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Historical sciences and archeology

Исторические науки и археология

UDC 94

Power and Socio-cultural Conflict in the 1920-ies in Russia (on Materials of the South of Russia)

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Abstract

The twentieth century went down in world history as the time of the Genesis of socio-cultural picture of the global world. A special role in the formation of new paradigms technetronic society played the October revolution and post-revolution syndrome that destroyed the outlook of traditional society. In terms of public socio-cultural policy in Soviet Russia, aimed at the creation of a secular culture, but in the context of the ideology of building a Communist society implemented the formation of Soviet man impersonal state propaganda. In the article the problems of interaction between government and peasant society in the 1920-ies in the South of Russia on the basis of the facts of the collision policy of the Soviet state and traditional festive peasant culture are considered.

Keywords: authority; social services; individual; traditional culture; festival; farmer.

Introduction

The first world war and the revolutionary upheavals of the early twentieth century changed the world on a global scale. The destruction of the colonial monarchies globally changed the face of old Europe and caused the destruction of the cultural paradigm of the world of traditional peasant way of life. But if Europe was changing under the pressure of the sequential evolution of society of the XIX century, Russia, plunged into revolutionary maelstrom, broke the traditional foundations ruthlessly, without thinking of the consequences of the impact of these revolutionary slogans and shocks on personality and its relationship with power. The power's relations in the Soviet government in 1918 to 1920-ies formed on the basis of Leninist doctrine of the proletarian state, declaring the dictatorship of the proletariat and the working peasantry as a ruthless state simple weapons of the masses. This form of organization of the States most seriously affected the social structure of Russian society. In the urban society of the former privileged groups: the nobility, the clergy, the bureaucracy have lost its position property. In the peasant world has changed not so much so sharply, so to 1920, it remained largely traditional.

Materials and methods

The reason for writing the article has been a range of sources: archival, journalistic, documentary, statistical, which allows us to examine the picture of the peasantry of the South of Russia in 1920-ies in conditions of forced government sanctions against the traditional way. General scientific methods, such as comparative-historical, logical, philosophical, materialistic allow us to analyze over a group of sources of social and cultural conflict prevailing in peasant society in the South of Russia.

Discussion

Historical schools of Russia comprehensive reflect the Genesis of the peasantry under pressure from the era of industrialism, but the collapse of everyday life, especially cultural become relevant in recent years, the beginning of the XXI century, when the new wave of globalization has put the next issue before the cultures of countries, regions, localities. In the aspect of the tasks are of particular interest the works of historians-regionalists in recent years. Social and cultural conflict was developed against the backdrop of post-revolutionary syndrome denial of religious culture, its traditional component and this was most clearly reflected in the holidays.

In the reasonable opinion of experts in the field of research of the Russian village, the holidays was an effective means of organizing and ordering of rural life, a kind of complex methods of strengthening the social, intergenerational, individual relations, cohesion peasant "world" and, ultimately, the key to the stability of rural society. V.I. Belov wrote that the holidays gave rural life a rhythm, which "...was manifested in everything, and forming cycles", and "rhythmic was not only a day time, daily cycle, but all week. And seasonal agricultural work, the holidays and the posts did rhythmic and full year. [1] Even more clearly on this occasion resulted V.A. Berdinsky, according to which "the holidays interrupted the monotony of everyday life, asked the life of a certain rhythm" and "as spokes in the wheel, turned the usual course of life, the circle of concerns". [2] Thus, the holidays acted as a kind of coordinate system is cyclical flow of rural life. And, of course, the celebration of those or other commemorative dates of the Christian calendar has enabled the farmers not just to rest from toil, but to rise above the ordinary, to take the time to communicate with relatives and neighbours, to feel, so to say, the taste of life.

Festive culture of the pre-Soviet village was religious, and therefore the list of rural festivities were built in accordance with the Church calendar. Sure, it was noted by the great Christian holidays: Easter, the Nativity of the virgin, the Nativity, the Epiphany, the Day of the Holy Trinity, the blessed virgin, and others. Of them, the most important of the peasantry (yes, actually, for the entire population of Orthodox Russia) was the Christmas, Easter and Pentecost. Widely celebrated Maslenitsa, pagan roots which did not prevent it to keep a place of honor in the Orthodox calendar. In full compliance with Church and secular (rural) tradition passed and celebrations. Religious components holidays was the Church service, the procession, blessing of the water, etc.

With these traditions, religious rites and activities were designed, conducted in the 1920s, the authorities of the RSFSR and the USSR (in particular, the party and Soviet leadership in the South of Russia) with the aim of eliminating the traditional festive culture of the peasantry and replace it with new rituals based on Communist ideology and approved by the new government.

Treating religion as "the opium of the people" and not without reason, seeing it as a serious rival to promote their Marxist-Leninist doctrine (which, as is well known, and very soon adopted the traits of religious doctrine with its immutable dogmas, God the father, God the son, and of the state of the saints), the Bolsheviks had set as its goal the creation of a secular state. In the Constitution of the RSFSR of 1918 (Chapter 5, p. 13) stated: "in order to ensure that workers enjoy the real freedom of conscience, the Church is separated from state and school from Church, and freedom of religious and anti-religious propaganda is recognized for all citizens". [3] In the chapter 13, p. 65 of the Constitution, the position of the Soviet government on the question of religion and the Church had to be clarified: it was stated that the number of persons unable to vote and to be elected to the Council (i.e. the number of disfranchised, is legally apollobravo categories in the RSFSR and the USSR) were treated, in addition to living on unearned income, resort to wage labor, etc., "the monks and priests of the Church and religious cults". [4] The basic law of Soviet Russia gave the message that "proletarian" state, religion and Church organization hostile power, doomed to the destruction.

Add that the malevolent attention of the Soviet authorities were attracted not only monks and priests, but those peasants, who took an active part in the activities of the rural churches as churchwardens, acolytes, etc. In contrast to the clergy, peasants, activists were able to retain voting rights, not always turning into the disfranchised; but, they waited for increased taxation as a "socially alien" persons. In the general direction of the struggle against religion in the USSR were consistent displacement religious components of the festive culture and the gradual replacement of Church holidays civil, designed to remind the people about the glorious periods of the world Communist movement and the establishment of Soviet power. In October 1923 the C.C. R.P(b) adopted a special decision on anti-religious propaganda in the village, where it articulated the need to "distract the peasantry from a cult by organizing cultural entertainment, focusing on proletarian holidays and celebrations... replace religious items forms of civic life, such as religious holidays - civil production holidays (for example, the feast of harvest, planting, and so on), the sacraments - the solemn shipments civil acts involving (subject to refusal of Church ritual) cultural and educational institutions, such as civil funeral, burial, marriage, naming and naturalisation (record of birth), etc." [5] To perform these tasks were mobilized not only the party and Soviet workers, and rural communities in the face of intellectuals, members of the Communist Youth Union (Komsomol), the young pioneers.

Rural intellectuals (teachers, agronomists) because of their educational level could play an important role in anti-religious work. However, on a sad confession of the Bolsheviks, often intellectuals did not share them indiscriminately hostile attitude towards the "cursed past" in all its manifestations and sought to distance themselves from the radical measures of the new government type of extremely coarse, mocking attacks on the Church, the clergy and the Orthodox faith. In this regard, the greatest hope in the transformation of rural everyday life and culture in accordance with the ideals of socialism were pinned by the leaders of the RCP(b) members of the rural branches of the Communist party, the local Soviet of workers and peasant youth.

The Bolsheviks thought, "bearers of new ideas is a youth", [6] regardless of rural or urban: because, unlike the older generations, the minds of young people were a kind of *tabula rasa*, and were open to new ideas. Moreover, because of the age of the young people are showing an increased tendency to change, which was extremely important for the Bolshevik modernizers. Therefore, it is with young people and not with the older generations of the Bolsheviks tied their hopes to build a new society, as the source contains a lot of evidence. Thus, in 1920 the members of the Don Committee of the RCP(b) firmly stated that "further strengthening of the Soviet power can only be based on the younger generation" [7]/ The same was said by the participants of the first half of February, 1924, when the Donetsk district Commission of the RCP(b) meeting of secretaries of rural branches of the Communist party, who believed that it is necessary to rely on youth and that "there is no need to chase the education of the elderly, they are going from us ." [8] It is not surprising that the shock detachment in conducting anti-religious work in the village (as well as cities) were considered Komsomol members discussed their older colleagues, members of the Communist party, as the leading representatives of rural youth.

Assistants of Komsomol in building a bright future, struggle with the remnants of "the accursed past", and among them, with the religiosity of the rural population had to be pioneers, which in the Soviet press sometimes affectionately called "bolshevichata, Lenin grandchildren". [9] However, in the 1920s, the magnitude of the pioneer movement in rural areas did not meet representatives of the Soviet government. In one of the publications in the newspaper "Molot" for September 1924, noted: "at that time, as the municipality's Communist movement has greatly evolved and involved a significant amount of proletarian children, in the village this movement is still in its infancy. There only for the last year, little-by-little begin to form groups of young pioneers. Peasant children, the children of the villages, followed by working-class kids are becoming interested in social-political life, want to connect with their brothers, the children of the workers (as in the text - ed.) and strive for the organization." [10]

Because rural children, mentioned later in the publication, demonstrate commitment to the formation of the pioneer organizations, to help them must, together with the Komsomol and party members, pioneer units in the city. We, urban pioneers, have got more experience, more knowledge. It is easier for us to get a book, a newspaper, to visit the plant, ask a senior member of Komsomol and Communist. In the village it is much more difficult. And the duty of the pioneers of the city's workers, to make to help rural brethren with all their energies. Urban pioneers should contact a particular village or even to call to the guests of the village children. For its part, out of town we should go to the village, to consider, to find out how they live there and yet to help village children. - Any excursions into the village without books, without "Lenin grandchildren" - gift to village comrades! Each link or detachment, came to the village, call the parents to tell them everything that know pioneers, to organize them in a cell of RLKSM or in the house reading room. And then don't forget to send books, send mails, to come by...". [11] The result of such measures has become a gradual increase of the number of rural pioneer organizations in the Don, Kuban and Stavropol.

In the implementation of anti-religious activities in the village during the 1920s, can be divided into several stages, different methods of the apostates, and the degree of radicalism of their actions. I must say that the first attempts to give the periodization of the struggle with religion in the Soviet Union had already taken contemporaries of the events, and in some cases their judgment it is impossible not to recognize the fair. In particular, in early 1927 somebody V. Chistyakov wrote that the first period of anti-religious work, "which began with the first years of the revolution received its peak in 1919 - 20 and 21, characterized by large scale, the wide ungodly youth movement, which resulted in the holding of the Komsomol Christmas, Komsomolskaya Easter and other anti-religious campaigns. This period, of course, gave its results, has taught and, most importantly, showed how not to conduct anti-religious propaganda, how not to deal with God in a peasant conditions. Replace the first period and in contrast entered the second period with the main slogans: "do not insult the feelings of believers", "deepen anti-religious propaganda on the basis of scientific knowledge". And finally, the third period, through now characterized by an almost complete stagnation, unprecedented lull in anti-religious propaganda". [12]

The quoted statement is extremely interesting for two reasons. First, Chistyakov quite accurately described the features of the internal content of the first two stages of anti-religious activities of the Bolsheviks. Secondly, with the height of today, allowing us to observe past events, tragicomic seem sad statement about the "unprecedented lull in anti-religious propaganda" in 1927 (to doubt this "lull" is not necessary, because the sources repeatedly meet such a sad statement: for example, held in January 1926 meeting of the secretaries of rural branches of the Communist party of the Don district of the North Caucasus region stated that "for the last time in antireligious work observed slowness" [13]). Today we know that Chistyakov was not long to be depressed, because next, 1928, in anticipation of the "great turning point", the Communists again launched a massive attack on the Church and religion.

Indeed, in the framework of the first stage of the struggle against religion in Soviet Russia (1918 - 1922) was dominated by very provocative, shocking methods, which, because of young enthusiasm and inherent to their age fervor, especially abused Komsomol: mock processions and festivals, ridicule and mockery of Orthodox shrines, priests and simply believers, direct damage to Church property, etc. Later, in January 1926, the officials Don district of the North-Caucasian region very critically regarded as anti-religious "excesses" of the Komsomol, saying: "at Christmas people pray to God in the Church, and they are under the guardhouse shout, whistle and shout songs. Isn't this raise the credibility of the cell. [14]

The results of such extremist measures were directly contrary to the hopes of the apostates, because instead of the expected growth of atheistic sentiment in the village they were faced with sharply hostile attitude of peasants as radical methods of anti-religious activity, and to those, who were these methods used. Although some Bolsheviks-optimists tried to claim that anti-religious fervor of the Komsomol resent not peasants, but only "kulaks" who were born to be enemies of the Soviet power, [15] sane representatives of the party leadership reacted adequately to the failure of the "cavalry attack" on the religious feelings of the peasants.

The leaders of the Communist party, as well as the heads of regional party organizations of the Don, the Kuban and Stavropol, had to admit: "we in the anti-religious work burned in some places, when the people for this work began sending us curse. [16] Therefore, since 1923, the Bolsheviks for some time refused "loud, in order guerrilla raid conducted forms of anti-religious propaganda", which only embittered peasants". [17] Now the focus was on systematic research and educational activities that should be carried out without any kind of abusive antics against the believers. In keeping with the new tactics, the members of the South-Eastern Bureau of the RCP(b) in June 1923 sent a letter to all regional, subcomm and regional organizing Bureau of the Communist party, which spoke of the need for "careful and tactful approach to the issue of combating religious prejudices of the peasants and the backward part of the workers... Anti-religious agitation and propaganda must have a scientific education and specifically revealing character (printing, mugs, lectures, reports, theaters, cinema). [18] The same was said and held at 25 - 30 January 1926 meeting of the secretaries of rural cells of the CPSU(b) Don district in which participants had to say: "methods of anti-religious propaganda should radically change", now it should focus in the work of the scientific circle, which was important to involve all cultural forces of village: teacher, agronomist, and so on" [19].

The above statements show that the new tactics of anti-religious works were implemented in the Soviet (in particular, South-Russian) village for several years. So, in December 1924, the members Veshenskogo district Committee of the RCP(b) on the Bureau urged Moskovskoi party cell instead of a mug "Infidel" organize "Natural circle" [20]. Participants of the meeting of secretaries of rural cells of the CPSU(b) Don district in January 1926 told: "if before screaming at each corner that they are ungodly, and that was only bitterness, and now for political lectures on natural history, new and old Christmas held talks on the circles in the agricultural circle agronomists had a good conversation on the topic of "Folk superstition and quackery" and thus anti-religious propaganda is much deeper" [21].

Results

Socio-cultural foundations of the peasantry in post-revolutionary years, even under the pressure of state propaganda, kept religious and ceremonial resistance. Religion, tradition could not be destroyed in the first years of Sovietization of the village, it would be directed by the policy of collectivization with the use of repression.

Conclusion

1920-ies were critical for the world civilization. Post-war syndrome has led to the collapse of moral and ideological foundations of Christian culture and it was very clearly seen by the example of the South of Russia. Europe has embarked on the path of mechanization and spreading the ideas of national socialism and Soviet Russia has embarked on the establishment of a totalitarian Communist regime.

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Economic sciences

Экономические науки

UDC 33

Impact of Training and Development on Employees Performance in Bosnia And Herzegovina

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Abstract

Companies today are forced to compete and to act professionally in those harsh times, so it is very important to have right employees for better company`s rating. It is crucial that staff needs to have better knowledge, skills and competencies. More and more companies are acknowledging Human Resources (training and development) as their main key for success and bigger focus is on employee – customer relation. Main objective of this study was to find out impact of training and development on employee's performance and Bosnia and Herzegovina was taken as an example. This study was back grounded by the two different questionnaires one for the employees and one for the managers or owners of the companies. Results revealed that there is a huge impact on employee's performance when it comes to the training programs and employees are fully aware that training programs give them better knowledge, improved skills and ideas for future career paths.

Keywords: training; development; human resource management.

Introduction

Over the past one and half decades, various arguments have been made that firm's human resource may be its sole source of sustainable competitive advantage (Ferris et al, 1999). So if take out education and training of Human resource management than it would be used as main weapon for gaining competitive advantage. Research indicate that inadequate and inefficient management of employee in small firms has resulted in low productivity and high turnover rate and one of the leading causes of small firm failures (Mc Evoy,1984). The resource based approach contends that organizations can develop a sustained competitive advantage only if its activities create value in a unique way, one that competitors cannot easily copy (Barney, 1991; 1995). Human resources have created significant changes to a lot of developed countries such as United States, Great Britain, Japan and others. Bosnia and Herzegovina is developing country which is mostly consisted of small and medium enterprises where all employees have direct contact with the customers. Because of this every employee needs to be professionally trained and compatible for doing the given job. The provision of secondary and technical schools, vocational training institutes and colleges, professional and tertiary institutions, as well as the educational reforms currently taking place in the country, are all geared towards the acquisition of skills and knowledge to ensure effectiveness and efficiency in our workplaces. (Professor Mike Ocquaye, former Minister of the Ministry of Education at the 5th Congregation of Central University College, August 2004.) The development of human resources has spanned through some epochs? It began with the process of transferring artisan skills and knowledge to younger generations through apprenticeship. Today the transfer process has become broader and more sophisticated. China had begun training their workers through conceptual studies in the 5th century BC. By this we can see that implementation of human resources is very old and need for it is not just in this modern era but also was in very past times.

Problem statement and significance of research. As Bosnia and Herzegovina is developing country it still has a lot issues to be resolved. One of those problems is also education and training of employees in companies. Most employees working in Bosnian companies are not compatible with their current job position. Most companies are family owned and many positions inside company are occupied by the workers which are relatives of the owner and job requirements are in second place. Because of this most Bosnian companies are facing low productivity and effectiveness this study should provide information about solving those issues. It is expected that the study will inform many organizations to increase productivity; there is the need to have and retain well trained and motivated employees. It is also to help develop and maintain a quality work life, which will provide an opportunity for employees‟ job satisfaction and self-actualization. Finally, it is to aid management to introduce modern schemes for training and development, to be able to meet the challenges of change in the future.

Literature review

One major area of the Human Resource Management function of particular relevance to the effective use of human resources is training and development. In order to have positive results in company’s scoreboard than employees must be considered one of the most valuable assets. Employee skills and motivation are critical for organizational success. This has always been true, but the pace and volume of modern change is drawing increased attention to the ways that human resource development (HRD) activities can be used to ensure that organization members have what it takes to successfully meet their challenges (Jon M.Werner and Randy L.DeSimone, 2009). According to Casse and Banahan (2007), the different approaches to training and development need to be explored. It has come to their attention by their own preferred model and through experience with large organizations. According to Davenport (2006), mentioned in his recent studies that it’s easy to implement strategy with the internet supported software. Some of the Training theories can be effective immediately on the future of the skill and developments. The “content” and the “access” are the actual factors for the process. It is a representation itself by the Access on main aspect what is effective to the adopted practice in training development. As per the recent theories to access the knowledge is changing from substantial in the traditional to deliver the knowledge for the virtual forms to use the new meaning of information with electronic learning use. There is a survey confirmation for using classroom to deliver the training would drop dramatically, (Meister, 2001). A manager is that what the other members of the organization want them to be because it is a very popular trend of development training for the managers in the training for the management (Andersson, 2008, Luo, 2002). Most of the managers seem to reject a managerial personality in support of the other truth for themselves (Costas and Fleming, 2009). Beardwell and Holden (1993) argue that the recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized. They add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, and this means considerable and continuous investment in training and development. According Cole (2002), in his book Personnel and Human Resource Management, training is a learning activity directed towards the acquisition of specific knowledge and skills for the purpose of an occupation or task.

Scores of Literature available on training (Cuming 1968, Italey 1949, Dole 1985) indicate that traditionally, training in an organization involves systematic approach which generally follows a sequence of activities involving the establishment of a training policy, followed by training needs identification, training plans and programs design and implementation, evaluation and training feedback for further action.

There is documented evidence that training activities have a positive impact on the performance of individuals and teams. Training activities can also be beneficial regarding other outcomes at both the individual and team level (e.g., attitudes, motivation, and empowerment). (Herman Aguinis and Kurt Kraiger, 2009).

Training-related changes should result in improved job performance and other positive changes (e.g., acquisition of new skills; Hill & Lent 2006, Satterfield & Hughes 2007) that serve as antecedents of job performance (Kraiger 2002). Reassuringly, Arthur et al.(2003) conducted a meta-analysis of 1152 effect sizes from 165 sources and ascertained that in comparison with no-training or pretraining states, training had an overall positive effect on job-related behaviors or performance (mean effect size or d = 0.62). However, although differences in terms of effect sizes were not large, the effectiveness of training varied depending on the training delivery method and the skill or task being trained.

Fewer than 5 % of all training programs are assessed in terms of their financial benefits to the organization (Swanson 2001). The picture changes among companies recognized for their commitment to training. Specifically, the majority of organizations recognized by ASTD for innovative training programs measure training impact at some level of organizational effectiveness (Paradise 2007, Rivera & Paradise 2006). Typical organizational performance measures in this latter sample include productivity improvement, sales or revenue, and overall profitability. Overall, research regarding organizational-level benefits is not nearly as abundant as the literature on individual- and team-level benefits. Not only have there been relatively few empirical studies showing organizational-level impact, but those studies that have been done typically use self report data and unclear causal link back to training activities (Tharenou et al. 2007).

Methodology

Major objective of this study as mentioned is to know the impact of the training and development on employee's performance especially in different age, gender and designation groups. First of all secondary data was collected about the training and development from previous researches and then two different kinds of questionnaires were prepared for collecting primary data. Questionnaires were distributed across 33 companies and total number of respondents was 210.

Research instrument. Secondary data was collected using the Internet, Burch library and Burch online database systems. Primary data was collected using the two different questionnaires whereas one type of questionnaire was prepared for the employees in the companies and second one was created for the owners or the managers of the companies. Questionnaires for the employees were consisted of 32 questions. Questionnaire for employees have 3 parts. First part is about personal info (gender, marital status, age, designation, life experience in company, and total life experience). Second part was about training programs in the companies they are working in and overall info about the training programs. Third part was about benefits of training programs for employees and expectations. Questionnaires for the managers or owners of the companies were consisted of 15 questions and were separated in 2 groups. First group was about personal info (gender, marital status, age, designation, life experience in company, and total life experience) and second group was about training programs in companies, their benefits to the companies and types of training programs used in company.

Population. Population of the study consists of the employees working in the selected companies with various job descriptions. All companies are privately held and total number of surveyed companies is 33 and total number of the surveyed employees is 210.

Measurement. In the questionnaire Likert and nominal scales were used starting from strongly disagree to strongly agree.

Findings

Finding 1. Age Based Results

Age group was divided into 2 categories. Above 30 years group is called senior group and below 30 years group is called junior group. Objective is to find out is there a difference in opinions between juniors and seniors.

Table 1: Age Based Results (Juniors vs. Seniors)

Group Statistics					
Impact of training on employees performance	Group	N	Mean	Std. Deviation	Std. Error Mean
	1.00*	65	4.1231	.39805	.04937
	2.00**	145	4.1776	.42585	.03537

*Junior Group **Senior Group

According to the means from table 1, senior group (31 years and above) have a slight bigger mean (4.1776) which means senior group are more confident that training makes an impact on employees performance. Similar results occurred with the junior group (30 years and below) with the mean (4.1231).

Finding 2. Gender Based Results

Table 2: Gender Based Results (Male vs. Female)

Group Statistics					
Impact of training on employees performance	Gender	N	Mean	Std. Deviation	Std. Error Mean
	Male	113	4.1128	.42651	.04012
	Female	97	4.2165	.40122	.04074

From the table 2 we can see that female group have bigger mean which means that females are more confident that training makes an impact on employee's performance but still males are also confident with slight smaller mean and overall results are that both genders think that training makes an impact on employee's performance.

Finding 3. Total Life Experience

Table 3: Total Life Experience (0-10 years vs. 11-25 years)

Group Statistics					
Impact of training on employees performance	Group	N	Mean	Std. Deviation	Std. Error Mean
	1.00*	181	4.1768	.41811	.03108
	2.00	29	4.0603	.40452	.07512

From the table above we can see that those with experience from 0-10 years agree more on the notation that training have an impact on employees performance while also with mean 4.0603 group from 11-25 years of experience are agreeing on the same question so overall results are that both groups have positive answer on this notation.

Finding 4. Designation Based Results

Table 4: Designation Based Results (Owners vs. Directors)

Group Statistics					
	Designation	N	Mean	Std. Deviation	Std. Error Mean
Impact of training on employees performance	Owner	23	1.1391	.15297	.03190
	Director	10	1.0900	.08756	.02769

From the table 4 directors are more certain that training programs makes an impact on employee's performance and results are almost 100% positive while owners have slight less positive percentage but still they agree that there is an impact.

Finding 5. Correlation Analysis (Training and Employees Performance)

Hypothesis: Ho – There is no supported relationship between training and employees performance

Table 5: Training and Employees Performance Correlation Analysis

Correlations			
		Training	Employee`s Performance
Training	Pearson Correlation	1	.782**
	Sig. (2-tailed)		.000
	N	210	210
Employee`s Performance	Pearson Correlation	.782**	1
	Sig. (2-tailed)	.000	
	N	210	210
**. Correlation is significant at the 0.01 level (2-tailed).			

As we can see from the table 5 that there is a positive correlation between the training and employees performance (Pearson Correlation .782) which means that 78 % training affects employees performances and 22 % goes on other factors. It is a high correlation which explains us that employees really believe in training programs and that training programs are best for their performances. From the Figure 1 you can see that dots are mostly in line in the center going from lower left to upper right which is a clear proof of a positive correlation between training and employees performance. At the end, we can conclude that we reject Ho hypothesis and accept Ha stating there is supported relationship between training and employees performance.

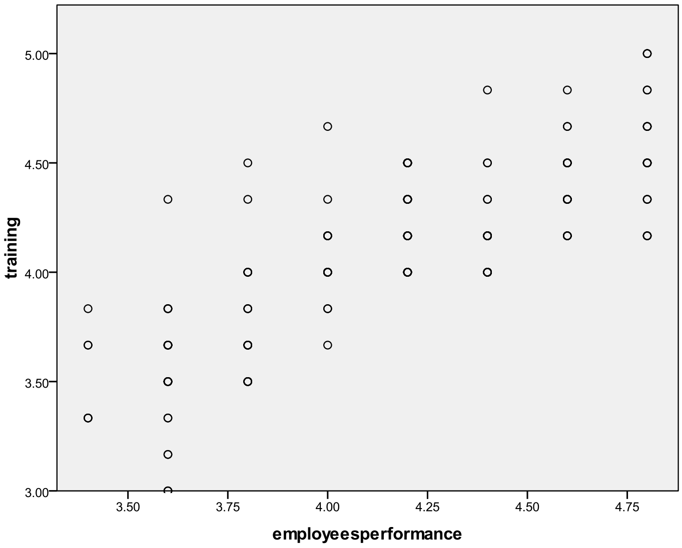

Figure 1: Training and Employees Performance Correlation Analysis

Finding 6. Correlation Analysis (Development and Employees Performance)
Ho – There is no supported relationship between development and employees performance.

Table 6: Personal Development and Employee\`s Performance Correlation

Correlations			
		Personal development	Employee\`s performance
Personal development	Pearson Correlation	1	.538**
	Sig. (2-tailed)		.000
	N	210	210
Employee\`s performance	Pearson Correlation	.538**	1
	Sig. (2-tailed)	.000	
	N	210	210
**. Correlation is significant at the 0.01 level (2-tailed).			

From the table 6 we can see that there is a positive correlation between the personal development and employees performance which is .538 or 53,8%. So employees believe that giving them chance to develop personally will give them boost to perform more efficiently. So again, we can conclude that we reject Ho hypothesis and accept Ha stating there is supported relationship between development and employees performance.

Conclusion

According to the overall results, statistics showed that most of the answers were positive and large percentage of surveyed employees believe that training programs have impact on employee's performance. Even when we tried to make different groups such as division of gender into males and females, age- seniors and juniors, marital status- married vs. single, total life experience 0-10 years vs. 11-25 years and still we couldn't find any negative answers. All of these groups were pretty similar and positive answers were really high. According to the age senior groups had a slight bigger mean which can be related with the life experience since they learned a lot from the life and they can figure out needs more easily. According to the gender group females had a bigger mean which leads to a conclusion that females are more aware of the need for the training and that training programs will make them more efficient. According to the marital status we found out that married employees more agree that training programs help in improving employee's performance and it helps them to select better career path.

We can conclude that training and development is really needed in all companies and that employees should have similar training programs every year since it gives them better performances on the job, motivation, helps in choosing career path, efficiency and effectiveness, improvements in leadership and decision making, making less mistakes.

All these factors are not only helping employees to have better working environment but also companies benefit from the training programs. Companies will have increase in the overall performances, possible increase in profits and incomes since they will have trained employees, less costs since there will be less mistakes.

Limitations

Some of the possible limitations could be that private companies in the Bosnia and Herzegovina are not following world trends so owners or managers are not focusing on employee's satisfaction. In Bosnia and Herzegovina it's not trend to have training programs so results from this survey could be somewhat questionable in some number since managers don't want to give bad image to the companies. Other limitation was that a lot of companies were unwilling to cooperate and to give their contribution to this research. Also, as one of the limitations we can add that it was hard to collect data of many companies within the same business branch so we have been forced to collect data from all business branches and from all company sizes.

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UDC 33

Impact of External Debt on Economic Growth: a Case Study of Pakistan

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Abstract

Since 1980s, the mounting debts and debt payment service of Pakistan due focus and consideration from the Policy makers and economists. This study was additionally done to audit and investigate the effect of external debt overhauling on the development and growth of Pakistan's economy. To hunt the target of research, five variables i.e. Growth, external debt servicing, saving, net export, Foreign Direct Investment were taken to focus their fact association with the GDP or development of the Pakistan's economy. Annual panel data was taken from the source World Bank indicator from the period of 1980 to 2013 and was manipulated through least square multiple regression models. The main variable external debt has significantly negative impact on dependent variable GDP so it's concluded that Pakistan should go for the option of debt forgiveness and must invite FDI but not much as their overloading may hurt the economy. Adjusting saving (ADS) highly significant positive relation with GDP reveals that habit of saving extremely boost up economy growth. Exports is basically good to helping hand for economy so they must be lifted up. The impact of external debt is quite hostile on growth so steps must be taken to abolish it in order to growth of economy.

Keywords: GDP; External debt; Adjusting Saving (ADS); Export; Pakistan.

Introduction

External debt plays both an optimistic and destructive part in forming Economic growth, especially of the developing nations. External debt is useful when the legislature uses it for investment-oriented tasks, for example Power sector, base and the horticultural segment. Then again, it would influence contrarily when it is utilized for private and open utilization purposes, which don't bring any return. Also, a low level of external debt sways financial development absolutely; however this relationship gets to be negative at a larger amount. The particular defining moments are 35-40% of the obligation terrible residential item (GDP) proportion, and 160-170% of the export debt ratio (Ali, 2007)

Pakistan's external debt is seen to be the reason for all ills besetting the economy. In 1980 the external debt was $869 billion now external debt expanded from $1901.90 million in 1990 to $2944.80 million in 1999 and further to $37.362 billion by 2007. Furthermore as indicated by the State Bank of Pakistan (SBP) the nation's aggregate external debt and liabilities have contracted, by nearly 6 percent, amid the last logbook year. Pakistan's aggregate external debt and liabilities declined to $59.383 billion as on December 31, 2013 contrasted with $63.377 billion as on December 31, 2012 (Anwar, 2013). Also, in the greater part of the monetary years since freedom, the Government's Revenue has not exactly its consumption, which would result in financial deficiency which could be spanned through acquiring from both interior and external debt (obligation). At the same time the circumstances gets to be more awful when the nation is not able to reimburse its debt overhauling.

On the other hand, Musharraf's government made numerous moves to defeat this gigantic external debt including "the debt limitation law" which is intended to manage diminished of this trouble of external debt, beginning in 2000. Moreover, after 9/11, the world's key arrangements changed, and Pakistan turned into a bleeding edge state in the worldwide war on fear. Pakistan was thus capable either to discount or reschedule the outer obligation liabilities. The measure of settlements and outside awards additionally expanded complex amid this period. Pakistan was in this way ready to reimburse obligation administrations and enthusiasm of the IMF and the World Bank.

Also, if the government has the capacity follow up on the obligation constraint law, which has been passed by parliament, it would have the capacity to dispose of obligation owed to both the IMF and the World Bank. On the other hand, there remains the need of empowering divisions like industry and agribusiness to overcome the fiscal gap.

Shahid Hasan Khan, Special Assistant on Economic Affairs to the PM of Pakistan in the Benazir Bhuto government in 1993, said that "the monetary shortfall is the essential driver of every last one of ills of the economy. Therefore, any exertion went for restoring the economy would have the disposal of monetary deficiency as the most obvious thing on the agenda." (Baksh, 1994). Every single IMF and World Bank report on Pakistan additionally says that the outside obligation trouble has been the essential driver of every last one of ills of economy, particularly since the begin of the structural change programs in 1988 (Zaidi, 2007).

As per the World Bank downright external debt may be characterized as obligation owed to non-resident repayable as far as foreign currency, services and goods. External debt is the piece of long haul obligation (open and freely ensured obligation in addition to private non ensured obligation), fleeting business obligation and International Monetary Fund (IMF) advances. Preceding early 1970s the outer obligation of creating nations was essentially little and authority sensation, the larger part of banks being outside governments and worldwide money related organizations offer advance for development project (Todaro, 1988).

Literature review

Customary studies on the external debt issue have centered for the most part on the improvement of the greatness and patterns of the external debt in the LICs and afterward emulated by different studies which have analyzed the debt burden indicators and seriousness of the debt problem (Ahmed, 2008). Scholastic research on external debt and its effect on economic growth have just blasted after the obligation emergencies that hit numerous creating nations in the early 1980's. In any case, as of late numerous exact studies have been directed to survey the effect of external debt on economic development but there is ambiguity in the results.

Oleksandr D, (2003) separated the current literature on the related theme into three Groups. A first Group of speculations recommend that in light of the fact that poor nations are far from relentless expresses any venture infusion in manifestation of foreign debt could lead them to have quickened financial development through capital collection and profit growth. Subsequently foreign debt has a positive effect on development up to certain limit level. Second group of speculations, stretch that high amassed debt stock have negative effect on development. A main clarification for this negative relationship is the purported obligation overhang speculation of (Krugman & P, 1988), and Sach (1989), then bolstered by (Cohen & D, 1993). Third gathering of hypotheses joins these two impacts and contended that the effect of obligation on development is nonlinear.

The relationship between remote obligation and monetary development has chiefly centered on the negative impact of "debt overhang". (KRUGMAN, 1988) Characterized the debt overhang as a circumstance in which the normal reimbursement on remote obligation misses the mark regarding the contractual estimation of the obligation. In like manner, (Borensztein, 1990)characterized the debt overhang as a circumstance in which the indebted person nation profits next to no from the come back to any extra speculation on account of the obligation administration commitments.

The audit of existing experimental investigations of outer debt and financial development relationship showed that it an insufficient to make any speculation of the relationship between Economic growth and outside debt. Along these lines, it is important to consider the instance of every nation or gathering independently.

Adesola, (2009) inspected the impact of external debt administration installments on the economic growth in Nigeria by utilizing normal minimum square various relapse strategy for his investigation. It was figured out that debt service payment have negative effect on growth of economy.

Abu Bakar, (2008), centered to examine the effect of external debt on financial growth in Malaysia. The dissection was directed both at total and disaggregate level. The observational results showed that aggregate outer obligation decidedly influence the monetary development at total and disaggregate level. In the short run, all out external debt had positive consequences for growth of economy. It additionally uncovered that Malaysia had not experienced debt overhang issue.

Hasan and Butt (2008), investigated the relationship between external debt and growth of economy in Pakistan for the time of 1975-2005 utilizing Auto Regressive Distributed Lag (ARDL) methodology to cointegration. Results showed that work compel and exchange both over the long haul and the short run basically decided economic growth in Pakistan. All debt was not to be an essential determinant of economic growth either in the short-run or the long run mostly because of wasteful utilization of external debt.

On a Similar line Cholifihani, (2008) dissected the short run and long run relationship between external debt and salary in Indonesia from 1980 to 2005. The discoveries demonstrated that GDP, DSR, capital stock, work power and human capital inputs have a long run harmony relationship. External debt overhauling demonstrated a noteworthy negative association with GDP, which showed that debt overhang wonder, has happened in Indonesia over the long haul. While work power and human capital was primary supporting variables of GDP over the long haul; however capital stock is critical variable in boosting Economic growth.

Boopen, (2007), mulled over the relationship between external debt overhauling installments and financial development in Philippine for period 1981 to 2005. Results demonstrated that financial development was not truly influenced by outside debt overhauling. This was likely in light of the fact that external debt overhauling in Philippines was not yet a danger in economy growth and subsequently, Philippines ought not to fear of encountering debt overhang within a brief span of time.

S, P, & D, (2007), explored the relationship between external public debt and the financial performance for condition of Mauritius over the period 1960-2004. The results proposed that external debt have been adversely connected with the yield level of the economy in both short and long run. Causality between external obligation and growth of economy was likewise reported. In addition, there were likewise proves that open obligation have negative effect on both private and open capital load of the nation therefore affirming the obligation shade and swarming out theories.

Clements, (2003) analyzed the channels through which external debt influence growth of economy in 55 LICs over the time 1970-1999. The study proposed that past a certain limit, higher external debt is connected with lower rates of development of for every capita salary. The results showed a limit level of around 30–37 percent of GDP or around 115–120 percent of fares. The study watched that the negative impact of debt on development lives up to expectations not just through its effect on the load of debt, additionally through the stream of administration payment of debt, which are liable to 'swarm out' open venture. This is so in light of the fact that administration installments and reimbursements on external debt douse up assets and lessen open speculations. The harming effect of obligation adjusting on monetary development is attributable to the diminished of government consumption coming about because of debt instigated liquidity constraints.

It is worth specifying that the majority of existing experimental writing report that external debt unfavorably influences economic growth. Cunningham (1993), Afxentiou (1993), Deshpande (1997), were (2001), Karagol (2002), Colfihani (2008), Hameed et al (2008), reported that the External debt negatively influence the economic growth. Though Warner (1992), Cohen (1993), Afxentiou and Serletis (1996) and Patenio and Tan-Curz (2007), inferred that external debt did not influence the Economic growth. While Omet and Kalaji (2003), and Abu Baker (2008), report the positive effect of external debt on economic growth. The hypothetical writing has outlined the accompanying channels specifically debt overhang, liquidity demand, monetary impact, benefit concealment and diminished in human capital aggregation along which outer obligations influences contrarily development (see Krugman, 1988 and Savvides, 1992)

1 Summary of Literature Review of External Debt and Economic Growth Relationship:

Author Name	Country	Period of Time	Judgment
Hameed	Pakistan	1970-2003	Debt service load contrariwise affect economic growth.
Wijeweera	Srilanka	1952-2000	Debt overhang had not exist in Srilanka
Omet and Kalaji	Jordan	1970-2000	External debt certainly affect economic growth beneath optimal debt level i.e. 53 percent of GDP
Patenio and Tan-urz	Philippine	1981-2005	Growth of economy was not exaggerated by external debt servicing.
Colifihani	Indonesia	1980-2005	External debt payment has Substantial adverse relationship to GDP.
Ayadi and Ayadi	Nigeria and South Africa	1970-2007	Confirm the adverse effect of external debt on economic growth
Abu Baker	Malaysia	1970-2005	External debt certainly affect economic growth

Research Hypothesis

These are hypothesis that will be practiced to concluded this study
Ho = There is no impact of external debt on the economic growth of Pakistan
H1 = There is an impact of external debt on the economic growth of Pakistan

Methodology of research

1 Data source:

The data for conducting this study has been taken from a secondary source “World bank indicator”. Annual data of Pakistan used for this study starting from the year 1980 to 2013 that means that research depends upon panel data and its methodology. There are 5 important variables observed to drive a model in order to study the impact of external debt on growth of Pakistan’s economy.

2 Specification of model:

Following model built for purpose of testing the hypothesis for this study.

$$Y = \beta_0 + \beta_1 DSE + \beta_2 FDI + \beta_3 ADS + \beta_4 X + \mu$$

3 Variables:

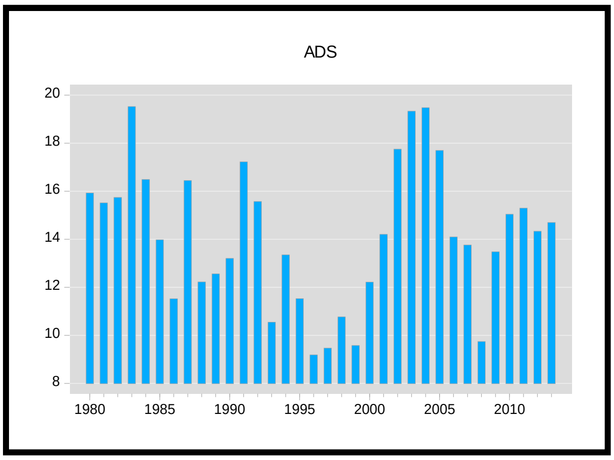
β0, β1, β2, β3, and β4, are represent the coefficient of each variable or parameter of the regression. μ indicate the error term. Following are variables that used to build the study

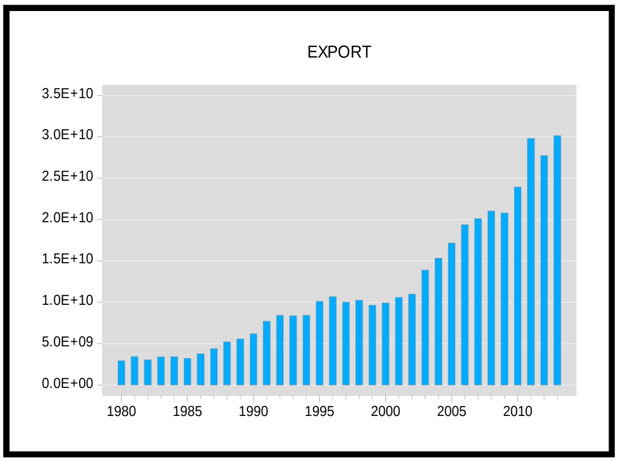
Y= GDP growth (Annual %)
DSE= Debt servicing on external debt(total, US $)
FDI = Foreign Direct Investment (net inflows, current US $)
ADS = Adjusted Savings, net national savings (% of GNI)
X = Exports of goods and services (current US $)
The main variable is Debt servicing on external debt and other ones used as control variables.

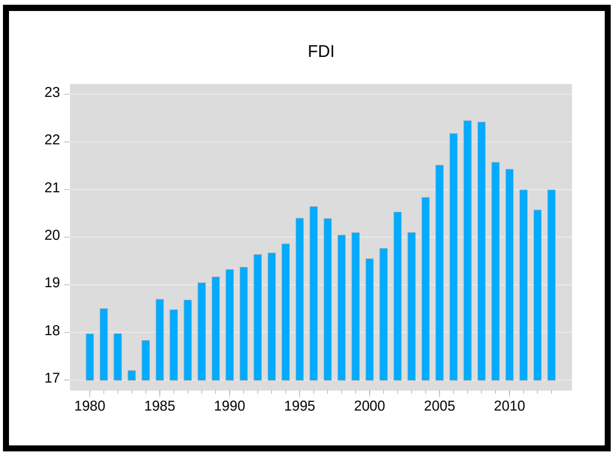
Analysis and estimations of results

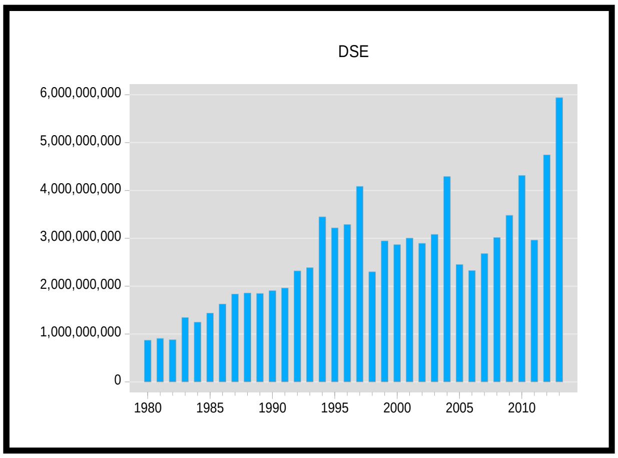
1 Unit root test results

Non stationary of time arrangement information has frequently been considered as an issue in experimental analysis. Working with non-stationary variables prompts spurious relapse results, from which further induction is good for nothing. Subsequently, it is paramount to test the stationary of all arrangement entering in the model. The ADF test was utilized to test the stationary of the arrangement. The null hypothesis was that the variable under scrutiny has a unit root, against the option that it doesn't. The consequences of the test for the variables are introduced in Figure. Notwithstanding the ADF test, the study likewise endeavored to inspect the pattern of the variables graphically. The graphical representation of the variables exhibits the comparative normal for the variables as the ADF test.









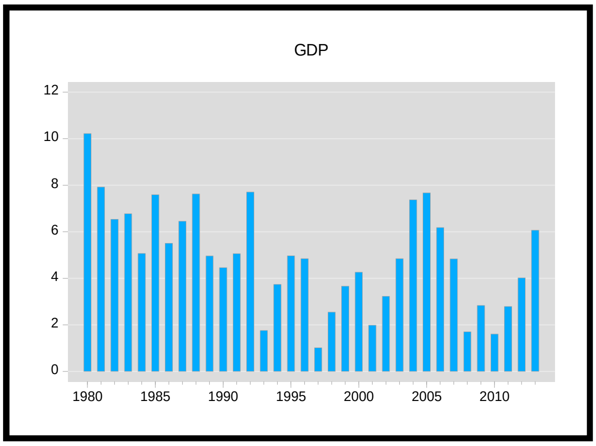


Table 1: Results of ADF Test for Non Stationary

Variables	ADF test at level		ADF test at 1st difference	
	Calculated	lag	Calculated	lag
GDP	2.49	1	4.51**	1
LFDI	2.30	1	4.45*	1
ADS	2.72	1	4.21**	1
X	2.78	1	6.12**	1
DSE	2.98	1	5.29*	1

Note: The asterisks (*) and (**) indicates statistical significance at the 5 percent and 1 percent significance level.

The results reported in Table 1 are completed with pattern and capture. Results showed that all arrangement display non stationary in levels. As such, the invalid theory that each of the time arrangement has an unit root can't be rejected. On the other hand, there is no proof of an unit root when the arrangement are initially differences. The no stationary hypothesis was released in all cases. It implies that all the variables under scrutiny are stationary from the beginning distinction at 1 percent level of centrality with the exception of LK which was stationary at 5 percent level of diacritical's, as can be construed from table 1

2 Multiple regression result

Table 2: Regression result

Dependent Variable: GDP				
Method: Least Squares				
Date: 11/08/14 Time: 19:42				
Sample: 1980 2013				
Included observations: 34				
Variables	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	7.256052	0.859968	8.437584	0.0000
DSE	-8.80E-10	2.99E-10	-2.942071	0.0060
LFDI	-0.726294	0.262819	-2.763479	0.0094
ADS	0.359119	0.118631	3.027190	0.0048
X	-1.03E-10	4.50E-11	-2.297089	0.0283
R Square = 0.26		Mean dependent var = 9.826743		
Adjusted R2 = 0.21		S.D. dependent var = 2.210025		
F-statistic = 9.653168		Sum squared resid = 107.1976		
Prob (F-statistic) = 0.006019		Durbin-Watson = 0.971531		

The proposed model precise results are portrayed by the above table. The incline coefficients of ADS in the OLC researches have positive effect on GDP though three variables LFDI, X and DSE have adverse effect on GDP respectively.

The Adjusted R square is .26 which explains 26 % variety in the dependent variable (GDP) represented by the explanatory variables DSE, LFDI, ADS and X. The estimation of Durbin Watson is .97 which implies that there is sure autocorrelation of leftover.

Conclusion and Suggestions:

The fundamental subject of this article was to study the effect of external debt overhauling on the development of Pakistan's economy. By experiencing a considerable measure of previous research works and articles and by controlling the gathered information and looking at the model found after distinctive tests, it has been inferred that external debt has a negative effect on the growth of Pakistan's economy because of it over the top impacts on the macroeconomic elements in charge of the development. External debt adjusting balances the ventures by making a swarming out impact and debt overhang issue. FDI helps a considerable measure in accumulating the foreign trade and investment and livelihood and innovative and business structure in the nation however this impact gets dismissed because of an excess of foreign direct investment and their exertions of sparing from charges and offering benefits to the host nation. Administration the external debt, amidst this dim back road, export comes as a beam of light and aides in boosting the growth. FDI and export are supporting great the development of the under developing country like Pakistan yet the real piece of these profits is, no doubt counterbalance by raised FDIs and external debt overhauling. Funds and inward investment rates have nothing to do with the development in the vicinity of external debt overhauling for Pakistan and hence, they are not becoming admirably.

1. Pakistan must benefit the alternative of debt absolution as it may diminish the debt levels due on them to pay and may give an opportunity to thrive.
2. They must assemble and channelize their private investment and assets in a manner that their generation builds so they can export immense number of items and gain incomes to pay off debt.

3. They must pull in FDI but not over swarm it furthermore cease from giving a considerable measure of subsidies. Most likely, FDI will bring a great deal of business advancements and opportunities which will help low wage nations to become however a ton of subsidies will consume up their due measure of incomes.

4. Energize people for saving trend by issuing govt bonds that will be positive impact on economic growth.

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UDC 33

The Impact of Electricity Crisis on FDI in Pakistan

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Abstract

The main intention of this paper is to check the impact of electricity crisis on foreign direct investment inflow in Pakistan. Secondary data from world development indicator and energy book with a sample of 13 years from 2001 to 2013 is taken. Unit root analysis for making data stationary and OLS method are employed in Eviews to determine the impact of electricity crisis on FDI inflow in Pakistan. Results indicate that there is a negative and significant relationship between electricity crisis and FDI inflow in Pakistan. This paper also shows that due to electricity shortfall foreign investors are discourage and ultimately there is decline in FDI inflow in Pakistan after 2005.

Keywords: Electricity shortfall; Foreign direct investment; Pakistan.

Introduction

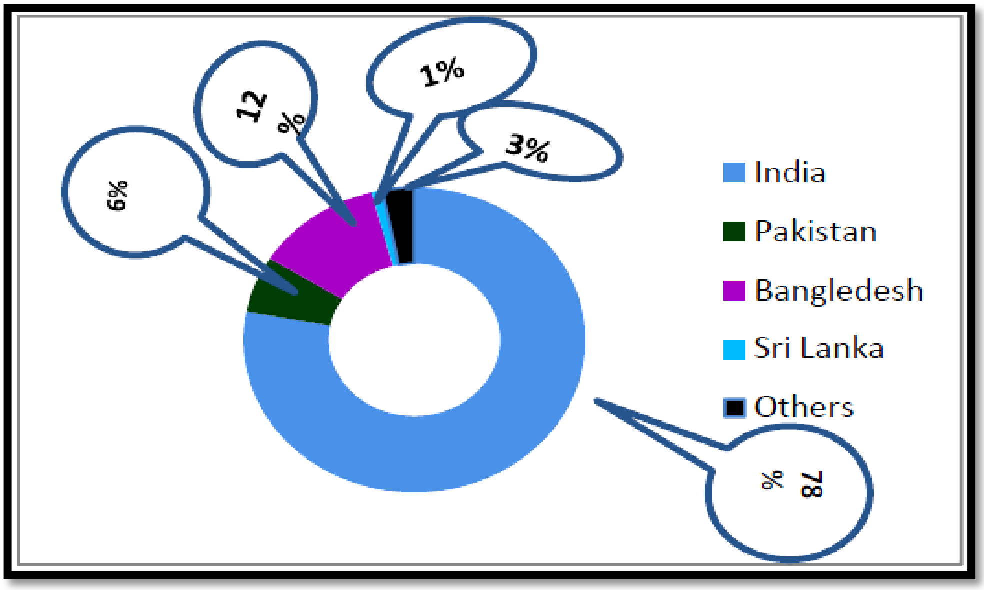
Foreign Direct Investment

Foreign Direct Investment is thought to be an imperative source to develop physical capital, make employment opportunities, create gainful limit, improve skills of managers and local labor through exchange of technology, and incorporation with rest of the world. Foreign Direct

Investment (FDI) is the investment Mostly remote organizations employ neighborhood staff of host nation made by multinational business endeavors in remote and give a huge scope of livelihood opportunities for nations to control resources and production activities (Lodhi, Siddiqui, and Habiba, 2013).

At one time the vitality of FDI has been ignored in the economies yet in nineties and twenties it got impressive due consideration. Presently it is conceded as a significant issue helping towards economy of host economy particularly in developing nations (Bashir, Mansha, Zulfiqar, & Riaz, 2014). Pakistan requires more attractive FDI if Pakistan to outcompete alternating areas where investment are more. Particularly within the south Asian countries which show the Foreign direct investment drifts in following figure.

Figure 1: FDI Inflow in South Asian Countries



Source: Fiscal Review 2012, Business Recorder

With an increment of 12 percent, Pakistan got some $1.6 billion Foreign Direct Investment (FDI) during the last monetary year 2014. "For the last few years FDI was on decrease due to a few household and outside issues, electricity crisis, antagonistic peace circumstance. Foreign investors have put some $1.631 billion FDI in Pakistan during the FY14 as contrasted with $1.456 billion in Fy13, delineating an increment of $175 million. FDI inflows, during the last monetary year, remained at $2.641 billion while FDI outflow of $1 billion. Month-on-Month premise, FDI has posted a surge of 47 percent during a month ago of FY14. FDI remained at $189 million in June 2014 as against $128.3 million in June 13, demonstrating an increment of 60 million (Zuberi, 2014).

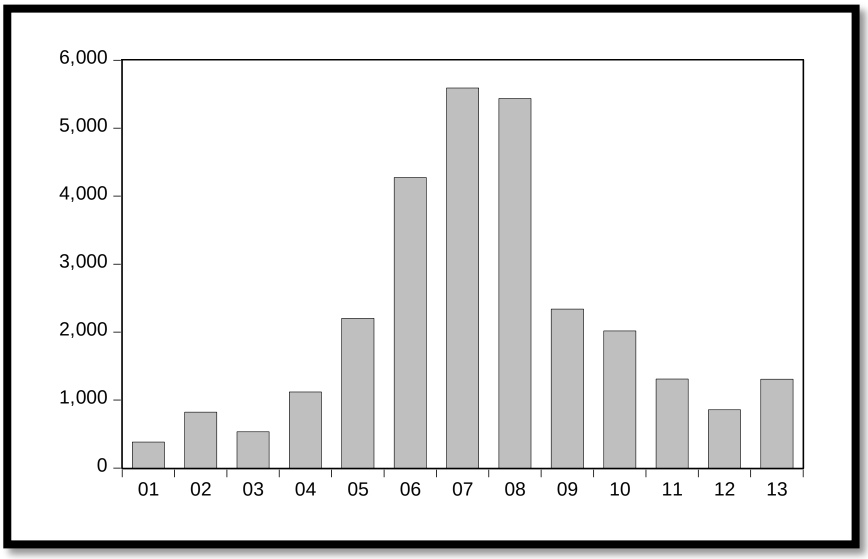
Table 1: FDI inflow in Pakistan

Year	FDI Inflow (million US$)
2001	383
2002	823
2003	534
2004	1118
2005	2201
2006	4273
2007	5590
2008	5438
2009	2338

2010	2018
2011	1309
2012	859
2013	1307

Source: World Development Indicator

Fig 2: FDI inflow in Pakistan (million US$)



The above figure shows the foreign direct investment inflow in Pakistan from 2001 to 2013. There was maximum FDI inflow in 2007 and 2008 after that due to electricity crisis the FDI has declining trend.

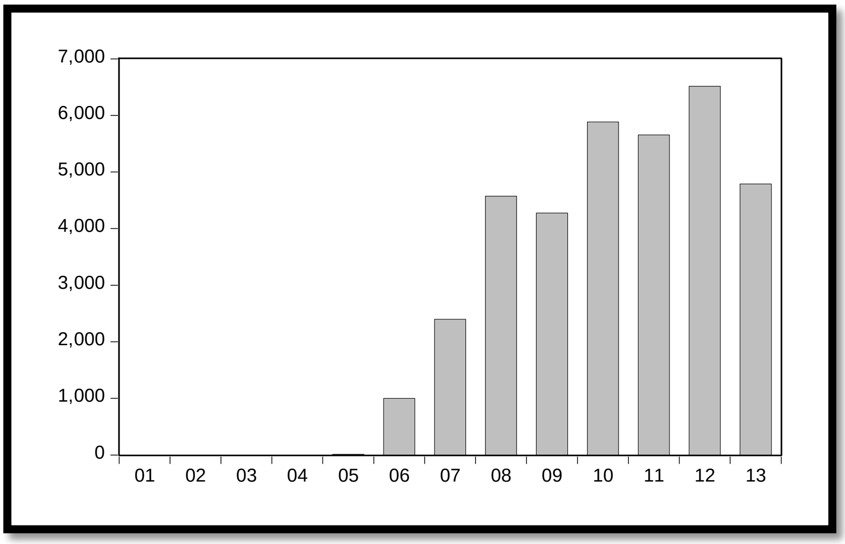
Electricity Crisis

Pakistan's current energy crises have been a red signal for foreign investors. The demand for energy specifically electricity is increasing and supply is less. The industries have to put their production on hold or some of them are using their own resources to produce electricity. Not everyone has this option. These conditions causes thousands of people to lose their jobs and have impacted on labor market and manufacturing organizations. This is an alarming situation for investors who are willing to invest in Pakistan (Khalid, Ullah, & Shah, 2012).

Table 2: Electricity Shortfall in Pakistan

Year	Electricity Shortfall (mw)
2001	0
2002	0
2003	0
2004	0
2005	13.329
2006	1000
2007	2400
2008	4574
2009	4274
2010	5885
2011	5656
2012	6517
2013	4790

Fig 3: Electricity Crisis in Pakistan (Shortfall mw)



The above figure shows the electricity crisis (shortfall) in Pakistan from 2001 to 2013. The electricity crisis started from the year 2006 and there was maximum shortfall in 2012. The shortfall badly effect the FDI inflow in Pakistan which has been shown in figure 3.

Literature review

Lodhi, Siddiqui, and Habiba (2013), also by using ADRL approach, investigated the factors influencing FDI in Pakistan. They found that Gross capital formation, Electricity production and FDI inflows are positively correlated in long run. They also concluded that industrial value addition and FDI inflows are positively correlated in short run.

According to Lizondo (1991) for developing nations better choice is to depend on FDI instead of Bank loans and bonds. They can be among developed countries by getting FDI (In 1997 in China FDI was 15 percent of domestic investment, 41 percent of total exports, 19 percent of industrial output, 13 percent of tax revenue and 18 million employment Pakistan needs FDI as it's a capital-deficit country.

Between major FDI receiving countries of Asian region rate of return for FDI is higher for Pakistan. According to UNCTAD 2003 the normal rate of return of world is 5.5, developing nations 4.2, China 5.8 and of Pakistan7.0. Instead of this fact in 2004-05 Pakistan just has had be able to get FDI of US$632.5 which was less than China, Malaysia, Korea and India. (Khan and Nawaz, 2010).

The most recent quarterly report of the State Bank of Pakistan, distributed in June 2012, says that foreign direct investment (FDI) in Pakistan saw a 36% decrease from Us$840 million in 2011 to Us$532 million in 2012. The decline in FDI is due to global economic crisis, electricity crisis, flood and security situation in Pakistan (Chandran, 2012).

Foreign Direct Investment (FDI) in Pakistan remained at $ 853.5 million during July-April 2012-13 as against $ 658.2 million last year, posting an increment of 29.7 percent. Oil & Gas Exploration remained the real area for remote investor. Pakistan will without a doubt attract FDI with the determination of energy shortage and change in the lawfulness circumstance. The Board of Investment (BOI) under the Prime Minister's Secretariat has sanction new investment strategy for investors. Specifically, endeavors are additionally going ahead to support the setting up of foods grown from the ground handling commercial ventures and more fare transforming zones in the nation, so that managed high financial development through exports may be accomplished and arrangement of investment opportunities may be created (SBP, 2013).

The essential anxiety for foreigners, particularly for Japanese financial investors in Pakistan are the security concerns, energy stipulations and non-accessibility of infrastructure, said Japan Embassy Economic and Development Counselor Naoaki Kamoshida during discussion with journalists. Foreign direct investment (FDI) is generally hampered because of these concerns (Kakakhel, 2014).

The reasons of declining FDI in Pakistan is because of terrible arranging and government approaches. The low rate of GDP, political flimsiness, more awful lawfulness circumstance and energy shortfall are the real reasons for low FDI. The declining security issue has frightened off financial investors. FDI can't be energized in a compounding lawfulness circumstance. The circumstances won't enhance until the legislature cures the security and energy crisis. It's tricky to bait venture unless and until financial specialists are given lucrative motivating forces for leaning toward Pakistan over different nations (Arslan, 2010).

Material and methodology

The current study explores the impact of electricity crisis on foreign direct investment (FDI) inflow. FDI is taken as dependent variable which is measured in million US$ in Pakistan while electricity crisis is taken as independent variable in this study. Electricity crisis is measured by taking yearly shortfall of electricity in megawatt. To remove the trend in data natural logarithm of FDI and electricity crisis is taken for better results. Time series data from 2001 to 2013 is taken from the world development indicator and energy book. Eviews 6 is used to analyze the data. unit root test for stationary of data and ordinary least square method is used to check the impact of electricity crisis on FDI.

On the basis of above literature the following hypothesis is developed.

Ho: There is no relationship between electricity crisis and foreign direct investment in Pakistan

H1: There is a relationship between electricity crisis and foreign direct investment in Pakistan

Research Model

$$FDI = \beta_o + \beta_1 SF + \mu$$

$$LFDI = C + \beta_1 LSF + \mu$$

Where,

LFDI = Log of Foreign direct investment

β_o = Intercept

β_1 = Effect of independent variable (shortfall)

LSF = Log of shortfall

μ = Error term

Results and Discussion

Unit root test

Before applying OLS method first make the data stationary because non stationary data cause spurious results. Augmented dickey fuller unit root test is used to check whether the data is stationary or not.

Ho: LFDI has a unit root problem

H2: LFDI is stationary

Ho: LSF has a unit root problem

H3: LSF is stationary

Table 3: Unit root results of LFDI

LFDI **Exogenous: Constant** **Lag Length: 2 (Automatic - based on SIC, maxlag=2)**			
		t-Statistic	**Prob.***
Augmented Dickey-Fuller test statistic		-4.127102	0.0128
Test critical values:	1% level	-4.297073	
	5% level	-3.212696	
	10% level	-2.747676	
*MacKinnon (1996) one-sided p-values.			

* indicate significance at the 5 % levels

Table 4: Unit root results of LSF

LSF **Exogenous: Constant** **Lag Length: 2 (Automatic - based on SIC, maxlag=2)**			
		t-Statistic	**Prob.***
Augmented Dickey-Fuller test statistic		-5.250580	0.0063
Test critical values:	1% level	-4.297073	
	5% level	-3.212696	
	10% level	-2.747676	
*MacKinnon (1996) one-sided p-values.			

* indicate significance at the 1 % levels

Table 5: Unit root decision

Variables	**I(0) (means At level)**	**Decision**
Foreign Direct Investment Inflow	**0.0128**	**I(0)**
Electricity Shortfall	**0.0063**	**I(0)**

Above tables 3 and 4 shows augmented Dickey-Fuller unit root results of LFDI and LSF. LFDI is significant at .05 level of significant while LFS is significant at .01 level of significant. So both null hypothesis are rejected. Both variables are significant at level so we don't need to go for 1st and 2nd difference in Dickey-Fuller unit root.

Ordinary Least Square method and testing Hypothesis

Table 6: OLS results

Dependent Variable: FDI **Method: Least Squares** **Date: 11/12/14 Time: 23:41** **Sample: 2001 2013** **Included observations: 13**				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	6.679061	0.329436	20.27424	0.0000
LSF	0.129566	0.050425	2.569478	0.0261
R-squared	0.375079	**Mean dependent var**		7.363233
Adjusted R-squared	0.318268	**S.D. dependent var**		0.847084
S.E. of regression	0.699412	**Akaike info criterion**		2.263486
Sum squared resid	5.380956	**Schwarz criterion**		2.350401
Log likelihood	-12.71266	**Hannan-Quinn criter.**		2.245621
F-statistic	6.602218	**Durbin-Watson stat**		0.521025
Prob(F-statistic)	0.026075			

* indicate significance at the 5 % levels

Above table shows the OLS results. P value is .02 which is significant .02<.05. so our null hypothesis is rejected and research hypothesis "there is a relationship between electricity crisis and FDI" is accepted. The value of β_1 (beta coefficient) is .12 which means that there is 12 % impact of electricity shortfall on FDI. The strength of beta is very low in this study because there are some other relevant variables are missed which we have not taken in our model.

R2 shows the goodness of model fit. Value of R2 is .37 which means that there is 37 % variations in FDI due to independent variable Shortfall. Our model is not good enough because due to small number of observations. The value of Durbin Watson is .52 which means that there is negative autocorrelation exist in our model.

Conclusion

This paper has attempted to investigate the impact of electricity crisis on FDI inflow in Pakistan. Unit root test and OLS method are employed on time series data. The findings revealed that there is negative and significant relationship between electricity crisis and FDI inflow in Pakistan. The declining trend of FDI shows that Government of Pakistan is unable to control the severe load shedding now a days which dropped the confidence of foreign investors to invest in Pakistan. Foreign direct investment is being hampered due to these concerns like security concerns, energy constraints and non-availability of proper infrastructure facilities.

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Pedagogical sciences

Педагогические науки

UDC 378

Psychological Diagnostics in Higher Education of Future Managers in the Modern Stage of Professional Education Development

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Abstract

The article proves the significant role of developing professional education. Training of specialists in higher educational institution caused by features of students' Unified State Examination results demands additional conditions. These additional conditions are considered in updating of psychological diagnostics in higher educational institution for the purpose of identification and development of specific students' features, professionally significant for the future profession.

Keywords: diagnostics; psychological diagnostics; management; personal professional qualities; professional manager; expert; personality's qualities.

Introduction

Choice of profession is one of the most important elections in life. As the profession corresponds to person's abilities and tendencies as effectively the person will professional activity considerably defined quality of his life. In this regard, the diagnostics of professional suitability is current and needs careful studying.

The use of diagnostics of professional suitability is necessary also because it will allow to lower percent of the students who do not realize the specific features of the future profession.

Diagnostics of professional suitability consists in defining, what tendencies, abilities and other individual and psychological features the person possesses and feel most harmoniously, and as well it allows to predict extent of influence of person's individual and psychological qualities on the formation of the personality as a professional, i.e. the professional personal qualities.

"Professional personal qualities are the separate dynamic lines of the personality defining the mental and psychomotor properties, physical qualities conforming to requirements of a profession and promoting successful mastering this profession" [1].

Therefore, personal professional and significant qualities come to the forefront. The manager as an expert has to possess the professional qualities which allow:

• to reveal a problem taking into account its interrelations with other problems of management;
• to make optimum decisions taking into account opinion of various experts;
• to direct and control work of employees promptly [2].

Thus, professional personal qualities are generalized, steadiest characteristics of these significant qualities of the manager which have decisive impact on administrative activity. The formation of these qualities in education depends on a set of factors: features of character, structure of the personality, orientation, ability, activity conditions; and they are considered to as organizing and communicative abilities of the future specialist.

Materials and methods

The analysis of theoretical bases of interrelation of specific psychological features in formation of the identity of the professional allowed to conduct a research regarding identification of these interrelations among students of 2 and 3 courses of Kemerovo State University of Culture and Arts (future managers).

It was supposed that the students intending to receive the manager's profession possess the main qualities necessary for the professional manager.

For this diagnostics, such methods as testing, L. P. Kalininsky's technique, the analysis, and comparisons were applied. It allowed to define the degree of properties necessary for the professional manager among students of Management Faculty; and to consider, whether really the students planning to get the manager's profession possess the main qualities necessary for the professional manager.

By L. P. Kalininsky's technique "A technique determination of organizing and communicative qualities of L. P. Kalininsky", the main qualities of the personality are the orientation, efficiency, domination, confidence, insistence, obstinacy, negativism of the personality, compliance, dependence, a psychological step and responsiveness.

Application of this technique allowed to define professionally significant qualities of the manager among students by the following criteria which are in zones: Nominal (0-3), Potential (4-7), Potential (8-11), "Superzona" (12-15). Results are reflected in fig. 1.

Fig. 1: Indicators of the manager's main qualities

The analysis of results shows the following:

- "Qualities of the personality" are at the average level, namely in the perspective and potential zones presented in fig. 1;
- 6 lines of "Qualities of the personality" from 10 are at the top level, in "Superzona": efficiency, confidence, insistence, dependence, psychological step and responsiveness.

Discussion

On the basis of the carried-out analysis it is obviously possible to consider visually listed qualities of the personality.

The orientation of the personality is characterized as a set of the motives, steady, rather independent of current situation focusing behavior and activity of the personality that is essentially important for students of the Management Faculty [3].

Fig. 2: Personality Orientation

The orientation is the quality of the personality necessary for activity in the sphere of management which is studied on the basis of organizing determination and communicative qualities.

The obtained data presented in the chart form (fig.2) show that "Superzona" isn't reached by any respondent. Thus 50% of respondents reach "A perspective zone". It assumes that during further training or after the university students will be able to reach the necessary level of this quality on condition of creation for this purpose of the special and organized educational environment in higher educational institution.

Efficiency includes organization and clearness in work, ability to find the most rational ways of the solution of the arising practical tasks, persistence and sequence in overcoming of difficulties and achievements of a goal [4].

Fig. 3: Efficiency of the Personality

This chart shows (fig. 3) that only 20 % of respondents reach "Superzona" on the level of formation of this quality, however 45 % of students from "Perspective zone" give the hope for possibility of further development of this quality.

Domination is a prevalent and important quality in the management sphere for professional activity.

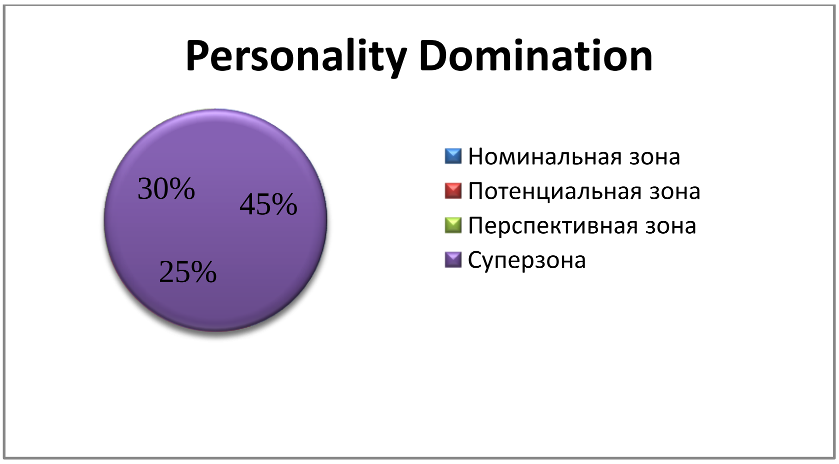

Fig. 4: Personality Domination

Chart (fig. 4) represents that "Superzona" wasn't reached by anybody, 45 % - in nominal, 25 % - potential and 30 % - perspective, that is 55 % of students of Management Faculty need development of so important quality of the personality for this profession.

The confidence is a positive, moral and esthetic quality of the personality. This quality consists of an objective self-assessment of the opportunities and the corresponding trust to itself at the solution of these or those tasks. The confidence is an absence of doubt, fluctuations in success of activity, conviction in the forces. Chart "Confidence of the Personality" (fig. 4.) shows that 65 % of students who appeared in "Potential zone" (30 %) and in "Perspective zone" (35 %), need development of confidence as important qualities for the future professional activity [5].

Fig. 5: Personality Confidence

Insistence is characterized as positive moral, esthetic, and strong-willed quality of the personality. This quality is expressed in ability of the person to induce itself or others to action, to its high-quality performance or to fix harmful actions. It becomes by means of councils, requests, tasks, decrees, orders, instructions, orders and various forms of control [5].

The analysis of the data of a survey showed that 5 % of respondents possess the high level of insistence. It allows them to induce easily itself or others to action, to high-quality performance or fixing of harmful actions. 45 % of respondents which level of insistence is in Potential and Perspective zones, need development of this quality by means of the training programs and techniques developing this quality. However 50 % of respondents, don't possess this quality at all, they aren't able to give instructions by means of councils, requests, tasks, decrees, orders, instructions, orders, besides they aren't able to control results of these installations.

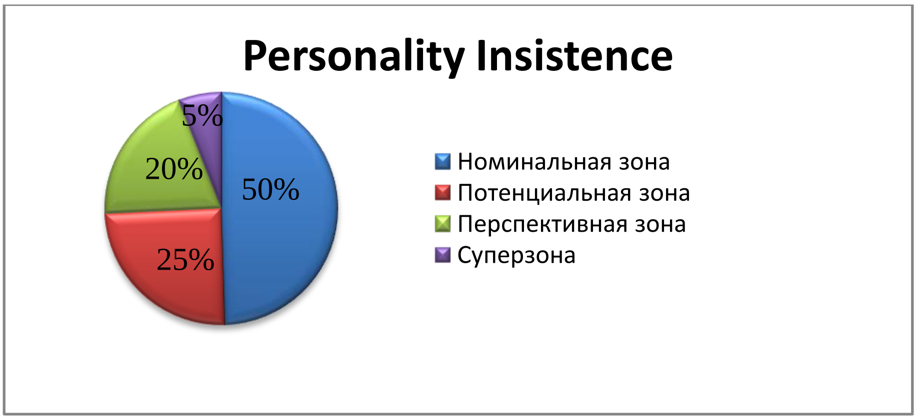

Fig. 6: Personality Insistence

The authors G. M. Kodzhaspirova and A. Y. Kodzhaspirov define obstinacy and negativism as:

"The obstinacy is the feature of behavior (passing into a trait of character) as the defect of the strong-willed sphere of the person which is expressed in aspiration to act in own way, contrary to reasonable arguments, requests, councils, instructions of other people".

"Negativism is the quality of the personality which is proved in intended opposition to favorite external requirements and expectations" [6].

Fig. 7: Personality Obstinacy and Negativism

The obstinacy and negativism were not reached the level of "Superzona" by any respondent. Only 10 % of respondents have this quality at the Perspective zone, 60 % of respondents have it at the Nominal zone. This chart (fig. 7) shows that Management students have a need for development of this quality.

Compliance of the personality is shown in flexibility, tractability, mercy in relation to other people.

Respondents own such quality at the average level, namely their answers are in Potential (25 %) and Perspective (35 %) zones. "Superzona" wasn't reached by any respondent. These data can mean that without developing compliance in the personality formation and prevalence of opposite qualities such as inflexibility, obstinacy or negativism.

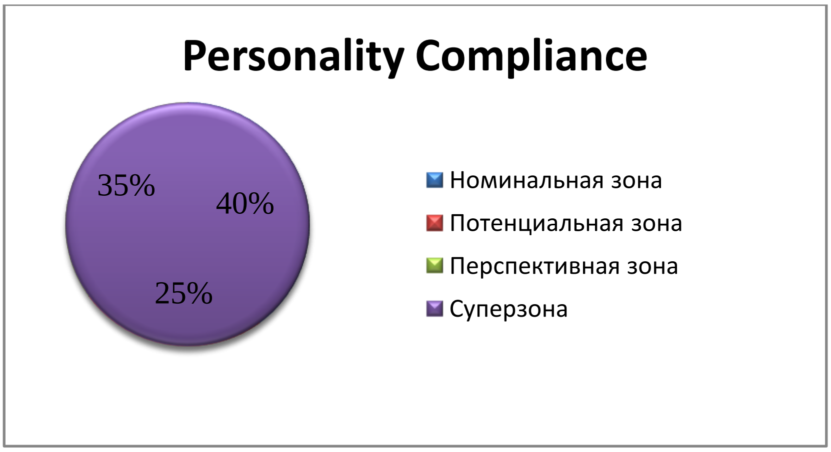

Fig. 8: Personality Compliance

Having considered such opposite qualities as obstinacy, the negativism and compliance it is necessary to point that these qualities have to be in a proportional ratio to each other. Each of these qualities important for the manager in different situations in a certain quantity, i.e. the optimum balance between inflexibility, persistence and a pliability is necessary. The head has to be able to use effectively each of them for achievement of the best results in work.

Dependence is characterized as a habit. 5 % of respondents have this quality at the level of "Superzona", 55 % of respondents are capable to develop this quality to the necessary level.

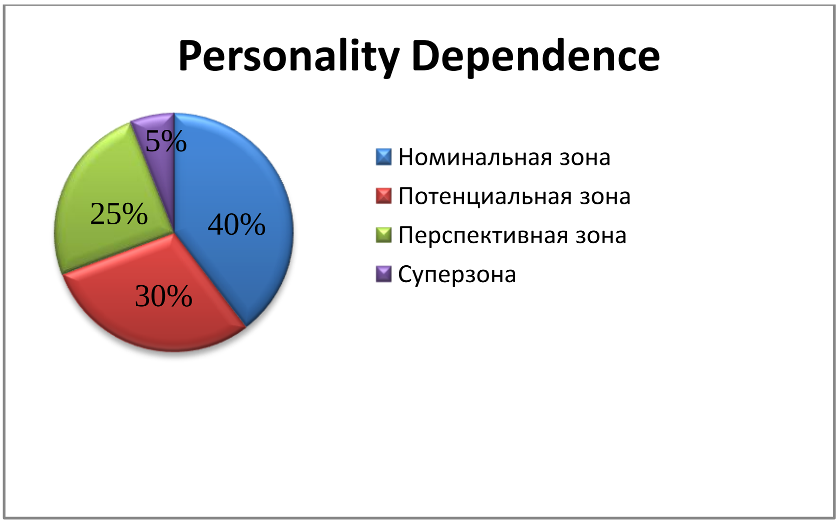

Fig. 9: Personality Dependence

In the center of psychological basis of the manager are psychological knowledge, abilities, skills necessary for administrative activity.

The chart (fig. 10) shows that 10% of respondents own quality "A psychological step", i.e. they reach "Superzona".

These students have steady emotions and feelings and are self-controlled. 85 % of them need development of this quality for the purpose of understanding, for development of ability to exercise control over a situation, over themselves.

Fig. 10: Personality Psychological Step

Personality responsiveness defines readiness of the individual to help someone in a trouble and a difficult situation; it installs a sense of stability in lives, confidence in domination of the good.

30 % of respondents have this quality at "Superzona". 60 % need development of this quality for possession of well developed empathy, emotional reactivity, sensitivity to behavior of others, altruism, vulnerability, sense of duty and responsibility.

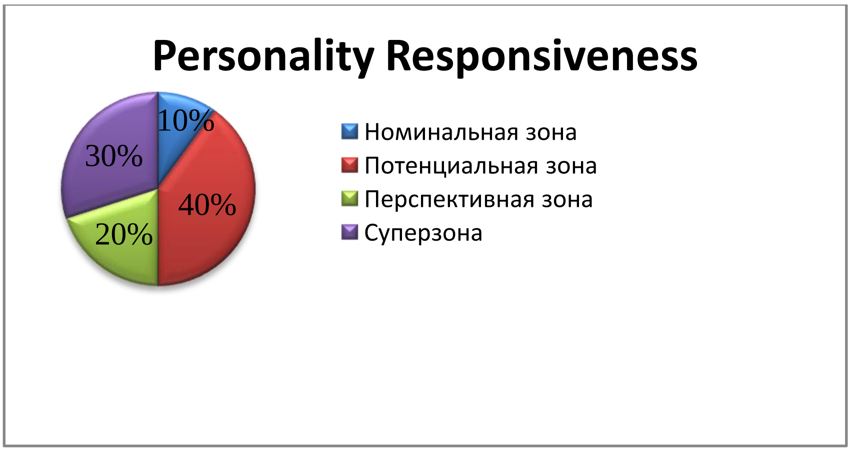

Fig. 11: Personality Responsiveness

Research Conclusions

The conducted research allowed to formulate the following conclusions: at the beginning of studying in higher educational institution not all students of Management Faculty possess the demanded, wished "qualities of the personality" necessary for future profession. Only 15 % of students have obviously expressed qualities of the personality professionally important for future professional activity. 30 % of students possess 5 (five) qualities of the personality (from 10 by a technique Kalinin), significant for professional activity. 35 % of students possess the qualities of the personality important for future professional activity, at a low level. 25 % of respondents don't possess the qualities of the personality, necessary for the manager.

For strengthening of results reliability one more psychological test [7] allowing to define leadership skills of students of the Management Faculty was used.

It was offered to students to analyse the qualities of character performing in acts, in the attitude towards people, in a choice which everyone makes in this or that situation. For this purpose there were 15 statements with which respondents could agree (having chosen the answer "yes"), which could be disproved (to give the answer "no"), besides, there was an answer of uncertainty in the survey ("I don't know"). Further it was necessary to compare the answers with the key, and then to draw a conclusion: who you are – a captain or the passenger. Results of the survey are presented in the chart (fig. 12).

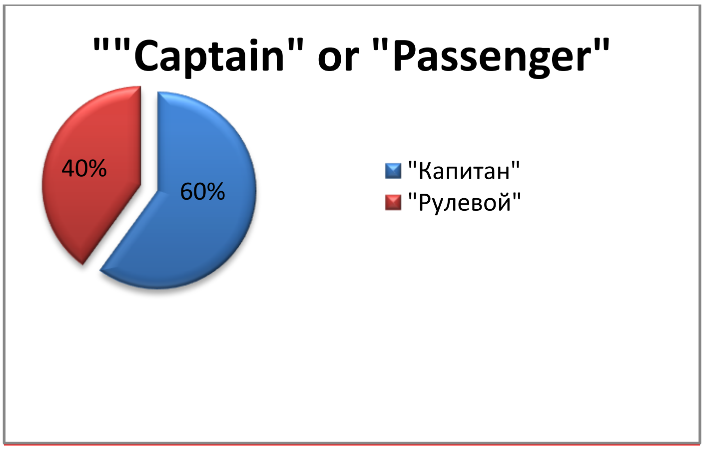

Fig. 12: "Captain" or "Passenger"

The analysis of answers allowed to define that 12 students (60 %) gathered from 100–150 points are "captains" of own life. These are the responsible, purposeful people overcoming difficulties without exaggerating them and without bringing to the level of vital problems. Students (8persons, 40 %) who gathered from 50 to 99 points, are "passengers". These students willingly can be "steering (drivers)", but if it is necessary to transfer a steering wheel to another hands they will do it. It characterizes them as flexible, judicious and sensitive people.

Testing allowed to reveal students leadership skills and to define responsibility degree.

Conclusion

It should be noted that a student who graduated from a higher educational institution must be an effective manager. According to this position it is necessary to reveal abilities of the student at the beginning of students' studying (first course). It will allow to reveal whether the student possesses necessary personality qualities which are necessary for getting new knowledge and for their further development in professional activity. For formation of individual, social and psychological qualities of the personality, it is necessary to carry out purposeful work with the student where an important component is creation of pedagogical and psychological conditions in education of future managers.

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