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ENSURING SUSTAINABLE DEVELOPMENT IN THE PERIOD AFTER THE FINANCIAL CRISIS
EDITOR’S NOTE

Dear readers,

Dear authors and friends,

The aim of the Editorial Board is to meet the requirements of our readers for high quality scientific papers with every issue of the magazine. This is the reason why all research articles published in a KSI Transaction on Knowledge Society are full peer review.

This issue of the KSI Transaction on Knowledge Society contains 10 papers, passed through the entire evaluation process. They are dedicated to the actual and significant scientific problems in the following fields in the traditional focus of the magazine: Human Capital, Management, Business, Management, International Relations, and Geopolitics, and Economics and Finance Management.

Editorial Board invites all readers, authors and friends to participate in the VII INTERNATIONAL SCIENCE CONFERENCE “KNOWLEDGE SOCIETY” and WORKSHOP “STRATEGIES FOR THE DEVELOPMENT OF HUMAN CAPITAL.” They will take place in Varna, Bulgaria in September 8 - 12, 2016.

The invitation of the conference was published in the previous issue of the magazine, as well as on the website of the conference — www.iscks.org. Traditionally, this event is a meeting of scientists from more than 10 countries in the above-mentioned scientific fields. The best papers presented at the conference will be published in the next two issues of the magazine, after the review procedure.

Kind regards of all our readers.

International Editorial Board
Evaluation of the effect of Labour Market Factors on Countries’ Inflows of Foreign Direct Investment

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Abstract: The ongoing process of globalisation has been reflected in all spheres of economical relations: countries are interchanging not only goods and services, but also factors of production. For last decades, evaluation of the factors of FDI inflows among countries have been sharing the view that the major factors include a cheap and highly skilled labour force however deeper research in this area is scarce. There is a lack of researches into the effects of labour market factors, taking the rapid rate of economic growth and growing measures of capital mobility into account.

In the article the theoretical concepts of foreign direct investment have been structured according to the level of estimation and similarities among theoretical concepts in terms of direct and indirect assessment of the labour market factors have been identified. A versatile model comprising and integrally evaluating the overall macroeconomic and specific factors affecting the labour market within legal framework as well as their impact on FDI flows in countries has been proposed. A study case in the new EU members has been conducted, demonstrating the immediate direction of the impact of both labour costs and labour qualification. The findings of the empirical study indicating that FDI attraction is affected by both the existing level of skilled labour and public investment in skilled labour increase can be helpful in shaping public policy focused on increase in FDI flows.

Indice Termes: foreign direct investment, labour costs, labour qualification.

I. INTRODUCTION

Relevance of research, scientific problem. The ongoing process of globalisation has been reflected in all spheres of economical relations: countries are interchanging not only goods and services, but also factors of the production, necessary for the production. The capital, labour resources, scientific – technical knowledge under contemporary conditions can be characterised by the high international mobility: the capital is actively invested abroad, people are migrating from one country to another searching for better work and more favourable living conditions, technologies are transferred. Foreign direct investments (further FDI) are treated as one of the most important forms of the international migration of capital; this has affected interest in reasons of this phenomenon.

Direct investments are more useful for the economics of the country than foreign investments of other types, because in such case the investor is planning the long-term activity. Direct investments give benefits from the aspect of growth of the gross product, investments to the production, reduction of unemployment; the country gains the possibility to use the contemporary technologies, knowledge and experience of the management. Attraction of FDI is especially important for the developing countries, because they often lack the capital and technologies used in developed countries. For such countries FDI are the possibility to attain the more rapid economical growth.

The issue of factors determining FDI has already been relevant for several decades; however upon the changing situation within the world economics, aspects of analysing this effect also change. After the World War II many countries didn’t have enough capital for the independent assurance of the economical growth, therefore assessment of FDI was mainly linked with the increase of the economical potential of these countries. Later factors of FDI were assessed through the prism of the development of transnational corporations. The last decade of the last century was characterised by the increased flow of FDI to the developing countries, including countries of the central and Eastern Europe that had many skilled workforce during the transition period from the planned to market economies, but lacked the capital. The attraction of the countries for FDI has been actual problem for many countries in the world.

Labour market quantitative and qualitative characteristics are treated as one of the most important economical characteristics of the country determining the attractiveness of the country upon attraction of the foreign capital, because it affects costs of the production factors experienced by investors as well as the profit. Economical processes that are happening in the countries unevenly affect the state of the labour market; therefore it is important to assess differences of the labour market of countries and to define what factors of the labour market have the greatest impact on FDI in countries. Upon assessment of factors of the labour market, the labour cost is often stressed; however the labour market can also be characterised by other important characteristics — labour qualification, legal regulation of the labour market and etc.

Labour cost in scientific surveys is often linked with
The Role, Selection and Preparation of the Supervisor in the Management of the Organization

Ivaylo Stoyanov

Abstract: In many organizations, the changes in business processes and the way to implement the activities put in focus the role of the supervisor, the way he/she is selected and his professional training. This is the person who is in the connecting unit between the proper running of the organization and implementation of the strategy and tactics defined by senior management. The aim of this publication is to examine some features of the work of the supervisor and his contribution to the management of the organization.

Index terms: organization, supervisor, management

I. INTRODUCTION

Always has the supervisory role in the organization aroused great interest in the structure of the formal system. This is the man in the management, whose task is to control and guide people who work outside the field of management, i.e. workers (contractors). He is responsible for achieving the objectives of the subject system and the way it will affect the people to implement them. The supervisor is the link between the heads of the higher levels of the organization and employees (R. Likert, 1961, p. 113). Therefore, its role and behavior are important for the company development and the results achieved.

II. THE ROLE, SELECTION AND PREPARATION OF THE SUPERVISOR IN THE MANAGEMENT OF THE ORGANIZATION

The role of the supervisor stands out with the research in the city of Hawthorne. The research work has been conducted by E. Mayo, F. Roethlisberger and their team. They reflect the concept of human relations in a production environment, and one of the main issues associated with the behavior of the supervisor and his attitude towards subordinates. Later, researchers at the University of Michigan and their followers, conclude that there is no constant pattern between productivity and job satisfaction.

The foundation of this understanding comes the work of the supervisor as well to monitor the implementation of the objectives, the motivation of the people and performance (effectiveness) of their work.

Porter is that supervisors have low self-esteem about themselves because they feel uncomfortable with the fact that they are somewhere "in the middle" in the organization. This contradiction can be defined as follows (E. Zahariev, 2001, p. 503):

- "Supervisor as a key figure" in the management. It is the direct communication link. She/he is considered as performing managerial duties and enjoys the corresponding status.
- "Supervisor, as a man in the middle". Her/his status is uncertain, the supervisor is "in no man's land" -- neither the workers accept her/him as one of them, nor is she/he considered a part of the management.
- "Supervisor, as "the man from the periphery." She/he is there, but only as a presence. She/he has an awkward position and feels awkward.
- "Supervisor, as "the other kind of worker." Actually she/he is no more important than the ordinary workers, despite receiving higher remuneration and dress differently. He's just a "fisted worker":
- "As a person responsible for the human factor, she/he is responsible for maintaining the morale and good psychological climate. Technical tasks entrusted to professionals and the supervisor is responsible for the human relations.

Based on these contradictions some problems arise in the work of the operation supervisor, some of the most significant are the following (E. Zahariev, 2001, pp. 503-504):

- Incompatibility of loyalty: to whom to be loyal - to a group that is subject to management or to which he/she is subject.
- Ignoring the status on behalf of her/his superiors and having only limited access to senior management of the organization.
- Insufficient power or unexplained rights.
- Insufficient awareness of the organization's policy.
- In many organizations, supervisors do not undergo special training.

To work effectively in the organization, the supervisor must possess the following important skills (B. Georgopoulos & F. Mann, 1962, pp. 430-431):

- Administrative competencies
  - These competencies for the supervisor are required to follow the policies and procedures of the organization, which is essential for the effective implementation of the work. Any change in them must be explained to workers who are engaged in productive activities. On the other hand, the supervisor can respond appropriately to the environment and efficiently achieve their goals.
  - Competence in the field of human resources
  - Supervisors spend most of their working time in communication with subordinates or managers of the organization. In the first case, they give instructions and guidance to workers, the latter - they give account for the results to their superiors. All this requires competence in communication skills and teamwork. The argument is further strengthened when requirements arise between targets and productivity of workers.
  - Technical competencies
    - Supervisors not only have current updated competencies in the field of engineering and technology, but also she/he should be able to decide the problems in these areas. In other words, to do the job for which she/he is trained. The information is needed, inegyus and intelligence to deal with in critical or emergency situations.

The views on the work of the supervisor in the organization are trenchantly different, the most important of which are the following (B. Sember & T. Sember, 2007, pp. 59-136; H. Roth, 1951, pp. 291-301; S. Peres, 1962, pp. 405-410):

- Setting rational goals to the subordinates
  - For the effective work of the supervisor, he needs to know which goals have higher priority and whether they will be within the competence of subordinates. If targets are set too low and are considered routine, workers can underdeliver them, which will reflect the positive outcome of the activity. Conversely, their complexity can alienate them from labor, can discourage them and cause personal resistance.

- Creating a suitable working environment
  - To achieve the objectives of the organization, the supervisor must be able to positively influence the people who manage, encourage them to assess each initiative and work successfully. The supervisor employs motivational mechanisms and formal rules for achieving the objectives is required. Where necessary administrative sanctions should be applied to maintain order. Otherwise the possibility of business groups may reflect negatively on the work performance and the corporate activities.

- Improvement of methods and techniques used at work
  - The Supervisor must diversify the methods and techniques of work, implementing innovative approaches that activate the creative potential of the staff. These must be consistent with the organization's management, if new guidelines for the implementation of goals and objectives are required. Otherwise negative results might come, if experiments with no real training and instruction to workers about upcoming innovations are conducted.

- Delegation of authority, if necessary
  - In many organizations, supervisors are overworked and it is difficult for them to adapt to different aspects of the activity. They must allocate time and effort into those areas that have priority intervention. This requires the delegating rights to workers to perform standard procedures of expertise and it does not require the mandatory participation on behalf of the supervisor.

- Providing moral support and professional support/help to subordinates
  - The Supervisor should be fair to the people who are managed by him, this requires informing them about upcoming changes in the work, discussing problems, specifying their nature and solving them. Besides, He
should be able to offer professional assistance to anyone who needs one, regardless of his status/position in the organization.

- Ethical behavior and loyalty in work

Supervisors should be ethical, not only to their peers, but also to superiors. They should be loyal to the organization’s objectives, priorities and interests. Ethical behavior is also reflected in its relations with subordinates, which requires credibility (when necessary), respecting their needs, understanding their concerns, etc. Senior managers assign tasks/responsibilities and expect their performance, while the supervisors have a direct contact with workers. They need to understand what the expectations are, the mood and motivation to work and most importantly to help them do it better. This cannot happen if they are not ethical to their behavior.

- Develop a personal career and that of subordinates

A well-trained supervisor seeks to develop professionally and continuously improve their skills. High qualification provides a real opportunity for career development and selection of a higher position in the structure of the organization. The supervisor encourages subordinates, helping them to work and constantly develops empathy for them and contributes to their professional prosperity. This includes training programs for those who train them in new ways of working and they are also trained how to use new technological equipment and how to improve business practices, etc.

- Cost Control (if this option is possible and applicable)

In some organizations, the supervisor shall be entitled to draw up and administer an operating budget, obliging him to make accurate decisions about spending funds (e.g. ordering materials or machinery parts). Costs are part of the budget and the rational spending is a guarantee of a job well done. In other organizations, this function is entrusted to a functional specialist and is controlled by senior management.

One of the important roles of the supervisor is to make decisions at work that are effective, provided that the following steps should be followed (pp. 505-506):

1. Establishment of the facts:
   - examination of the data;
   - identification of existing rules and customers;
   - conducting interviews with stakeholders;
   - collection of views and different viewpoints;
   - analysis of the whole situation.

2. Judgment and decision making:
   - comparison of the facts and assessment of their significance;
   - compliance with the practices and policies of the organization;
   - taking into account the specificity of objectives;
   - not drawing hasty conclusions.

3. Taking action:
   - will the Supervisor alone implement the solution?
   - how long will it take?
   - shall the decision be awarded to the subordinates?

4. Verification of results:
   - how long will it take before the first inspection is made?
   - how often will the control be supervised/made?
   - to monitor changes in attitude, production, etc.;
   - do the actions lead to better results?

The role and function of the supervisor is influenced by many factors that arise from globalization and the changes in the socio-economic conditions of the organization. The latter must adequately respond to business processes and the dynamics of the market. Supervisors face the following challenges:

- Changes in organization and the need for greater autonomy

Today the modern organizations have to respond to the business environment, and one of the ways is to make radical (major) changes or to improve business processes. For this purpose we reduce the units in the organizational structure, cutting excess processes and all inefficient operations. We also create new schemes of work and the supervisor coordinates its operational performance. The supervisor must monitor the condition of the technical equipment and have the rights to make decisions to overcome the problems. To have more effective work, the supervisor needs more authority and responsibility in carrying out the various interventions of the lower management level. It is important that he aim at the following activities:
   - to recruit people who are competent to do the job;
   - to stimulate and motivate the subordinates;
   - to set rigorous standards;
   - to implement efficient working methods.

- Striving to improve the quality of goods and services

Today customers are demanding buyers who have their own requirements for the products and services. Their standardization gives way to the personal needs and interests, which requires a new approach to customers and satisfying their needs. Quality becomes a fundamental factor for competitiveness and the major focus on modern methods of its implementation. It is necessary to participate in shortening the time of making the products (services) and be responsible for testing of new technologies and approaches to work.

- Need of multifunctional capabilities

Modern supervisors require good professional qualifications and competences in different areas of the business. Concrete/narrow specialization is not very effective in terms of organizational changes and continuous technological progress. Supervisors need to solve problems of different nature, which requires an arsenal of skills and knowledge in the field of information and communication technologies. Quite a few companies use automated production process, while others rely on the intellect and the skills of people. They are a prerequisite for the improvement of knowledge, their constant innovation and effective use.

- Communication

- analysis of the situation;
- leadership;
- delegation of authority;
- making key decisions.

These areas are arranged chronologically in a table covering the position for which you are applying and assessing the qualities of the candidate. The assessment is made on the basis of 16 scales, each having precise parameters - 1-4 (low), 5-8 (medium), 9-12 (high) and 13-16 (ultra high).

The first three requirements (planning, communication and analysis) show mostly the intellectual abilities of the candidate for the position of a supervisor. The remaining three (leadership, delegation and decision-making) are related to the way you work - effective or destructive.

After the observations and the results of the candidate for the position of a supervisor, it is necessary to put an assessment/mark which varies widely. It is formed, based on the scale and is marked by a line between its individual sections (1 to 16). The candidate who has shown the best results and meets the requirements for the position is hired.

To finalize this process, certain methods for the selection of candidates can be used. They are the following (H. Clay, 1952, pp. 466-470; C. McDermid, 1962, pp. 22-25):

1. Interview with the applicant

The interview with the applicant for a supervisor comes down to an informal discussion about what is expected of the work and how she/he will carry out the duties (checking the attitudes and motivation to work). It does not give a definite idea for the nature of the work or the candidate’s qualities, but it is possible to gain an overall vision for the position occupied and the behavior of the person (speech, gestures, way of dressing, charm, etc.).

2. Candidate’s documents

Information on the technical proficiency and skills of the candidate can be identified by the documentation submitted in advance. It used to generate data on previous experience of the applicant, the position she/he had occupied, the development in profession and her/his personal interests. Age, education and acquired certificates, documents proving the professional achievements of the candidate are taken into account. This information should be compared with the data obtained from the interview.

3. Tests completed by the applicant

The tests are a tool used to assess the overall culture/characteristics and the specific skills she/he has in a working environment. They can be paper-based or in electronic form, and the questions are formulated according to the type of organization and nature of work. Sometimes the tests are used in order to increase the efficiency of operation of the supervisor, but it should be borne in mind that the "most of the problems arise from poorly organized work and not so much from the lack of skills" (M. Haure, 1950, pp. 42-51).
Insights of the entrepreneurial personality trait necessity on youth entrepreneurship

Egle Kažlauskienė1
Rima Žitkienė2

I. INTRODUCTION

During the current decade, under the interface of such sciences as business management, psychology and economics, the concept of entrepreneurship is developing at an enormously intensive pace, and there is constantly changing the approach towards this quite new phenomenon, which very frequently requires different theoretical access/approaches. There still exists a lack of the systematic approach towards the development of entrepreneurial traits that highlights a need/relevance of scientific and empirical research.

This allows the formulation of a scientific problem – to distinguish and substantiate the key theoretical approaches that enable to highlight the perception of entrepreneurial personality traits and its influence for perspective establishment of youth business start-ups and/or development of private businesses.

The aim of the study is to find how young people perceive entrepreneurial personality traits and which factors they think are important for success of an entrepreneurial venture. Objectives: 1) reveal entrepreneurial personality trait theoretical approaches and identify entrepreneurial personality trait importance to the entrepreneurship; 2) to determine the necessity of entrepreneurial personality traits for entrepreneurship promotion, establishment of business start-ups and/or development of private businesses on the basis of the data of the longitudinal empirical survey conducted among youth in Lithuania. The methods of research include the following: analysis of scientific literature, comparative analysis, questionnaire survey, summarising method, statistical data analysis methods.

It can be argued that entrepreneurship is the subject of interdisciplinarity studies. There is plethora of discussion about entrepreneurial personality traits of the diversity and the identity. Entrepreneurial personality traits, emphasize their heterogeneity and compatibility, in addition they relate and form one another.

The results of the empirical survey showed that young people positively assessed the level of study choice within the emphasis on the future employment perspective, personal entrepreneurial trait necessity and it’s training at the University. The study also reveals the insights of the entrepreneurial orientation creation and existence among youth in Lithuania.

Index Terms: Personal entrepreneurial traits; Entrepreneurship; JEL classification: L26 - Entrepreneurship; M13 - New Firms; Startups; O15 - Human Resources; M21 - Business Economics

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2 A Combined approach for evaluation of the candidate
The final assessment of the candidate for the position of a supervisor is formed by summing the results from previous rounds of selection. All the positive and negative aspects of competence and behavior of the individual are taken into account. The final assessment is marked on a form drawn up for each candidate. The senior management shall be informed of the results, then a written report of the successful candidate is offered and instructions for his appointment are expected.

To be effective in the workplace, the supervisor goes through advanced training programs and training. This is required in complicated business and higher qualification requirements for managers and executives. In the training programs for supervisors, special attention is paid to the following activities (J. Blase & J. Blase, 2004, pp. 51-84; B. Georgopoulos & F. Mann, 1962, pp. 430-438):
1. Preparing for administrative competence
Supervisors are trained in the areas of functional aspects of management (planning, organizing, controlling, work, etc.) that are not less important than the other competencies. They affect the development of the whole system and they are the relationship with the higher levels of the organizational structure. For the Supervisor it is important to have a stable preparation for the selection and monitoring of supply, planning and operational management of production, diagnosing the operational tasks, understanding the management of expenses, etc.
2. Preparing for competence in the field of human resources
These skills require training for the behavior and the ability of supervisors to work with subordinates, superiors and the groups associated with the implementation of the goals and objectives of the organization. They are fundamentally different from the administrative and technical skills because you have to make decisions about the actions of people who are different in every situation. Various forms of training of the supervisors can be used - usually in the field of human resources, but often the methods associated with the situation, simulating problem and RPGs (role playing games) are also used. The method of the situation addresses the important issues that are often discussed before taking the appropriate decision. When simulating a problem, we generate data on its specificity, then a solution is looked for. In role-playing games, we form groups of supervisors to solve problems in a situation. Everyone is put on the position of the other. In written form, we summarize the reasons for the reaction and behavior in a particular situation. This is done to develop a sense of empathy and to understand the behavior of others.
3. Preparation for technical competence
These competencies are specific to each industry and the training should be adjusted to the levels of education and the job. The supervisor must know the production technology in order to be useful for the people she/he works with. Training programs cover different aspects of the supervisor - maintenance of production equipment, understanding the technical documentation, knowledge of quality standards for finished/finished products, the ability to work with automated manufacturing systems, etc.

III. CONCLUSION
The role of the supervisor in the organization is to maintain performance standards, to monitor policies, practices and procedures for the rational implementation. Therefore, it is necessary to communicate with the subordinates, to coordinate their work and to guide them. This position is the link between people's work and reporting up the chain of command – to the supervisors. This is an activity that requires high competences in different areas of business and human behavior. By this publication, the following results were achieved:
the specifics of the position of the supervisor in the organization is reasoned and justified;
some aspects are reflected in the analysis of the role, selection and preparation of the supervisor in the management of the organization.