who identified

themselves with a football club ; (iii) 25% of the sample includes fans who are part of an organized football fan club (ultras), while the rest are regular fans.

The analysis aims to identify key construct pertaining to the place marketing factor, affecting football fan's sport consumption. To identify such patterns, we use exploratory factor analysis (EFA). According to Fabrigar & Wegener (2011) EFA serves as a method to develop measurement instruments by determining the dimensionality of a set of measured variables and to determine the specific measured variables that best reflect the conceptual dimensions underlying the set of measured variables. Analysis of variance (ANOVA) is further used to explore whether there are differences in the factors between age groups and between organized football fans (ultras) and non-organized football fans.

Results

The two reasons with the lowest means, offer an individualistic taste of the football fans. But looking further, the reason "to be with the friend in the stadium" (4.44) shows a significantly high mean, which inclines the motivation towards a certain group.

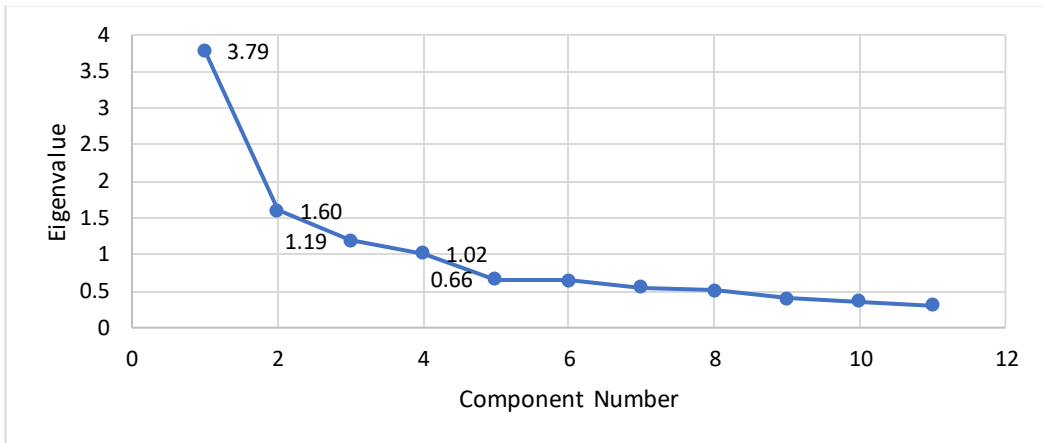
The descriptive data shows that "level of security in the stadium" (3.95) has the highest mean, followed by "condition of the stadium" (3.93). The high values of these components suggest a considerable influence of the maintenance of the stadium on the decision to attend a match, and quite clearly the game type. The lowest values are "transportation to get to the match" (2.13), closely followed by "distance of the match from the fan's residency area" (2.31).

Table 1: Descriptive Statistics

<i>Variable</i>	<i>Mean</i>	<i>Standard Deviation</i>
<i>Distance of the match from the fan's residency area</i>	2.31	1.50
<i>Name of the stadium</i>	2.37	1.63
<i>Condition of the stadium</i>	3.93	1.48
<i>The position of the seat in the stadium</i>	3.17	1.57
<i>Level of security in the stadium</i>	3.95	1.50
<i>Weather conditions</i>	3.58	1.60
<i>Day of the match</i>	3.42	1.60
<i>Match during the weekend</i>	3.58	1.60
<i>Time of the match</i>	3.32	1.61
<i>Transportation to get to the match</i>	2.13	1.43
<i>Having parking near the stadium</i>	2.49	1.60

To determine the number of common factors, Kaiser’s criteria (eigenvalue above 1) show in the Scree plot is employed. Examining Figure 1, the Scree plot and produced eigenvalues, it shows a departure from linearity with a 4-factor result. Hence, the criteria show the usage of 4 factors in this case. The total variance explained by these factors is 69.03%, which according to Hair et al. (2018) is considered a satisfactory value (as it is above 60% threshold), especially among social sciences. Decreasing the variance factor explain is: 24.38%; 18.21%; 14.24%; 12.20%. The KMO values are 0.80, above the cut-off point of 0.5, showing sampling adequacy and suitability for EFA. Bartlett’s Test of Sphericity shows significance at $p < 0.01$ (Chi-Square=2632.05, $df=55$), which confirms that our sample has patterned relationships.

Figure 8: Scree Plot



Considering the nature of the composing variables, the resulted factors are labeled as follows (Table 2):

Set up (factor 1)

Atmosphere (factor 2)

Transportation (factor 3)

Distance (factor 4)

“Set up” includes a group of factors mostly composed by the match arrangements, day and time of the match, weather condition and whether the match is played on weekends. Out of the loadings, playing the match during the weekend displays the highest coefficient, having so the highest influence of the factor. Day of the match and time of the match show high influence as well, while on the other hand weather conditions appear to have week impact out on the “Set up” factor.

The “Atmosphere” factor consists of environment characteristics of the stadium. Out of environmental components, condition of the stadium is the most important one, followed by level of security in the stadium. These results show the nature of the Albanian football context.

Most of the stadiums are in bad condition and a poorly regulated match security law lead to football matches without proper security, and violence became more prone to happen.

“Transportation” factor is composed of two highly loaded variables, which are related to the transportation to the stadium. This first one is the method of transportation to get to the match and the second is the parking near the stadium, which apparently is the most influential variable of both. Actually, the saddest phenomena in the Albanian football stadiums, is the large absence of visiting team fans, as only their “ultras” group shows up. So, the stadiums are always only filled with the home time fans. Transportation is an important factor, especially for the visiting team fans to attend a football match. This is also related with the last factor, “distance”, which is compiled of the distance of the match from the fan’s residency area and the name of the stadium, which determines also the distance.

Table 2: Rotated factor loading matrix

	Factor 1	Factor 2	Factor 3	Factor 4
<i>Distance of the match from the fan's residency area</i>				0.716
<i>Name of the stadium</i>				0.864
<i>Condition of the stadium</i>		0.848		
<i>The position of the seat in the stadium</i>		0.514		
<i>Level of security in the stadium</i>		0.842		
<i>Weather conditions</i>	0.574			
<i>Day of the match</i>	0.839			
<i>Match during the weekend</i>	0.852			
<i>Time of the match</i>	0.805			
<i>Transportation to get to the match</i>			0.828	
<i>Having parking near the stadium</i>			0.852	

Further, ANOVA was used to determine whether the place marketing factors differ for age groups. The results are displayed in Table 3. The results show that age-differences are significant in atmosphere factor ($p < 0.05$) and distance factor ($p < 0.05$), while no significant differences are found in set up factor ($p > 0.05$) and transportation factor ($p < 0.05$). The atmosphere factor displays a pattern between age groups, as older ages seemingly are more affected by it. Considering the construction of the factor, having both the condition of the stadium and the level of the security, there is also a very strong practical sense of these results. On the other hand, distance since to influence more the youngest age groups (18 – 24 y.o.) and the oldest ones (65+ y.o.).

Table 3: Univariate comparisons of place factors by age groups

	Overall	18 - 24 y.o.	25 - 34	35 - 44	45 - 54	55 - 64	65+	F	p
<i>Set up</i>	3.48	3.28	3.46	3.60	3.61	3.54	3.69	1.742	0.123
<i>Atmosphere</i>	3.68	3.41	3.41	3.74	4.03	3.99	4.23	10.331	0.000
<i>Transportation</i>	2.31	2.32	2.43	2.32	2.30	2.29	1.78	1.732	0.125

<i>Distance</i>	2.34	2.53	2.40	2.27	2.13	2.15	2.45	2.398	0.036
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Further, we test differences between those who are part of an organized football fan's groups (usually referred as ultras) and those who are not. Conduction ANOVA, the results show that there are significant differences between the two groups in regard to set up and atmosphere factors ($p < 0.05$). In both cases the "ultras" are less influenced by the match set up and also by the atmosphere. Considering the nature of the factors, it shows that ultras groups, as more emotionally attached to their team, are less influenced by the match arrangement, or by the conditions of the stadium and the security level of the match.

Table 4: Univariate comparisons of place factors by participation in an organized fan club

	<i>Overall</i>	<i>Part of a group</i>	<i>Not part of a group</i>	<i>F</i>	<i>p</i>
<i>Set up</i>	3.48	3.01	3.65	40.155	0.000
<i>Atmosphere</i>	3.68	3.14	3.88	64.055	0.000
<i>Transportation</i>	2.31	2.32	2.30	0.014	0.906
<i>Distance</i>	2.34	2.41	2.32	0.787	0.375

Conclusions

The analysis of the place marketing factors in Albania is a rather essential one. The exploratory factor analysis resulted in 11 items measuring four place related factors, namely the: set up; atmosphere; transportation; distance. The variables loading on these factors are relatively high, which shows influence of almost all variables in their specific dimensions.

Relating to the set-up factor, having matches during the weekend has a higher influence on the football consumption. Considering the atmosphere factor, two particular elements stand out: the stadium conditions and security. Both express the need for a better and more suited football environment, while the current one being in poor condition in the majority of the clubs. Distance and transportation are perceived differently by the fans. The reason for this is that the distance is quite irrelevant for the home team fans, as usually stadiums are easily accessible and as most of the Albanian towns are quite small, it doesn't constitute of a problem. On the other hand, the transportation might be more problematic when considering the visiting match, as distances between towns might be perceived as long and if traveling by car the cost might be perceived as high (considering the Albanian economic situation).

Analyzing differences between age groups and participation in an "ultras" group, there are some interesting patterns. Atmosphere and distance factors differ between age groups, as older ages are apparently more affected by atmosphere, especially the condition of the stadium and the level of the security. Further, differences between "ultras" and regular fans are significant for set up and atmosphere factors, as ultras groups are less influenced by both.

Undoubtedly, this paper is not exhaustive, but serves as a starting point to expand the studies that have as object the stadium and its variables, taking into account the fact that some other projects related to the construction of new fields are expected to start in the Albanian football championship.

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European Integration, Economy and Corruption in the Western Balkans

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Abstract

The European Union countries and institutions have constantly contributed to the European integration process of the Western Balkan countries. Albania, Serbia, Montenegro and the Republic of North Macedonia are official candidates for EU membership. Chapters and accession negotiations have been opened with Montenegro and Serbia, whereas Kosovo and Bosnia and Herzegovina are potential candidate countries. Poverty, unemployment and corruption are probably the most common problems that Western Balkan citizens face. Corruption, in itself, does not lead to poverty, but it stimulates poverty through indirect channels by affecting economic, social, political and administrative conditions. Both, the enhancement of business climate for private investors, and a higher level of integration with the European Union will decrease unemployment and will boost economic growth. Authorities should follow concrete policies in order to encourage private sector investment, increase regional integration, and create new jobs. The future of the Western Balkans is in the European Union.

Keywords: European integration, economy, corruption, Western Balkans, poverty.

Introduction

European integration

The Western Balkans region includes Kosovo, Albania, Bosnia and Herzegovina, North Macedonia, Montenegro and Serbia. Kosovo is actually a potential candidate for European Union (EU) membership¹. In 2008 the EU confirmed its willingness to assist the economic and political development of the country through a European perspective. The EU constantly contributes to the stability in Kosovo through the EULEX rule of law mission and the respective Special representative. On April 2016, the Stabilisation and Association Agreement between the EU and Kosovo entered into force. On July 2018, the European Commission confirmed that Kosovo has fulfilled all outstanding visa liberalisation conditions. The EU countries and institutions, especially the European Commission, play a key role in the reconstruction and development of the country. The EU has initially financed emergency relief actions and reconstruction of Kosovo, whereas now focuses on country's institutions, economic growth and European integration. Table 1 shows EU financial allocation for Kosovo for the period 2007-2019.

¹ See <https://ec.europa.eu/neighbourhood-enlargement/countries/>.

Year	2007	2008	2009	2010	2011	2012	2013
IPA I	€68.3M	€184.7M	€106.1M	€67.3M	€68.7M	€68.8M	€107.2M
Year	2014	2015	2016	2017	2018	2019	2020
IPA II	€66.05M	€66.5M	€70.05M	€73M	€90.5M	€86.36M	

Table 1. Financial allocation for Kosovo for the period 2007-2019. Source: <https://ec.europa.eu/>.

Albania is actually a candidate country for EU membership. The country was firstly identified as a potential EU candidate during the Thessaloniki European Council summit in June 2003. On April 2018, the European Commission confirmed its unconditional recommendation to open accession negotiations with Albania, whereas on June 2018, the EU Council sets out the path towards opening accession negotiations. On March 2020, the Council decided to open accession negotiations with Albania. This was the result of country's reform efforts in the last years and acknowledgement of the EU for the efforts made and the progress achieved on Albania's accession road¹. The EU Delegation to Albania constantly promotes the typical European values, including democracy and the rule of law. The EU Delegation maintains an active and continuous dialogue with the country's authorities on human rights protection and cooperates with other important international organisations. The EU also provides support to civil society organisations in Albania, through funding opportunities and public awareness activities.

Bosnia and Herzegovina is actually a potential candidate for EU membership. The EU is contributing to the stability of the country through the EUFOR/Althea mission. On Jun 2012, the EU and Bosnia and Herzegovina launched the High Level Dialogue on the Accession Process; on June 2015, the Stabilisation and Association Agreement between EU and Bosnia and Herzegovina entered into force. The Delegation of the European Union to Bosnia and Herzegovina was established in 1996. The EU delegation promotes the progress in the Stabilisation and Association Process, and a stable, multi-ethnic country. It offers support in the political process to institutions at all levels, especially in the areas of the rule of law and security sector reform. North Macedonia is actually a candidate country for EU membership. On April 2018, the European Commission confirmed the unconditional recommendation to open accession negotiations with the country. On March 2020, the General Affairs Council opened accession negotiations with the country and endorsed the Commission Communication on a revised methodology *"Enhancing the accession process - A credible EU perspective for the Western Balkans"*. North Macedonia was the first Western Balkan country to sign the Stabilisation and Association Agreement with the EU, that entered into force in April 2004. The EU continuously supports the civil society organisations in the country. The EU provides relevant financial assistance to civil society projects through the Instrument for Pre-accession. Montenegro is also a candidate country for EU membership. The country applied for EU membership in 2008, two years after the declaration of independence from the State Union of Serbia and Montenegro. On October 2007, Montenegro signed a Stabilisation and Association Agreement and an Interim Agreement on trade and trade-related issues with the EU. On May 2010, the Stabilisation and Association Agreement entered into force. On December 2009, Montenegrin citizens started to travel without visas in the Schengen area. On January 2008, agreements on trade and trade-related matters, visa facilitation and readmission entered into force. The accession negotiations with the country were opened in

¹ See https://eeas.europa.eu/delegations/albania/6953/albania-and-eu_en.

2012. The Mission of Montenegro to the EU in Brussels conducts the diplomatic relations between the country and the EU. Serbia is actually a candidate country for EU membership. On June 2013, the European Council endorsed the Commission's recommendation to open negotiations with Serbia. European Council confirmed Serbia as a candidate country in 2012. On September 2013, the Stabilisation and Association Agreement between Serbia and the EU entered into force. On December 2013, the European Council adopted the negotiating framework with the country¹.

Economy and corruption: literature review

Franičević (2004) analyzed the problems of legitimacy of post-socialist reforms and increased inequality and poverty levels. The author focuses on the countries of South East Europe, which have many common characteristics. These countries face a poor economic development and show basic disequilibria, fiscal, external and labour markets. South East Europe usually suffer from many institutional and democratic deficits; the reforms in these countries are slow. Many of them have also faced the challenge of building independent countries under extreme conditions of ethnic conflicts and war, which impact priorities and choices in reforms. High levels of corruption and serious fiscal deficits contributed to higher growth of inequality and poverty. Wallace and Latcheva (2006) considered the role of the informal economy in Central and Eastern European post-communist countries. The authors showed that in some countries the black economy is very important for supporting household incomes (Serbia and Croatia) and in other countries the household or social economies are predominant (Romania and Ukraine). In a considered third group of countries the formal economy predominates over other economies (Czech Republic and Hungary). According to Olters (2010), Albania's informal sector represents a considerable share of economic activities, and it could easily jeopardize the realization of country's medium-term goals of socio-economic development and European integration. Budgetary revenues are weak and formal private sector activities are discouraged by strained taxpayer relations and poor public services; inadequate tax enforcement; excessive permit and licensing requirements; the existence of a competitive disadvantage relative to informal market participants; and a weak public infrastructure. Informal activities are usually associated with an increased level of public corruption; officials accept bribes in exchange for protection or other favours to the detriment of the country. In a system rooted in high levels of corruption and bribery, economic incentives are discouraged and government officials and favoured private investors receive a larger part of public benefits or a lower share of the cost of public goods. This will lead to lower private investments, lower government revenues, and subsequently to an increased inequality and poverty.

According to Holmberg and Rothstein (2010), representative democracy works poorly as a cure against poverty or large-scale economic inequalities. Empirical analysis showed that this is true especially for poor countries, including Albania and other Eastern European countries. Empirical analysis tested the relation between variables related to the quality of government, including levels of corruption and the rule of law, and poverty or inequality. The main conclusion from the empirical test is that quality of government is relevant for reducing absolute poverty among poor countries and for reducing relative economic inequalities among rich as well as among poor countries, also after controlling for democracy. Shera (2011) analyzed the impact of corruption on economic growth across 22 developing countries for the period of 2001-2012. Based on the empirical results, the panel data analyses reveal that there

¹ See <https://ec.europa.eu/neighbourhood-enlargement/countries/>.

is a statistically significant negative relationship between corruption and economic growth. The relationship is directly related to inclusion of other determinants of economic growth. According to Hysa (2011), Western Balkan countries are characterized by a series of obstacles in economic, politics and social aspects. The author studied the relationship between corruption level and human development. Hysa (2011) estimated a regression and compared the degree of the relationship for each Western Balkan country during 2002-2010. The main result of this study is that the relationship between corruption and human development is found to be strong in Former Yugoslav Republic of Macedonia, Serbia, Montenegro and Albania. Croatia exhibits a weak relationship whereas the relationship in Bosnia and Herzegovina's case is not significant. Qerimi and Sergi (2012) discussed and analysed data related to economic freedom and corruption. The authors tested the validity of results of different sources on same issue, as well as the accuracy and credibility of those sources. They considered middle-income economies, upper middle-income countries; or societies in transition that range between flawed democracies (Croatia and Macedonia) and hybrid regimes (Albania, and Bosnia and Herzegovina), under the categorisation of the Index of Democracy. Results showed that countries which have scored the highest results in economic freedom were the same countries that had the most relevant progress achieved in eliminating corruptive behaviour. A larger level of economic freedom increases the success in fighting corruption as a critical measure of institutional performance.

Rontos, Salvati, Sioussiouras and Vavouras (2013) proposed a classification of the perceived corruption levels of Mediterranean countries according to key political, economic, and social variables. Empirical evidence showed the key role of corruption in various countries by analyzing differences in their respective values on a corruption perceptions index. The variables used by the authors include additional data such as gross national income per person in purchasing power parities, a political rights index, a civil liberties index, and a non income human development index. According to Rontos, Salvati, Sioussiouras and Vavouras (2013), policies against corruption should target a complex ensemble of driving factors not limited to the economic characteristics of an individual country and should include social political, cultural, institutional, and territorial considerations. According to Bayar and Ozturk (2017), the global wealth has increased considerably and decreases in income inequality and poverty have been experienced in the recent years. Income inequality and poverty have still stayed at dramatic levels. The authors investigated the causal interaction among corruption, income inequality, and poverty in Central and Eastern European Union transition economies, during 2005-2016 period, by employing panel causality test. Empirical results revealed a one-way causality from poverty to corruption and also a one-way causality from income inequality to poverty. Basna (2018) analyzed the relation between income inequality and corruption in Europe. The author focused on post-communist European countries. In the case of post communist countries, the relation among corruption and income inequality are more complicated than in the rest of Europe; different approach in fighting corruption must be followed.

3. Facts and data

Poverty, unemployment and corruption are probably the most common problems that Western Balkan citizens face. Corruption, in itself, does not lead to poverty, but it stimulate poverty through indirect channels by affecting social-economic, political and administrative conditions (Ildirar and Iscan, 2016). Corruption can be correlated with the economic growth and affect unemployment and income distribution; this will bring poverty. Figure 1 shows the

Gross Domestic Product growth (annual %) during 2015-2019 for the Western Balkans countries. Serbia experienced the highest annual growth for 2019 (4,187), whereas the respective smallest value was recorded for Albania (2,214). Gross Domestic Product growth is the most common estimator of economic growth.

Country	2015	2016	2017	2018	2019
Albania	2,219	3,315	3,802	4,071	2,214
Bosnia and Herzegovina	3,088	3,146	2,118	3,716	2,583
North Macedonia	3,856	2,848	1,082	2,720	3,551
Montenegro	3,390	2,949	4,716	5,078	3,621
Serbia	1,776	3,340	2,049	4,392	4,187
Kosovo	4,095	4,071	4,226	3,816	4,172

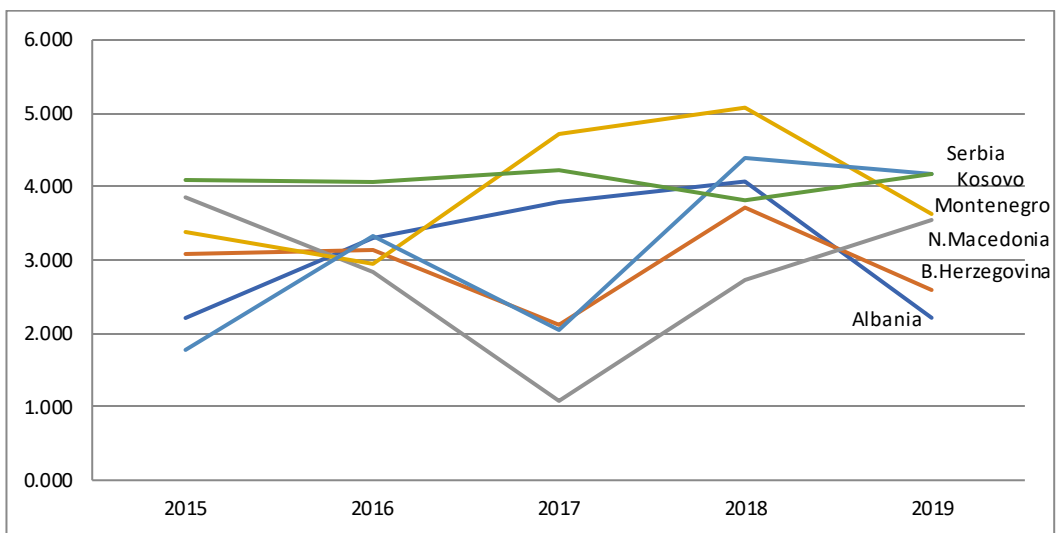


Figure 1. GDP growth (annual %) during 2015-2019. Source: World Bank. Chart by author.

Country	CPI score 2019	Rank	Standard error	Lower CI	Upper CI
Albania	35	106	2,507669	30,88742	39,11258
Bosnia and Herzegovina	36	101	1,952692	32,79758	39,20242
Kosovo	36	101	0,8146842	34,66392	37,33608
North Macedonia	35	106	3,56274	29,15711	40,8429
Serbia	39	91	2,484553	34,92533	43,07467
Montenegro	45	66	4,836292	37,06848	52,93152

Many studies analyzed the effect of corruption on economic growth and the usual conclusion is that the former negatively affects the latter. Corruption negatively affect the quality of government services and the distribution of public expenditures. Corruption has a negative effect on poverty. Figure 2 shows the Corruption Perceptions Index in 2019 for the Western

Balkans countries. Montenegro experienced the highest value for 2019 (45), whereas the respective smallest values were recorded for Albania and North Macedonia (35).

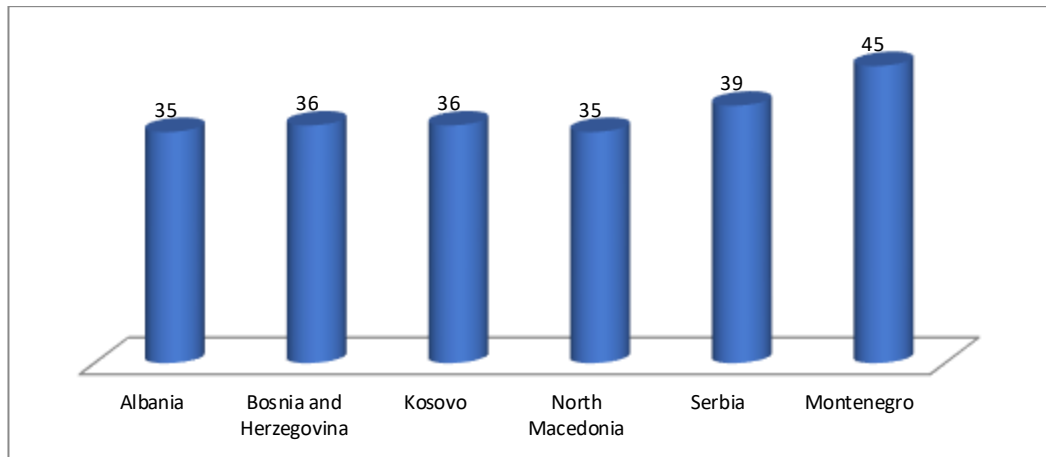


Figure 2. Corruption Perceptions Index in 2019 and the respective rank, standard error and confidence intervals. Source: Transparency International. Chart by author.

Table 2 shows the available poverty gap indexes at \$3.20 a day for the Western Balkan countries. This index is calculated as the mean shortfall in income or consumption from the poverty line \$3.20 a day (counting the non poor as having zero shortfall), expressed as a percentage of the poverty line. This measure reflects the depth of poverty as well as its incidence¹. Serbia experienced the highest value (in the available sample) for 2017 (6,1), whereas the respective smallest values were recorded for Kosovo (0,6).

Country	2013	2014	2015	2016	2017
Bosnia and Herzegovina	0,1				
Kosovo	0,6	1	0,7	0,6	0,6
Montenegro	3	2,4	2,2	2,5	2,2
North Macedonia	4,4	3,9	4,3	3,6	3,6
Serbia	5,7	6,6	5,1	6,3	6,1
Albania		3,2	2,2	2,5	2,2

Table 2. Poverty gap at \$3.20 a day (2011 PPP) (%). Source: World Bank. Table by author.

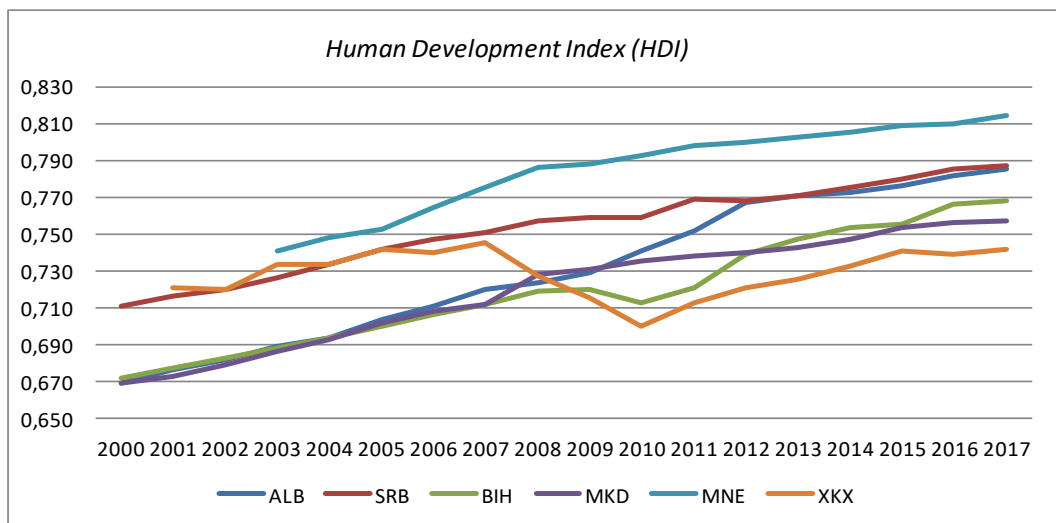
According to Gupta, Davoodi and Alonso-Terme (2002), an increase of one standard deviation in corruption increases the Gini coefficient of income inequality by about 11 points and income growth of the poor by about 5 percentage points per year. High and increasing corruption increases income inequality and poverty. Policies that reduce corruption will most likely reduce income inequality and poverty as well. Table 3 shows the available GINI indexes for the Western Balkan countries. Data are based on primary household survey data obtained from government statistical agencies and World Bank country departments.

¹ <https://datacatalog.worldbank.org/poverty-gap-320-day-2011-ppp-2>.

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2017
B. Herzegovina			33,1				33					
Kosovo	31,2	30,3			31,8	33,3	27,8	29	26,3	27,3	26,5	29
Montenegro	30,2	30	31,4	30,5	31	28,9	30,8	32,3	32,4	31,9		
N. Macedonia					42,8	40,2	39,4	38,1	36,2	35,2	35,6	
Serbia								39,8	39,8	39,2	39,6	
Albania	30,6			30				29				

Table 3. GINI index (World Bank estimate). Table by author.

The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions¹. The health dimension is estimated by life expectancy at birth, the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is estimated by gross national income per capita. The HDI employ the logarithm of income, in order to reflect the decreasing importance of income with increasing GNI. The scores for the three HDI dimension indices are then aggregated into a composite index using geometric mean. An increase in income affects Human Development Index, and also decrease poverty. Figure 3 shows the HDI during 2000-2017 for Western Balkan countries. Montenegro experienced the highest value for 2017 (0,814), whereas the respective smallest values was recorded for Kosovo (0,742).



¹ <http://hdr.undp.org/en/content/human-development-index-hdi>.

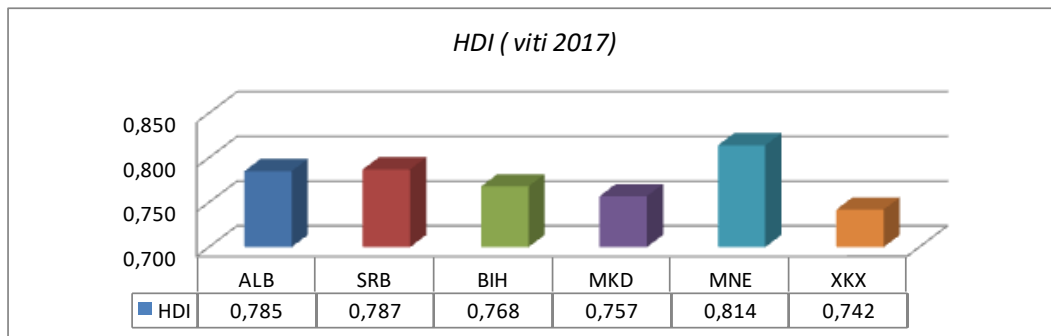


Figure 3. Human Development Index during 2000-2017. Source: UNDP (United Nations Development Programme). Charts by author.

According to a World Bank (2017) report¹, it will take around six decades for income levels in the Western Balkans to achieve those of the European Union. This confirmation is true if economies in the Western Balkans will continue to grow at the average speed of the last 20 years. The economic growth can be stimulated through the implementation of structural reforms and the promotion of macroeconomic stability. Authorities should follow concrete policies in order to encourage private sector investment, increase regional integration, and create new jobs. Policymakers should focus on increasing exports, investments, and employment.

4. Concluding remarks

The European Union countries and institutions have constantly contributed to the European integration of the Western Balkan countries. Albania, Serbia, Montenegro and the Republic of North Macedonia are official candidates for EU membership. Chapters and accession negotiations have been opened with Montenegro and Serbia, whereas Kosovo and Bosnia and Herzegovina are potential candidate countries. Poverty, unemployment and corruption are probably the most common problems that Western Balkan citizens face. Corruption, in itself, does not lead to poverty, but it stimulates poverty through indirect channels. A higher regional integration will stimulate exports as a share of Gross Domestic Product. The public sector is the most important driver of the Western Balkans economy; private investments in these countries need to increase. Both, the enhancement of business climate for private investors, and a higher level of integration with the European Union will decrease unemployment and will boost economic growth. Policymakers should also remove obstacles to employment for marginalized groups. This will lead to a higher participation in the labor market. The future of the Western Balkans is in the European Union.

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Family Planning Policy and Housing Price in China

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Abstract

Different intergenerational fertility levels affected by the family planning policy under such altruistic behavior will inevitably affect real estate prices. This paper studies the effect of different intergenerational fertility levels on real estate prices under the parental altruistic behavior model with Chinese characteristics by constructing an Overlapping Generation Model (OLG) with intergenerational wealth transfer. The empirical results show that the lower the intergenerational fertility level of the middle-aged generation, the higher the average wealth level transferred to the youth generation, and the higher the real estate price. This result shows that, unlike the high fertility rate of popular cognition, the low fertility rate of the middle-aged generation under the influence of the family planning policy and the altruistic behavior of the Chinese parents are the important reasons for the current high housing prices. This paper reveals the relationship between China's population policy and real estate price, and can guide the judgment of China's real estate market in the future.

Keywords: Family Planning Policy; house price; fertility rate; generational wealth transfer; overlapping generational model

1. Introduction

After the implementation of the 1998 market-oriented reform of housing in China, the sales price and volume of real estate has both rose sharply. At the same time, China has entered the release period of the demographic dividend and large number of laborers flow into cities. The generation born in the 1980s has also gradually entered the marriage and childbearing period, bringing numerous inelastic demanded housing consumption. All these demographic factors have great impact on real estate prices from the perspective of demand and supply. However, it seems that it is not fully explained the continuous rise in housing prices for that supply is also increased with the demand all these years in China. The research on whether the higher birth rate will surely bring real estate demand and higher house prices requires further investigation. From the time that family planning policy was designated as a basic national policy in 1982 and written into the Constitution to the time that the implementation of the second-child policy in 2015, China's family planning policy has been adjusted according to national conditions. Then very different intergenerational fertility levels were formed. Under the traditional culture of China, people attach great importance to the concept of 'home'. Home

always means having own house in China. Many Chinese youths purchase houses early with the support of their parents. Parents' funding or even grandparents' sponsorship of young generation's housing purchases has caused large amounts of wealth from different generations flowing into the real estate market.

The rapid rise of China's housing prices in recent years has been the research focus of many scholars. From Figure 1, we can see that China's housing prices have rose for years continually. In 2018, the average price of houses nationwide was 8,544 yuan / m² while this figure was 2063 yuan / m² in 1998. Many domestic and foreign scholars have interpreted the influencing factors of rising real estate prices from various angles. Some scholars have studied from the perspective of monetary policy and believe that the increase in money supply will lead to the rise of housing prices (Li Jian DengWei,2011; Hongyi Chen, Kenneth Chow, Peter Tillmann,2017;ChiWei Su,XiaoQing Wang,RanTao,Hsu-Ling Chang,2019). Some scholars have found through empirical research that land prices have a significant positive impact on housing prices (Liu Lin and Liu Hongyu, 2003; Zhou Bin and Du, 2010; Wei Wang, Yuzhe Wu, Mellini Sloan,2018). The influence of urbanization and migrant population on urban housing prices has also been proved by many scholars (Lu Ming, Ou Haijun and Chen Binkai, 2014). These are all studies on fundamental factors, but studies on the trend of housing prices in combination with the birth policy of Chinese characteristics are rare.

The Chinese population experienced a recovery in the 1960s, so the fertility rate reached a peak from 1962 to 1963, which is considered as the baby boom period. These people entered the marriage and childbearing period in the 1980s and formed the second birth peak in the 1980s. While the family planning policy, which was gradually introduced in the late 1970s, caused a low birth rate from 1977 to 1979, and this group of people entered the marriage and childbirth period, forming a birth trough from 1993 to 2000. In the late 1970s, China introduced a family planning policy to slow the population growth rate. Chinese government include indicators of controlling population growth into the national economic developing plan in July, 1971. In September 1982, the 12th National Congress of the Communist Party of China defined family planning as a basic national policy which was enacted in the Constitution in December of the same year. After more than 30 years, China's population development has undergone a major turning point: the growth of the total population has been significantly weakened, the degree of aging has continued to deepen, and the demographic dividend has gradually disappeared. In November 2011, China began to implement the policy that couples both from one child family can have two children. And this policy extend to couples can have two children if either of them come from a one child family. Moreover, the Fifth Plenary Session of the 18th CPC Central Committee in 2015 decided to fully implement the policy that every couple can have two children, which intends to respond proactively to the aging of population and improve the balanced development of population. Figure 2 is a trend graph of the fertility rate from 1959 to 2017 and the population born in each year. From this figure, it can be found that the fertility rate is consistent with the trend of the birth population.

In Chinese traditional ideas, having a house before married can increase a man's popularity in the marriage market. Nowadays, many young women also prefer buying houses before marriage, so they will feel more secure and less pressure after marriage. However, most young people do not have enough money to buy a house by themselves, so their parents would pay part of the funds for them to pay for a house. The amount of funding depends on the level of altruism of the parents. The effect of parental altruism will be passed on to the real estate

market, which will result in a certain increase in house prices. But the wealth that parents can transfer is limited. Having more children means less wealth that parents will transfer to each child while fewer children means more wealth that parents will transfer to each child. Therefore, the fertility rate will affect the price. All these means that to research the effects of Family Planning Policy on house prices, we should conduct an OLG model with intergenerational wealth transfer.

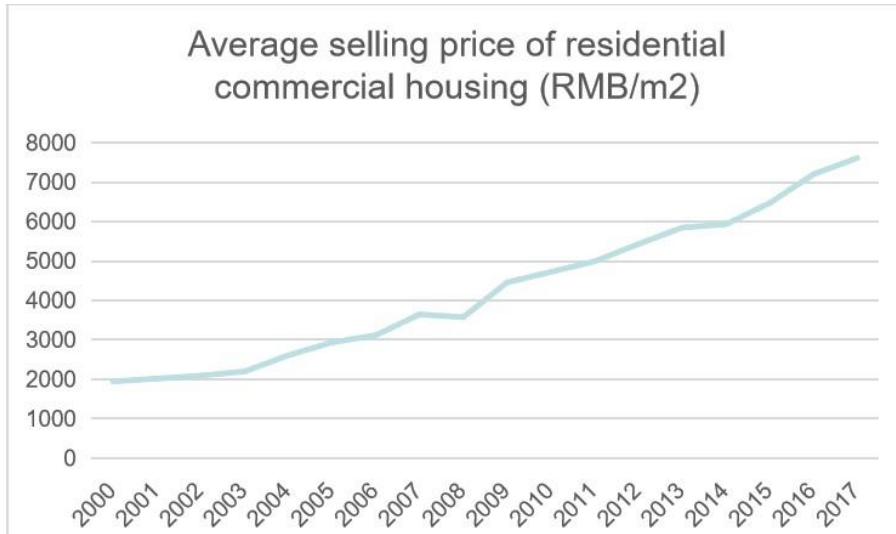


Fig.1. Average selling price of residential commercial housing
Data Source: China Statistical Yearbook

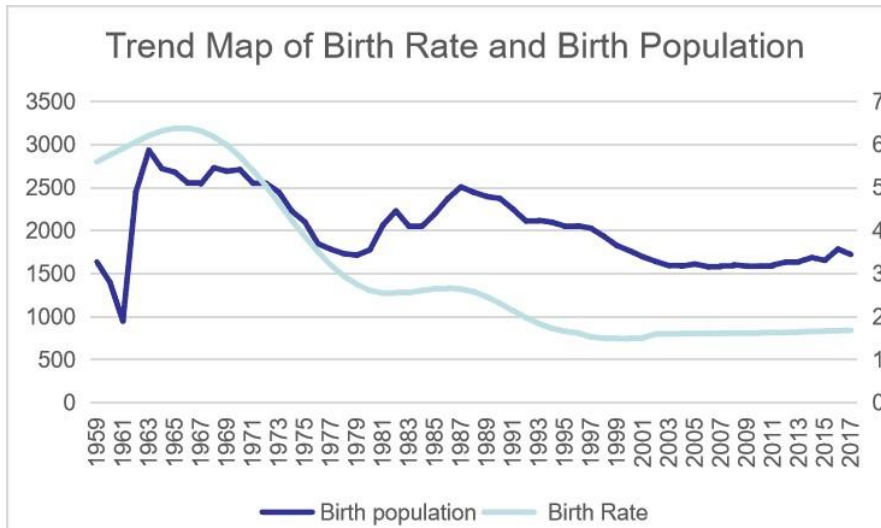


Fig.2. Trend Map of Birth Rate and Birth Population
Data Source: China Statistical Yearbook

Literature review

Research on the impact of demographic factors on housing prices has been emerging in the academic field. Mankiw and Weil (1989) studied the effects of birth peaks and birth troughs on housing prices. However, the paper's discussion and predictions about 'the actual US house price may fall by 47% in the next 20 years' has caused widespread controversy. The paper drew a series of subsequent studies on population shocks and the housing market (Swan, 1995; Ohtake & Shintani, 1996). The research of Joe Peek and Wilcox, J. (1992) implies that the longer-run positive trends in real incomes and population size and the advance of the baby boom into ages of greater effective demand for houses are forecast to raise real house prices 10%. Ley and Tutchener (2001) studied the impact of population shocks from foreign immigrants on the US and Canadian home housing markets respectively. Fischer (2012) believed immigrants inflow from a common language country has no statistically significant impact on house prices while the noncommon language immigrants significantly push up house prices. Jager, P. and Schmidt, T. (2017) argue that the overall effect of the demographic transition on house prices has been negative. Most of these researches has focused on the impact of baby boomers and immigration on housing prices. But the impact of fertility rate caused by the family planning policy still need further studies.

There are many research literatures on the selection of research models for housing price influencing factors. Cocco (2005), Piazzesi (2007) established a relatively complete economic life cycle consumption and portfolio selection model with housing consumption. Cui Xinming (2003) constructed a two-phase intertemporal residential consumption selection model to analyze the impact of mortgage ratio, mortgage period, mortgage interest rate and income growth rate on real estate prices by introducing mortgage mechanism into resident budget constraints. Chambers, Garriga and Schlagenhaut (2009) classify consumers and discuss the impact of heterogeneous consumers and liquidity constraints on real estate demand within the general equilibrium framework. Kong Xing, Liu Zhiguo, and Yu Bo (2010) introduced real estate holding costs based on the durability characteristics of real estate, constructed an intertemporal consumption selection model including general commodities and real estate and analyzed the effect of mortgage loans on the effective demand of real estate market by solving the maximization of household utility. This paper would apply the OLG model to study the impact of fertility on housing prices in China's intergenerational wealth transfer mechanism. The research of Samuelson (1958) and Diamond (1965) provides a basic theoretical framework for the Overlapping Generational Model (referred to as OLG). OLG model has a wide range of applications in macroeconomic research. Abel (2001) constructed a two-generation OLG model with the personal heritage motive considered and found that asset prices would fall after the "baby boomer" generation retired; Ortalo-Magne and Rady (2006) used the framework of the OLG model to analyze the housing consumption upgrade behavior of representative households in different life cycles and the corresponding housing market dynamics. But their research assumes that the population size is constant, so the issue of fertility is not taken into accounts. Among the many studies on the housing market in China, Shi Qingqing (2010) also constructed an OLG model that includes the housing market to study the impact of fertility rate on housing prices in China's intergenerational wealth transfer mechanism, which was rarely mentioned in previous studies. In this paper, we construct an overlapping generational model (OLG model) containing intergenerational wealth transfer, which is divided into three periods. And we also added the bequest to the end of the third period to analyze the impact of intergenerational wealth transfer on housing prices in China.

Research Methodology

The purpose of this paper is to study the impact of the fertility rate formed by different family planning policies on housing prices under the intergenerational wealth transfer mechanism in China. We solve the practical problem of the impact of intergenerational wealth transfer and altruistic behavior on housing prices by establishing a specific theoretical model. Liu Xueliang (2011) developed an OLG model with three generations and altruistic behavior which means parents will provide some funding when their children buy a home. They assume that the old people has no income, but in fact most people in urban China have retirement and pensions after retirement. They also assume that when a person dies, instead of transferring to the next generation, his property becomes nothing. This is contrary to the actual situation. In China, the old generation's houses are usually left as a legacy to the next generation. Because China's old generation has a high level of altruism, they hope that they can alleviate the burden of the younger generation, so they will leave as much wealth as possible for their children. In this context we build a new OLG model for analysis. Our research is mainly on Chinese urban housing prices, because most young generation in rural areas build their own homes on their own land, and old generation would transfer all their property to the next generation after the death. In that case it is rare for them to fund young home purchases. We divide the life of a person into three periods: childhood (0), adult (1), and old (2). Everyone would die at the end of the old (2) period. In order to supplement the research gaps of Liu Xueliang and others, it is assumed that in this model, the old (2) generation does not need the support expenses from the adult (1) generation, their pension is enough for covering their spending. And the old(2) generation will leave the house as a legacy to the next generation after the death. The size of the house (H) will not change, but the price will change over time. Let P_1 and P_2 be the purchasing house price of the first period and the sales price of the second period, respectively. Because many people can't pay the full amount at one time, it is assumed that each family pays the down payment in early adulthood. And usually all the home loans would be paid off by the end of adulthood. Due to the altruistic behavior of parents, we assume that when the younger generation pursuing house, they will be given an initial purchase fund, which refers to the first wealth transfer between generations. The house purchased in the (1) period will be left as a legacy to the next generation, which is the second transfer of wealth between the two generations. In addition to housing costs, there is other consumptions through a person's life. Assuming that personal consumption in different periods is shown in Table 1: For the childhood (0) generation, they have no income and no housing consumption. They need to rely on their adult parents to maintain all other consumption (C_0). Adults have income (y_1) and the money they received from their parents when they purchase a house. They will get the inheritance from their parents. Adults' consumption includes raising children (C_0) and meeting their own needs for non-housing (C_1), they also need to repay the housing loan (C_2) and subsidize their children to buy houses. For the elderly, they can use their savings and pensions (y_2) to maintain their daily consumption (C_3). They don't have to pay for the house, the house will be left as a legacy to their children and it is equal to the value of the house (P_2H).

Table 1 Basic assumptions of three generations

Period	Income	Consumption	Housing expenditure	Altruistic behavior
0	None	Relying on parents C_0	None	None
1	Income (y_1)	Other consumption C_1 Other consumption C_2	Down payment Mortgage	Raising children Housing subsidy
2	Income (y_2)	Other consumption C_3	None	Legacy P_2H

3.1 Maximization of utility

We assume that individuals have direct wealth transfers with their parents and children. Assuming a generation is recorded as i , then $i-1$ and $i+1$ can represent the previous generation and the next generation. N_i , N_{i-1} , and N_{i+1} are the total population of the i generation, the $i-1$ generation, and the $i+1$ generation, respectively. n_{i-1} and n_i are the fertility rates of the $i-1$ generation and the i generation. Thus, we have:

$$N_i = (1+n_{i-1})N_{i-1} \quad , \quad N_{i+1} = (1+n_i)N_i \quad (3.1.1)$$

For the i generation, the utility of each period consists of housing consumption and other (non-housing) consumption, then the utility function at t should be:

$$U_t = \ln C_t^\alpha H_t^{1-\alpha} \quad , \quad t=0, 1,2 \quad (3.1.2)$$

Among them, t represents the period, the life cycle of each generation includes the 0,1,2 period, α indicates the preference between housing and non-housing consumption, C_t indicates non-housing consumption, and H_t indicates the houses. Then the maximum expected utility of the first phase of i can be expressed as:

$$\max EU_{i,1} = \sum_{t=0}^2 \beta^{t-1} U_{i,t} + \gamma_1(1+n_i)U_{i+1,t} + \gamma_2(1+n_i)\beta \ln \frac{T_{i,1}}{P_1} \quad (3.1.3)$$

$EU_{i,1}$ represents the expectation operator of i in the first period. β is the discount factor, $U_{i,t}$ is the utility of i in t period. $U_{i+1,t}$ is the utility of $i+1$ in t period. $\sum_{t=0}^2 \beta^{t-1} U_{i,t}$ stands for the total utility of i in housing consumption and non-housing consumption from period 0 to period 2. γ_1 and γ_2 represents the altruistic level of parents raising their children. P_1 indicates the price of the first period. $T_{i,1}$ indicates the price that i paid for them when they purchased the house in the first period of $i+1$. $\frac{T_{i,1}}{P_1}$ stands for the houses $T_{i,1}$ could get. If the utility of $i+1$ acquired in t period is $U_{i+1,t}$, then the utility obtained by i is $\gamma_1(1+n_i)U_{i+1,t}$. The wealth

transfer of i when buying house in $i+1$ will make i get the utility $\gamma_2(1+n_i)\beta \ln \frac{T_{i,1}}{p_1}$, these are determined by the altruistic level of the parents. The budget of i is constrained, that is, the final income and expenditure of i are in equilibrium. (3.1.3) does not include bequest. Suppose i gives all the property to $i+1$ at the end of the second period, then the accumulated wealth of i at the end of the second period is 0. Suppose $W_{i,1}$ is the accumulated wealth of i in the first period. And $W_{i,2}$ is the accumulated wealth of i in the second period, then we have:

$$W_{i,1} = (1+r)(y_{i,1} - C_{i,1} - DP_1H_{i,1} + T_{i-1} - (1+n_i)C_{i+1,1} + B_{i-1,2}) \quad (3.1.4)$$

$$W_{i,2} = (1+r)(W_{i,1} + y_{i,2} - C_{i,2} - (1-D)P_1H_{i,1}(1+R) - (H_{i,2} - H_{i,1})P_2k_2 - (1+n_i)T_{i,2}) - B_{i,2} = 0 \quad (3.1.5)$$

Where r represents the interest rate, $y_{i,1}$ and $y_{i,2}$ respectively represent the total income of i in the first period and the total income of i in the second period. $C_{i,1}$ and $C_{i,2}$ respectively represent the consumption of other commodities in the first period and the consumption of other commodities in the second period of i . D represents the down payment ratio of housing consumption. $P_1H_{i,1}$, T_{i-1} is the financial support $i-1$ offers to i in order to help i reduce the pressure of life when they start a family. $C_{i+1,1}$ indicates the consumption of other commodities in the first period of $i+1$. $B_{i-1,2}$ and $B_{i,2}$ respectively represent the legacy left by $i-1$ at the end of the second period and the legacy left by i at the end of the second period. Here we assume that the legacy is given to the next generation in the form of house. $(1+R)$ is the loan interest rate of the housing. $H_{i,1}$ and $H_{i,2}$ respectively indicate the amount of housing in the first period and the amount of housing in the second period. k_2 is the capitalization rate of the property. P_1 and P_2 represent the house price of i in the first period and the house price in the second period. $T_{i,2}$ is the property fund that i provided for $i-1$ when $i-1$ purchasing a house. As the assumption is true, then we have:

$$B_{i,2} = P_{i,2}H_{i,2} \quad (3.16)$$

3.2 New model

After the analysis in 3.1, we found the control variables of i 's maximization of utility are $C_{i,1}$, $C_{i+1,1}$, $H_{i,1}$, $C_{i,2}$, $H_{i,2}$, $T_{i,2}$, So we can solve the maximization problem of i generation under budget constraints by establishing the bellman equation:

$$V_1(W_{i,1}) = \max\{[\alpha \ln C_{i,1} + (1-\alpha) \ln H_{i,1}] + \beta V_0(W_{i,2})\} \quad (3.2.1)$$

$$\text{s.t. } W_{i,2} = (1+r)(W_{i,1} + y_{i,2} - C_{i,2}) - P_{i,2}H_{i,2} = 0 \quad (3.2.2)$$

Where $y_{i,2}$ is the pension of the older generation, form $V_0(W_{i,2}) = 0$, the optimal solution of H_i and $C_{i,2}$ can be calculated by first-order conditions:

$$H_i^* = (1-\alpha)(1+r)W_{i,1} / P_{i,2} \quad (3.2.3)$$

$$C_{i,2}^* = \alpha W_{i,1} \quad (3.2.4)$$

The corresponding value function is :

$$V_1(W_{i,1}) = \alpha \ln C_{i,1}^* + (1-\alpha) \ln H_i^* \quad (3.2.5)$$

Through iteration, we can get the bellman equation of i in the first period:

$$V_2(W_{i,1}) = \max \{ [\alpha \ln C_{i,1} + (1-\alpha) \ln H_i + \eta_1(1+n_i) \alpha \ln C_{i+1,1}] + \beta V_2(W_{i,2}) \} \quad (3.2.6)$$

$$\text{s.t. } W_{i,2} = (1+r)(y_{i,2} - C_{i,1} - DP_1H_{i,1} + T_{i-1} - (1+n_i)C_{i+1,1} + B_{i-1,2}) \quad (3.2.7)$$

$$\begin{aligned} W_{i,2} = & (1+r)(W_{i,1} + y_{i,2} - C_{i,1} - (1-D)P_1H_{i,1}(1+R) - \\ & (H_{i,2} - H_{i,1})P_2k_2 - (1+n_i)T_{i,1}) - B_{i,2} = 0 \end{aligned} \quad (3.2.8)$$

From $\frac{\partial V_2}{\partial C_{i,1}} = 0$, $\frac{\partial V_2}{\partial C_{i+1,1}} = 0$, then we have :

$$C_{i,1}^* = \frac{\alpha W_{i,1}}{(1+r)^2} \{ (1-\alpha) + \beta[1 + \eta_2(1+n_i)] + \beta^2 \} \quad (3.2.9)$$

$$C_{i+1,1}^* = \frac{\alpha \eta_1 W_{i,2}}{(1+r)^2} \{ (1-\alpha) + \beta[1 + \eta_2(1+n_i)] + \beta^2 \} \quad (3.2.10)$$

According to the results of $C_{i,1}^*$, $C_{i+1,1}^*$, $C_{i,2}^*$, H_i^* , we can get the optimal H_i^* :

$$H_i^* = \frac{(1+n_{i-1})^{-1} p_{i-1,2}H_{i-1} + (1+r)y_{i,2} + (1+r)^2 y_{i,1}}{\{D(1+r)^2[1-\eta_2(1+n_{i-1})^{-1}] + (1-D)(1+r_m)(1+r)\}P_{i,1} + P_{i,2}Z(n_i)} \quad (3.2.11)$$

Where $Z(n_i)$ is the i generation fertility function:

$$Z(n_i) = \left[\frac{1 + \beta + \eta_2(1+n_i)}{1-\alpha + \beta} + \frac{\alpha[1 + \eta_1(1+n_i)]}{1-\alpha + \beta[1 + \beta + \eta_2(1+n_i)]} \right] / [(1-\alpha)(1+r)] \quad (3.2.12)$$

From

$$\frac{\partial Z(n_i)}{\partial n_i} = \frac{\eta_2}{(1-\alpha+\beta)(1-\alpha)(1+r)} + \frac{\alpha\eta_1\{1-\alpha+\beta[1+\beta+\eta_2(1+n_i)]\} + \alpha\beta\eta_2[1+\eta_1(1+n_i)]}{\{1-\alpha+\beta[1+\beta+\eta_2(1+n_i)]\}^2[(1-\alpha)(1+r)]^2} > 0 \quad (3.2.13)$$

So theoretically the *i* generation fertility function is a strictly increasing function.

H_i^* is the optimal housing consumption of the *i* generation. From (3.2.11), once the loan interest rate increases, housing consumption will decrease. When wages increase, housing consumption will increase. But when house prices rise, housing consumption will decrease. From this formula, it can be known that the housing is related to the down payment ratio, the fertility rate, and the loan ratio in addition to interest rates, wages, and housing prices. The theoretical model is in line with our actual situation.

3.3 Equilibrium house prices with wealth transfer

Housing prices are solved in the situation that the final income expenditure reaches equilibrium and intergenerational wealth transferred. According to (3.2.11), the relationship between housing demand and housing prices in different periods was established. $P_{i,1}$, $P_{i-1,2}$, $P_{i,2}$ represent the *i* generation purchase price in the (1) period, the *i* generation in the (2) period, and the *i* generation in the (2) period. Supposed $P_{i,1}$ is the house price at time *t*. $P_{i-1,2}$ and $P_{i,2}$ represent the house price at time *t*+1 and time *t*+2, then we have, $P_{i,1} = P_t$, $P_{i-1,2} = P_{t+1}$ and $P_{i,2} = P_{t+2}$. From this formula, we can draw this conclusion: Instead of a specific generation, the house price is related to the time of housing transition. Thus we can assume $P_{t+1} = \lambda_1 P_t$, $P_{t+2} = \lambda_2 P_{t+1}$. When $\lambda_1 > 1$ and $\lambda_2 > 1$, house prices rise over time; When $\lambda_1 < 1$ and $\lambda_2 < 1$, house prices fall over time; When $\lambda_1 = \lambda_2 = 1$, house prices remain unchanged without regarding to inflation.

Assuming $H_i^* = H_i^d$, We can solve the housing price of the *i* generation in the first period according to the equation (3.2.11):

$$P_{i,1}^* = \frac{(1+r)y_{i,2} + (1+r)^2 y_{i,1}}{\{D(1+r)^2[1-\eta_2(1+n_{i-1})^{-1}] + (1-D)(1+r_m)(1+r)\}H_i^d + \lambda_1\lambda_2 Z(n_i)H_i^d - (1+n_{i-1})^{-1}\lambda_1 H_{i-1}} \quad (3.3.1)$$

According to (3.3.1), we can get the function of housing price. And we can also derive the wealth transferred to *i* generation from *i*-1 generation, including the initial amount of subsidy and inheritance when *i* form a own family:

$$M_{i-1} = D(1+r)^2 \eta_2 (1+n_{i-1})^{-1} H_i^d + (1+n_{i-1})^{-1} \lambda_1 H_{i-1} \quad (3.3.2)$$

M_{i-1} represents the total amount of wealth transferred by the *i*-1 generation. $D(1+r)^2 \eta_2 (1+n_{i-1})^{-1} H_i^d$ is used to measure the wealth and other financial support from *i*-1 generation when *i* purchasing a house. If we assume that the impact of *D* and H_i^d on the transfer of wealth can be offset by the altruism level of the *i*-1 generation, then the total amount of wealth transfer directly related to house prices can be explained by the fertility rate of the *i*-1 generation and the housing consumption of the *i*-1 generation. Then the reduction

in the total amount of wealth transfer will definitely be related to the increase of n_{i-1} . And the increase in H_{i-1} will increase the total amount of wealth transfer. Although the future changes in housing prices are related to many factors, we mainly study housing prices through wealth transfer.

So we substitute (3.3.2) into (3.3.1), then:

$$P_{i,1}^* = \frac{(1+r)y_{i,2} + (1+r)^2 y_{i,1}}{\{D(1+r)^2 + (1-D)(1+r_m)(1+r) + \lambda_1 \lambda_2 Z(n_i)\} H_i^d - M_{i-1}} \quad (3.3.3)$$

From (3.3.3), we can know that the greater the total amount of wealth transfer, the higher the house price would be. Then we study the housing price from the demand and supply of housing. Assuming the balance between supply and demand is existing, there is:

$$H_i^d = H_i^s \quad (3.3.4)$$

H_i^d represents the housing demand of the i generation, H_i^s represents the effective housing supply of the i generation, including the new housing supply H_i^N of the i generation. And the existing housing supply of the $i-2$ generation is H_{i-2} . From $N_i = (1+n_{i-1})N_{i-1}$, $N_{i-1} = (1+n_{i-2})N_{i-2}$ we have :

$$H_i^s = H_i^N + (1-n_{i-2})^{-1}(1+n_{i-1})^{-1} H_{i-2} \quad (3.3.5)$$

Substituting (3.3.5) into (3.3.3), we can get the price under the balance of supply and demand:

$$P_{i,1}^* = \frac{(1+r)y_{i,2} + (1+r)^2 y_{i,1}}{\{D(1+r)^2 + (1-D)(1+r_m)(1+r) + \lambda_1 \lambda_2 Z(n_i)\} \{H_i^N + (1-n_{i-2})^{-1}(1+n_{i-1})^{-1} H_{i-2}\} - M_{i-1}} \quad (3.3.6)$$

Assumed $Y = (1+r)y_{i,2} + (1+r)^2 y_{i,1}$, $Q = D(1+r)^2 + (1-D)(1+r_m)(1+r)$ and $\omega = \lambda_1 \lambda_2$, We have a simplified formula for equilibrium house prices:

$$P_{i,1}^* = \frac{Y}{[Q + \omega Z(n_i)] H_i^s - M_{i-1}} \quad (3.3.7)$$

where

$$H_i^s = f(H_i^N, H_{i-2}, n_{i-1}, n_{i-2}) \quad (3.3.8)$$

$$M_{i-1} = g(n_{i-1}, H_{i-1}) \quad (3.3.9)$$

The simplified equilibrium house price formula (3.3.7) can be used to determine the factors affecting the price of i generation housing, including lifetime income Y , down payment and mortgage portfolio Q , fertility rate of i generation, effective housing supply H_i^s , and the total amount of wealth transfer M_{i-1} of $i-1$ generation. Among them, the influencing factors of H_i^s

include the new housing supply H_i^N of the i generation at the (1) period, the existing housing supply H_{i-2} of the $i-2$ generation, the $i-1$ generation fertility rate n_{i-1} and the $i-2$ generation fertility rate n_{i-2} .

Therefore, we can calculate the impact of fertility rate of $i, i-1, i-2$ generation on i generation housing prices. Through practical experience, we can know that when the fertility rate of i generation increases, house prices will decrease. The reason is that if the fertility rate of the i generation rises, the i generation will spend more money on raising children, so the cost on the housing will be reduced. The increase in the fertility rate of the $i-2$ generation will reduce the supply of effective housing and stimulate the growth of housing prices. The rising fertility rate of the $i-1$ generation will reduce intergenerational wealth transfer and effective housing supply, so the impact of the $i-1$ generation fertility rate on housing prices cannot be

determined based on empirical knowledge. Taking the derivative of n_{i-2} , we have :

$$\frac{\partial P_{i,1}^*}{\partial n_{i-1}} = \frac{Y\{[Q + \omega Z(n_i)](1 + n_{i-2})^{-1}H_{i-2} - \lambda_1 H_{i-1} - D(1+r)^2 \eta_2 [H_i^N + 2(1+n_{i-2})^{-1}(1+n_{i-1})^{-1}H_{i-2}]\}}{\{[Q + \omega Z(n_i)]H_i^s - M_{i-1}\}^2(1+n_{i-1})^2} \quad (3.3.10)$$

Assuming
$$A = [Q + \omega Z(n_i)](1 + n_{i-2})^{-1}H_{i-2}$$
,

$$B = \lambda_1 H_{i-1} - D(1+r)^2 \eta_2 [H_i^N + 2(1+n_{i-2})^{-1}(1+n_{i-1})^{-1}H_{i-2}]$$
,

Then (3.3.10) can be simplified to:

$$\frac{\partial P_{i,1}^*}{\partial n_{i-1}} = \frac{Y(A - B)}{\{[Q + \omega Z(n_i)]H_i^s - M_{i-1}\}^2(1+n_{i-1})^2} \quad (3.3.11)$$

Assuming $H_{i-2} < H_i^N$ and $H_{i-2} < H_{i-1}$, thus $A < B$ and $\frac{\partial P_{i,1}^*}{\partial n_{i-1}} < 0$, that is, the $i-1$ generation fertility

rate will increase, but the house price will decrease. That is, the effect of n_{i-1} on M_{i-1} is greater than the impact on H_i^s , which is contrary to the saying that the general baby boom will cause house prices to rise. So next we will apply the data for specific analysis.

4. Empirical analysis

In the case of China's intergenerational wealth transfer, the OLG model has been improved through altruistic behavior. The theoretical model shows that intergenerational wealth transfer has a positive impact on housing prices. The previous generation fertility rate, along with the housing consumption will also affect housing prices. From the description in the third section, we can know that the fertility rate of different generations has different effects on housing prices. Income and housing supply will also affect housing prices to some extent. Then we confirm the theoretical results through specific empirical study, the process is as follows.

4.1 Variables and data

We assume in the theoretical model that everyone will go through three periods. The specific division is as follows: under the age of 21 is the (0) childhood period; the age of 21-59 is the (1) adult period; over the age of 60 is the (2) old period. Among them, (1) adult period is our main research object. The i generation represents the group between the ages of 21 and 59, and the $i-1$ generation represents the group over 60 years old.

The source of the data is mainly the Chinese General Social Survey (CGSS) and the China Statistical Yearbook published by the Chinese Statistics Department. The Chinese General Social Survey has obtained the date of birth of the interviewee (this data is used to calculate the age) and the number of children in the family (this data is used to calculate fertility rates), and the number of household-owned properties, ie, the amount of housing available. From the China Statistical Yearbook we have obtained the price level, the current housing supply and the natural growth rate of the population. Because the latest data from the Chinese General Social Survey (CGSS) is in 2015, we used the 2015 data as the research object. In 2015, there were 10,968 respondents and 487 communities in this project. There remain 6,470 interviewees after clearing the data of rural respondents. There are 5,715 in the questionnaires are living in their own houses, and 5,704 effective responses having children. Since it is almost impossible to find housing prices of each community, we choose the data of the provinces and cities as observation points. Because Hainan, Tibet, and Xinjiang have no respondents, the observation points in our study are 28 provinces, autonomous regions, and municipalities. According to the age of each interviewee, we distinguish $i+1$ generation, i generation, $i-1$ generation. the average number of children delivered by each woman in each generation is the fertility rate, and the average number of homes owned by each family, as well as the income of each household, and then we can derive our independent variables: n_i ,

n_{i-1} , H_{i-1} , H_i , H^N , f , y_{i-1} , y_i , D1, D2 and dependent variable P_i

Table 2 variables

	Names	Proxy variable	Expectation
dependent variable	P_i	Average house price in 2015	
independent variable	n_i	Average fertility rate of the i generation	-
	n_{i-1}	Average fertility rate of $i-1$ generations	-
	H_{i-1}	Average home ownership of the $i-1$ generation	-
	H_i	Average home ownership for the i generation	+
	H^N	New housing supply	+
	f	Natural population growth rate	+
controlled variable	y_{i-1}	Average income of the $i-1$ generation	+
	y_i	Average income of the i generation	+
	D1	Whether the community is in the first-tier city (Yes=1, No=0)	+
	D2	Whether the community is in the second-tier city (Yes=1, No=0)	+

According to the theoretical model, we can know that n_i and y_i have direct impact on house prices. And n_{i-1} , y_{i-1} , and H_{i-1} affect the house price by affecting wealth transfer. H_i and H^N affect the housing price by affecting housing supply. f is known through empirical knowledge that it has an impact on house prices. In addition, in the study using cross-sectional data, the level of development of the city where the community is located has a significant impact on local housing prices. To control this effect, we used two dummy variables to measure the level of urban development. Since China usually uses first-tier cities and second-tier cities to measure the degree of urban development, we regard “whether the community is in the first-tier cities” and “whether the communities are in the second-tier cities” as dummy variables.

Table 3 Variables and statistical descriptions

Variables	Minimum value	Maximum value	Mean value	standard deviation
P_i	3629	22300	6781.36	4656.583
n_i	0.75	1.64	1.23	0.21
n_{i-1}	1.65	3.67	2.54	0.45
H_i	1.07	1.53	1.22	0.11
H_{i-1}	1.00	1.46	1.16	0.11
$D1$	0	1	0.21	0.42
$D2$	0	1	0.61	0.50
y_i	20560.87	98619.19	38824.14	21621.32
y_{i-1}	4340.00	49086.04	21896.68	10470.18
H^N	31847	682532	243854.25	149749.83
f	0.26	8.57	5.02	2.37

According to Table 3, it can be known that the mean values of n_{i-1} and n_i are 2.54 and 1.23. $n_{i-1} < n_i$ indicates that the fertility rate is decreasing with time. There is also the country's macroeconomic regulation and control, as well as the cost of raising children. The average of H_i is 1.22, The average of H_{i-1} is 1.16. This shows that the current generation has more houses than the older generation. This is in line with the actual situation. With the development of the economy, buying a house has become a kind of investment and financial management for adults who have enough funds to do this kind of investment. The average of H_i is 1.22 which means that a family has at least one house. The average f is 5.02, which indicates the national population is still showing an upward trend.

4.2. Results

We have empirically studied the data because the differences in dimensions would affect the result. To eliminate that effect, we convert the dependent and independent variables into natural logarithmic forms to establish a stable linear relationship. Using the natural logarithmic form, the coefficient of the independent variable represents the percentage change in the residential price, in response to a 1% change in the independent variable. Before

the analysis, we produced a series of scatter plots to show the relationship between house price and fertility (Figure 3).

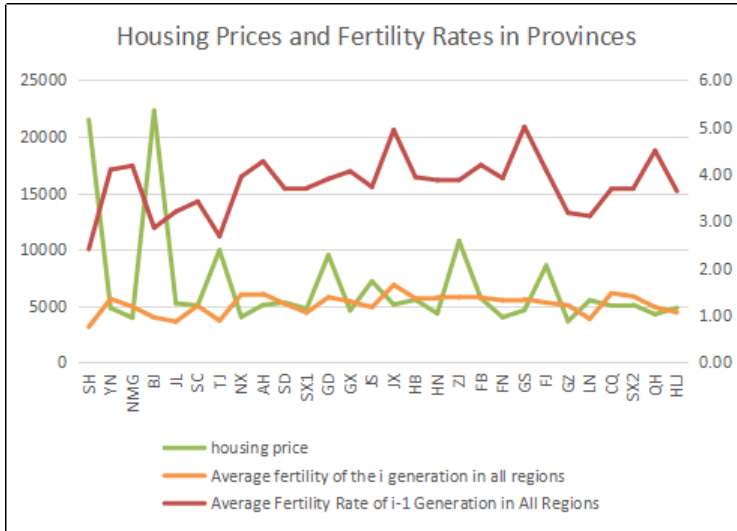


Fig.3. Housing Prices and Fertility Rates in Provinces

Data Source: China Statistical Yearbook

From Figure 3, we can see that the higher the house price, the lower the fertility rate. For example, the price of Shanghai and Beijing has exceeded 20,000, but the i generation fertility rates of these two cities are the lowest. The housing prices in Yunnan and Inner Mongolia are relatively low, but the fertility rate is relatively high. This is in line with the actual situation, that is, the less developed the economy, the higher the fertility rate would be. It can also be seen from Figure 3 that the fertility rate of the i generation is much lower than that of the i-1 generation, which means with the stream of time and the development of society, the fertility rate has dropped significantly.

Table 4 Parameter estimation

Variables	Parameter estimation 1	Parameter estimation 2	Parameter estimation 3	Parameter estimation 4
$\ln n_i$	-0.755***	-0.038**	-0.137***	-0.338***
$\ln n_{i-1}$		-0.686***	-0.536***	-0.789***
$\ln H_i$			0.321***	0.097***
$\ln H_{i-1}$		-0.379***	-0.512***	-0.219***
$D1$				0.605***
$D2$				0.336***
$\ln y_i$	0.567***	0.360***	0.340***	0.351***
$\ln y_{i-1}$		0.324***	0.345***	0.296***
$\ln H^N$			0.056**	0.045***
$\ln f$				0.146***

R^2	0.491	0.653	0.724	0.825
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Table 4 is a parameter estimate for stepwise linear regression, where parameter estimate 1 and parameter estimate 2 reflect the effect of intergenerational wealth transfer on house prices. When $\ln n_i$, $\ln y_i$ are used as independent variables, R^2 is 0.491, which means $\ln n_i$ and $\ln H_i$ can account for 49.1% of $\ln P_i$. Parameter estimation 2 is to increase R^2 to 0.653 by adding $\ln n_{i-1}$, $\ln y_{i-1}$, and $\ln H_{i-1}$, which shows that the interpretability is also increasing through the increase of variables. The coefficient of $\ln n_i$ in parameter estimation 2 is -0.038, indicating that if the i generation fertility rate is increased by 1%, and the house price will reduce by 0.038%. The increase if i generation fertility rate indicates that the child's raising cost increases, which is accompanied by a decline in housing consumption. The coefficient of $\ln n_{i-1}$ is negative, indicating that the average fertility rate of the $i-1$ generation is increased by 1%, which reduces the intergenerational wealth transfer of the i generations, resulting in a 0.686% decline of house prices. The coefficient of $\ln H_{i-1}$ is also negative, and the average number of owned properties in the $i-1$ generation has increased by 1%, which has caused the house price to drop by about 0.379%. Estimates 3 and 4 give the effect of all independent variables. Estimation 3 is performed without control variables, and estimation 4 is performed with control variables. The results of the study show that the two dummy variables have a significant positive impact on house prices. The coefficient of $D1$ is greater than $D2$, indicating that communities located in cities with higher economic development will receive higher housing prices. In the process of adding variables gradually, R is also gradually increasing, which indicates that the better the model fits, the results of the actual data analysis are consistent with the results of the theoretical model, which indicates the robustness of our test.

Conclusion

Family Planning Policy is one of basic national policy in China which has been adjusted with the situation and formed very different generational fertility rates. In the context of parents helping their children to buy houses, pre-marriage purchase of the younger generation has become a common phenomenon. Therefore, the number of newly registered marriages has a strong relationship with the rise of housing prices in China. The younger generation usually can't afford high purchasing house price by their own, so their middle-aged parents are willing to provide some financial support, then intergenerational wealth transfer appears. The transferred wealth will eventually flow into the real estate market and push up house prices. The intergenerational transfer of wealth to everyone in the next generation is related to the fertility rate of different generations. This study establishes an overlapping generational model involving intergenerational wealth transfer and different generation fertility rates caused by the family planning policy from a new perspective. The theoretical model shows that intergenerational wealth transfer has a positive impact on housing prices which is affected by the previous generation's fertility rate and housing consumption. We further conduct empirical research to validate our hypothesis. The results show that the average fertility rate of the adult generation decreased by 1%, which increased the transfer of intergenerational wealth to the younger generation, resulting in a 0.338% increase in house prices. While the average number of properties owned by the old (2) generation increased by 1%, resulting in a decline in housing prices of approximately 0.219%. The results also show that the fertility rate of the old generation has a negative impact on housing prices, and every

1% increase in fertility rate of old generation will caused house prices to fall by 0.789%. Empirical studies have confirmed that the impact of income and housing supply factors on housing prices, that is, the annual income of the adult generation will increase by 0.351% for every 1% increase, the income of the old generation will increase by 1%, and the house price will increase by 0.296%. It has been pointed out that China's baby boom pushes up China's housing prices. However, the result we get from the empirical analyze based on actual data sounds the opposite. Baby boomers will have a negative impact on the generational wealth transfer. The low fertility rate of the middle-aged generation under the influence of the family planning policy and the altruistic behavior of the Chinese parents are the important reasons for the current high housing prices.

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Pre-Negotiation Activities: A Study of the Main Activities Undertaken by the Negotiators as Preparation for Negotiation

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Abstract

The most part of the researches has largely been focused on what happens at the negotiation table, rather than in its preparation and planning. Through this paper we will try to underline the importance of the preparation and planning activities which are necessarily undertaken in a business negotiation. For this purpose, we have reviewed the negotiation literature regarding these pre-negotiation processes and the necessary activities for each of them. One of the most important concerns is the extent to which the negotiators follow the literature recommendations about pre-negotiation processes. This is a quantitative research design which tries to collect data, through interviews and a questionnaire designed for it and makes analyzes and logical deductions on the results achieved. The results of this study derive from a questionnaire with 68 respondents, who provide an understanding of the preparation and planning activities they conduct as part of their negotiations. This study finds out that the negotiators follow the most important activities which are suggested by the negotiation literature. It is literally understandable that the *preparation* and *planning* processes precede the negotiation, which means that they are conducted generally before the meeting between the negotiating parties. In fact, even this study shows that these activities occur not only before a meeting but also after it, as the first step in preparing for the next meeting. In this regard we suggest seeing the preparation and planning not as a single event, but as cyclical processes. These findings can be used by business negotiators and by different companies.

Keywords: negotiation, preparation, planning, activities.

Introduction

People negotiate all the time; it is something that everyone does. Negotiations occur for several reasons: (1) to agree on how to share or divide a limited resource, such as land, property, or time; (2) to create something new that neither party could do on his or her own; or (3) to resolve a problem or dispute between the parties (Roy J. Lewicki; David M. Saunders; Bruce Barry, 2010). People fail to negotiate because they do not recognize that they are in a negotiation situation or because they negotiate poorly because of misunderstanding the process or not having good negotiation skills (Roy J. Lewicki; David M. Saunders; Bruce Barry,

2010). Negotiation occurs whenever the parties cannot achieve their objectives without the help of others (Thompson, Leigh and Wang, Jiunwen and Gunia, Brian, 2010) and when they believe that a better deal can be reached by negotiating rather than by simply accepting or rejecting an offer from the other party.

Negotiation is a process of communication and the consolidation of results through agreements. It promotes cooperation through constant communication. If a substantive agreement can be reached, negotiators will implement better cooperation and maintain sustained good relations. Negotiation is a process of communicating back and forth for the purpose of reaching a joint decision (Roger Fisher and William Ury, 2011). Based on all definitions made on *negotiation*, it becomes clear that negotiation is essentially a process of communication, which has a specific purpose: to settle a dispute, or to reach a compromise. But, as we all know, communication is never an easy thing, even between people who have an enormous background of shared values and experience (Roger Fisher and William Ury, 2011). The process of negotiation, defined as a collective decision-making can be described by two basic attempts: to create and to claim as much value as possible (D. Lax and J. Sebenius, 1986). *Creating value* describes the process of increasing the value of the negotiation subject through trade or reframing ("to expand the pie"); *Claiming value* means the attempt to get as much as possible of this value ("to divide the pie") (Thompson, Negotiator, 2009). The first, and often the most important step toward successful negotiation are *planning* and *preparation*. According to Thompson, about 80% of negotiators' efforts should go toward the preparation stage (Thompson, 2009). However, planning and preparation go beyond what negotiators should do *before* negotiation (Teucher, B.M. & Brett, J.M. & Gunia, Brian., 2013).

Negotiation is a dynamic communication process where new information, concerns, emotions, and goals may arise. That's why negotiators should also be prepared for dealing with contingencies as well as other factors that may interfere with goal pursuit (Teucher, B.M. & Brett, J.M. & Gunia, Brian., 2013).

In practice, although negotiations are very important to business activities, there is a lack of information about what actually occurs during business negotiations (R. Fells, H. Rogers, P. Prowse, U.F. Ott, 2015). We need to focus more on what negotiators should prepare before going to the negotiating table (Lewicki, R. J., Barry, B., & Saunders, D. M., 2010). If we do not focus on preparation and planning we are going to make a lot of mistakes and will have poor outcomes. It is really important to understand what drives the behavior of the negotiators at the negotiation table. That is exactly why this paper tries to analyze the *preparation* and *planning* processes, as well as practicing them in the business activities. We also will try to understand who conducts these processes and their respective actions.

I. Literature review

Negotiation

There has been a dramatic growth in the international trade in terms of volume and complexity. Nowadays no one can act without interference and competition, which came from all over the world. The globalization has changed the basic requirements of doing business. In this point of view the negotiation is a field of interest.

Negotiation is an interpersonal decision-making process necessary whenever we cannot achieve our objectives single-handedly. Negotiations include one-on-one business meetings, but also multiparty, multi-company, multinational relationships, and the public sector.

Whether simple or complex, negotiations boil down to people, communication, and influence. Even the most complex of business deals can be analyzed as a system of one-on-one relationships (L.Thompson, 2012). Simona Sliogeriene begins her course handbook “Negotiation and Business Ethics” by saying that: when you hear the word *negotiation*, you know there are two sides and they’re willing to talk to each other (Sliogeriene, 2015).

Negotiation framework

Negotiation framework defines the problem or opportunity, which involves eliminating irrelevant clutter. If a negotiator wants to make a proposal or consider an offer, he considers only the applicable positive and negative effects. By organizing the information so he/she can sharpen his/her understanding of what’s on the table. A framework allows the negotiator to interpret important information through analysis. A frame focuses on problems, issues, interests and solutions. It enables senior managers and executives to decide what the substantive issues would be in critical negotiations and start to develop some workable scenarios. It should focus the team on the results; this means that as a leader the manager needs to measure a range of possible outcomes, not just the money.

Every negotiation is different and having a practical and successful framework allows the manager to focus on his/her preparation. From the literature of the negotiation as a negotiation framework, we can be focused in the model of Ghauri in 2003, as one of the latest model in this field. This model has three groups of variables; background factors, process and atmosphere (Pervez N. Ghauri and Jean-Claude Usunier, 2003). As we can notice in the figure below the pre-negotiation is one of the three stages of negotiation. A stage of the process refers to a specific part of the process and includes all actions and communications by any party pertaining to negotiations made during that part.

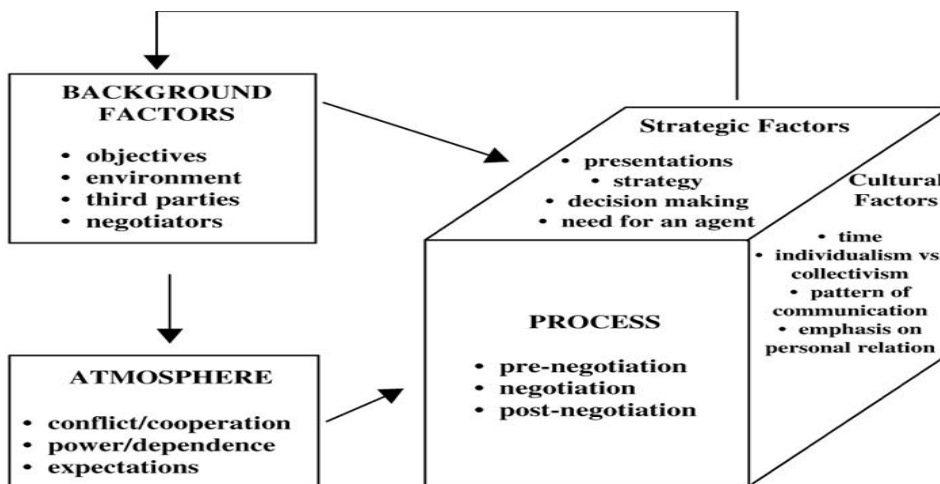


Figure 9: Ghauri model of the negotiation framework

Pre-negotiation process

Negotiation strategy formulation is necessary for access to the negotiating context. In the negotiations between the entities even within the same country or region, preparation can be

really complicated. Nowadays the parties are more involved in complex negotiations than in just local negotiations. In practice there are a lot of obstacles. Although there is an extensive research literature into the practice of negotiation itself there is a limited peer-reviewed literature covering empirically grounded research into the practice of preparation and planning activities. In our country it is really difficult to find researches in negotiation or in preparation and planning activities.

As we mentioned, negotiation is a process of decision making by which people, who have conflicting interests, determine how they are going to allocate resources, or work together in the future. Interests are the concerns, needs, fears or desires underlying negotiators' conflicting positions (Roger Fisher and William Ury, 2011). The three negotiation stages are: 1) pre-negotiation, 2) active negotiation (face to face negotiation) and 3) post-negotiation, meaning implementation and follow-up issues. This paper has in focus the stage of *pre-negotiation*, which steps (or phases) are shown in figure 2.



Figure 10. The steps of pre-negotiation

Generally all the academic text book literatures agree that being prepared to negotiate requires a set of activities which are typically divided into three or four steps.

The first step or component in the framework, "*Information Gathering*", focuses on environmental factors and on information collection from the other party, including research into their organization and learning about their style and personality. The second step, "*Formulation Activities*", concerns planning activities which involves objectives, interests, the assessment of the best alternative to a negotiated agreement etc. The third and the fourth component, "*Strategy Development*" and "*Preparation Activities*" respectively, concern planning activities involving the development of a plan (strategy) to reach the goals outlined, the development and preparation of the customer presentation in addition to addressing the logistical concerns.

The study of Peterson and Shepherd has contributed on exploring the activities that negotiators perform when preparing for a negotiation meeting within a business-to-business sales negotiation (Robert M. Peterson, C. David Shepherd, 2010). According to them, pre-negotiation planning activities are:

a. Information Gathering Activities; the act of collecting, processing, analyzing and evaluating available data concerning the other party and relevant environmental factors.

Collect primary data (consult with others in your firm, client's firm, 3rd party firms);

Collect secondary data (industry, government, trade publications, internet, annual reports, etc.);

Gather data on market conditions, future trends, and how they may affect each party;

Understand other party (general profile, personality profiles, and communication patterns of others involved);

Knowledge of the competitive alternatives the client may be pursuing;

Review history of the relationship from internal sources/data;

Review the previous strategies used by both you and the client;

Knowledge of client's anticipated preparation;

Understand the other's decision-making unit (structure and process);

b. Formulation Activities; involves developing goals, specific objectives and setting the parameters for each issue to be negotiated.

Set negotiation objectives;

Define your interests;

Define issues to be deliberated;

Define the mix dealing (what is on the table and what is not);

Set limit levels on issue(s) (optimistic, realistic, pessimistic);

Contrive BATNA (Best Alternative to a Negotiated Agreement), point where you agree not to do business;

Create an agenda for negotiation;

Incorporate potential plans of the other party;

Create a negotiating team (assign responsibilities, role, and deadlines);

Outline the role you will assume (if part of a team);

Consult with others regarding your plan/strategy;

c. Strategy Development Activities; strategy is a plan that integrates a person's goals and action sequences into a cohesive whole.

Develop team strategy (who will speak, who will introduce demands, concessions, solutions);

Develop trade-off strategy on the issues (what you will give for what in return);

Develop collaborative strategies (cooperative ideas and options);

Develop competitive attacking strategies (options to be highly aggressive);

Develop competitive defending strategies (options to defend against attacks);

Develop concession strategy (slow, but planned concessions to pacify client);

Develop strategy/ies that use a 3rd party to influence client actions (friendly/strong influence asserted from 3rd party);

d. Preparation Activities; involves rehearsing verbal communication, arranging/creating support materials and attending to logistical concerns.

Role Play;

Script opening ceremonies (formal opening statement);

Prepare questions from client (questions that are in need of answers);

Prepare for anticipated questions from client (answers to questions or objections);

Prepare a mutual interest business topic (topic both parties find relevant to business concerns);

Prepare visual and other aids (charts, graphs, presentation aids);

Logistical concerns (seating arrangements, food, drink, room availability);

II. Research methodology

Lewicki (2010), Peterson and Shepherd (2010), and other sources have made the observation that despite the extensive research into negotiation, few have focused on what is actually prepared in anticipation of negotiations. (Lewicki, R. J., Barry, B., & Saunders, D. M., 2010) Even in our country there are very few studies regarding the preliminary issues on which the negotiators are prepared before entering into negotiations.

This paper tries to examine the preparation practices of a group of commercial negotiators with the aim to understand how they prepare for their negotiations. The purpose of this study is to explore the activities that individuals undertake in preparation for a sales-oriented negotiation situation. The objective of the research is to analyze what negotiators do before going to the negotiation table in order to obtain the best outcomes. Our research questions are: Which preparation activities are undertaken to perform a business negotiation? When are taken this preparation and planning activities?

First we have tried to identify a comprehensive list of activities which are often used in preparing for a business negotiation. The literature review served to identify and categorize around 34 activities, which were recommended as part of the preparation process. This list of activities was first discussed with students at MBA program in our faculty. In this way we can have better results in our attempt to develop the theory. Then we have used a scenario, a version of Graham's Bolter Simulation (1984) which is widely used in negotiation researches now days (you can find it in the appendix).

After reading the scenario all the participants have more possibilities to think about the activities which are performed before going to the negotiation table. An open-ended questionnaire, with 68 purposefully selected respondents, provided an understanding of the preparation and planning activities they realize as part of their ordinary customer negotiations. The practitioners were all employed by different companies in the private sector and them all negotiated contracts with a customer (typically a private or public entity). A pre-negotiated activity will be counted as being commonly conducted only if 15% or more respondents have reported this activity as having been conducted.

III. Data analyses and finding from the research

III.1. Information gathering activities.

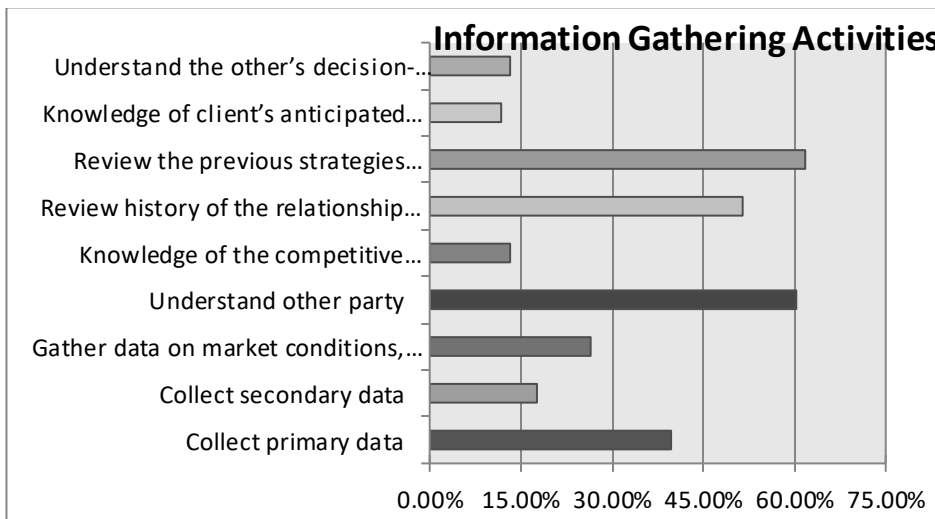
In this section we will try to present data on activities cited as having been conducted, that is, those activities that the respondents said they undertook in preparation for a sales-oriented

negotiation situation. The questionnaire was distributed to 80 negotiators, resulting in 68 usable responses. The respondents were predominantly male 45/23, mostly under 45 years old, and had an average of 3-5 years of professional experience. The findings have been summarized in the tables below and 23 of the 34 categories were commonly conducted.

It has been found that negotiators' preparation is generally consistent with the prescriptions in the literature but there are some activities, included in our questionnaire, that negotiators do not do while others are conducted less often than expected. Furthermore, negotiators often conducted activities from their own perspective, rather than from the other side's perspective, and more negotiators collect primary data rather than secondary data.

The argument underlined from the literature was that consulting the *trade publications* and *annual reports*, with subject within the field of negotiation, is the best way to collect secondary data. But, business negotiators in the company usually work within the same industry and are expected to be familiar with it and, therefore, do not need to make any specific preparations in that respect. Supporting this theory, regarding our research, there are only five respondents whose mentioned *annual reports* and *trade publications* in the entire study.

A deeper look into the comments confirms that, with few exceptions, the negotiators of the small companies negotiate in their own country of citizenship or in a country in which they have a deep understanding. On the other hand, the buyers are becoming more globalized and the use of globally diverse negotiation teams is becoming more common. These may justify extra attention to other party issues by the seller. Similarly, the complex business negotiations which are conducted by smaller companies, which may not have negotiators with large experience, would do better to dedicate some extra time to this part of preparation.



Graph 1: Information gathering activities

III.2. Formulation activities.

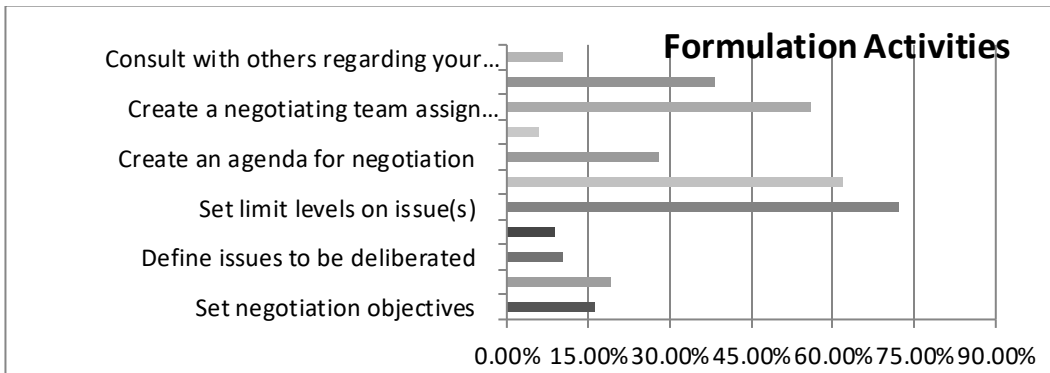
Under this category, we find that more respondents consider the customer's position rather than their own position. While the interest in understanding the other side is understandable, it may still be confounding that fewer people report on their own positions. A plausible reason,

behind the high number of concerns for the other party's positions compared to their own, may simply be that these negotiators are deal makers who are constantly engaged in making similar deals and their own priorities have become implicit to them.

Regarding the *goal setting* category, none of the respondents referred to how the setting or development of the goal should take place. This omission may be an indication that in several cases the negotiators do not set goals as a team. One explanation for the absence of *goal setting* may be that negotiators consider the goal to be a given one by confusing it with the mandate given by management which may induce a lower outcome for the seller. A second explanation might be that negotiators see little reason to engage in this type of planning, as they often overestimate their ability to achieve their goals.

Within the category of *goal setting*, once again we find that respondents are mainly self-concerned. The low number of responses to priorities in general, and to the priorities of the other side specifically suggest that negotiators are not adequately prepared to take advantage upon the differences and are, thereby, possibly entering into suboptimal agreements. This finding confirms the claims made by various scholars that negotiators consistently leave money at the table.

Contrive *BATNA* were found to be the second largest category in this theme and in the whole data-set with 42 (67%) respondents. The high number is not surprising considering the importance of understanding the point where negotiators agree not to do business.



Graph 2: Formulation activities

Within this category, one more time, we observed not so much attention to the other part and to their plans.

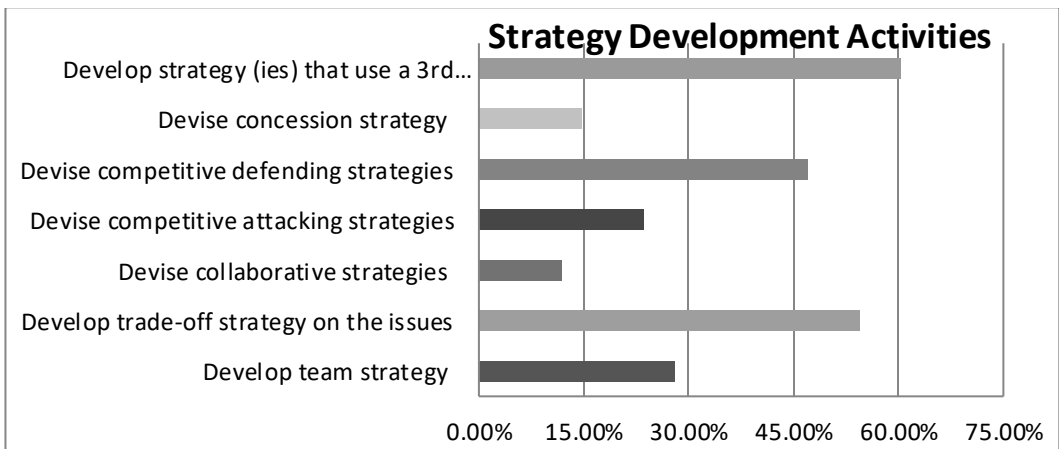
III.3. Strategy Development Activities.

As we can notice in the table below, a large number of responders underlined the importance of the strategy to use a third part to influence client actions (41 from 68). The results show also that collaborative strategies were mentioned only by eight respondents out of 68 respondents. This strategy is known as “constructive”, “ethical” or “interest-based” strategy and is treated as an important and valuable element, while seeking an equitable and fair

agreement. One goal of collaborative negotiation is keeping the relationship intact because the parties may want to continue to do business together.

Understanding the other side interests, motivation, and value is the key of reaching a *win-win* solution and if negotiators tend not to be focused on the other part side, during the preparation and planning activities, than they do not pay the right attention to the collaborative strategies. The reason for this low number of respondents may be attributed to procedural precedent in which negotiators simply follow the normal process, used when they negotiate similar deals, or it is because of their low experience in the negotiation field.

We observed also not much attention to the *concessions*. The reason for the apparent lack of attention to developing a concession plan, prior to the customer meeting, may simply be that the negotiators do not get this far into the preparation with their busy schedules. Another reason may be that the time required to conduct this complex activity is not considered valuable, compared to other more pressing possible activities. Overconfidence may again partly explain why negotiators do not engage in this activity.



Graph 3: Strategy development activities

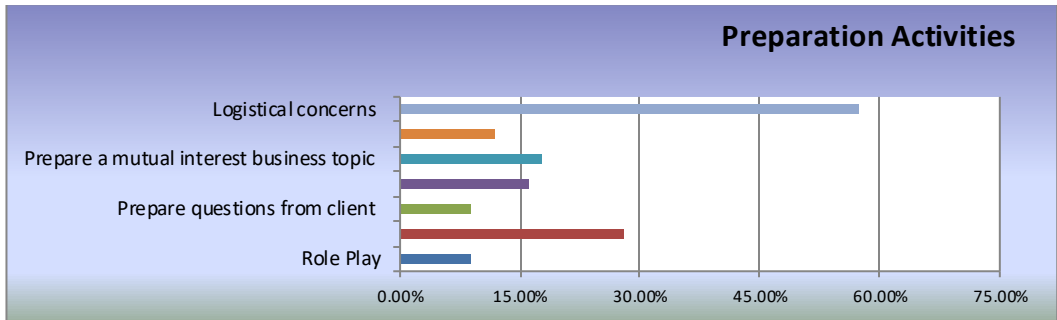
III.4. Preparation Activities.

Although *how to negotiate* and *what to negotiate* enjoys full support from the authors selected from the literature review, other researchers such as Kolb and Williams (2001) have found evidence to suggest that executives ignore aspects concerning *how* and *what* to negotiate as a way to achieve the goals of the negotiation. As we can notice in the table 4, the *preparation of the visual and other aids* and *role plays* are activities not used in the preparation phase of a negotiation. The reason for this low number of respondents may be attributed to procedural precedent in which negotiators simply follow the normal process, used when they negotiate similar deals and maybe even with the same customers.

Research has found that testing the assumptions made about the other party's interests, priorities and other issues will facilitate the discovery of integrative agreements. *Testing* is typically achieved through the use of questions (one should expect negotiators to prepare which questions to ask when entering into the negotiation with the customer). Still, only six survey participants planned to ask questions. One explanation may be that negotiators

consider their assumptions, made earlier in the preparation as being valid and complete, possibly as a result of the overconfidence, and see no need to prepare questions in order to test these. Another related explanation may be that negotiators simply do not consider this part of preparation, even though they ask questions during the customer negotiation. Whatever the reasons, we suggest that negotiators should consider preparing questions.

The *logistical* and *openings ceremonies* are the most mention activities in this theme.



Graph 4: Preparation activities

Conclusions and recommendation

Negotiation preparation and planning has always been regarded as important and the advice concerning how to prepare is extensive. The comparison between advice and practice has revealed that, although the principles which have been recommended are usually followed, some apparently important aspects are not. This study is drawn on practitioner data to examine how negotiators prepare and plan for business negotiations and, in particular, has examined the extent to which they follow the prescriptions given in academic literature. The findings have practical implications not only for the company from which the data were collected but, more importantly, for other companies and negotiators involved in negotiating business deals.

Summarizing the findings, 23 of the 34 recommended planning and preparation activities were found to be conducted. Negotiators often conduct formulation activities from their own perspective, rather than from the other side's perspective, and more negotiators collect primary data rather than secondary data. Now days the buyers are becoming more globalized and the use of globally diverse negotiation teams is becoming more common, which may justify extra attention to other part issues by the seller. Similarly, other complex business negotiations which are conducted by smaller companies, but which may not have negotiators who are well versed in the annual reports contexts, would do well to dedicate some extra time to this part of planning and preparation.

Regarding the formulation activities we can say that 7 of 11 activities are conducted. In this way, the negotiators are paying more attention to the setting limits levels on different issues. Due to the relationship between setting goals and outcomes in negotiations, the *goal setting* category was expected not only to support the proposition but also to yield many respondents, which were not the case compared to the larger categories in this theme and in the dataset as a whole. Moreover, none of the respondents referred to how the setting or development of the

goal should take place. This omission may be an indication that in several cases the negotiators do not set goals as a team.

We also observed not much attention to the concessions. The reason for the apparent lack of attention in developing a concession plan, prior to the customer meeting, may simply be that the negotiators do not get this far into the preparation with their busy schedules.

Although one of the most important activities, part of the preparation activities, are the *questions*, we noticed that only six survey participants planned to ask questions. Recent researches suggest that testing the assumptions, made about the other party's interests, will facilitate the discovery of integrative agreements, which is typically achieved through the use of questions. Whatever the reason of the low number of participants planning to ask questions, in our survey, we strongly recommend to prepare questions before going to the negotiation table.

By developing a comprehensive and clearly structured checklist of preparation activities, this study has provided a framework for further research into the practices of negotiators. The checklist provides structure for the analysis of the broad aspects of preparation activities in negotiation. Moreover, the checklist helps on detailed investigation of particular preparation tasks, such as the way in which negotiators develop their interest and goals.

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Appendix a

The Bolter Scenario

You are the lead sales representative in a contract negotiation between two firms over the sale of a complex compressor system used in the offshore production of natural gas. Stated simply, the compressor forces the natural gas from the seabed into a system that allows for its capture. The two involved firms are: 1) Bolter Turbines Inc.—a manufacturer of natural gas production equipment (with whom you are a salesperson), and 2) Maverick Natural Gas Inc.—a producer of natural gas with production operations concentrated in the Gulf of Mexico. This contract negotiation is based on the potential purchase by Maverick of one compressor system, but there is always a desire of selling additional units. Maverick has been a customer for several years and knows you and your company through previous work you have performed for them. This compressor system would represent a lucrative increase in business from your client, and would be one of the first sales for a new and improved compressor system. The sales process has proceeded relatively smoothly, a few bumps here and there, but now the big decisions must be made during the negotiation. Over the past few months, you (the Bolter sales representative) have been actively involved in preliminary sales negotiations with the Maverick purchasing agent and other Maverick staff members over the purchase of the system. This product is a specialized compressor system recently developed by your firm, and is rated as the best in the market at extracting natural gas. You have offered Maverick a general price range for the system (\$2-3 million), but have not talked any specifics yet. Your role in the negotiation will be to negotiate with the other party to reach a decision on a contract for the system, including finalizing the price on the compressor, the price of the service contract, and the delivery date. Again, your task is to complete the negotiations and get a signed agreement for the 1) compressor system, 2) service contract, and 3) delivery date of the equipment.

Decision Support Opportunities in the Green Supply Chain Coordination

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Abstract

In the 21st century, major changes have taken place in supply chain management. First of all, some new type of supply chains has appeared beside the traditional supply chains. The growing level of pollution, the decreasing level of non-renewable sources indicate changes in the business life. Companies find some alternate solutions to protect the environment – use renewable sources, integrate recycling processes, use the inverse logistics etc. So companies are getting to be eco-conscious, we are called them as ‘green companies’. If these green companies are in one supply chain, we are called as ‘green supply chain’. The coordination of supply chains – whether if traditional or green– is one of the most important research topics in this century. The number of chain members is growing; the cooperation is getting to be more difficult. That is why contracts could be a good solution for this problem, because they define a framework for the parties to manage their relationships. Contracts work well, if the right type is chosen according to the nature of the relationship. But in the case of a green supply chain, there are other influencing factors. Green companies are able to accept higher prices to get higher quality products. In the paper, we analyse how these factors influence the decision-makers to choose between the contracts; we use the AHP decision-making method.

Keywords: Green Supply Chain, Supply Chain Coordination, Decision-making, AHP

JEL classification: D21, D81, L11, L14

Introduction

These times, when the pollution of Earth is increasing constantly and the non-renewable sources are on the decrease at the same time, companies face the need of change to be sustainable and competitive. This process starts the change in business life – new manufacturing processes and techniques, new attitudes, new competencies are appeared. Companies discover the renewable sources and they have to learn how to use and handle these new things. Thus it is necessary to implement new processes into the corporate operation. One of the most popular things is the CSR – Corporate Social Responsibility. It includes every movement for the economical, ecological, and social responsibility of the sustainable operation.

Due to the technical development and also the changing attitudes some companies are getting to be eco-consciousness. It means they prefer and use processes which take into consideration

to decrease the environmental impact. In the 21st century companies like these are called green companies.

About green supply chains

Green companies strive to decrease the environmental impact to use eco-conscious processes within their corporate operation. This concept can extend to the whole supply chain as well. By this time the supply chain is green, so we are called green supply chain.

The concept of green supply chain is not completed, if there is a one-way chain. First, all of the chain members have to implement the eco-consciousness – integrate the environmental management to define the most important environmental factors (Beamon 1999). This helps the whole chain to be green.

As it is mentioned green supply chain is not a one-way chain, but two-way chain. It means not only the material flow is in the chain. Green companies, so green supply chain has to deal with the wastes arisen by the different processes of the chain members. Green supply chains need the inverse logistics, when the wastes are collected and, or recycled, maybe delivered to waste yard. With the help of this process wastes can be eliminated from the chain. In this case the supply chain is a closed-loop chain (Figure 1).

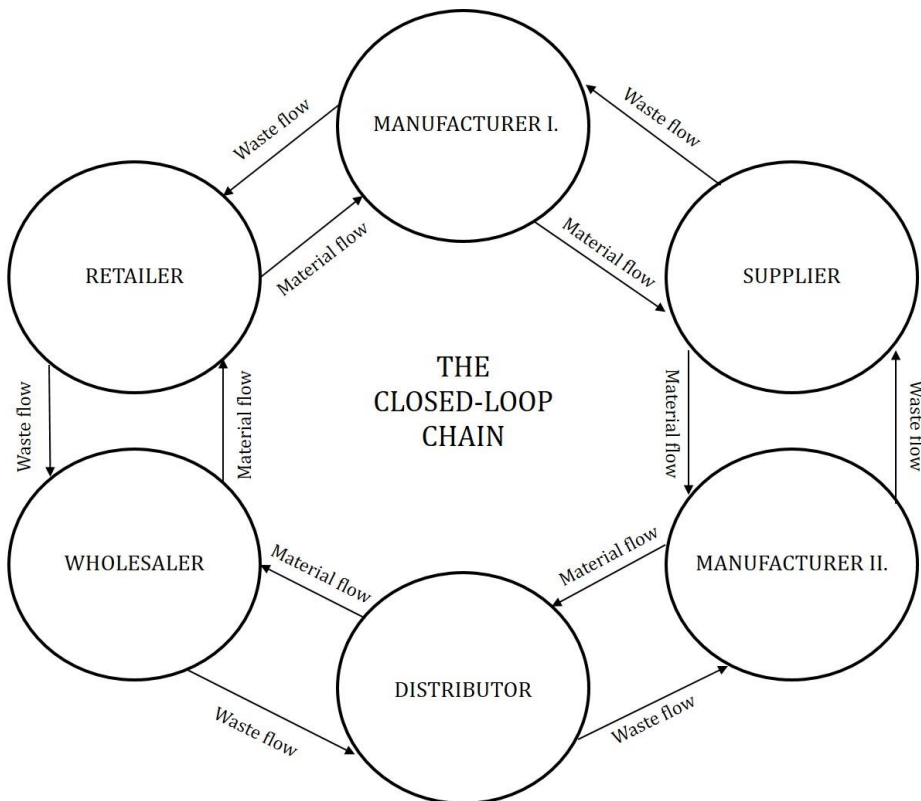


Figure 1. Example for the closed-loop supply chain (source: own construction)

In the case of closed-loop supply chain, the recycling processes are integrated in the chain. To be more clearly, Figure 1 shows two ways of flow; first is the material flow, second is the waste flow which represents the inverse logistics or the recycling process. Here, the wastes stay inside the chain; they do not burden the environment. Chain members can earn extra profit, if the wastes can be recycled.

Nowadays, the number of the green companies and the green supply chains show an increasing tendency. More and more company take-on responsibility for the environment and implement the green concept to their corporate operation and integrate some recycling process or eco-conscious procedure into manufacturing, transporting, packaging, etc.

Coordination of the chain – Contracts

The most popular topic in the supply chain management is the coordination. There are suppliers, or manufacturers, who is the part of not just one but more supply chains. Due to the globalisation trading companies have stores or warehouses around the world. Manufacturers can choose a cheaper country to establish another factory or premises – sometimes it can be on another continent. In this case company needs to find local suppliers – and this is just one relation. Many companies can be able to have subsidiaries, other factories, and warehouses worldwide. This big network is hard to be well-coordinated. The number of the chain members is increased; the cooperation between them can be problematic. This is the reason why the supply chain coordination is an important topic.

Both of traditional and green supply chains, the efficient and profitable cooperation need a satisfactory level of coordination. If the market demand is unknown, the needs of the chain members will be unclear and this will create many problems – increasing costs, accumulated stocks will lead the company into inefficient corporate operations (Arshinder & Deshmukh 2008). On the other hand, supply chains' biggest problem can be also appeared in this case – because of the bullwhip-effect the ordered quantity is not equal with the needs, usually it is higher, therefore the stock is accumulating and it causes the increasing costs (Wang & Disney 2016).

Thus, the information-flow is necessary to be satisfactory; the information need to be exact and precise, include every important data to the chain member. But firstly members must be willing to share the required information. In fact this is the base of a high-level cooperation. Beside that the cooperation depends on the costs and the willingness of risk-sharing.

The cooperation influenced by the members' dominance (Gelei 2003). In a supply chain members are not equal, there are bigger and stronger ones, and there are smaller and weaker ones. Usually, the stronger company is dominances the chain and the other members as well. This inequality can spoil the efficiency of the whole chain. To solve these problems supply chain management recommends to use the contracts. Contracts can decrease the level of inequality, and help to establish the higher level of cooperation. According to Coltman et al. (2009) contracts help to determine the level of risk- and benefits sharing.

There are many types of contracts; traditional ones, or some kind of newer hybrid forms. Our analysed contracts are introduced in the next chapter.

Analysed contracts

Three types of contracts are used by the paper.

First type is the wholesale pricing. It is a traditional contract which is used frequently. Wholesaler determines the fix unit prices and there is no chance to negotiation about that. Customer pays the price and get the ordered quantity (Chakraborty et al. 2015).

Second one is the revenue-sharing contract. This type has been analysed widely by the researchers in the years of 2010 (Chakraborty et al. 2015, Krishnan et al. 2011). Its speciality is the divided retailer's profit among the chain members. This is an increasing factor of the profit of chain members.

Third is the buy-back contract. The supplier determines the buy-back price; if its partner will not able to sell all of its product, supplier will buy back the remaining products at the predetermined price (Wu 2013).

According to the literature the contracts can be potentially good solution to improve the efficiency of the coordination in the case of the supply chains.

Decision specialities in case of green supply chain

We suggest to use one of the three contracts to reach the right level of coordination which results the satisfactory cooperation. The question is which contract is the best choice?

By the green supply chain cooperation it can be more important. Produce of green products needs special proceedings, specific tools. The manufacturing or distributing process can be easily in deficit, if the appropriate information from the partner is not available – for example the market demand –, so the level of cooperation is unsatisfactory. This also leads to the deterioration of the green product's quality. However the goal of the green companies and so the green supply chain is the high quality green production. This is the only way to reduce the burden on the environment (Sarkins 2003, Gautam et al. 2019). So it is important in case of a green supply chain that the quality of the green product should be high, the cooperation between the members has a high level – maybe members can reach the full vertical integration of the chain – at the same time.

Prices of the green products are not major question. Because if a company becomes 'green' it is assumed that company is able to carry higher costs than a standard, non-green company. But the contracts include different prices as well, so this is relevant influencing factor by the choice.

With this information a complex decision situation is realised. In order to choose the right type of contract, multicriteria decision-making tool will be used.

Decision method for evaluating contract types

Choosing the appropriate type of contract is essential for the adequate cooperation. This situation contains decision points what require the application of different decision support techniques. Due to the diversity of the problem and the range of available data, it is not practical to rely on a unique best practice in different coordination decisions.

Applying multi-criteria decision-making methods is significant in every aspect of life. However, complicated procedures are less well known. Making a decision is made more difficult by the number of variants, the existence of objective and subjective criteria, inconsistencies, etc. For this reason, several decision supports methods have been developed, but one single adequate method cannot be applied in all cases; choosing the possible right

method is influenced by many criteria, situation and the individual decision maker. Multi-Attribute Utility Theory and Outranking relations are the two main lines of multi-criteria decision techniques. Applying Multi-Attribute Utility Theory means the aggregation of criteria into a function, and the examination of mathematical conditions of aggregation by maximization of the function. The compensation between criteria is allowed by the theory of method, consequently the profit of one criterion compensates for the loss of another (Pratt et al. 1976). In Outranking relation an alternative comes forward in preference order if it is at least as good as the follower while there is no essential reason to disconfirm the statement (Bouyssou, 1996). Based on the preference of the decision maker, multi-criteria decision-making method can be selected to determine the adequate contract type.

The process of coordination can be supported and its impact can be measured with a properly chosen method. Both qualitative and quantitative information are required for related decisions, though making a constant priority order among contract types is impossible, and for this reason a procedure is needed to manage priorities involving non-numerical correlation in the evaluation.

In this paper an Analytic Hierarchy Process (AHP) is used to analyse the contract types. The goal is to determine the importance of contract types from the perspective of decision-makers by means of hierarchization. The clarity is provided by representing the influencing factors in a hierarchical structure. The methodology and framework of AHP are described by Saaty (1987). Choosing the method is explained by the fact that it can be applied in case of both well- and ill-structured problems (Forman, 1993). Reach the effective coordination level is at the top of the hierarchy, criteria (C_1-C_3) which exert influence on the objective comes from literature as well as sub-criteria $(C_{11}-C_{32})$. The structure of the decision tree is shown in Figure 2.

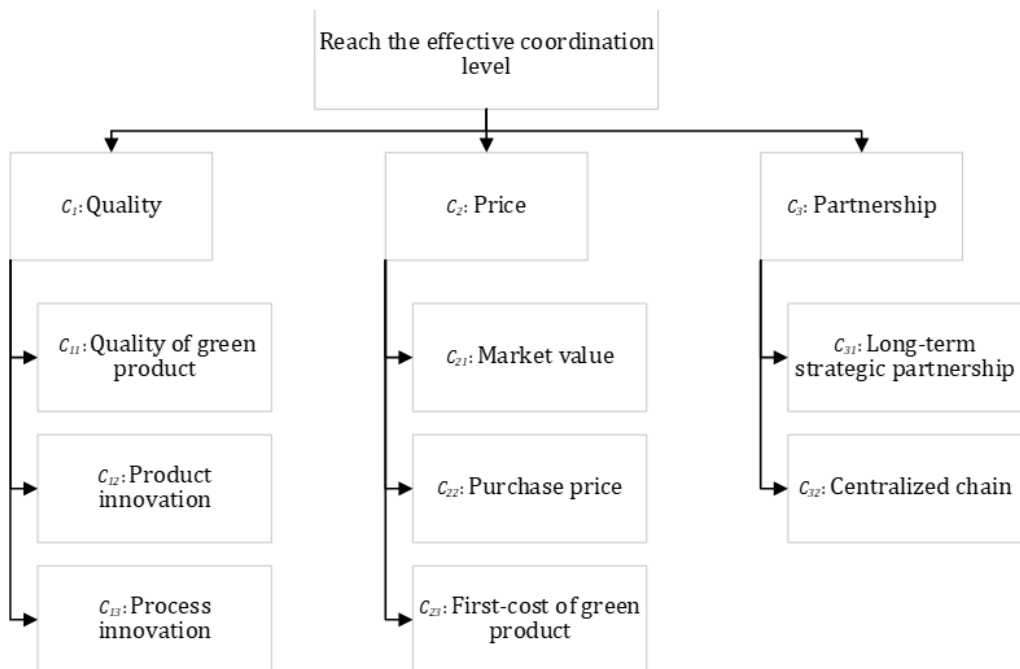




Figure 2. Decision Hierarchy (source: own construction)

Doing pairwise comparisons and calculating criteria weights are the next steps. This phase consists of three steps: determining the relative importance of the criteria by pairwise comparisons, determining weight vectors, and determining the consistency. The scale developed by Saaty (1977) provided the values 1-9 for the comparison.

The result matrix shows the relative preference of each criterion based on Formula 1.

$$a_{ij} = \frac{w_i}{w_j}, \quad (1)$$

where a_{ij} is the j . element of matrix in line i . The expression is equal to the quotient of two values from a pairwise comparison, consequently it shows that criterion importance i against factor j . The matrix is come directly from the pairwise comparisons as in Formula 2.

$$A = \begin{bmatrix} 1 & \dots & a_{ij} \\ \vdots & 1 & \vdots \\ \frac{1}{a_{ij}} & \dots & 1 \end{bmatrix} \quad (2)$$

The relative importance of criteria is represented by the elements of the matrix.

Determining the consistency ratio (CR) is required to measure consistency. If the value of CR converges to zero, the consistency is presumable.

$$CR = \frac{CI}{RI}, \quad (3)$$

where the consistency ratio is equal to the quotient of the consistency index (CI) and the empirical average of consistency index (RI). Its value is considered satisfactory if it is not greater than 0.1. Eliminating inconsistency does not have to be the goal of decisions as it is not a sufficient condition for making good decisions. Furthermore, the value 0.1 is an empirical limit and it can be varied depending on the decision situation.

Results

The pairwise comparison have to be done by the decision maker, where the criteria are compared with the scale defined by Saaty. The matrices are constructed by the right of pairwise comparison, and the weight vectors (\mathbf{w}) of the alternatives (A_1 - A_3) are calculated from them.

Based on the result of pairwise comparisons, the values of normalized matrices can be determined and their weight vectors can be calculated. The elements of weight vectors can be calculated with Formula 4.

$$w = \frac{\sum_{i=1}^n a_{ni}}{\sum_{i,j=1}^n a_{nij}}, \tag{4}$$

where the elements of weight vector w are defined as the quotient of aggregated sum of rows of the 7 normalized matrix and sum of the elements in the whole matrix. The weight vectors for the criteria and sub-criteria are shown in Formula 5.

$$w_c = \begin{bmatrix} 0.5 \\ 0.1 \\ 0.4 \end{bmatrix} \quad w_{sc_1} = \begin{bmatrix} 0.6 \\ 0.2 \\ 0.2 \end{bmatrix} \quad w_{sc_2} = \begin{bmatrix} 0.35 \\ 0.25 \\ 0.4 \end{bmatrix} \quad w_{sc_3} = \begin{bmatrix} 0.5 \\ 0.5 \end{bmatrix} \tag{5}$$

Based on the weight vectors and the aggregated values of bottom criteria (endpoints of breakdown structure), the aggregated sums of weights ($S(A_i)$) can be calculated. The calculated results are shown in Table 1.

Table 2. Assessment of the alternatives (source: own calculation)

A_i	C_{11}	C_{12}	C_{13}	C_{21}	C_{22}	C_{23}	C_{31}	C_{32}	$S(A_i)$
	0.3	0.1	0.1	0.035	0.025	0.04	0.2	0.2	
A_1	0.150	0.400	0.275	0.550	0.630	0.730	0.310	0.850	0,40860
A_2	0.300	0.300	0.200	0.350	0.280	0.160	0.080	0.050	0,19175
A_3	0.550	0.300	0.525	0,100	0.090	0.110	0.610	0.100	0,39965

Based on the calculation of AHP method, the preference order of the alternatives as: $A_1 > A_3 > A_2$. The first alternative – wholesale pricing – can be considered the most useful in the described case.

Conclusion

Using different tools and decision support techniques is needed to explore possibilities and choose the right option. Exploring available resources and future opportunities is essential for proper evaluation. A flexibly developed decision support system is needed to support each step of the process.

Prioritizing the contract types was adequately assisted by using a ranking method based on pairwise comparisons. However, there are limitations and the preconditions should be known for proper use of these results:

The sample is not representative.

Lack of information can affect the final rank.

The absence of mind or lack of experience of participants can provide misleading results.

The real world is often inconsistent.

Potential reluctance to use the method because of the time it takes and its heavily mathematical background.

Final discussion

Contracts can coordinate the chain, if the situation-specific one is chosen. In the case of green supply chain an important thing is the high quality green products. For this green companies are able to invest eco-conscious processes and integrate them into their corporate operation. At the same time it is a risky thing because costs are increasing but the products have not got the adequate quality. On the other hand the market demand is also needed to know because higher stock of these green products increase the inventory cost. To avoid this problem the analysed three contracts could be the solution.

If the wholesale pricing contract is used by the chain member and the cooperation level is above the average level – it means the members have the willingness to share most or all of the information and to cooperate with each other – the prices can be determined to be appropriate for both parties.

The revenue-sharing contract also helps the cooperation and also the coordination the partners and the chain. The contract has sale-incentive effect; if retailer sales more products, every chain member can realize higher profit. It assumes the information-sharing, because without it if the market demand would be unknown, sales would be decreased, stocks and the inventory costs would increase.

Buy-back contract would be motivating for retailers, customers, distributors to integrate green processes. Because according to this contract sellers, suppliers are supposed to buy the unsold products back on the predetermined buy-back price. So this is a guarantee that there will be no stocks left at the retailers or customers. And this is a motivating factor to be green company.

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The Moderating Effect of Organisational Culture on the Relationship Between Workplace Learning and Employees' Performances in the United Arab Emirates

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Siti Asma' binti Mohd Rosdi

Abstract

The purpose of the current study was to elaborate the moderating effect of culture on workplace learning and employees' performances in the United Arab Emirates. The study had a purpose to contribute new knowledge to the existing literature available on the workplace learning and job performances. It also highlighted the contemporary literature on the topic specifically formal and information learning, as well as, performance related to tasks and contextual. The research explained and highlighted the role of training and development on employees' performances to improve the quality of task process. An empirical study was conducted and data was collected through questionnaire to obtain the results. The present study aimed to contribute to new knowledge to the existing literature on workplace learning and job performance. Particularly, the study analysed contemporary literature on workplace learning and job performances, specifically formal and informal learning as well as employee task performance and contextual performance. The study hypothesized that informal, incidental and formal workplace learning had direct positive significant relationships with employee task and contextual performance. Findings of the study developed that adopting effective techniques of workplace learning, and techniques can improve employees' performances. The study, further, showed that the Informal, formal and incidental workplace learning had direct and positive impact on employee task and contextual performance. The study showed that there is a significant positive relationship between workplace learning including formal, informal and incidental learning, and job performance including task performance, contextual performance and counterproductive work behaviour. It was also found that there was a positive relationship between result-oriented cultures with two types of job performance but there was a significant relationship between team orient culture and task performance. Furthermore, the moderating effect of innovation, communication and people-oriented culture on the relationship between incidental workplace learning and contextual performance was significant.

Keywords: Workplace learning, informal workplace learning, incidental workplace learning, task performance, contextual performance, counterproductive work behaviour, organisational culture

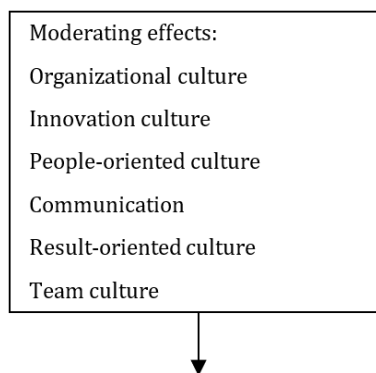
Introduction

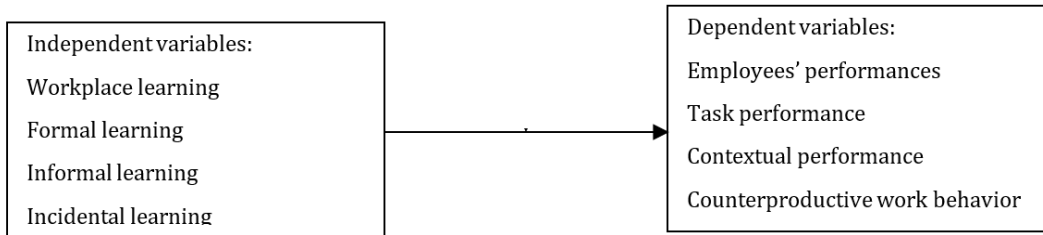
The employees are considered as the backbone of any profitable business organisations. How an organisation successfully achieves its goals depends on the performance of employees. Organisations have accepted the fact that in order to achieve sustainable development, human resource can be considered as a major source (Aragon-Sanchez et al., 2003; Park, 2009). Employees are the most important and valuable assets in organisations. They are not only responsible for making organisations reputable in the competitive market, but also have greater impact on profitability. On the other hand, if employees are not properly trained, they will be unable to understand and develop skill set that is important for the accomplishment of tasks. Employees who obtain proper learning opportunities perform the best on their jobs. They are highly motivated and likely to keep their job for longer time period than those employees who do not have opportunities to get learning (Jiménez-Jiménez & Sanz-Valle, 2011). Learning in terms of human resource development shows that the learning is the only effective way to develop human resources within the organisation. The competitive business environment in the 21st century requires the companies to gain competitive advantages and achieve success with that advantages. Workplace learning can be used as an effective tool by managers to gain competitive advantages in the current highly competitive business environment (Cromwell & Kolb, 2004; Heilmann, 2007; Rothwell, 2002).

Workplace learning has three main elements including; formal learning, Informal learning and incidental teaching (Park, 2009). Workplace learning is considered as the process of providing opportunities to learn effective skills, information and communication methods, and workplace education that is significantly important to accomplish the work related tasks and also provide workplace and professional development opportunities to employees (Shuck, Ghosh, Zigarmi, & Nimon, 2013). In the current business environment, it is important to gain competitive advantages for sustainable market development and the capabilities, competencies, and skills of the employees have been considered as major method of gaining competitive advantages (Meyer & Allen, 1991). In order to develop the required knowledge, abilities and skills of workforce to perform well on the job requires efficient and effective learning opportunities. These opportunities also enhance employees' motivation and commitment to the work. The training and workplace learning depend on the actual nature of work to be performed by employees; organisations plan proper trainings in order to optimize growth and development of employees. Many organisations implement by putting resources in developing the skills for employees and empower employees to accept uncertain conditions (Bednall, Sanders & Runhaar, 2014). On the other hand, employees put their efforts and loyalty by fully participating in activities of organisations in such learning programs. The employees fully apply best knowledge and skills to achieve organisational strategic goals (Pajo, Coetzer, & Guenole, 2010). Learning is not only important from organisational point of view, but also from individual point of view that are deciding up organisation (Colarelli & Montei, 1996; Becker, 1993). It means that the workplace learning not only increase employees' job-related knowledge and providing knowledge about the market trends, but also give employees to clarify the organisational objectives and strategic goals. Nowadays, organisations have changed with advanced technology and flexible working environment with knowledge people may embrace. According to Lin (2008), it is necessary for employees to continuously update skills, expertise and knowledge on regular and continuous basis.

Performance of the employees at workplace is referred as successful completion of tasks with efficiency and effectiveness. In any firm, trainings, workshops and learning opportunities are

provided at different levels of management to increase the performance of the organisational processes and individual performances. The level of coordination with the above mentioned process can provide strategic and competitive advantage to the organisation. In fact, the organisation looking to enhance competitive advantage actually understands the importance of workplace learning and its link for improving the job performance of the employees (Cromwell & Kolb, 2004). Research done in this area gives evidence that organisations that provide workplace learning options have positive impact on the performance of both employees and the organisation (Rothwell, 2002; Cromwell and Kolb, 2004; Heilmann, 2007). Organisations are rapidly facing new challenges and tough competitions at global level. In order to cope with these challenges, organisations need to design proper programs of learning skills from time to time (Tai, 2006). Learning programs will help organisations to provide improved learning atmosphere among employees and to give them skills to successfully cope with challenging situations (Jones, Woods & Guillaume, 2016). Organisational cultures can also have different dimensions in terms of power culture, role culture and hierarchy culture. Power, information system within organisation and flow can have an impact on the organisational hierarchy and systems. These are the aspects of power culture, hierarchy culture and role culture. In a power culture, leaders can make rapid decision and they control the strategy of decision making. But the power culture requires a strong deference to leaders who are in charge of organisations. The role culture can be seen when the functional culture is created, where employees within an organisation know their jobs, reports to their superiors and value accuracy and efficiency above all. The hierarchy culture is considered same as the role culture, in which the system is highly structured. The focus is on doing things right, with efficiency and being stable. Employees working within the organisation need to be committed towards the collective objectives as part of the task cultures and clan cultures. In case of task cultures, the team members need to be expert in order to solve organisational problems. A matrix is developed in case of these type of cultures. It is due to the fact that task is important and the number of small teams are in play. In clan culture, employees work like a family with focus on mentoring doing things together and nurturing. The organisational culture has links with employees' performances and productivity. A right culture can be developed with proper managerial intention and leadership role.





Theoretical framework of research

Literature Review

Workplace learning:

The concept of workplace learning has been defined in many studies according to different perspectives. Generally, it is considered in perspectives of workforce capability enhancement. Nadler (1970) defined that the workplace learning is considered as an important element of human resource development model (HRDM). They also concluded that human resource development is a system which comprised of all those activities that help to add worth of workforce in an organization. It also helps in bringing the behavioral reforms with the help of learning programs. In this regard, trainings are considered as an important element for workplace learning. Jacobs and Park's (2009) defined workplace learning as a process of different educational and learning programs that are related with work accomplishment. According to Cairns and Malloch (2011), workplace learning is a different concept in organizations from classroom-based learning. Workplace learning is a collaborative process which occurs in the social context (Brown & Duguid, 1991). Workplace learning is a process through which individuals, organizations and teams are provided opportunities to learn skills, acquire knowledge and adopt attitudes with the help of continuous interaction within an organization and within teams to solve business problems and to improve performances (Moon & Na, 2009). Many studies have taken workplace learning as a formal learning process during job by an employee (Farouk, Abu Elanain, Obeidat & Al-Nahyan, 2016; Wilkins, 2001) but other aspects of the workplace learning are still to be explored within the context of employees' performances. Other dimensions of the workplace learning are formal learning, incidental learning and informal learning (Daryoush, Silong, Omar & Othman, 2013; Marsick & Watkins, 2015). Formal learning, as the name depicts, is a type of learning process which is supported and provided by the management of organizations (it is pre-planned). Management of organizations is responsible to determine learning process in case of formal learning. In contrary to that, unstructured and non-institutional types of workplace learning are known as informal learning and it normally occurs through daily routines of employees. In case of informal learning, employees have options to make choices in the learning processes as per their personal interests, preferences and personal characteristics (Marsick & Volpe, 1999).

Employees' performances

The ultimate goal of a business is to improve performances which helps in achievement of retaining and acquiring of talented pool as well as to attain the market leadership. Job performances can be defined as activities and human behaviors which are directly or indirectly linked with organizational goals and aims (Motowildo, Borman, & Schmit, 1997). Employees' performances are not consequences or results of an action, rather it is described

as a direct action or behaviour (Campbell, McCloy, Oppler, & Sager, 1993). There are two main concepts involved in defining employees' performances given by Gilber (1978). According to him, the term performance means individual development of employee and effectiveness of the whole system. The second concept involved here is the behavioural concept. According to behavioural concept, the changing system focused on work of individual employees but little consideration should be paid to his attitude (Gilbert, 1978). Previous studies considered employee's performances as a result of human behaviour not an independent factor which contributes to organizational goals. Organizations can improve job performances of employees if they have control over their behaviours (Barrie and Pace, 1998). Considering these definitions, a more comprehensive definition is provided by Jones (2006) that while assessing the performance of an employee his/her attitude and behaviour both should be considered as both are important characteristics of employee's personality. There are different dimensions of employees' performances that have been discussed in the previous literature. For an example, Campbell et al. (1990), identified eight factors of a job performance model which are applicable in almost all types of jobs. Task performance is related to a technical side of a job which involves effort of employees to complete a task. The second broad category is the contextual performance which does not relate to the technical knowhow of any job. Borman and Motowidlo (1993) defined two broad categories of performance: task performance and contextual performance. The first category is related to providing products or services with expertise and later category is about activities which help to support the technical part of a job and are called contextual performance: coordination, planning, etc. The definition of task performance covers activities that are carried out to contribute to an organization's technical functions either directly or indirectly (Borman & Motowidlo, 1993). All other activities which are not covered under the definition of task performance are called contextual performance: facilitating peer and team performance (Campbell, et al., 1990; Van Dyne & LePine, 1998), defending, supporting, and endorsing organizations' objectives (Borman & Motowidlo, 1993) interpersonal communications (Murphy & Shiarella, 1997), courtesy and civic virtue defined by Dennis (1988), spreading goodwill by George and Brief (1992). In contrary to these two positive aspects of an employee's performance, there is one negative measure attached to the performance of the employees which is called counter productive work behaviour (CWB). Counterproductive work behaviour is negative trait which hampers the performances of employees.

Organizational culture

There are many dimensions of organizational culture which could affect the relationship between workplace learning and employees' performances. This is because of the variability of the dimensions of the culture in an organization. This variability could be considered into the research to find the real term effects of the actual and predicting variables. According to the findings of Watkins and Marsick (2003), culture of an organization can be considered as a foundational context in the process of transforming the workplace learning into employee's personal performance. A learning culture of an organization may affect different areas of job requirements which include behaviour of leaders and organizational performances. So, it is imperative to study the impact of organizational culture not only to judge the performance of the employees, but also in context achievement of organizational goals (Joo, 2012). Learning is an important element to improve employees' performances, but transferring of learning into the behavioural changes depends on many other factors. One of these factors is the cultural that influences the relationship between workplace learning and job performance of an

employee. Different dimensions of culture are discussed in literature: team oriented culture, stability culture, result oriented culture, innovation oriented culture, people oriented culture and communication oriented culture. Organizational culture is considered as a set of shared values and beliefs by employees of an organization which directly or indirectly influences the behaviours (Schein, 1990). The most common model of culture is suggested by O'Reilly III *et al.* (1991). There are different dimensions suggested by them. O'Reilly, Chatman & Caldwell (1991) have developed a model which is based on the point that an organization's culture can be easily distinguished from the values and beliefs which are reinforced in organizations. The name which is given to their model of cultural dimensions is known as organizational cultural profile (OCP). This is considered as a self-reporting mechanism which can easily distinguish among different categories of culture. Employees' values are also measured in terms of organizational values to make predictions regarding employees' behaviours and intentions. OCP is also used as a tool to measure employees' commitments with the job (O'Reilly III *et al.*, 1991). According to team oriented culture, it is better to make your teamwork as core competency of a company, emphasize on self-managing teams which are empowered enough to make their decisions by themselves (O'Reilly III *et al.*, 1991). The emphasis of result oriented culture is on setting targets and goals then find suitable people who could support the achievement of these goals and results (Denison, 1990). In the case of innovation culture, the focus point revolves around the leadership of an organization. Leadership plays an important role in encouraging and cultivating innovative environment in an organization. In case of stable culture, the culture is more predictable, bureaucratic and rules oriented. Quick actions cannot be taken in such kind of organizations which are following this culture type (O'Reilly III *et al.*, 1991). In people oriented culture, organizations mostly follow the following characteristics: good work is rewarded, employees are valuable partners, investment in employees results in success and growth, people are considered as people not just employees and service is the key to success (O'Reilly III *et al.*, 1991). Communication culture is a type of culture where organizations encourage open communication and employees' involvement in decision making of companies. It is defined as shared values, attitudes, customs, and beliefs, written or unwritten rules within organizations (Schein, 1990). So, organizational culture took too much time to develop and to be considered as valid.

Research Methodology

The current study was based on the concept of empirical research methods and developing quantitative measures to develop the effect of workplace learning on performance of employees. The current research dealt with the numerical figures as well as questionnaires to collect data to obtain detailed information about the problem under investigation.

The target population for the study was employees working in organisations formed and established in the United Arab Emirates. The target population referred to the number of people from which data was collected and studied. As the target population is usually high, in the current study, the population was very large, so the study was based on a selection of samples from the whole population. According to the Ministry of Economy, a total number of 6,330,540 employees work in all organisations of the United Arab Emirates. Furthermore, according to the statistics released by the Federal Competitiveness and Statistics Authority, 2.33% of the total workforce work in Federal Government entities, 8.28% of the total workforce is working in the local governments and 4.67% of the total workforce work in the shared government (government and corporations combination) entities. From the above analysis, it was discovered that 15.28% of the total workforce 6,330,540 was the target

population for the purpose of current study. A table was referred to determine a suitable sample size which was presented by the Krejcie and Morgan (1970). The population size was between 500,000 and 1,000,000. Based on the confidence level and margin of error, the sample size was 384 number of sample participants.

The instrument used for the current research comprised of questionnaire with structured items related to employees' performances, workplace learning and organisational culture. The questionnaire was developed to capture the data from employees according to their perceptions of workplaces as learning environments and the impact on the performances. Three different adapted questionnaires were used to draft a new questionnaire according to the conditions and valid dimensions of variables. Validity and reliability of these dimensions were confirmed to get relevant dimensions of the problem under investigation. The questionnaire used in the study was based on items from different questionnaires, for examples, questionnaires of organisational culture (OC) as used by O'Reilly et al. In their study (1991), Hofstede et al., (1990 and Verbeke, (2001), second questionnaire of employees' work performances (Individual work performance Questionnaire - IWPQ) developed by Koopmans (2013) which had seven items for task performance, twelve items for contextual performance, and eight items for counterproductive work behaviour (total of 27 items) and questionnaire of workplace learning consisting of 17 items, as identified by Rowden (2002), was used in combination to check the impacts of desired hypothesis.

Data Analysis and Results

In the bid to obtain an empirical information on whether the independent variables: formal learning, informal learning and incidental learning, significantly affected the dependent variables: task performance, contextual performance and counterproductive work behaviour, the t-test was used to test the relevance and significance of the parameters of the independent variables to dependent variables. The first analysis was based on the basic hypothesis to determine the relationship between dependent and independent variables. The proposed model and hypothesis were tested using Smart PLS (partial least square). The figure provided below tested the basic hypothesis to determine the initial relationship between dependent and independent variables. As per path analysis, formal learning had statistically significant relationship with task performance ($\beta = 0.429$, $\rho < 0.05$), and contextual performance ($\beta = 0.233$, $\rho < 0.05$) but insignificant relation with counterproductive work behaviour ($\beta = -0.033$, $\rho > 0.05$). This relationship was statistically significant at 5% level of significance. Basic analysis of relationship between variables revealed that Informal learning was statistically significantly related to task performance ($\beta = 0.247$, $\rho < 0.05$), contextual performance ($\beta = 0.247$, $\rho < 0.05$) and counterproductive work behaviour ($\beta = -0.240$, $\rho < 0.05$). This relationship was significant at 5% level of significance. Incidental learning was found to be insignificantly related to task performance ($\beta = -0.066$, $\rho > 0.05$), contextual performance ($\beta = 0.012$, $\rho > 0.05$) and counterproductive work behaviour ($\beta = -0.061$, $\rho > 0.05$).

Innovation and task performance

Statistical analysis of the model depicted that there was a significant relationship between formal learning and task performance ($\beta = 0.429$, $\rho < 0.05$). However, this relationship was not moderated by the innovation culture of organisations in the United Arab Emirates. It was the same case which was observed in informal learning and incidental learning. Informal learning was significantly and positively related to the task performance ($\beta = 0.246$, $\rho < 0.05$)

but this relationship was not signified (made strong or weak) by the interaction term of innovation and Informal learning. Incidental learning was already found to be insignificantly related to the task performance ($\beta = - 0.058, \rho > 0.05$). Furthermore, the moderation term of innovation and incidental learning had no impact on the relationship between task performance and incidental learning in organisations working in the United Arab Emirates.

Innovation and contextual performance

Statistical moderating analysis of the model depicts that there was a significant positive relationship between formal learning and contextual performance ($\beta = 0.249, \rho < 0.05$). This relationship was moderated by the innovation culture of the organisations in the United Arab Emirates but a weak effect was found with moderation ($\beta = 0.111, \rho < 0.10$). Therefore, the moderation effect was significant at 10% level of significance. Significant direct results were observed in case of informal learning and incidental learning with contextual performance. Informal learning was significantly and positively related to the contextual performance ($\beta = 0.221, \rho < 0.05$) but this relationship was not moderated by the interaction term of innovation and informal learning ($\beta = 0.117, \rho > 0.05$). Incidental learning was also found to be insignificantly and negatively related to the contextual performance ($\beta = - 0.004, \rho < 0.05$). This relationship was also not moderated by the interaction term of innovation and incidental learning.

Innovation and counterproductive behaviour

The resulting model showed that there was a insignificant relationship between formal learning and counterproductive work behaviour of employees in the United Arab Emirates organisations ($\beta = - 0.039, \rho > 0.05$) and the moderation of innovation culture was not proven to be significant in this relationship. Similar results were found in incidental learning and counterproductive behaviour. Although the relation between incidental learning and counterproductive work behaviour was negative but it was significant ($\beta = - 0.061, \rho > 0.05$) and no moderation effects were found in this relationship as well. In case of informal learning and contextual performance, the relationship was negative and significant ($\beta = - 0.232, \rho < 0.05$). This relationship was made weak by the interaction term of innovation and Informal learning at 10% level of significance as the value of $\beta = - 0.232$ had become $\beta = - 0.093, \rho < 0.10$.

People oriented culture and task performance

The relationship between task performance and formal learning was significant and positive ($\beta = 0.319, \rho < 0.05$) but this direct value of beta coefficient had reduced from 0.429 to 0.319 as compared to the previous model. People oriented culture was an interaction term between task performance and formal learning which made this relationship negative but significant. This meant that there was negative effect of moderation on task performance and formal learning ($\beta = - 0.135, \rho > 0.05$). Similar results were observed with informal learning and task performance the beta coefficients were reduced from 0.247 to 0.182 but having statistically positive and significant relation at 5% level of confidence. This relationship was also significant with the moderation effect of people oriented culture ($\beta = 0.131, \rho < 0.05$). Furthermore, it was observed that the relationship among the independent variable of incidental learning and dependent variable of task performance was neither directly significant nor in the presence of moderation effect of people oriented culture ($\beta = - 0.025, \rho > 0.05$).

People oriented culture and contextual performance

It was found that the relationship between the variable of formal learning and the variable of contextual performance was positive and statistically significant ($\beta = 0.116$, $\rho < 0.05$) and the relationship was moderated to $\beta - 0.128$, $\rho < 0.10$. It means that the moderation had a negative impact on the original relationship between the level of formal learning and the variable of contextual performance. Now the relationship was significant at 10% level of significance and beta coefficient had decreased to a negative value. Informal learning and contextual performance were also positively and significantly related to each other ($\beta = 0.180$, $\rho < 0.05$) but there was no moderation effect on this relationship as evident from $\beta = 0.080$, $\rho > 0.10$. Direct relation between incidental learning and contextual performance was insignificant and even moderation also did not have any effect on this relationship ($\beta = - 0.007$, $\rho > 0.05$)

People oriented culture and counterproductive work behaviour

The direct relationship between formal learning and incidental learning was found to be insignificant with counterproductive work behaviour which was evident from the coefficient values $\beta = 0.094$, $\beta = - 0.069$ and $\rho > 0.05$ respectively. The moderation also did not have any significant impact on the direct relationship between variables. However, informal learning had direct and significant relationship with the counterproductive work behaviour ($\beta = - 0.159$, $\rho < 0.05$). The moderation failed to provide any strong or weak impact on the relationship between these two variables and it was evident from the significance value of the relationship $\beta = - 0.040$, $\rho > 0.05$ and $\beta = - 0.032$, $\rho > 0.05$. Furthermore, the relationship between incidental learning was also insignificant and there was no moderation effect on this variable as evident from $\beta = 0.066$, $\rho > 0.05$

Communication oriented culture and task performance

The model in the study indicated that independent variables of formal learning and informal learning had positive and significant relationship with the task performance as evident from coefficient values $\beta = 0.399$, $\rho < 0.05$ and $\beta = 0.252$, $\rho < 0.05$. Conversely, there was no direct relationship between incidental learning and task performance as evident from $\beta = - 0.053$, $\rho > 0.05$. As far as moderation was concerned, there was no effect of interaction term of communication on formal, informal and incidental learning with task performance.

Communication oriented culture and contextual performance

Formal learning and Informal learning had direct positive and significant relation with contextual performance which was evident from beta coefficients; $\beta = 0.230$, $\rho < 0.05$ and $\beta = 0.230$, $\rho < 0.05$ respectively. Conversely, incidental learning had not significant relation with contextual performance in organisations in the United Arab Emirates. As far as moderation was concerned, formal learning and incidental learning had no moderation effects but in case of Informal learning, the value of beta coefficient was 0.140 and it was significant at 10% level of significance. The Informal learning and contextual performance was weak by the moderation effect of communication oriented culture of the organisations in the United Arab Emirates.

Communication oriented culture and counterproductive work behaviour

There was insignificant relationship between formal learning and counterproductive behaviour ($\beta = -0.02$, $\rho > 0.05$) and as far as moderation of communication culture was concerned, there was no moderation effect on this relationship as evident from ρ -values ($\rho > 0.05$). Formal learning was negatively and significantly related to counterproductive work behaviour ($\beta = -0.232$, $\rho < 0.05$) and communication culture also had strong moderating effect on this relationship as the value of beta coefficient had increased to -0.119 from -0.232 and $\rho < 0.05$. It shows that the communication culture is playing moderating variable role in the relationship between Informal learning and counterproductive work behaviour. Incidental learning was found to be insignificant even in the presence of moderating variable.

Result oriented culture and task performance

The model results showed that formal learning was positively and significantly related to the task performance of the organisations in the United Arab Emirates ($\beta = 0.401$, $\rho < 0.05$), Informal learning was positive and significant with $\beta = 0.198$, $\rho < 0.05$ and incidental learning was negative and significant with $\beta = -0.105$, $\rho < 0.10$. Formal and Informal learning both were significant at 5% level of significance whereas; the incidental learning was significant at 10% level of significance. As far as interaction term of result, formal learning result, informal learning and results and incidental learning are concerned, there was not even a single moderation found in this relationship.

Result oriented culture with contextual performance

As per results of the model, formal learning was positively related to contextual performance ($\beta = 0.162$, $\rho < 0.05$) but this relationship was not moderated by the interaction term of result and formal learning ($\beta = -0.009$, $\rho > 0.05$). Informal learning was also positively related to the contextual performance ($\beta = 0.151$, $\rho < 0.05$). Here, in this case the moderation had negative effects. It means that moderation had weakened the relationship which was evident from $\beta = 0.094$, $\rho < 0.10$. This relationship was significant at 10% level of significance. Alternatively, the relationship between incidental learning and contextual performance was insignificant and moderation did not affect this relationship ($\beta = -0.040$, $\rho > 0.05$). **Error! Reference source not found.** shows the moderating effect of result oriented culture on contextual performance.

Result oriented culture with counterproductive work behaviour

The model results showed that there was a insignificant relationship between formal learning and counterproductive work behaviour as well as incidental learning and counterproductive work behaviour. This was evident from the coefficient and ρ -values which were $\beta = 0.009$, $\rho > 0.05$ and $\beta = -0.052$, $\rho > 0.05$ respectively. As far as Informal learning was concerned, it was found to be a significant variable with relationship of counterproductive work behaviour ($\beta = -0.209$, $\rho > 0.05$). For moderation effects, there was not even a single relationship on which moderation had significant impact. Even the significant relationship between Informal learning and counterproductive work behaviour was made insignificant with interaction term of informal learning counterproductive work behaviour.

Team oriented culture with task performance

Formal learning was found to be statistically significant and positive relation with task performance in this model ($\beta = 0.464$, $\rho < 0.05$) but this relationship was weak even insignificant by the interaction term of team culture formal learning ($\beta = -0.123$, $\rho > 0.05$). Informal learning, on the other hand, having positive and significant direct relation with task

performance ($\beta = 0.225$, $\rho < 0.05$) faced the same problem that moderation had made this relationship weak and insignificant ($\beta = 0.060$, $\rho > 0.05$). In contrast to this, incidental learning was insignificant in the direct relation of task performance ($\beta = -0.050$, $\rho > 0.05$) but moderation effect of team culture had made it significant ($\beta = -0.143$, $\rho < 0.05$).

Team oriented culture with contextual performance

Formal and Informal learning were found to have significant and positive relationship with the contextual performance which was evident from the regression results ($\beta = 0.287$, $\rho < 0.05$) and ($\beta = 0.203$, $\rho < 0.05$). On the other hand, incidental learning was found to be insignificant with the direct relation with the contextual performance of employees in UAE organisations ($\beta = -0.061$, $\rho > 0.05$). As far as moderation effect of team oriented culture was concerned, opposite pattern was observed in the results of the model. On one hand, moderation made the formal and Informal learning insignificant ($\beta = -0.135$, $\rho > 0.05$ and $\beta = 0.003$, $\rho < 0.05$ respectively) and on the other hand it made the incidental learning significant but with a weak coefficient value ($\beta = -0.166$, $\rho < 0.05$).

Team oriented culture with counterproductive work behaviour

Formal learning was found to have insignificant relationship with counterproductive work behaviour ($\beta = -0.030$, $\rho > 0.05$). This relationship was made significant by the team oriented interaction term * formal learning ($\beta = 0.190$, $\rho < 0.05$). This relationship was made weak by the interaction term but still significant as compared to the direct relationship. Informal learning was found to have significant and negative direct relationship with the counterproductive work behaviour ($\beta = -0.191$, $\rho < 0.05$) but moderation term had made it insignificant ($\beta = -0.052$, $\rho > 0.05$). incidental learning on the other hand behaved differently as compared to formal and Informal learning with $\beta = -0.110$, $\rho < 0.05$ and having strong moderation effects $\beta = 0.167$, $\rho < 0.05$. **Error! Reference source not found.** shows the moderating effect team oriented culture on counterproductive work behaviour.

Conclusion

It can be concluded that if an organisation is willing to improve the task performance and contextual performance of the employees, it is necessary to improve the formal learning. But, at the same time, the task performance will negatively impact the counter productive work behaviour of employees. The current paper also reviewed the literature available on the topic of workplace learning and the job performance including three different types of workplace learning: formal learning, informal learning and incidental learning with an impact on job performances including task performance, contextual performance and counterproductive workplace behaviour. Based on the current research, it can be concluded that the positive and directly significant relationship existed between the workplace learning and task performance and also between the workplace learning and the contextual performance. There was a positive but insignificant relationship between the workplace learning and counterproductive work behaviour. It is highly encouraged to conduct an empirical study to check the relationship and impact of workplace learning and organisational performance because it is the organisation that will gain advantage of any improved job performances. The study will also contribute towards the existing studies and literature of the human resource management and development theoretically. Furthermore, the current study will practically provide an insight to the management and governmental officials to set strategies of workplace learning in order to improve the performance of the employees. Based on the

findings and results of the current research, appropriate policies and course of actions can be designed at appropriate level to improve performances of employees in the United Arab Emirates. The job designs can be enhanced and properly structured in order to provide opportunities of growth in the workplace through effective strategies of workplace place learning because it will improve the job performance of the employees.

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The Moderating Role of Leadership in the Talent Management and Employee Retention of Abu Dhabi Department of Education and Knowledge

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Abstract

The purpose of this study to examine the moderating role of Leadership on the relationship between Talent Management (TM) and Employee Retention (ER) in Department of Education and Knowledge in Abu Dhabi. This research is deductive approach and quantitative methods. This quantitative study used 57 items structured questionnaires which were distributed to 354 teachers in Abu Dhabi schools using strata random sampling techniques. A total of 354 usable surveys were collected from 256 schools in Abu Dhabi. And analysis using (Smart-PLS-SEM 3.2.6) path modelling. The findings of this study positive relationship between (P-value 0.002) career development and employee retention, (P-value 0.026) competency mapping and employee retention, (P-value 0.007) employee engagement and employee retention, (P-value 0.015) performance management and employee retention. Furthermore, regarding the moderation effect of leadership between the variables, the bootstrapping procedure by using Smart-PLS was used and the findings revealed that, out of four hypotheses, two hypotheses were found the significant moderation effect between employee engagement and employee retention ($\beta=0.213$, $t=2.445$, $p<0.015$), performance management and employee retention ($\beta= -0.242$, $t=3.178$, $p<0.002$). While, the moderation effect of leadership with career development ($p=0.408$) and competency mapping ($p=0.792$) was found insignificant. Therefore, it can be concluded that the leadership moderating thus impeding the contribution of talent management towards employee retention. The result implied that the Department of Education and Knowledge in Abu Dhabi should adopt talent management to enhance their employee retention in future. Recommendations for further research were discussed at the end of the thesis.

Keywords: Talent Management, Career development, Competency Mapping, Performance management, Employee Engagement, Leadership, Employee retention

1. Introduction

This Article It highlights the importance of employee retention in education sector in Abu Dhabi city. It also describes the role and influence of talent management, employee retention as well as the roll of leadership in the organization. This research revolves around the key components that constitute the growth of an organization. The discussion in this chapter

demonstrates the inter-relationship between competency mapping, performance management, employee engagement, career development and employee retention. Competency mapping refers to the administrative procedure that efficiently recognizes the core competencies with context to the organization, (Slack, Corlett & Morris, 2015).

Talent management conclusively plays a great role in guaranteeing enduring representative retention in any organization. Leadership is seen as one of the main point that could upgrade the connection between ability the executives and employee retention, initiative is viewed as exceptionally critical in any organization since it is the leader's practices that are viewed as answerable for demolishing or improving the organization. The organizations directions depend on the style embraced by its pioneers. Since leadership, helps in arranging the organization's directions about the future, its leader's practices and behaviors are the elements that drive their followers or devotees to achieve the goals. Accordingly, followers for the most part pursue their leader's practices when performing their duties (Heravi et al, 2010).

1.2 Problem Statement

In view of the importance of develop organizations, there are many studies on the talent management, employee retention and leadership on the world. There is many research done on talent management and employee retention on different sectors for example in Ghana, in the Ministry of Roads and Highways, the relationship between talent management and employee retention, but this study is not have moderating leadership, (beatrice nyarkoah, 2016). In addition, in Malaysia in industry sector have be done research the role of talent management and in employee retention (yong pui chee,2017). According to (Israa Ramadan AlBattrikhi, 2016) the research is be done on talent management in IT companies in Gaza. Also in the UAE have many research done in develop talent management such us on public sector in Abu Dhabi Police, (Almansoori, 2015). Talent management and leadership being adopted by school manager's focus on ensuring organizational commitment of workers. It can be said that workers should convey primary values of institution and ensuring their emotional commitment. Moreover, ensuring that environment and opportunities suitable for workers for developing skills is required for perfect commitment (Linley & Joseph, 2006). However, a few studies were conducted which dealt with one or two variables. Based on the above, the gap is no previous researches have been done on three variables together on Talent management to decrease Emirati teacher's turnover from Department of Education and Knowledge in Abu Dhabi. Therefore, these three aspects represent a knowledge gap and, hence, this study attempts to fill the above gaps.

1.3 Literature review

Talent management is important as this ensures assignment of right individuals to the right jobs, where they can make full application of their talents, decision making skills and professional knowledge and expertise. However, Sange (2015) has argued that talent management also involves identification of gaps in key talents among the employees as arrangement of training and development processes depends on effective analysis of these gaps. Hence, for the purpose of detail and descriptive analysis of gaps in employee talents, conduction of the process of Competency mapping is essential.

In order to understand talent management in education sector, it is necessary to know the meaning of talent management and it's important, (Kehinde, 2012). Talent management as

juxtaposed with talent as such which is related to set of processes being concerned to strategic management of talent flow through firm (Iles et al. 2011). The phrase used by McKinsey Consultancy Company was “the war for talent” which has focused on concept of “talent” by scholars and practitioners (Lewis & Heckman, 2006; Lynton & Beechler, 2012). This is because intense focus on talent is made as it is crucial among all resources for success of enterprise (He, Li, & Keung Lai, 2011; Huselid, Beatty, & Becker, 2005). The talent management is mainly originated from performing arts, now it has eventually become powerful strategic force found in universities, businesses, hospitals and government units. After boom identified in UAE in public and private sectors, many firms have initiated plans for meeting their talent needs of future so as to sustain in UAE (Ulrich et. al, 2009). Retaining talents in UAE government sector has been a major challenge for long time. The benefits of implemented talent management strategy mainly include recruitment and retention rates. It is useful as retaining knowledgeable employees leads better source of speedy development of firm (Sigler, 1999). The greatest benefit of talent management is that effect on recruitment and retention of invaluable workers. According to Lalitha, (2012) biggest issue faced by HR in sector education is employee retention.

Previous Studies

Table 2: Summary of finding of previous studies

		Dependent variable		Employee Retentions				
		Independent variables		Leadership	Career D	Performance M	Employees E	Competency
Authors	Region	Sample size	Methodology used					
Israa ALBattrikhi2016	Gaza	385	correlation		•		•	
Katherine Matherine2009	Botswana	48	correlation regression		•			
Frederick Kovanteng2014	Ghana	100	correlation		•	•	•	
Rita Lyria 2014	Nairobi	534	correlation regression				•	•
Mansoor ALMansoori 2015	UAE Abu Dhabi	406	correlation		•	•	•	
Ndolo Saith 2017	Kenya	48	correlation regression					•
Darko Petrovski 2014	Slovenia	100	correlation	•			•	•
Beatrice Budu 2016	Ghana	210	Multiple regressions	•				•
Christine Muriuki 2017	Kenya	13	correlation regression		•			•
SAUROMBE DONIA2014	South African	160	correlation regression		•	•	•	
Hazem Bashir 2018	Gaza	380	correlation	•			•	
Erica Knott 2016	Kenya	95	correlation		•	•	•	
Motserganyt Diseko	Botswana	1000	correlation				•	•
Mohd Saudi	Malaysia Mara	1000	correlation regression	•			•	•
Aliaksei Kichuk	UK	NA	correlation	•			•	•

1.4 Research Methodology

This research quantitative method adopts a positivism philosophy which is most appropriate for the aim of this research which is to find the relationship between TM, competency mapping, employee engagement, performance management, and career development and employee retention as moderating Leadership. In line with positivism philosophy, statistical techniques would be used to interpret data collected. This research is based on the basis of pre-existential quantifiable information that can be obtained from different types of employees from various organizations via observation.

1.5 Instruments (Questionnaire)

The tool that will be used in this research survey questionnaire. It helps the researcher to get a clear perspective of the research topic. Questionnaire design plays an important role in the entire research.

This survey includes a simple questionnaire that deals with the development of survey report in a more convenient way. There are several steps that have been used for development of the research more genuinely with the help of a simple questionnaire. With the help of simple questionnaire researcher will be able to make the survey more easy understanding.

After revising the previous studies of the subject, the Questionnaire developed for this study designed to be a close-ended type. The questionnaire is finalized in four sections as follows: section A: includes the demographic data of the study sample using six main categories: (Gender, age, Educational Level, Nationality, Years of Experience, location of Abu Dhabi Emirate). Section B includes three parts the first one consists of independent vectors of talent management. Section C related to moderating variable Leadership, and section D dependent variable employee retention.

Section A		
Information	Items	Adopt from
Demographic profile	6	Self-developed
Section B		
Independent variables	Item	Adopt from
Competency Mapping	10	Waithiegeni Kibi, A. (2015)
Employee Engagement	10	Waithiegeni Kibi, A. (2015)
Performance management	11	Pradhan, S. K., &Chaudhury, S. K. (2012)
Career Development	9	Waithiegeni Kibi, A. (2015)
Moderate variable	Item	Adopt from
leadership	6	R. C. Liden, S. J. Wayne, H. Zhao, and D. Henderson, (2008)
Dependent variable	Item	Adopt from
Employee retention	5	Mobley, Horner & Hollingsworth (1987)
Total	57	

1.6 Data Analysis

Latent Variables	VIF
CD	1.082
CM	1.469
EE	1.492
PM	1.351

Tabachnick and Fidell (2007) claimed that the tolerance values close to zero (0) determine the presence of high multicollinearity. The cut-off value for the variance inflation factor (VIF) is less than 10. Consequently, as is common in statistical analysis, there is no violation of the assumption of this study. As mentioned in previous table, no VIF value is greater than 10 of all independent variables.

Latent Variable Correlations and Square roots of Average Variance Extracted

Latent Constructs	1	2	3	4	5	6
Career Development	0.614					
Competency Mapping	0.131	0.793				
Employee Engagement	0.26	0.44	0.93			
Employee Retention	0.273	0.387	0.42	0.871		
Leadership	0.148	0.497	0.5	0.395	0.931	
Performance Management	0.183	0.521	0.485	0.439	0.679	0.849

The current study used these three approaches to ascertain the discriminant validity issues. First, the Fornell-Larcker criterion was used to determine the discriminant validity using the AVE values. As per the recommended criteria, the square root of the AVE values should be greater than the correlations among the latent constructs. The table exhibit that the square roots of the AVE values of each construct was greater than the correlations among the latent constructs, signifying adequate construct's discriminant validity (Fornell & Larcker, 1981).

HTMT Correlation Matrix for Discriminant Validity

	CD	CM	EE	ER	L	PM
CD	-					
CM	0.149	-				
EE	0.206	0.46	-			
ER	0.231	0.413	0.442	-		
L	0.124	0.519	0.515	0.417	-	
PM	0.154	0.546	0.503	0.466	0.894	-

The summary statistics of the HTMT values of each latent construct. From the table, it was found that all the HTMT values were lower than the threshold value of 1 as well as the threshold value of 0.90 (Henseler *et al.*, 2015; Teo *et al.*, 2008; Gold *et al.*, 2001). Hence, it represents the overall acceptable constructs discriminant validity.

1.7 Hypothesis Testing

There was a significant positive relationship between career development and employee retention with ($\beta=0.157$, $t=3.118$, $p<0.002$). Thus, supported the hypothesis 1. Also, the findings reported that there was a significant positive relationship between Competency mapping and employee retention with ($\beta=0.161$, $t=2.223$, $p<0.026$), thus hypothesis 2 was supported. Likewise, the results, as shown in Table 4.12 and Figure 4.6, indicated a significant positive relationship between employee engagement and employee retention with ($\beta=0.201$, $t=2.712$, $p<0.007$). Therefore, hypothesis 3 was also supported. The 4th and last direct hypothesis was supported with ($\beta=0.268$, $t=2.426$, $p<0.015$), which means that performance management has a direct positive relationship with employee retention.

Hyp	Relationship	Beta	SE	T-value	P-value	Decision
H1	Career Development -> Employee Retention	0.157	0.05	3.118	0.002	Supported
H2	Competency Mapping -> Employee Retention	0.161	0.072	2.223	0.026	Supported
H3	Employee Engagement -> Employee Retention	0.201	0.074	2.712	0.007	Supported
H4	Performance Management -> Employee Retention	0.268	0.11	2.426	0.015	Supported

1.8 Results of Moderating Hypothesis

Leadership played a significant positive role among Employee Engagement and Employee Retention with ($\beta=0.213$, $t=2.445$, $p<0.015$), thus, Hypothesis 7 is supported. 7th hypothesis is also supported but here leadership played negative moderating role among Performance Management and Employee Retention with ($\beta=-0.242$, $t=3.178$, $p<0.002$). On the other hand, Leadership does not show any evidence of moderating influence on the relationship between Career Development, Competency Mapping and Employee Retention. Also as depicted in Table 4.12, the value of path coefficient for Career Development - Leadership -> Employee Retention is -0.108, standard error (0.13), while the t. value is 0.828, subsequently; the p. value was computed (p. 0.408). Similarly, the Competency Mapping - Leadership -> Employee Retention path was calculated and the beta value, t. value and p. value stood as -0.048, 0.183, 0.264 and 0.792 respectively. Therefore it is concluded that a moderating effect of Leadership does not hold for the two paths.

Hyp	Relationship	Beta	SE	T-value	P-value	Decision
H5	Career Development*Leadership-> Employee Retention	-0.108	0.13	0.828	0.408	Not Supported
H6	Competency Mapping*Leadership -> Employee Retention	-0.048	0.183	0.264	0.792	Not Supported
H7	Employee Engagement*Leadership -> Employee Retention	0.213	0.087	2.445	0.015	Supported
H8	Performance Management*Leadership -> Employee Retention	-0.242	0.076	3.178	0.002	Supported

1.9 Conclusion

The importance and reason for using the PLS path modelling was presented. Smart-PLS 3.2.6 was used for the PLS path modelling. After the evaluation of the measurement model and

structural model, the important findings of the hypothesized relationships were discussed. The path coefficients revealed the significant positive relationship between: (i) career development and employee retention, (ii) competency mapping and employee retention, (iii) employee engagement and employee retention, (iv) performance management and employee retention.

Furthermore, regarding the moderation effect of leadership between the variables, the bootstrapping procedure by using Smart-PLS V3 was used and the findings revealed that, out of four hypotheses, two hypotheses were found the significant moderation effect between (i) employee engagement and employee retention, (ii) performance Management and employee retention. While, the moderation effect of leadership with career development and competency mapping was found insignificant.

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Role of EU Grant Projects in Employment, Sectoral Employment and Innovation in Auto Repairing, Young Generations and New Horizons Project Case

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Abstract

European Union Council Regulation (1085/2006 dated), the Financial Instrument for Pre-Accession (IPA) as well as for Turkey and potential candidate countries constitute the basis. The main objective of IPA is to assist the participating countries in dealing with European integration problems and undertaking the necessary reforms to comply with the Copenhagen criteria, which are EU membership requirements. Operation for Supporting Youth Employment in Sectoral Investment Areas (PYE-II) financed under IPA is carried out for employment, which is the primary target of its program. PYE-II operation, Turkish Employment Agency (İŞKUR) has been implemented in Turkey by and the overall goal is to promote youth employment, retain more people in employment and increase the employment rate of young people. In this framework, the aim of supporting Youth Employment in Sectoral Investment Areas is to increase the employability of young people while promoting their integration into the labor market. Within the scope of the Grant Program for Supporting Youth Employment in Sectoral Investment Areas (PYE II), innovations were realized in the Auto Repair, Young Generations and New Horizons project. In this study; Innovations in the professional activities of the Auto Repair, Young Generations and New Horizons project, their contribution to employment in the automotive repair industry and their effects were announced.

Keywords: EU Grants, Project, Vehicle Care, Youth, Employment

Introduction

The Council Regulation No. 1085/2006 constitutes the legal basis of Instrument for Pre-Accession Assistance (IPA) for Turkey as well as other candidate and potential candidate countries. The main objective of IPA is to help the beneficiary countries to face the challenges of European integration and to implement the reforms needed to fulfil the Copenhagen criteria for EU membership. In this respect, Human Resources Development is one of the components of IPA. The Human Resources Development Operational Programme (HRD OP) sets out the programming basis for receiving assistance from IPA funds in human resources development. The overall objective of HRD OP is “to support the transition to a knowledge-based economy capable of sustainable economic growth with more and better jobs and greater social cohesion”. The HRD OP has four priority axes for adaptability by supporting employment, education, lifelong learning, and social inclusion (ikg.gov.tr, 2013).

The EU contributes to youth employment in Turkey and provides employment programs to reduce the underlying problems in the labor market. Promoting Youth Employment in Sectoral Investment Areas financed under IPA the number one priority of the operation is to contribute to employment growth and continuity of employment. The main purpose of the program is to support and recruit more people by reducing youth unemployment and to employ them. These programs, which are implemented in line with the Council Regulation of the European Framework of Cooperation, aim to contribute to the creation of more and equal opportunities for young people, to increase the employment of young people, and to facilitate cooperation between relevant national. This program also aims local actors to facilitate the transition from College to work and to reduce the main problems of the youth in the labor market in Turkey (MLSS, 2013).

According to the results of the labor force survey in youth, while the unemployment rate was 20.8% in 2017, it was 20.3% in 2018. Unemployment rate for young men decreased by 0.2 points to 17.6% compared to the previous year and for young women this rate decreased by 0.8 points compared to the previous year and became 25.3%. According to the results of the household labor force survey, when the employment rate of young people is examined compared to the previous year, in 2018, the employment rate of youth increased by 0.7 points to 35%. When youth employment is analyzed by gender; employment rate increased on 1 percentage point for young men to 46.4%. Employment growth in young women increased on 0.4 points to 23.4%. And 14.1% of working young men are employed in the agricultural sector, 36% in the industrial sector, and 49.9% in the service sector. In March 2019, the share of employees without any social security institutions increased by 1.5 points compared to the same period of the previous year and became 33.9%. The share of informal workers in the non-agricultural sector increased by 1.2 points to 23.1% compared to the same period of the previous year (TUİK, 2019).

This high level of youth unemployment is associated with a number of reasons that create a barrier to youth entry to the labor market. Among the most important economic, social, and institutional reasons leading to youth unemployment is the lack of holistic employment policies and services to support youth employment. Problems encountered in the transition from College to work (lack of a structural system to help young people find jobs in the transition from College to work, lack of work experience, etc.), incompatibility between inadequate job and vocational counseling services, investment/labor demand and vocational training are important factors. Insufficient information flow between universities and industry is due to insufficient guidance and counseling mechanism to support students, university graduates, and insufficient mechanism to provide information about job opportunities. The Program for Supporting Youth Employment in Sectoral Investment Areas (PYE II) Grant Scheme aims to contribute to the creation of a more employable youth population as a result of project trainings, and to reduce youth unemployment by focusing on the above mentioned problems. In addition, in order to contribute to the incentive system made under State Support in Investments on 06.04.2012, investment areas that will benefit from regional incentives were reviewed and supported to be revised on sectoral and provincial basis. It is highly ensured that the project proposals, which are of great importance for this call for proposals, are compatible with the new incentive system (İŞKUR, 2016).

Youth employment and vocational education programmes

Turkey, with its young population is the country with an important human potential for a successful future. Turkey's young population, first, middle and higher education makes it mandatory regulations dealt with in a wide range of activities on the development of vocational education. On the basis of university-industry cooperation, the qualification of vocational education starting from the secondary education institutions is the first step and the labor force profile that the sector needs is shaped in the secondary education institutions. In today's vocational technical education, university-sector cooperation has an increasing prevalence due to the change in technological speed. According to the process of structuring these studies according to programs of participation process of the European Union, it is seen that the projects carried out in secondary education and university units produce studies on increasing quality and quantity in vocational technical education. These studies make university-industry collaboration in the region attractive and at the same time, the decision maker is actively involved in this cooperation as the relevant public institutions. Vocational Colleges are higher education institutions providing education and training with a two year associate degree aiming to raise qualified human power for specific professions to meet the sectoral needs. In education vocational, the vocational colleges that educate human power have a more conscious basis. Therefore, vocational education in vocational colleges plays an important role in the secondary education of their students, and more importantly, beyond the vocational education, the point of view of life, communication and interaction with the environment is gaining importance. In vocational colleges, theoretical knowledge of education is given a large amount of practical training and the integration of the students with the students and finally the employment compatible with the profession is realized. In addition, the university plays a locomotive role in determining the quality of the labor force needed by the sectors in such training programs. Vocational Schools are the most important educational institutions that provide the necessary qualified intermediate staff. Graduated students are employed as qualified midterm personnel between engineers or specialists and workers in the sector with the title of Technician and Professional Personnel. The main objective of the vocational colleges is to educate the skilled intermediate human power which is the necessity of the industry and the service sector for the professions. However, vocational colleges also have the aim of producing information through scientific research, disseminating information, transforming it into knowledge product and technology. Vocational training is defined as the type of training that gives individuals knowledge, skills and work habits related to a particular occupation in their work life and develops their skills in various aspects. Vocational education is the result of educational activities that enable an individual to demonstrate his qualitative power and functioning according to the economic conditions of that country in each country. The main objective of vocational training is to meet the demands of the labor force and qualified labor force demanded by the sectoral sectors. In this sense, vocational and technical education; It is a process which gives knowledge, skills and attitudes related to a certain profession area to meet the needs of society and individuals and which enables the individual to become stronger in social and economical direction by developing his abilities. Vocational training aims at defining individuals as a profession in industry, agriculture, commerce and other service areas, in the development of the profession, in the system integrality of the principles to be applied in the formal, widespread and apprenticeship training for occupational change (Alkan et al.,1996; Republic of Turkey Official Gazette 1981). Vocational high colleges that provide associate degree education in our universities can also contribute to the unemployment of the unemployed by applying vocational education programs. It is seen

that educational institutions can combat unemployment by implementing vocational trainings that will provide the development of the required qualified and skilled workforce, the sectoral technological change and development needed. As a side effect of these trainings, these training programs also complete their technological innovations by following the technological innovations very well. One of the most important sources of these technological innovations is the EU grant projects that provide financial support.

EU Grant Projects and Sector Cooperation

European union; It establishes partnerships with countries that share the same core values as democracy, human rights and the market economy, and contributes financially to the economic and social development of the countries concerned through various financial instruments. These are the countries that are candidates for EU membership or are in the process of membership. Since the countries involved in this process are considered candidate countries, they receive financial support under the pre-accession assistance (IPA) program. The grant programs provide the opportunity to develop and participate in projects for their own needs, while also enhancing the participation and capacity of institutions in these countries. These institutions receiving financial support from the EU; it contributes to the design and implementation of public policies in various fields such as health, vocational education, technological infrastructure and rural development (IPA, 2013). Projects supported by various sources; These are policy tools that enable better definition of needs, adaptation to national priorities, improvement of participatory planning, top-down development of the planning concept, development of local partnerships and collaborations, and increased project capacity and transparency. Also such projects; Increases transparency as it includes stages such as qualified competition, quality, selection criteria, independent evaluation and public announcement of the winners. On the other hand, it contributes to accountability by clearly showing the duties and responsibilities of the staff at every stage during the project in laws such as participant, interrogator and cooperation. As a result of the increase of such grant projects and the development of project awareness, it contributes to the recognition of the EU by the society, the reduction and elimination of prejudices. At the same time, the activities of the grant projects contribute to the economic growth of the target audience and the positive impact of the secondary stakeholders. The projects contribute to the development of human capital, the increase of the educated workforce who can use and access modern technologies. With such projects, social awareness is created to compete and improve in institutions and therefore individuals, and sectoral employment growth is supported. In particular, vocational education projects ensure the sustainability of employment by improving the level of human capital, strengthening the level of employment of individuals who have acquired knowledge and equipment. Projects support and strengthen local and regional priorities, resource need in the region, and the feasibility of relevant plans and policies. Ensuring the success and sustainability of the projects will increase the business vitality and new business investments of the project beneficiaries by establishing business in business expansion or indirect beneficiaries, increasing entrepreneurship and competitive quality. Today, due to the rapid change in the world, countries are struggling in the fields of education, health and economy to increase their welfare levels. At the center of this struggle is the ideal of a highly educated society that produces development-based knowledge and technology. In addition to student education, universities also carry out research and development activities to produce the education and training activities and information needed by the region. Universities for the high welfare of the society; They carry out the

mission of producing information, having information, renewing existing information and transforming new information into new technological products. Sectoral structures diversified by their fields of study, small and medium-sized enterprises (SMEs) are of great importance in all countries, and increasing employment in small and medium-sized enterprises, especially at local and regional level, is important in our country. They can contribute to the creation of the scientific infrastructure of the sectors by conducting applied research at local level with institutions such as Universities, Chambers of Commerce, Chambers of Industry and Craftsmen. As a result of the cooperation of the universities with the institutions, implementing concrete projects with the potential project partners and realized projects are of great importance. Universities have the potential to generate social and economic value by project outputs at the academic level and by using them in the commercial field or by forming the basis of other projects. Projects carried out with grant programs have features that can raise awareness to support regional policy instruments or existing instruments as a mechanism. Capacity building with EU grant-aided development programs and regional projects coordinated by different ministries has strengthened to include all local actors. Projects; While it provides opportunities to modernize equipment and equipment for both schools and sectors in all areas of the economy in our country, it also contributes to vocational education needs by using new technologies (Çetin, Orman, 2009).

Innovation in Auto Repairing, Young Generations And New Horizons Project in Erzincan

This project was carried out under the "Youth Employment Support Grant Program in the European Union's Sectoral Investment Areas" implemented by the Ministry of Labor and Social Security. Under this title, Innovations, Young Generations and New Horizons in Auto Repair were realized in Erzincan city center within 12 months. Erzincan, located in the Eastern Anatolian region, has a population of 159.589 in the central district and 231.511 in 8 districts (TÜİK, 2018). The overall purpose of the project; According to the active labor market targets, it is to reduce the youth unemployment rate by providing the employment of young people in the field of repairing motor vehicles with potential for growth in Erzincan. The special purpose of the project is to cooperate with the automotive sector, which is one of the active labor market priorities, to complete the professional development of young employees in the sectors and to ensure the continuity of the employment of young people working. In addition, the project aimed to enable unemployed youth to become qualified professionals through vocational training and to reach an education level where they can start a business by developing entrepreneurship training and entrepreneurship skills. It is aimed to direct young people to work life with their professional training, to create a culture of cooperation between universities and industry sectors, and to accelerate the transition from school to employment through internship practices. As part of this mission, the university includes a range of vocational training and development programs that will set an example for sustainable development and knowledge for trade partners, industrialists, tradesmen, unemployed young women and men who want to improve their jobs. Innovations in Auto Repair, Young Generations and New Horizons Project; It has a feature that includes youth employability, youth entrepreneurship skills, sustainable cooperation, youth employment profiling, orientation, education, consultancy, work experience, transition from school to work and all activities that will establish a stronger link between university and industry. Project; one of the main target groups of the call for proposals; The aim of the unemployed youth who are university graduates, high school graduates, low education, dropping out of school and not continuing their education is aimed to be brought to the Auto Repair sector. Young people with

a project target group are trained on the basis of the Automotive (Production, repair and maintenance etc.) sector, which is among the sectors were built under the New Incentive System. During the implementation of this project and in the coming years, there is a consensus on ensuring that all necessary information and sharing is necessary to ensure the development of activities aimed at increasing youth employment and entrepreneurship by creating synergies with the common and complementary activities

According to Erzincan Chamber of Auto Repairers 2017, there are 365 workplaces that perform maintenance and repair of motor vehicles and 745 people work in the sector. Among these establishments, 270 workplaces carry out maintenance and repair of motor vehicles, 42 workplaces auto bodywork, 45 workplaces auto paint works and 13 workplaces sell auto parts. Depending on the growth of business volume in the sector, it creates an opportunity for the employment of young generations with vocational training in the sector. Generally, the owners of the workplace are over 45-50 years old and have mastered the traditional apprentice method without any professional technical training and have difficulty in using the technological test devices. mechanic shopkeepers cannot adapt to the rapid developments in the automotive industry. For these reasons, since vehicle owners prefer to get service from authorized services for their services, this reduces the competitiveness of existing auto repairers. For this reason, it is estimated that this problem will be solved by the employment of young generations capable of using computer controlled devices as a qualified staff as a result of vocational training. Engine vehicles; are basic pollutants and their negative impact on environmental-air quality is constantly increasing. On the other hand; the use of trained human factor, motor vehicles, test and adjustment devices play an important role in reducing the effects of motor vehicle-centered pollutant emissions on environmental pollution. Modernization of auto mechanic tradesmen in Erzincan is due to the strengthening of tradesmen through vocational trainings and the training of young generations who have the ability to use new technologies. According to the statements of business owners; with the new change process, it means that 1/3 of the existing 365 workplaces can be employed and 132 new jobs can be created in the sector. This means an increase in employment in the sector around 17%, and it is estimated that the employment of trainees participating in the project training in the field of auto repair will increase by approximately 10%. As a result of the project activities, young craftsmen with high speed to adapt to the changes in motor vehicles that are in a great change will become qualified in the coming years, the auto repair shop trades become qualified. Considering that the total number of vehicles in Erzincan is 60.084 according to 2018 data, there is a continuous increase in the number of vehicles in the sector and therefore the number of customers. The increase in the number of vehicles in our city can be considered as an indicator of the need for qualified personnel for employment. The motor vehicle industry is in a very rapid technological change, and this rapid change has also changed the maintenance, repair, replacement and spare parts industry of the systems that make up the motor vehicle. Considering that a standard equipped car consists of approximately 10.000 parts, it is seen that the classical service concept and repair processes are no longer valid. The increase in vehicle and model diversity also increased the variety of spare parts used by the industry. For this reason, quality spare parts supply, demand, spare parts order, storage classification, regulation of spare parts entry and exit inventory bring a great workload. Since spare parts storage is filled with a huge financial burden for auto repairers, supply of spare parts depending on the job demand is needed in the sector. With this application, the repair shops will be institutionalized and the unrecorded financial losses will be prevented as the supply and sale of spare parts will be recorded.

Features of the Project Target Groups and Training Activities

Within the project target group; There are 25 vocational school graduates or students, 15 young people over the age of 15, 15 young people who can receive apprenticeship training, 15 young people working as apprentices in automotive repair shops, and 20 high school or equivalent graduates. As Project Training Activities;

1. Entrepreneurship training (72 hours),
2. On-the-job and career counseling training (28 hours),
3. Automotive Electromechanics vocational training (400 hours),
4. Automotive Body Painting and Painting Professional training (400 hours),
5. Auto Spare Parts Sales Staff training (384 hours),
6. Industrial internship training (160 hours / 1 month)
7. Seminars and conferences (6),
8. Sector technical examination trips (2) were made.

75 young people with different educational levels between the ages of 15-29 were identified for 3 different education programs. 68 youngsters from the project trainees completed their project training. Within the scope of the project, they have become ready for employment as employees who have sufficient equipment for employment in the sector as vocational training in 3 different modules and qualified vehicle in motor vehicle repair. As part of the project trainings, 68 young people received 72 hours of Entrepreneurship and 28 hours of Job and Career Counseling training. **Automotive Electromechanics professional training**; engine repair, which is a separate profession in classical auto repair, has become a whole by combining with electricity and auto electronics. In this module, a total of 400 hours is planned as vocational lessons, 8 hours per day, and 50 workdays received vocational training, and 22 young people completed the electromechanical training of motor vehicles. **Automotive Body Painting and Automotive Painting Vocational Training**; due to the changes in the motor vehicle industry, auto body and auto paint technologies have also turned into an integrated structure. In our project, the second profession group has been described as a training program in which Auto Body and Auto Paint technologies are explained as a whole and as a module consisting of a total of 400 hours of lessons. It is planned as 8 hours daily and 24 young people completed 50 vocational training. **Auto Spare Parts Sales Staff training**; since the rapid change in the sector, vehicle and model diversity has rapidly changed the auto spare parts diversity, it has become a specialization. It shows that trained personnel are needed to employ personnel in this field in the sector. For this purpose, our project aimed to employability of 25 young high school and vocational high school graduates in this field. Considering the training module, a total of 384 hours, 8 hours a day, and 48 working days of vocational training have been provided, 21 young (9 female) trainees have been successfully completed. At the end of vocational training, trainees completed 160 hours internship trainings in 1 month at the workplaces that are members of the Chamber of Repairers and the authorized vehicle sales and service companies in Erzincan city. **Entrepreneurship Office and Career Counseling Center**, one of the Project activities within the university, was established and career counseling services were provided to 255 Vocational School students in the 2016-2017 academic year and the center has been operating for 3 years.

Employment Level of the Project and Sector Impact

Project; General Skills Trainings, Guidance and Counseling, Vocational Training, Entrepreneurship Trainings included activities suitable for the transition from school to business life. The Entrepreneurship Office and Career Counseling Center, which was established as a project activity within the Erzincan Vocational School. The Entrepreneurship Office and Career Counseling Center continued its entrepreneurship, vocational guidance and career training, while also monitoring the employment and success performances of the project trainees in the labor market until the end of 2019 for 3 years. As of July 2019, the number of trainees in employment is 16 and the institutions they are employed with are given in the table below. Very few women work in the workplaces on the Auto Repairers site. It is aimed to increase the number of female employees, especially in working environments in offices and offices. For this purpose; 9 young ladies, who graduated from Vocational School of Vocational Education in Auto Spare Parts Sales, participated in the trainings and 6 young female trainees were employed at the end of the project. If the project reaches the desired level of success and recognition, it is thought that it will bring other activities to the agenda and set an example in Erzincan.

Results And Evaluation

With this project implemented within the scope of "Supporting Youth Employment in Sectoral Investment Areas", the work capacity, professional knowledge and work quality of auto repairers have been contributed. In the automotive service and repair industry; economic development, competition, environmental protection awareness, the idea of organizing a workplace under favorable conditions and its contribution to improving the quality of life of the society will continue in the coming years.

- As a result of the success of the youth working in the sector, the young target audience consisting of auto repairers contributes to the development of human resources, while the risk of losing jobs in the sector will decrease.

- An auto mechanic tradesman who moved to the new industrial site and aimed at expanding his business capacity, therefore, assuming that business growth would be realized with qualified young employees, was provided with opportunities for employment and 16 trainees were registered in the sector.

-It is estimated that at least half of the trainees will be employed in the sector in Erzincan and other provinces within the next 5 years.

- In the auto repair sector, there has been a development in the areas of sustainability and sustainability of the effects of success as a result of the training activities of motor vehicle test and adjustment devices, competition.

-As a result of the project trainings, the spirit of entrepreneurship, the importance of transition to formal employment and the development of environmental awareness were observed in the young target group.

-As a other of the project results, with the increase in employment of young people in auto repair, the development of human resources, improvement of the quality of education and the development of professional knowledge in auto repairers have been provided.

- Besides the trained workforce who can use modern and technological test devices in auto repair with project results, it will trigger the target audience in terms of competitiveness and development of its business.

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