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POPULATION SPATIAL MOBILITY: ESSENCE AND CHARACTERISTICS

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INTRODUCTION

The population spatial mobility is becoming a more important concept in the world's economic science. Spatial mobility is becoming particular relevant in demography, geography, sociology and other areas. This concept is becoming even more important in the context of globalization with the formation of a new world's economic order and ideological weakening of national and identical moods. A transnational lifestyle is becoming more and more common and, as T. Faist writes, it could become the strategy of survival and improvement of modern society's welfare [Faist 2000].

On the one hand, high spatial mobility is a pre-condition of development, a need for many social groups, including professional ones. On the other hand, its high level creates many risks. Most of them occur because of a very thin edge between mobility and the desire to leave due to poor conditions (for example "brain drain"). This phenomenon is actualizing the study of spatial mobility, its level and limits in the coordinates of a human development policy.

THE AIM AND STUDY METHOD

The aim of this article is the improvement of theoretical foundations of the research of the population spatial mobility as an actual socio-economic concept and the development of its three-dimensional model. The author used as a rule the research results of the Ukrainian and Russian scientists and took into account the works of foreign authors that

are freely accessible on the Internet. The approaches of different authors to considering the essence of spatial mobility are highlighted in the article.

The author used general scientific methods of scientific knowledge to achieve this goal – scientific abstraction, analysis, synthesis, induction, deduction to formulate the definitions of spatial mobility. The classification methods for a systematic presentation of the characteristics of the population spatial mobility are applied as well. The graphical methods in order to visually present some research results are used.

The theoretical basis of the study of spatial mobility and homologous concepts is formed by several Ukrainian researches and foreign scientists, including: N. Kovalisko (labour mobility), O. Kozlova, T. Maletska and D. Kozlov (professional and spatial mobility), V. Podliashanyk and H. Boiko (social mobility), O. Pozniak (migration mobility), V. Pryimak (interregional labour mobility), Yu. Sereda (concept of socio-spatial mobility), Yu. Stadnytskyi (concept of spatiology), L. Shevchuk (urban space) and others. The author also used the works of such foreign scientists as H. Andriienko, N. Andriienko and J. Fuchs (geovisualization of the study of spatial mobility), V. Gil, E.D. Widmer, V. Kaufmann (spatial mobility connected with the change of a work place), F. Duval (geographic mobility), K. Maggie, K. Letma, T. Tamaru, M. van Ham (areas of spatial mobility), N.M. Romão and M.A.V. Escária (connection of spatial, labour mobility and wage), T. Faist (theory of trans-nationalism); the representatives of the Russian scientific school – P. Stroiev and M. Kahn (spatial mobility as a way of organizing social space), V. Yadov and R. Sokolov (spatial mobility as potential willingness of the population). The other modern foreign authors who have studied various aspects of the population mobility include W. Clark (residential mobility, USA), M. Cvajner (control of spatial mobility in the context of irregular migration, Italy), A. Favell (interaction between social and spatial mobility, France), M. Gonzalez (schemes of human mobility), I. Hrabowska-Lusinska (spatial mobility and professional, Poland), N. Kattan (student mobility, Germany), J. Shen (mobility in the context of urbanization, China) etc. The next author's studies of spatial mobility will be carried out as continuation of their ideas. The disclosure of the essence of the population spatial mobility, its characteristics and the development of evaluation methodology is still relevant that will serve as a scientific basis for determining the possibilities of its regulation.

ESSENCE OF SPATIAL MOBILITY

Statistical data confirm the growth of spatial mobility. The number of international migrants has reached now almost 244 million people, representing 3% of the world's population. The growing dynamics in the last decades is particularly significant: this figure increased threefold during 1960–2015. Persons with the status of international migrants form a larger share of the population in many countries: United Arab Emirates – 88% international migrants of the total population, Qatar – 75%, Kuwait – 74%, Liechtenstein – 63%, Andorra – 60%, Monaco – 56%, Bahrain – 51%, Singapore – 45%, Luxembourg – 44%, Saudi Arabia – 32%, Switzerland – 29%, Australia and New Zealand – 27%, Maldives – 26%, Israel – 25% (Ukraine – 14% in 2016). The number of refugees, asylum seekers, internally displaced persons is increasing in the conditions of unstable situation.

There were more than 16 million people with refugee status, 3 million asylum seekers and more than 37 million internally displaced persons in the world as of 2015. Whereas in the early 2000s the share of refugees was 0.3% of the world's population, in 2015 it reached the highest value – 0.8%. The number of people studying abroad is another illustrative trend of the increase in the population spatial mobility. Their number has increased more than threefold since the early 1990s: in 1990 – 1.3 million, in 2000 – 2.1 million, in 2014 – 5 million [International Migration Report 2015].

Consequently, statistical data and practical monitoring confirm the relevance of the scientific research of population spatial mobility, particularly in terms of improving a theoretical basis. The two basic concepts form the essential understanding of spatial mobility. They are "mobility" and "space". With regard to the concept of mobility, it can be considered as: desire, willingness and ability (opportunities); movement, displacement, adaptation and change; fact, cause and consequence. The concept of space is becoming an increasingly important subject of research not only in geographic fields of knowledge, but also in economics, regionalistics and public administration. According to Yu. Stadnytskyi "a spatial and logical way of thinking" is developing now: the question "What is this?" does not make sense unless it is accompanied by the question "Where is it?" [Stadnytskyi 2016]. The scientists determine different types of space (geographic, social, economic, political, scientific, educational, information and communication, cultural and mental) that also should be considered for the holistic understanding of the concept of population spatial mobility [Shevchuk 2016].

The author thinks that the following properties of space should be taken into account while considering mobility: the formation of communication systems (networks, systems), otherwise it would be geographic mobility (or territorial); causing spatial transformations of geographic, social, economic, political, scientific, educational, information and communication, cultural and mental character; the organization of territorial displacement under a defined trajectory.

Whereas the concept of space is becoming an increasingly important subject of research, including the Ukrainian science, spatial mobility is still not studied enough. As a rule, it is tied to the migration practice and is an established geographic concept. This is caused by the specific of the term of spatial mobility according to the goals of a geographic science. Moreover, spatial mobility is often identified with geographical. Thus, F. Duval considers spatial mobility "as human geographic mobility" in his study [2007].

The author will consider the other examples of opinions on the essence of spatial mobility. Labour mobility occurs in the conditions of changing an employer by an employee, whereas spatial mobility – when an employee changes a workplace. We can find this opinion in the work of the Portuguese scientists N.M. Romão and M.A.V. Escária devoted to clarifying the interrelation of labour mobility, wage and spatial mobility [Romão and Escária 2004]. This approach, at first glance, seems somewhat narrow in the sense of spatial mobility, because it can be manifested not only in labour activities. However, the change of a workplace may have different spatial coordinates, not limited by the labour market of a separate region or settlement.

The Ukrainian scientist Yu. Sereda defines the concept of socio-spatial mobility in his study in sociology as a three-dimensional coordinate system with spatial, temporal and symbolic dimensions, where the first two describe physical characteristics of movement,

and the latter – its social projection. The physical space of movement is an objective social structure in this model, which is implemented in terms of perception and evaluation as a mental structure or the incorporation of objective spatial structures, and any spatial mobility (including tourism) can be expressed in terms of horizontal or vertical dynamics, for example when the "collection" of territories becomes a symbolic capital acquired while travelling [Sereda 2010]. This idea of Yu. Sereda's of a three-dimensional coordinate system matches the author's views on spatial mobility, but with some modification in economic terms, which will be discussed below.

The concept of migration mobility is presented in the work of the Ukrainian scientist O. Pozniak. The author notes that unlike stationary migration, the preservation of the migrant's constant communication with their family both in personal information and economic forms is inherent for this type of migration [Naselennya Ukrayiny 2010]. This is a slightly different vision of mobility that is focused on the symbolic dimension defined by Yu. Sereda.

The essence of an interregional kind in the focus of labour mobility research is defined by V. Pryimak. Interregional labour mobility implies the ability to quickly move within country's regions in order to be employed; high labour mobility contributes to work provision, and, therefore, some means of livelihood, reduces tension in regional and national labour markets, facilitates the best possible meeting of needs for production human resources that are revived or newly formed [Pryimak 2001].

The issue of spatial mobility is regarded by Russian scientists as well. Thus, spatial mobility is considered as a way of organizing society space in the work of P. Stroyev and M. Kahn [2016]. Mobility is regarded as potential willingness of the population to change their status, including territorial in the researches of V. Yadov and R. Sokolov [2011]. The importance of spatial mobility for the processes of urban space exploration is emphasized in this work as well.

Overall, the analysis of works on the spatial mobility subject among foreign authors shows (Ukrainian scientists rarely mention this concept) that an urbanization theme is clearly distinguished. As a rule, the spatial mobility is considered in the context of metropolises' development, the opportunities of movement within them and the periphery. However, the author thinks that spatial mobility reveals only one of the scales of its implementation in this sense. Therefore, the focus of this concept understanding should be expanded. The review of spatial mobility associated with the change of a work place can be found in the researches of foreign authors ("job-related spatial mobility"), which can be of three types: with daily movements to the workplace within 2 hours; with movements for longer distances and at least one overnight stay; with movements for long distances [Gil et al. 2010]. Spatial mobility associated with the change of a work place is a reflection of the connection with labour mobility, and, therefore, it has wider importance, than in the author's understanding in this area.

The author presents her vision of the population spatial mobility below: this is such a property, which reflects desire, willingness and opportunities to change the place of residence in specified space-time coordinates that is accompanied by the processes of human potential capitalization during the implementation.

Immobility is the opposite property of mobility. The term relatively immobile people could often be found in English-language works on mobility and migration, which means inactive persons.

A three-dimensional model of the population spatial mobility is reflected in Figure 1, which emphasizes the need to consider the factor of time, space and capitalization of human potential in spatial movements. The capitalization of human potential concerns all its components: physiological, reflecting the state of health – physical and psychological; psychological, reflecting personal characteristics gained by a person – orderliness, stress resistance, morality, adaptability, activity, etc.; intellectual, reflecting genetically inherent human abilities, the level of their use and development; education and qualification, reflecting the level of gained (lost) knowledge and skills; social, reflecting new social contacts; cultural, reflecting the adoption and preservation of values, norms and traditions.

Spatial mobility has two basic phases (stages) – formation and implementation. The process of human potential capitalization can occur already at the stage of formation, but it gets dynamic changes in the conditions of implementing a high level of mobility.

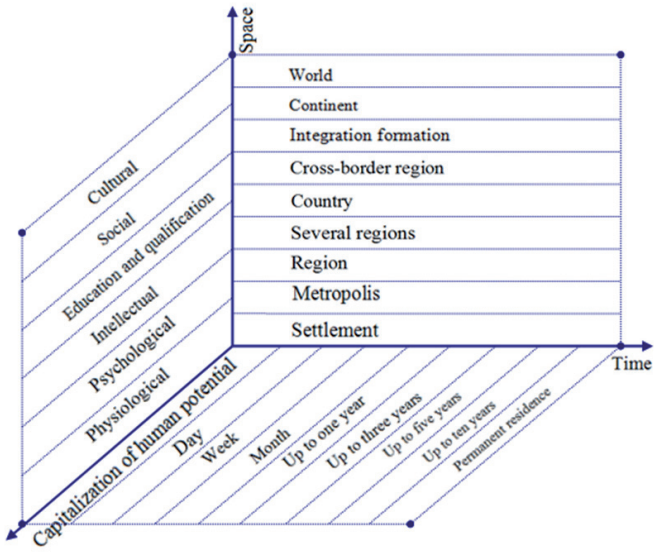

FIG. 1. Three-dimensional model of the population spatial mobility

Source: author's development.

CHARACTERISTICS OF THE POPULATION SPATIAL MOBILITY

The characteristics of the population spatial mobility reveal its epistemological essence – subjectivity, level and scale display, tempology, transformation, goal orientation, potentiality, functionality, ability to adjust and measurability. Consider them more in detail.

Spatial mobility is not only a property of humans but also of wildlife and other resources – financial, logistical, information, etc. In the study, the author considers population mobility, so subjectivity is expressed concerning the individual, household (family), a social group and society in general.

Level display is a more complicated characteristic of spatial mobility. The level of mobility is not so easy to define, because it is manifested specifically for each individual. The person can be mobile because of the availability of certain personal and professional qualities, but their mobility may be manifested only in activity [Kozlova et al. 2015].

The level of spatial mobility is reflected in the desire, willingness and opportunities to human movement. The reconciliation of desire and willingness is a complex internal process, which is significantly influenced by environment conditions (opportunities). It is quite difficult to assess them qualitatively (Table 1).

TABLE 1. Determinants of the population spatial mobility

Desire	Willingness	Opportunities
Aspiration to change the place of residence with a certain goal; intermediate emotion between need and action – real movements	Disposition to action (movement) at the moment or in the nearest future	Environment conditions of the realization of desires and willingness to act (move)

Source: author's development.

There is still no developed methodology to determine the level of spatial mobility of the population in Ukraine. This methodology should be based on existing evaluation methods of immigration moods, aspiration (expectations, hopes), migration units (situational disposition to migration), finally, movements themselves for the purpose of tourism or migration. However, the main purpose of assessment should be the determination of population disposition to movements at the stage of desire and willingness. These estimates should be a basis for creating the "opportunities" of movement in the form of migration regime and other indirect regulatory influences.

Different types of the population spatial mobility are defined depending on its level. The approach of N. Kovalisko [1999], who defines six types of labour mobility, which are adapted to spatial dimension by the authors, matches the author's vision (Table 2).

The structure of the population spatial mobility is formed depending on the dominance of a particular personality type. It is very important to determine the share of persons of the country's (region's) total population that are of active mobile personal type. This share can be set under the optimal indicator, thus, a situational fluctuation is also possible, denoting the concept of mobility structural limits (Fig. 2). These limits are advisable to determine from marginal and security positions. The security position shows that society runs the risk of significant loss of human potential both under very low share of active mobile persons in society and under too high.

The scale of spatial mobility is the next important characteristic of the population spatial mobility. It reflects the desire, willingness and opportunities of movement for a specified distance. At the same time, spatial mobility can occur at the every-day (daily) level – within the settlement, agglomeration, and in terms of finding the best environmental living conditions and development. Due to the conclusions of the Estonian scientists spatial mobility is manifested in

TABLE 2. Personality types of spatial mobility

No	Types	General description		
		realization	consequences	variability
Active-mobile population – high level of mobility				
1	active	present	positive in the new place of residence	without intention of changing in the near future
2	reluctantly active	present	uncertain in the new place of residence	with the intention of finding the best conditions in the new place
3	potentially active	at this time absent	expected positive in the new place of residence	with the intention to move in the nearest future
Passive mobile population – low/absent level of mobility				
4	potentially passive	at this time absent	negative in current and new places of residence	with the intention to move or change conditions in the current place of residence
5	reluctantly passive	absent	negative in the current place of residence	without intention of changes because of personal circumstances
6	passively stable	absent	positive in the current place of residence	without intention of changes

Source: author's own research based on Kovalisko 1999.

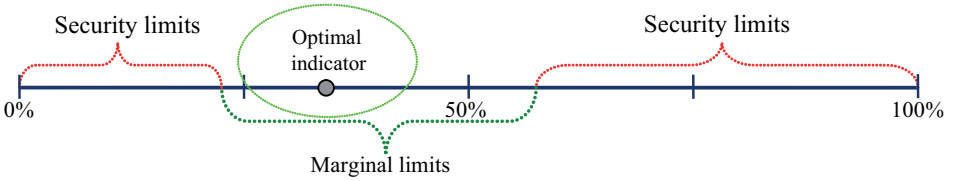

FIG. 2. Conditional display scale of the share of active mobile population in the focus of security and marginal structural limits

Source: author's development.

different coordinates: a settlement area (core of mobility) – there are such sub-kinds of spatial mobility as immobility, in-settlement mobility (in-city, in-metropolis), mobility (residential, daily); an area of the approach to settlements – as a rule, a district, a region, that are home to a person; there are such forms of mobility as urbanization and suburbanization; an area of remote settlements – there is interregional, including cross-border, intrastate mobility; an area of significantly remote settlements – international mobility or so-called long distance migration ("long-distance migration") [Mägi et al. 2015].

Spatial mobility is specific within a settlement or agglomeration area (daily mobility). This is a separate section of scientific research with understanding of development infrastructure features. Significant research in this area is done by such scientists as H. Andrienko, N. Andrienko and G. Fuchs. The main directions of spatial movements depending on objects of social infrastructure and a personal residence zone can be determined, based on their work (Fig. 3).

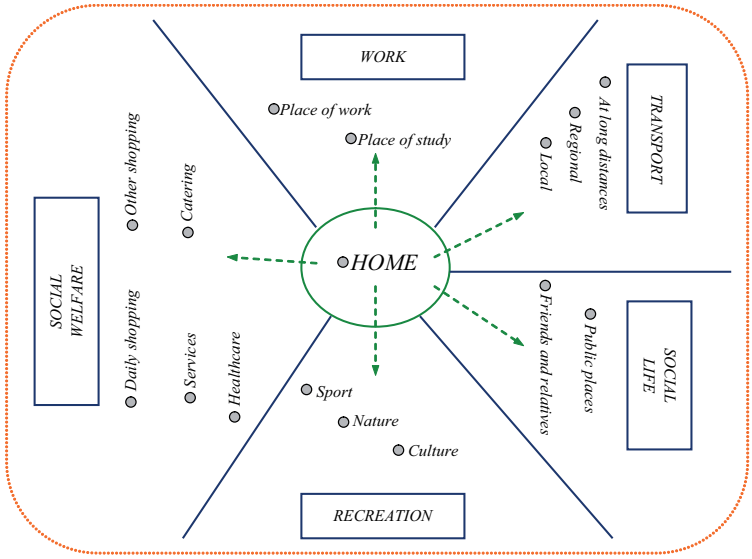

FIG. 3. Directions of spatial movements while implementing the population daily spatial mobility

Source: author's own research based on Andrienko and Fuchs 2013.

Transformation is the next important characteristic, which reflects the forms of high-level implementation of the population spatial mobility. The author thinks that the main forms are tourism and migration activity. In the future there is a probability of institutionalization of another consequent form of the implementation of the population spatial mobility. This is a virtual form. However, migration and tourism consequences are basic forms now.

Goal orientation refers to other characteristics of spatial mobility. The mobile property of a person allows them to more quickly meet the needs through the achievement of demanded goals compared to other members of society, who are immobile. This is the main advantage of highly mobile society, where the right to choose belongs to defining freedoms of modern man (Fig. 4).

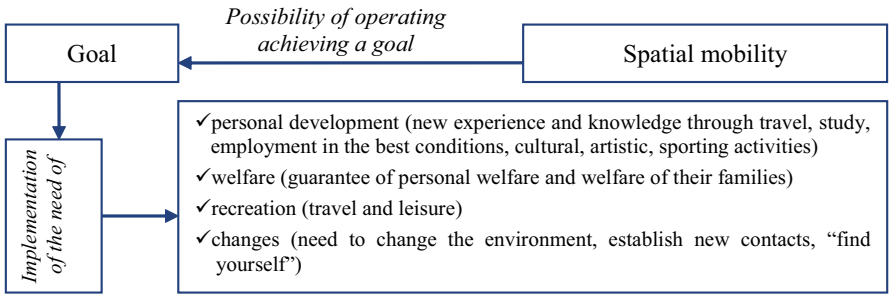

FIG. 4. Spatial mobility in the system of achieving person's goals

Source: author's development.

Spatial mobility is quite a variable property. It is important to understand its potentiality in this context. Mobility potential is determined by its capabilities. That is, the more opportunities a person gets by changing a residence place, the more likely the transition of the high level of mobility to real movement is. It is really difficult to estimate the potential of spatial mobility, because difficulties arise already at the stage of determining its level and permissible limits in society. However, this characteristic discloses the relativity and variability of mobile properties of a person, which justifies the necessity and possibility of its regulation.

Functionality is the next characteristic of spatial mobility. It reveals its ability to perform the following functions:

1. Ensuring of movement. Mobility is considered in a positive context, thanks to its ability to change. According to V. Podliashanyk, to be mobile is to be dynamic and creative, positive and modern, and therefore meet all the requirements of today's rapidly changing life [Podliashanyk 2011].
2. Resistance to stagnation. This function is a logical conclusion from the previous one. It should be understood, that a change, whether it is progress or regress, is not stagnation, immobility, and this is positive.
3. Balancing and alignment. The implementation of spatial mobility is the factor of the establishment of social standards between countries (regions) that form networks and systems of migration, including wages. Mobility also influences the standards of social infrastructure objects, including within travel corridors and networks (roads, checkpoint capacity across the state border, etc.).
4. Variability, alternativeness. Spatial mobility allows people to choose their place of residence, development, opportunities of income to ensure personal welfare and the welfare of their families.
5. Freedom. Spatial mobility provides the freedom to choose the best conditions of residence, which is supported now by international law and laws of all developed democratic countries.
6. Protection. The implementation of spatial mobility allows the person to seek better conditions of protection (labour, development, reproduction, etc.), including to avoid dangers. This is where the practice of forced displacement is manifested, when a person is forced to implement their mobility in order to avoid the consequences of natural disasters, military conflicts and high social tension.
7. Development. Spatial mobility can ensure the development of a person and society with the reflection on the efficiency of labour potential, stimulation of innovation processes.
8. Self-responsibility. It is about the domination in persons, who are mobile and responsible for their welfare level. Dependency moods now are becoming in Ukrainian society more significant: every sixth person was responsible for their own well-being in the early 1990s, whereas in 2010 – only every tenth person [Libanova et al. 2012]. Highly mobile society weakens paternalistic attitudes, which is a positive change in modern market conditions.
9. Individualization. High spatial mobility causes social individualisation. The more possibilities of individual mobility are available in society, the lower level of cohesion of social groups and intergroup tension is [Boiko 2016]. The high level of personal

mobility contributes to the individualization of society, the prevalence of values of individual promotion. This trend is positive in the context of economic development, but it requires political stability and national unity.

CONCLUSIONS

So, the population spatial mobility is an important research object. It reveals such a property of society, which reflects desire, willingness and opportunities to change a place of residence in specified space-time coordinates, which is accompanied by human potential capitalization during implementation processes. The population spatial mobility is characterised by the following characteristics – subjectivity, level and scale display, tempology, transformation, goal orientation, potentiality, functionality, the ability to adjust and measurability. The characteristic of level display is of special practical importance, because it reflects the quantitative and qualitative indicators on the tendency of population to change a place of residence. Measurability is a mobile characteristic, which reveals a scientific and applied focus of mobility consideration. This may concern sustainable, innovative development, labour potential development, labour markets competitiveness, demographic reproduction, etc. Human development, including a human development policy, is a key measurement of spatial mobility consideration, determining its level and limits in the author's studies. This position directs to the problems and effects of spatial mobility in the light of human development goals, which are used by leading international organizations and the entire civilized world. To understand the relationship between spatial mobility and processes of human development, it is important to find out what the policy of human development is and what its goals and objectives are. This will be the subject of the author's further research.

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Summary. The aim of the paper is to improve theoretical foundations of the research of the population spatial mobility as an actual socio-economic concept and development of its three-dimensional model. Two basic concepts are used to understand spatial mobility – "mobility" and "space". The population spatial mobility is suggested to consider its property, which reflects desire, willingness and opportunities to change a place of residence in specified space-time coordinates, which is accompanied by human potential capitalization during implementation processes. Immobility as the opposite property of mobility is identified. A three-dimensional model of the population spatial mobility is considered. The characteristics of the population spatial mobility are generalized. They include: subjectivity, level and scale display, tempology, transformation, goal orientation, potentiality, functionality, the ability to adjust and measurability. All the characteristics are described. The author points out that the methodology to determine the level of the population spatial mobility needs developing. The different types of the population spatial mobility are described in order to assess its level. This is active-mobile and passive-mobile population. The structure of the population spatial mobility is formed depending on the dominance of a particular personality type. The scale of spatial mobility as an important characteristic reflects desire, willingness and opportunities of movement for a specified distance. Functionality as the characteristic of spatial mobility reveals its ability to perform such functions as movement provision, stagnation resistance, balancing and alignment, variability, alternativeness, freedom, protection, development, self-responsibility and individualization. Goal orientation shows that the mobile property of a person allows them to more quickly meet the needs through the achievement of demanded goals compared to other members of society who are immobile. The actuality of the research of the population spatial mobility in the context of human development is proved in the conclusions.

Key words: population spatial mobility, movement, level of spatial mobility, personality types of spatial mobility, immobility

JEL: J61, O15

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EXCHANGE RATE PROBLEMS AS AN INDICATOR OF PROBLEMS IN GOVERNING THE NATIONAL ECONOMY

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INTRODUCTION

Building a full foreign exchange market in Ukraine and effectively regulating it are a necessary condition for the formation of an open market economy with all necessary means of stimulating economic entities in the foreign economic sphere. The mechanism of development and effective implementation of full monetary policy play an important role in this process. This covers all the necessary tools of influence on monetary relations and is one of the most important elements in the overall system of measures to maintain macroeconomic and financial stability while promoting economic growth. Over the past 20 years, Ukraine's national currency has depreciated by 17 times against American dollars. This makes radical improving the country's monetary policy of utmost importance.

Monetary policy and monetary security for Ukraine are a young science. The most urgent issues facing the industry have been discussed by O. Baranov'skyy [2004], I. Bin'ko [Shlemko and Bin'ko 1997], V. Heyets [2009], V. Horbulin [Horbulin and Kachyns'kyy 2011], Ya. Zhalilo [2001], I. Krupka [2012], I. Mykhasyuk [2010], H. Pasternak-Taranushenko [2003], V. Shlemko [Shlemko and Bin'ko 1997], O. Trevogo and V. Ilychok [2016] and others.

If Ukraine's economy is to develop further and the country is to integrate into the EU, it is necessary to identify the main imperfections of Ukrainian monetary policy and put forward ways to minimize them.

AIMS AND METHODS

The aim of the article is to analyse the main problems facing Ukrainian monetary policy, characterize their causes and recommend how those causes can be addressed. To accomplish these goals, general scientific methods of analysis and synthesis, grouping

and comparison, logic and dialectics and methods of system analysis were used. The dynamics of real GDP, inflation and employment in Ukraine were analysed while the state of competitiveness in Ukraine and its neighbours were studied through a historical analysis. The statistical data used in the paper come from the National Bank of Ukraine, the State Statistics Committee of Ukraine, The Ministry of Economy of Ukraine and the International Monetary Fund.

RESEARCH MATERIALS

Economic, political and cultural relations between different countries are mediated with cash flows from the payment of goods and services and the import and export of capital, among other factors. This movement of funds in international relations determines the content of exchange relations. The globalization of economic processes, deepening of the division of international labor, the formation of the world market and the integration of national economies into the global economic system has brought about a significant increase in the role of monetary relations. That, in turn, has increased the importance of appropriate state regulation, which in practice is realized through monetary policy.

Monetary policy is a range of economic, organizational and legal actions realized the state realizes in order to implement the strategic tasks it lays out for the development of the national economy. The strategic tasks of monetary policy define it as an organic part of general economic state policy.

These tasks include:

- ensuring sustainable economic growth;
- maintaining stable prices (to ensure low inflation);
- promoting employment;
- providing external economic adjustment (balance of payments adjustment).

The directions and forms of monetary policy are determined by the country's monetary and economic situation, the evolution of the world economy and the alignment of forces in the world.

The first strategic task of monetary policy is to ensure sustainable economic growth. In 1947, professor Ludwig Erhard came to power in a Germany lying in ruins after the bombing by coalition troops at the end of World War II. After two years of reform, Germany fully restored its own economic potential and in 1949 produced a GDP that rivalled that of pre-war 1939.

As Figure 1 shows, in 2016 the volume of Ukraine's real GDP was only 59.7% of its 1990 level. This means that economic growth was hardly sustained during the 1991–2016 years. The country can therefore be said to have failed with regard to the first imperative of monetary policy.

The second strategic task of monetary policy is to maintain prices at a stable level (in other words, to keep inflation low). Figure 2 shows that there was significant inflation in Ukraine during the period 1996–2016 [Statistical Yearbook of Ukraine 2015]. This weakened the hryvna (UAH) purchasing power, which may have driven down the exchange rate.

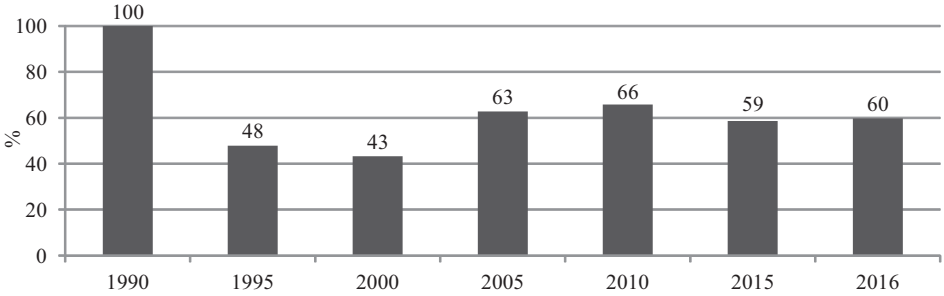

FIG. 1. Dynamics of real GDP of Ukraine to the level of 1990 in the period of 1990–2016

Source: Statistical Yearbook of Ukraine 2015.

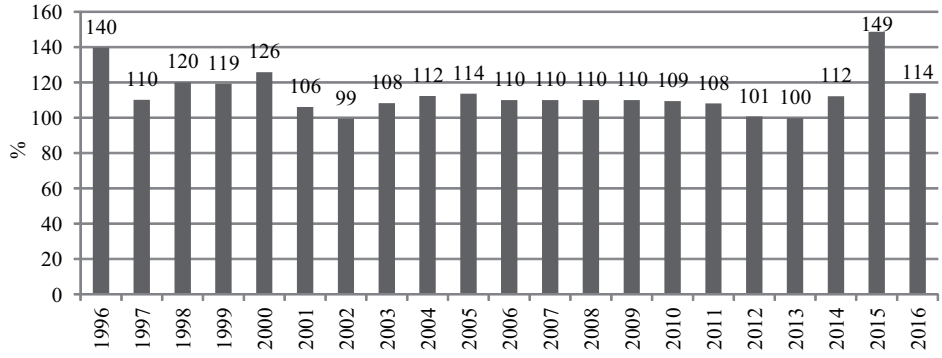

FIG. 2. Inflation (CPI) in Ukraine in 1996–2016

Source: Statistical Yearbook of Ukraine 2015.

Compared with its neighbours to the West (the Czech Republic, Hungary and Poland), Ukraine's inflation processes reveal significant imperfections in government and the National Bank of Ukraine policy. The third strategic task of monetary policy is to promote employment in the national economy (low level of unemployment).

Figure 3 shows that during the years 1990–2016, employment fell significantly – from 25.4 million in 1990 to 16.3 million in 2016, a 35.8% decline. The labor market's reduced capacity forced millions of Ukrainians to seek work outside the country, which made implementing the third strategic goal of monetary policy in Ukraine impossible. The fourth strategic task of monetary policy is to provide external economic adjustment (balance of payments adjustment). Here the most acute problem is the goods account deficit in the country's balance of payments.

Figure 4 shows that, during the years 1996–2016, the total goods account balance in Ukraine's balance of payments was passive. Its deficit climbed to 125.7 billion USD [WWW 1]. This deficit can be financed from state reserves or from a net inflow of foreign

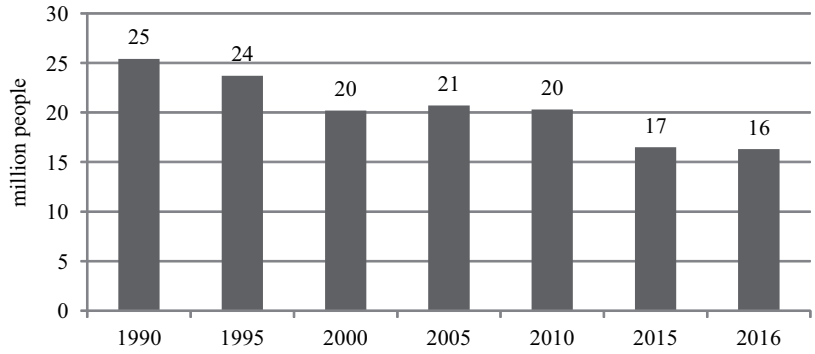

FIG. 3. Employment levels in Ukraine by selected years in the period 1990–2016

Source: Statistical Yearbook of Ukraine 2015.

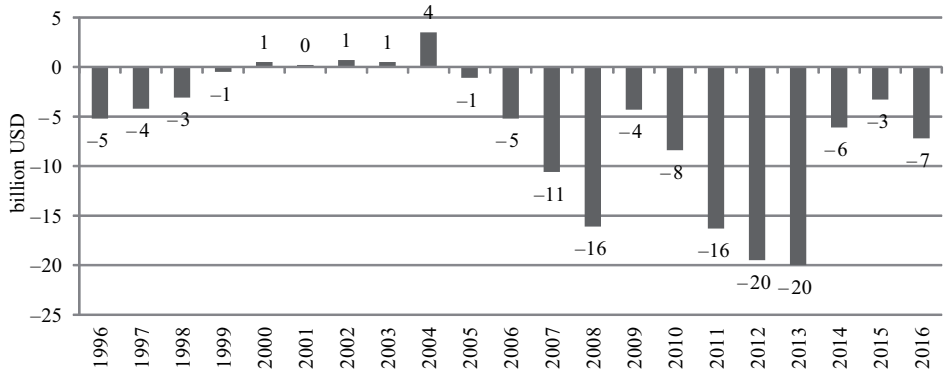

FIG. 4. Trade balance of Ukrainian balance of payments in 1996–2016

Source: WWW 1.

capital. To ensure the latter, the state can take loans from foreigners and sell a number of its assets. In Ukraine, both government and the National Bank of Ukraine policy have been problematic. Ukrainian workers send home about 7.5 billion USD per year [WWW 3]. For the past 20 years, the total amount of foreign currency transfers amounted to about 150 billion. Thanks to these funds, migrant's family members live, buy housing and help their children get a higher education.

A very important factor helping to stabilize both monetary policy and the exchange rate is the net inflow of foreign capital into Ukraine in the form of foreign exchange earnings sent back by workers. It covered the negative goods trade balance between 1996 and 2016.

The extremely high rate of inflation and the substantive goods account deficit in the balance of payments affects Ukraine's exchange rate. This is because there is an inverse relationship between the trade balance and exchange rate. With the deterioration of the

trade balance (as the negative balance increases), the country spends more money abroad than it receives from the sale of its products. For example, in 2012 Ukraine spent 19.5 billion USD more on foreign goods than it sold abroad. In 2013, the negative goods account balance increased to 20 billion USD. Ukraine "failed" 39.5 billion USD due to negative account balance of goods during 2012–2013 [WWW 2]. This created considerable preconditions for a potential reduction in the exchange rate of hryvna in the near future. Because demand for foreign currency rose in the currency market as imports were purchased, the supply of the national currency likewise increased. Figure 5 tracks the hryvna exchange rate to American dollar during the years 1996–2016.

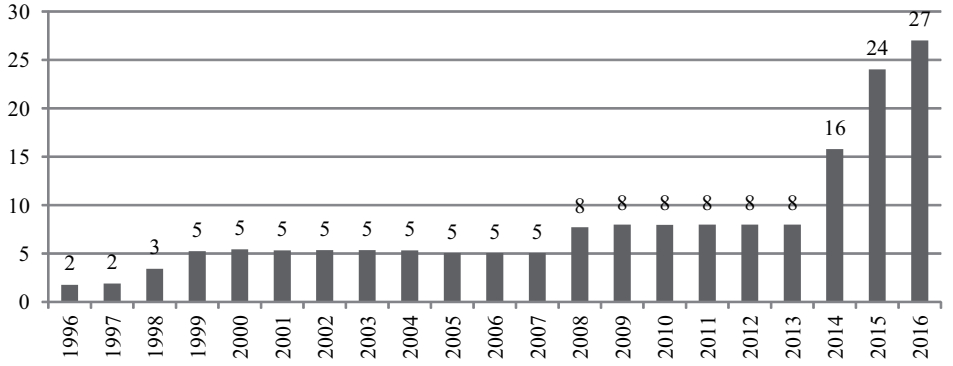

FIG. 5. Exchange rate of hryvna to American dollar during 1996–2016, at the end of the year

Source: WWW 3.

As of 1 September 2016, Ukraine's current national currency, had been in use for 20 years. During this time, the exchange rate underwent significant changes. On 1 September 1996, a 100 UAH bought 62.89 USD. Twenty years later, on 1 September 2016, a 100 UAH bought 3.70 USD, bringing the depreciation to 17 times for the period [WWW 2].

During this time period, the exchange rate did not correlate annually according to purchasing power of hryvna. For example, during 2005–2007, due to inflation, the purchasing power of the national currency decreased by 35.3% (113.5 × 1.1 × 1.1 = = 135.3). At the same time (according to the monetary strategy of the government and the National Bank of Ukraine), the exchange rate in 2005–2007 remained stable at 5.05 UAH for 1 USD [Statistical Yearbook of Ukraine 2015]. This disparity could not exist for a long time.

During the years 1996–2016 three abrupt decreases in the exchange rate of hryvna occurred. The first took place between August 1998 and December 1999, during the Asian Crisis and the attendant exchange rate drop of hryvna to American dollar (from 1.9 to 5.22). That was a drop of 2.75 times. The second fall came between August 2008 and December 2008, during the world financial crisis (this time from 5.05 to 7.70 UAH for 1 USD, a 52.5% plunge. The third drop occurred between March 2014 and December 2015, during

the Russian Spring and Russia's occupation of Ukrainian territory, the Crimea and Donbas, when the exchange rate of hryvna to American dollar 300%, from 7.99 to 24.00.

During 1996–2016, Ukraine's government failed to appropriately stimulate demand for domestic goods, and likewise to work at import substitution or to decrease the negative goods balance of its balance of payments. It instead focused on increasing the export of Ukrainian goods and services, leaving Ukraine overly dependent on external markets, as Figure 6 shows.

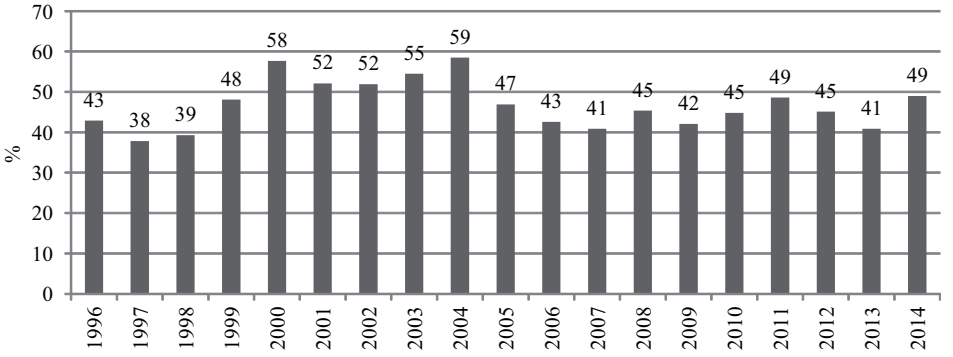

FIG. 6. Ukraine's ratio of exports to GDP in 1996–2014

Source: Statistical Yearbook of Ukraine 2015.

Each of these exchange rate decreases was directly related to a sharp decline in demand for Ukrainian products in foreign markets. This led to a sharp increase in the goods account deficit in the balance of payments. For example, in September 2008 financial crisis swept through the global economy. Demand for Ukrainian base metal exports and products derived from them decreased by 70%. During October – December, all of the country's steel mills stopped working, and the goods account deficit hit 16.1 billion.

In this crisis situation, as well as throughout the 1996–2016 period, in order to increase the price competitiveness of Ukrainian goods in the global market, the Ukrainian government decreased the exchange rate of the hryvnia. In particular, in Autumn 2008 it fell from 5.05 to 7.7 UAH for 1 USD. By contrast, the Czech Republic's national currency decreased by a mere 2%. The significant reduction in the exchange rate in the years 2014–2015 can be attributed to Russia's war against Ukraine and the occupation of Ukrainian territories in Crimea and Donbas. These are the actual limits of the Russian market for Ukrainian goods.

Table 1 shows that in 1996 the Russian market took 38.7% of Ukraine's exports. By 2015, that number had been slashed to only 12.7%. Between 1996 and 2015, the share of Ukraine's exports to the Russian market had fallen by 26.0% percentage points [Statistical Yearbook of Ukraine 2015]. Fortunately, domestic exporters quickly mastered other promising markets. For example, the share of exports from Ukraine to Egypt during the same 20 years increased by 4.8 percentage points, to China by 4.6 percentage points and to Turkey by 4.5 percentage points [Statistical Yearbook of Ukraine 2015].

TABLE 1. Destination of Ukraine's exports by country in 1996 and 2015

Country	Export (bn USD)		Structure (%)		Deviations from structure (%)
	1996	2015	1996	2015	
Belarus	722.5	870.7	5.0	2.3	–2.7
Egypt	96.8	2 079.8	0.7	5.5	+4.8
India	82.3	1 444.1	0.6	3.8	+3.2
Iran, the Islamic Republic	116.5	472.5	0.8	1.2	+0.4
Iraq	0.00	533.6	0.0	1.4	+1.4
Spain	90.2	1 979.8	0.6	5.2	+4.6
Kazakhstan	90.9	712.7	0.6	1.9	+1.3
China	768.1	2 399.1	5.3	6.3	+1.0
Moldova	237.8	524.3	1.7	1.4	–0.3
The Netherlands	99.7	905.7	0.7	2.4	+1.7
Germany	421.9	1 328.7	2.9	3.5	+0.6
Poland	362.7	1 977.3	2.5	5.2	+2.7
Russia	5 577.4	4 827.7	38.7	12.7	–26.0
Romania	157.3	569.9	1.1	1.5	+0.4
Saudi Arabia	28.1	761.6	0.2	2.0	+1.8
Slovakia	230.6	468.8	1.6	1.2	–0.4
Turkey	408.7	2 771.8	2.8	7.3	+4.5
Hungary	371.6	909.7	2.6	2.4	–0.2
France	111.1	497.9	0.8	1.3	+0.5
the Czech Republic	143.0	541.0	1.0	1.4	+0.4
Total exports	14 400.8	38 127.1	100.0	100.0	

Source: Statistical Yearbook of Ukraine 2015.

In 1996, 1 UAH cost 2 PLN while in 2016 1 PLN cost 7 UAH. The hryvna is 14 times cheaper than the Polish over the 20-year period. Another way of putting it would be: the Ukrainian authorities have been 14 times worse in implementing monetary policy than have their Polish counterparts. An active or passive trade balance characterizes the country's competitiveness in the global market. Thanks to the common passive trade balance in Ukraine, the competitiveness of domestic products in the world market is insufficient. To objectively and impartially characterize Ukraine's state of competitiveness, we will use the global competitiveness index – GCI [WWW 4]. This index is the result of global research carried out by the World Economic Forum. And in the modern world system, the competitiveness of the national economy is a determining factor of state economic security.

Table 2 shows that the GCI rate for Ukraine during the years 2012–2017 decreased from 73rd position in 2012–2013 to 85th in 2016–2017, a significantly negative phenomenon. At the same time, Poland improved from 41st to 36th while Russia jumped from 67th all the way to 43rd.

TABLE 2. The position of Ukraine, Poland and Russia in the global competitiveness index

Country	State position				
	2012–2013 (from 144 states)	2013–2014 (from 148 states)	2014–2015 (from 144 states)	2015–2016 (from 140 states)	2016–2017 (from 138 states)
Ukraine	73	84	76	79	85
Poland	41	42	43	41	36
Russia	67	64	53	45	43

Source: WWW 4.

To understand the reasons for these results and the dynamics of Ukraine's GCI position, we will look at this index in greater detail. Global competitiveness index consists of more than 100 variables, grouped into 12 benchmarks ("Institutions", "Infrastructure", "Macroeconomic environment", "Health and primary education", "Higher education and training", "Goods market efficiency", "Labour market efficiency", "The development of the financial market", "Technological readiness", "Market size", "Entrepreneurship compliance according to the modern requirements" and "Innovative capacity"). There are three major groups of sub-indexes: "Basic requirements", "Performance booster" and "Innovation and improvement factors".

TABLE 3. Ukraine's rankings on the global competitiveness index

Indicators	Ukraine's position in the rankings		
	2014–2015	2015–2016	2016–2017
	144 states	140 states	138 states
Common indicator (position)	76	79	85
wastefulness of government spending	138	134	129
quality of roads	139	132	134
inflation, changes in % per year	75	134	136
stability of banks	138	140	138
regulation of stock exchanges	127	135	137

Source: WWW 4.

How should the improvement of Ukraine's position in the global competitiveness index be ensured? For a start, the most problematic components of the index should be analysed. Namely, in the years 2016–2017, from among 138 countries, Ukraine is:

- in last (138th) place on the bank stability ranking;
- in 137th place for the regulation of stock exchanges;
- third from the bottom (136th place) for inflationary changes;
- fourth from the bottom (134th place) in quality of roads;
- tenth from the bottom (129th place) for wasted public funds.

During 1991–2016, fraud and embezzlement of public funds were rampant in the country's financial sector, leading to massive bankruptcies of banks, credit unions, investment funds and others. Such an epidemic of bankruptcies occurred during the global financial crisis in 2009–2010 and again in 2014–2015.

In Ukraine, none of the major financial sector schemers was punished. Even today, the police "consider" these obviously illegal actions to be merely civil relations. This situation would seem to guarantee that these abuses in the financial sector will continue and further stimulate inflation. The current government measures in combating the theft of budget funds have proven wholly ineffective. According to international experts, the state's position in the ranking of most wasteful spending improved only to 129th in 2016––2017 from 133rd place at the end of 2014–2015.

In the global competitiveness index for 2016–2017, Ukraine had the fifth worst roads. Like few other places in the world, Ukraine feels the lack of funds for road repairs and construction – and the meagre funds that are allocated are used in incredibly inefficiently.

DISCUSSION

Summarizing this information, it can be affirmed that over the past 20 years Ukraine's government has conducted monetary policy that is in conflict with general accepted international goals. Further, the results of implementing the four strategic objectives of classical monetary policy have been negative, mainly because corrupt officials have enjoyed complete impunity for their crimes, and who have wasted state funds. The result of such impunity is high inflation, a poor transport infrastructure and low overall global competitiveness.

The current situation is complicated by the fact that these problems are systemic, and have been coordinated from abroad to discredit the very idea of the statehood of Ukraine. American Vice President Joe Biden maintains that Russia uses corruption to keep pressure on Ukraine [WWW 5]. The problems will remain unsolved until the state takes two steps. First, it implements real penalties for crimes committed by officials and swindlers and, second, it weakens the "fifth column" (anti-government officials). To do the first, anti-corruption courts must be created and the judiciary reformed in 2017.

On 18 February 2016 the High Qualification Commission recommended the President dismiss from his station the judge from Shevchenko district court in Lviv for betraying his judicial oath. This "judge" appealed an injunction to the Administrative Court and his appeal was granted. With these "judges", swindlers and the corrupt always agree. A case has been in the Zaliznychnyi District Court of Lviv for three years. At issue is the management of a credit union and their associates who swindled more than 3,000 investors out of more than 23 million USD. None of the criminals was really responsible for the committed crimes, and the majority of them will escape punishment under the Shevchenko law.

In Ukraine there are twice as many lawyers as are needed. Further, we are suspicious of the authenticity of judicial reform for the simple reason that there is no one to replace three thousand compromised judges [Ivanov 2017].

The solution to the second problem is much more complicated, but it is in force to the government today. As the US Ambassador in Ukraine Marie Jovanovych notes, Ukraine has been in a "hybrid" war with Russia for 25 years [WWW 6]. In such wars, spies are among the most effective tools, and it's no secret that Ukraine's government employs

a number of Russian Federal Security Service (FSB) agents, who guarantee their collaborators impunity while doing everything in their power to make life in Ukraine grow worse by the year [WWW 7]. The authorities must draw adequate conclusions from the fact of public betrayal by a significant number of internal security services staff in Crimea and Donbas in 2014.

According to the classical tenets of government, when corruption is ubiquitous in a government body, dissolving that body is among the most expeditious ways of getting rid of it. However, because of the war with Russia and the presence of the FSB in Ukraine's ranks, this will prove difficult. To eliminate the bulk of enemy agents in Ukraine in 2017, a new unit parallel to the FSB should be created, comprising a staff that would, over three years, master the skills required for effective action, and ultimately be committed to serving the exclusive interests of the Ukrainian state.

According to information from Ukraine's Ministry of Economic Development and Trade, the shadow economy in Ukraine in 2015 was 40% of the total domestic economy [WWW 8]. With Ukraine's 2015 GDP totalling 1,979.5 billion, the net profit produced by the shadow sector in 2015 would have reached 790 billion (1,979.5 billion UAH × 0.40 = = 790 billion UAH), of which 500 billion, on the strength of the corporate sector, was owned by oligarchs. Moreover, there is a jaw-dropping amount of tax evasion committed with the help of fraudulent offshore companies, which operate "in accordance with applicable law". But the list of offshore zones is approved by the Cabinet of Ministers of Ukraine [WWW 9]. Ukraine's Ministry of Economic Development and Trade has said that the prevailing tax avoidance is caused by "a significant tax burden on the corporate sector against the backdrop of the high cost of credit and the unfavourable external economic conditions in key commodity markets" [WWW 9].

To make matters worse, nothing has been done to address the ineffective fiscal services to reduce the magnitude of the shadow economy. The shadow economy should be reduced through systematic incremental changes being made to the regulatory authorities. There are only a few enterprises leading the shadow economy in Ukraine, and to take this procedure to them would, technically, be no problem. These proposed system-wide changes will create the prospect of a peaceful agreement culminating in the oligarchs giving 10% of their current shadow revenues to the budget. A considerable part of the "tax loss" the oligarchs would endure could legally be compensated by a synergistic effect from the growth of internal demand. In spite of this common sense, some oligarchs will seek to continue to "go the right track", which they have been bequeathed by old man Lenin and similar maniacs. These oligarchs must be properly assessed under current legislation, including the criminal code.

In reducing the corporate sector's participation in the shadow economy, the state in 2017 will additionally collect about 100 billion UAH through income tax and VAT. Of that, the following allocation should be made:

- 25 billion to special financing of the FSB;
- 25 billion UAH to defence;
- the rest (about 50 billion UAH) should be directed to increasing pensions.

The enemy's greatest strategic advantage is its omnipresent agents, but 2017 must be turned into a symbol of its total defeat in Ukraine.

CONCLUSION

Implementing the measures proposed here would decrease the annual outflow of shadow capital from Ukraine by roughly 3.5 billion USD. Budget policy would become more balanced and will approach the level of the budget deficit according to the EU standards. This in turn would minimize inflation and significantly boost economic growth through internal demand factors, ensuring 6% additional GDP growth annually over the next five years. The National Bank of Ukraine reserves would tab annual growth at 1.5––2.5 billion USD. As a result, the national economy would be stable, and the quality of monetary policy of Ukraine annually improve significantly overall, and particularly as the five most sensitive indicators of the index of global competitiveness described above improve [Trevogo and Ilychok 2016].

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WWW 9. Розпорядження КМУ від 16 вересня 2015 р. № 977-р "Про затвердження переліку держав (територій), які відповідають критеріям, установленим підпунктом 39.2.1.2 підпункту 39.2.1 пункту 39.2 статті 39 Податкового кодексу України" (The Cabinet of Ministers of Ukraine Order of 16 September 2015, the Number 977 "On approving the list of states (areas) that meet the criteria established by subparagraph 39.2.1.2 subparagraph 39.2.1 paragraph 39.2 of Article 39 of the Tax Code of Ukraine") [in Ukrainian], retrieved from http://kodeksy.com.ua/norm_akt/source-KMY/type-Розпорядження/99716.09. 2015. htm.

Summary. The article focuses on improvements and related issues in the implementation of Ukrainian monetary policy. Over the past 20 years the Ukrainian government has conducted monetary policy that flouts generally accepted international goals. The article also presents an overview of the main economic factors that exert an influence on the exchange rate – inflation and the state of the account surplus of goods payment balance, which is determined by the competitiveness of the economy. The index of global competitiveness is

used as an indicator of the national economy's competitiveness, while the country's current position and dynamics under the global competitiveness index (GCI) are examined. The article details the main factors that have led the country's position to fall, including the fact that the problems are systemic and result from corruption. The impact of the negative factors can be minimized in Ukraine, and monetary policy improved.

Key words: monetary policy, GDP, inflation, employment, balance of payments, competitiveness, national budget, the shadow economy

JEL: F31, G18, H11

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THE BEHAVIORAL PREFERENCES OF LEADERS AND TEAM PERFORMANCE – THE NOTIONS OF NEUROLEADER AND NEUROORGANIZATION

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INTRODUCTION

The fourth industrial revolution, based on three pillars (physical, digital and biological) is changing the way business is done. It enables the production of innovative goods and services while also providing new opportunities for identifying and exploiting the potential of employees. It is a well-known fact today that teams are more effective than individuals. But not all managers know how to use teamwork to achieve the results they desire.

In early 2017, analysts at the Deloitte University Press, published the Global Human Capital Trends 2017 report (http:// https://dupress.deloitte.com) – as many as 90% of the managers it included felt that the most important task the companies are facing today is to build a future-based network of teams[1]. Particular emphasis is placed on teamwork, the development of new management concepts, and a new approach to managing work efficiency and organizational culture. Organizations are demanding completely new leadership models. The time has now come to build high-performance organizations based on neuroscience – neuroorganizations – which will be headed by neuroleaders [Rock 2016].

High-performance organizations are distinguished by their ability to achieve significantly higher results than competitors [Chong 2007, Loew 2015]. For many years, experts around the world have sought to understand what makes organizations achieve high performance. There are a lot of scientific papers and books on the subject, but

[1] The study was conducted on 10,400 companies and human resources leaders in 140 countries on world's continents.

few management experts have turned to neuroscience for the answers [Katzenbach and Smith 1993].

Modern neuroscience is based on the premise that our thoughts, feelings, perceptions and behaviors arise from electrical and chemical communication between brain cells. PRISM Brain Mapping tools developed by PRISM Brain Mapping Technologies Limited are based on these assumptions. These are online tools for to identify behavioral preferences and team performance research [www.prismbrainmapping.com, Korzeniewska and Wierzchowska 2016]. The factors that can be analyzed with the PRISM tools are described in the following chapters.

Through the prism of the tools of neuroscience, this article presents the interactions between the behavioral preferences of a leader and the factors that allow a team to achieve high performance. On this basis, the concepts of neuroleader and neuroorganization are defined.

PURPOSE AND METHOD

To define neuroleader and neuroorganization, it is necessary to first define the key leader behavioral preferences that determine the success of the team in a modern organization based on high-performance teams. Apart from using this information to build definitions, it may also be the basis for benchmarking a neuroleader brain map. It will also be useful in recruitment, career planning and promotion. Conclusions can be used to build high-performance teams and explain to managers the role of organizational innovation and teamwork based on neuroscience tools.

The work is conceptual, based on research I carried out in February 2017. The study consisted in identifying how a leader's behavioral preferences affect team performance factors. The scientific work of Katzenbach and Smith was used, as was that of PRISM Brain Mapping Technologies Limited itself. The results of this research may provide the basis for further research into the influence of the behavior of leaders and employees on team performance in organizations and on organizational innovation research. Additionally, PRISM Brain Mapping and a heuristic method, cross-impact matrix, were used.

When examining interactions, the following were taken into account:

- behavioral preference factors for a high-performance leader that can be tested with the PRISM tool calls the PRISM Brain Mapping Professional;
- high performance organizations that can be tested with PRISM's Team Performance Diagnostic tool.

For the analysis of interactions, the following 25 behavioral preference factors were measured using PRISM Brain Mapping Professional: eight dimensions of behavioral preferences (finishing, evaluating, innovating, initiating, supporting, coordinating, focusing, delivering), emotional intelligence factors (self awareness, self management, awareness of others, relationship management, self motivation, influencing others, decisiveness, consistency), mental immunity (self belief, ambition, resilience, self management, optimism, determination, independence, competitiveness, adaptability). They were placed in a cross-impact matrix in the row position to investigate whether the identified behavioral preferences would allow for high team performance.

There are 25 team performance factors that can be measured on a scale of 0–100 with the PRISM Team Performance Diagnostic tool [Korzeniewska and Wierzchowska 2016]:

– achievement-related factors (goals and strategies, team cohesion, accountability, decision making, drive for results, driving change);
– factors related to team relationships (trust, positive outlook, communication, team spirit, valuing diversity, handling feedback);
– organizational culture factors (a desire to succeed, a one team culture, personal ownership, passion and energy, being action-orientated, externally focused, embracing change, inspirational leadership);
– other factors (teamworking skills, team morale).

Because the brains controls all human behavior, every person has his or her own way of looking at the world (perception) and reacting to it (behavior). These reactions – some inherited and some learned – make up behavioral preferences. Their source is in the way the brain functions. The left and right hemispheres of the brain process information differently when they react to what is going on around the individual. The right hemisphere of the brain is focused on people as individuals, and therefore on self-awareness, empathy, expression and understanding feelings, intuition, originality and flexibility in thinking, social behavior, and experiencing different types of emotions. The left hemisphere is not sympathetic to empathy, but rather seeks to reap benefits for the individual, so its main motivations are achievement, power and control. The left hemisphere is responsible for

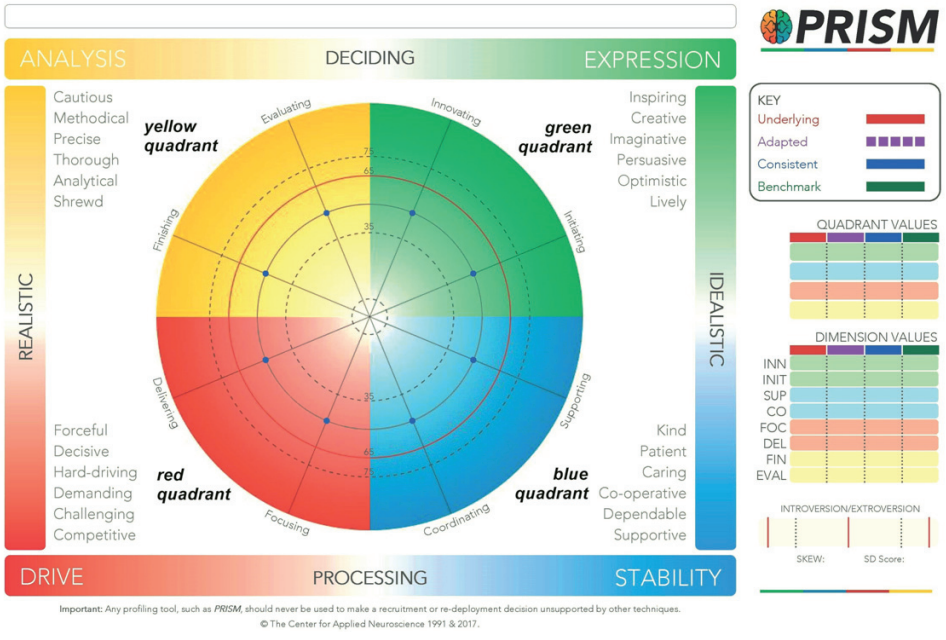

FIG. Sample map of preferred behaviors

Source: www.prismbrainmapping.com/Resources/Documents/SampleProffessionalwithBenchmark2017.pdf.

focusing one's attention on facts, data, tasks, and systems. It is more focused on what is impersonal and mechanical, than with personal relationships and thus works best in routine, predictable situations.

The following is an example of a preferred behavior map diagnosed using the PRISM Brain Mapping Professional online tool (Fig.).

Red and gold areas on the Figure include the person's preferred behavior when engaged in a task and / or when under pressure to achieve results. The green and blue areas include the preferred behavior of the person in the social environment, when establishing relationships with others. When people switch between two modes of action, they can present very different – even opposite – behaviors.

The PRISM map is divided into four parts, reflecting the quadrants of the brain:
- yellow – analytical, measures how detail-oriented and prone to evaluation a worker is;
- green – innovative and good at initiating;
- blue – supportive and coordinating;
- red – focused on purpose and execution.

RESULTS AND DISCUSSION

A total of 476 interactions were identified using a cross-impact matrix in which the behavioral factors of the leader and 25 factorial factors were identified. The matrix is presented in the Table.

The leader's behavioral preferences that can affect the team's high performance to a major extent include self-awareness, awareness of other needs and relationship management. Interestingly, these are all elements of emotional intelligence. In addition, the leader of a high-performance team should be primarily an initiator (green quarter) and a supporter (blue quarter).

Based on the presented cross-impact matrix, a neuroleader can be defined as a leader who knows and understands the importance of using neuroscience tools in building a high-performance team. Utilizing a high level of emotional intelligence and the preferences of one's own behavior and team members leads the team towards achieving high team performance rates.

A neuroleader is a person who is aware of his or her own feelings and emotions in various professional situations, is able to control their influence on his or her own behavior, and has a highly developed right brain hemisphere (blue and green quadrant). Mapped with neuroscience behavioral preferences, points to the special development of the "blue" brain quadrant (right hemisphere, back patch) a leader is supportive, sensitive, friendly and sympathetic. He or she prefers a slower pace, and is a very good listener as well as empathic, kind, helpful, values harmony, understanding, and is patient and willing to share knowledge with others.

A "blue" leader is a typical team player who strives to create harmony in the team, loves to support the team and solve problems. He or she values loyalty and trust. On the "blue" team, there is no pressure, rudeness, negative attitudes or stress.

However, if the leader prefers green-quarter behavior, he will be flexible and versatile. Such a leader is fast and unconventional, full of enthusiasm, open and inventive. He or

TABLE. Interactions between leader's behavioral preferences and team's high-performance factors

		Team performance factors																									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	Number of interactions
Behavioral preferences	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	5
	2	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	5
	3	1	0	0	0	1	1	0	0	0	0	0	0	0	0	1	0	0	1	0	0	1	1	1	1	0	9
	4	1	0	0	1	1	0	0	1	1	1	1	0	1	1	1	1	0	0	1	1	0	0	0	1	1	15
	5	0	1	0	0	0	0	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	0	0	0	1	14
	6	1	0	0	1	0	0	0	0	1	0	0	0	1	1	1	0	0	1	0	1	0	1	0	0	1	10
	7	1	0	1	1	1	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	1	1	1	1	10
	8	1	0	0	1	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	1	0	0	6
	9	1	0	0	1	1	1	0	1	0	0	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	19
	10	1	0	1	1	1	0	0	1	0	1	0	0	0	0	0	0	0	1	0	0	0	1	1	0	1	10
	11	0	1	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	0	1	1	0	0	0	1	1	17
	12	0	1	1	1	1	0	1	1	1	0	1	1	1	1	1	1	0	0	0	0	0	0	0	1	1	15
	13	1	0	0	1	1	1	0	1	0	0	0	0	0	1	0	0	0	1	0	0	1	1	0	0	1	10
	14	1	1	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	6
	15	1	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	1	1	1	7
	16	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	3
	17	0	0	0	1	1	0	0	1	0	1	0	0	0	0	0	0	1	1	0	0	1	1	0	0	1	9
	18	1	0	0	0	1	0	0	0	0	1	0	0	0	0	1	0	1	1	0	0	1	1	0	0	1	9
	19	1	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	1	0	1	1	7
	20	1	0	1	1	1	0	0	1	0	1	0	0	0	0	0	0	0	1	0	0	0	1	1	1	1	11
	21	0	0	0	0	1	0	0	1	1	1	0	0	0	0	1	1	0	0	0	0	0	1	0	0	1	8
	22	0	0	0	1	1	0	0	0	0	1	0	0	0	1	0	1	1	1	0	0	0	1	0	0	1	9
	23	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	3
	24	0	0	0	0	1	0	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	1	0	1	1	11
	25	1	0	0	1	1	0	0	0	0	1	0	0	0	0	1	1	0	0	1	0	0	1	0	1	1	10
Number of interactions		16	5	6	16	19	3	3	10	7	11	5	3	7	9	16	9	5	11	5	6	6	17	8	13	22	
The sum of all interactions																											476

Interaction evaluation: 1 – the factors interact, 0 – they do not interact.

Behavioral preferences: placed in the matrix lines are: 1 – Finishing, 2 – Evaluating, 3 – Innovating, 4 – Initiating, 5 – Supporting, 6 – Coordinating, 7 – Focusing, 8 – Delivering, 9 – Self-awareness, 10 – Managing emotions, 11 – Awareness of others, 12 – Relationship management, 13 – Self-motivation, 14 – Influencing Others, 15 – Decisiveness, 16 – Consistency, 17 – Belief in Self, 18 – Ambition, 19 – Resilience, 20 – Self-management, 21 – Optimism, 22 – Determination, 23 – Independence, 24 – Competitiveness, 25 – Adaptability.

Team's performance: 1 – Goals and Strategies, 2 – Team Cohesion, 3 – Accountability, 4 – Decision Making, 5 – Drive for Results, 6 – Driving Change, 7 – Trust, 8 – Positive Outlook, 9 – Communication, 10 – Team spirit, 11 – Valuing Diversity, 12 – Handling Feedback, 13 – Teamwork Skills, 14 – Commitment to Teamwork, 15 – Team effectiveness, 16 – Team Climate, 17 – Team Morale, 18 – A desire to succeed, 19 – A one-team culture, 20 – Personal ownership, 21 – Passion and energy, 22 – Action-orientated, 23 – Externally focused, 24 – Embracing change, 25 – Inspirational leadership.

Source: the author.

she loves to work in a positive and friendly environment, introducing interesting, innovative solutions. This provides an unlimited number of different opportunities. Certainly, he or she will be able to use the tools of neuronal science in teamwork. If the human brain is 95% active at the level of the unconscious, then the actual understanding of the needs of the entire team (including yourself) requires the use and application of brain mapping tools [Mlodinow 2016]. A neuroleader using neuroscience tools will lead the team to achieve high scores in at least 12 core performance areas above 75% (0–100%) [Katzenbach, Smith 1993, Korzeniewska, Wierzchowska 2016].

With the help of these tools, the neuroleader perfectly understands the needs, feelings and emotions of team members, and appreciates and respects diversity [Mitchel et al. 2015]. He engages team members in joint problem solving, including in the decision-making process. A neuroleader recognizes the needs, opinions and views of colleagues, does not impose their own solutions, and always finds time to talk to colleagues. A neuroleader has a strongly developed right cerebral hemisphere, meaning he or she will be a joyful, cheerful, kind and cultural idealist who sees the world as more beautiful than it is. He or she will understand that to get to know and understand the needs, feelings and emotions of colleagues, the latest neuroscience achievements, such as brain mapping tools, must be used. Because only 5% of cognitive activities (decisions, emotions, actions, and behaviors) are generated consciously, a neuroleader uses brain maps (yours and coworkers) to find solutions in the 95% unconscious.

A high-performance organization does not need managers, only neuroleaders. A neuroorganization is an organization which focuses on neuroscience. The neuroleader of the neuroorganization applies neuroscience to the development of high team performance and uses the potential of the unknowing behavioral preferences of all members of the organization.

In teams led by a neuroleader, each team member knows his or her behavioral preferences and is able to use that knowledge for the needs of the organization. In such a team, there is no individual responsibility, nor stereotypical work positions with responsibilities assigned rigidly to the workplace. Neuroleader-led teams jointly set goals, tasks, methods and deadlines.

In the interaction matrix, it can be seen that among the factors of a team's performance are those with which the neuroleader has a greater or lesser effect. Inspiring leadership has the most influence. In conjunction with a dominant right hemisphere, especially the dominant behavioral preferences for initiation and support, a leader-oriented image of joint action, joint achievement and joint decision making is created. Neuroleaders do not make decisions himself, nor need to be analysts. They do not judge or criticize. The results of the present research may provide an introduction to a broader study of the influence of behavioral characteristics on team performance. It would be revealing to conduct research on a larger number of companies in order to find correlations between high team performance and the behavioral preferences of team members and leaders. It would also be useful to know the answers to the following questions:

1. Do high-performance organizations use neuroscience tools to manage behavioral preferences in their work? If so, what kind?

2. As would follow from the definition, a team leader with a more developed left-brain hemisphere (red and yellow quadrant) may become a neuroleader. Does this stand up to the facts?
3. Which hemisphere of the brain dominates in leaders of high-performance organizations? Will the hypothesis of the dominant right hemisphere and the dimensions of initiation and support be confirmed?
4. Which behavioral traits of a neuroleader help to develop the behavioral characteristics of team members expected on a high performance team?
5. How can a neuroleader leverage knowledge about unconscious but identified behavioral preferences of team members to build high-performance teams?
6. What neuroscience tools (besides PRISM tools) can a neuroleader use to build a high performance team?
7. Will neuroscience tools help to leverage the team's diverse capabilities to build a high--performance team [Sui et al. 2016]?
8. What is the importance of a neuroleader's age and his work experience in creating a high team performance? According to the guidelines for building high-performing organizations, the best leaders in such organizations are long-standing and well-established employees in the organization [de Waal 2015, De Waal and Hanna 2016]. Does this bear out?
9. If the team's high performance is influenced mainly by the emotional intelligence of the leader, would not it be appropriate to build a school curriculum?

Are organizations ready for such revolutionary changes? In many countries, problems with teamwork and performance management are not recognized. I intend to take up these questions in further research on high performance in neuroscience. These studies will enhance the knowledge of management, decision making and human behavior in teams and organizations.

CONCLUSIONS

The scientific literature on management increasingly points to the importance of neuroscience tools in creating organizational innovations and building effective teams. The Global Human Capital Trends 2017 report prepared by analysts at the Deloitte University Press shows that the organization of the future will be based on networks of teams. The leaders of these teams, defined in this article as neuroleaders, play a special role. It will be their responsibility to lead and support their teams in building a team's high performance and building neuroorganizations. The article has presented a study that identifies the interaction between the behavioral characteristics of a leader and the performance factors of a team. A total of 476 interactions were identified using a cross-impact matrix featuring the behavioral factors of the leader and 25 factorial factors. These factors made it possible to identify the most important characteristics of a neuroleader and to define precisely what such a leader is. The article has also put forward a definition of a neuroorganisation. Cross-impact matrix results and built-in

definitions are part of further research into the impact of behavioral preferences on high performance teams and building a preference-based organization analyzed with modern neuroscience tools.

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Summary. The article presents the interactions between behavioral preferences of a leader and the factors of a high-performance team. A total of 476 interactions were identified using a cross-impact matrix featuring the behavioral factors of the leader and 25 factorial factors. On this basis, the most useful features of the leader are identified and the definitions of neuroleader and neuroorganization developed. Interacted studies have shown that the neuroleader leading the organization toward neuroorganization prefers behavior that is characteristic for people who are particularly developed in the right hemisphere (blue and green, in PRISM terminology). The article presents the characteristics of "blue" and "green" leaders. The results of the present research may provide an introduction to a broader study of the influence of behavioral characteristics on team performance. It would be revealing to conduct research on a larger number of companies in order to find correlations

between high team performance and the behavioral preferences of team members and leaders. The author want to take up these questions in further research on high performance in neuroscience. These studies will enhance the knowledge of management, decision making and human behavior in teams and organizations.

Key words: neuroleader, neuroorganization, team performance, high performance, performance management

JEL: M12, J24, L25

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QUALIMETRIC APPROACHES TO THE QUALITY OF HUMAN POTENTIAL IN UKRAINE

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INTRODUCTION

Globalisation, the acceleration of scientific and technological progress, increasing amounts of information and new business methods have caused profound changes in the economy. Quality is a sign of both static and dynamic economic phenomena and processes, and quality dimensions have become a key feature of the innovation economy in the 21st century, starting with the quality of conditions (resources, output and organisational production), and ending with the quality of processes (labour, economic growth, human development, human life).

Since ancient times, philosophy has referred to quality as the inherent and unique characteristics of existence [WWW 1]. The highest level of quality is an ideal model, to which development strives to attain, but never actually does. Today, in the social economy, the quality of human potential (HPQ) – a fundamental qualimetric indicator of the completeness with which all human needs are satisfied – is gaining wider and wider application. The quality of human potential is a polystructural phenomenon, a complex open system. Assessment of this quality has to take place at different levels of formation, taking into account the environmental conditions of human existence, and then be generalised. The goal of this article is to justify this thesis, highlighting specific approaches and levels of quality formation and analysing them at different levels, since overall assessment requires comprehensive and large-scale research.

Given the complexity and underdevelopment of methodological and methodical issues, and the absence of a single criterion for assessing the actual quality in the projection of human development, it is necessary to elaborate a set of instruments to study the quality of human potential in order to find ways for its preservation and accretion. That is the main purpose of this article.

THE AIM OF THE RESEARCH AND PROBLEMS IN THE METHODOLOGY TO APPROACHING QUALITY

The purpose and methods of the study are based on methodical and methodological qualimetric approaches to assessing the existing measure of human potential quality in Ukraine's regions. Theoretical studies of human potential vary significantly in terms of theoretical and methodological approaches to perception: political and economic, demographic and resource-based. A methodology for the comparative analysis of human development indicators in conjunction with the quality of life – ensuring that that quality is at a decent level – are reflected in the works of Pakistani scientist M. ul Haq [1995] and Indian scholar A. Sen [2009]. Their ideas became the theoretical and methodological basis for calculating the human development index (HDI).

Recent empirical studies of human resources have frequently assessed human capital, which embodies the use of human potential. A substantial study on measuring human capital was conducted by Polish scientists [Czajkowski 2012, Miciuła and Miciuła 2015]. They grouped methods of evaluating human capital by the cost of creating it, future profitability of capital and coverage by educational processes, among others.

In the context of human capital in the world economy, the works of R. Abdel-Khalik [2002], M. Dobija [1998] and G. Turner [1996] have been influential. They have all found that individual characteristics of quality human capital are correlated with companies profiting and increasing their market value. For evaluations of human capital in terms of its intellectual component, special attention should be paid to the following: Skandia Navigator [Bukowitz and Williams 2000], Monitor of intangible assets [Van Den Berg 2003], IVM method (comprehensive assessment) Tobin's Q Ratio [Bendikov and Dgamaj 2001], Index of intellectual capital (IC-index) [Liapina and Grygorieva 2003], the Ernst & Young consulting firm – Measures that Matter (with a certain reduction of indicators) [Nonaka and Takeuchi 1995], K.E. Sveiby's monitor of intellectual capital – Intangible Assets Monitor [Bukowitz and Williams 2000], Knowledge Quick Scan [Andrusenko 2004], Report of Saratog Institute [Fitzenz 2001]. Thus, methodical approaches to evaluating human capital have been sufficiently developed and have considerable weight, since they can be widely used in market management, especially at the micro level.

However, methodological assessments of human potential that reflect not only the use, but other stages of human resource circulation in the economy, are not as common. This is because a wide range of indicators must be used in assessments to ensure the objectivity of the results. There is therefore a need to structure the study levels and conduct analysis on each of them, and later to summarise results using an integral indicator.

Systematic studies of the actual quality of human potential as the object of economy are practically non-existent, though quality has not been omitted in various studies on the quality of life (J. Galbraith, D. Bell, W. Rostow, Z. Brzezinski), quality of production process management (W. Shuhart, K. Ishikawa, H. Taguchi, E. Deming, P.Yu. Belenky), and an innovative component of human resource quality (L.K. Semiv, J.M. Juran and F.M. Gryna), among others. In fact, according to some researchers, quality is an inexhaustible source for potential accumulation, and has creative and innovative value in the economy [Juran and Gryna 1993].

A major breakthrough in the study of quality arrived with the development of qualimetry (J. van Ettinger and J. Sittig), which comprises methods for measuring and quanti-

fying quality indicators [Ettinger and Sittig 1965]. Qualimetry is a part of qualitology – an interdisciplinary area of knowledge that deals with all issues related to quality [Kolman 2009]. As an applied discipline, it develops methods for the measurement and numerical evaluation of quality [Duda 1995].

THE REASONING OF THE THEORETICAL AND METHODOLOGICAL APPROACHES

The quality of human potential is a complex hierarchical concept that characterises the development levels of different human potential characteristics, according to the environment in which they are formed and human needs. Such characteristics have different forms of expression, depending on the level of human development on which they are assessed. We proposed to use two approaches to study the quality of human potential: personal and active. The last aspect of the quality of human potential is associated primarily with the realization of the human need to work and engage in economic activity in order to satisfy other needs and interests. This section of study is not highlighted as other parameters and levels of research will be required.

The personal aspect allows us to study human potential quality in the context of individual sociogenetic levels – of the human body, individuality, and personality. At each of these levels specific relationships are formed that create what may be called system quality. In particular, at the body level, quality is formed with the degree to which vital human needs are met. At the individual level, satisfying psychological needs is of crucial importance in the creation of quality (it is only possible with the corresponding quality formed at the lowest level of human existence). In the personal aspect, measurement is complemented by the inclusion of the human in society by the activation of physical, mental and economic activity. Thus, the formation of quality is gradual. Each new state of the system is impossible without the accumulation of corresponding qualitative features on previous levels, and greatly hindered without synchronisation of processes of creating quality at all levels. Within the personal paradigm, fundamental parameters of space and time perform the particular function of forming the human potential quality system, which finds its expression in the "accretion" of life energy.

The model proposed uses three dimensions of human potential quality formation on the level of the organism: time, space and energy. Time is one of the key mechanisms in the accumulation of human potential quality. V. Vernadsky carried out a detailed study of the problem of time, based on geological and biological approaches, but projected to the entire biosphere, and accordingly humanity. In his work from 1932 "The problem of time in modern science" [Vernadsky 1980], based on an explication of the development of science and, in particular, the concept of time, he finds the newest vision, which is based on polar treatment of time and the need for harmonization of this category with entropy opened by Clausius [1868–1869]. This contradiction was subsequently resolved by synergy, so Vernadsky can be rightfully placed among the scientists who stood at its origins.

In the context of the specific topics of our research, V. Vernadsky's innovation was the rationalization of biological (life) time, which is connected with the division of life and the change of generations. This property of biological time is shown in three different processes: individual being, generational change and the evolutionary changing of life forms.

To describe these processes, scientist use the term duration (original – *dlenye*) [Vernadsky 1980], which describes brain activity being directly behind the origins. So a moment of time in the individual's experience can last for a very short time, but can have large informative content. This necessitates the development of a unit of time-space that V. Vernadsky called the empirical moment [Vernadsky 1980]. V. Vernadsky idea of time heterogeneity was later actively developed: in modern science, there are different concepts of time (individual, social, economic, geological, physical, artistic, sacred, and other types of time).

Considered from this point of view, V. Vernadsky's work makes it possible to partially substantiate the methodological principles of the study of how the formation of human potential quality changes across generations, i.e. within temporal coordinates of human life. The interdisciplinary nature of "biological time" allows one to interpret it as a system formation mechanism of reserve energy accumulation and its conversion to other forms in the boundaries of human life.

Thus, time and space from the above triad form the unity of the metric coordinates system of forming human potential quality. Although according to modern methodological approaches, the understanding of time and its role went beyond the frame of only a reference system, it is gaining attributes of a system that forms an active factor, including human potential quality [Stepura 2016].

As for the role of energy in shaping human potential quality within the personal paradigm, it is one of the streams (along with material and informative) that provide human activity. The entire cycle of human life is accompanied by processes of energetic metabolism. The source of energy is solar energy transformed into heat and chemical compounds that form minerals and biological processes. These processes are transformed in particular in the cultivation of biological species that make up the human diet over time and are an external source of energy for the organism. At the individual level, the flow of energy, its conversion and conservation in the body are associated with several biological processes: breathing, food and sleep. The energy obtained from outside the body is transformed into the energy of chemical compounds and physical energy (heat) to eventually form the organism's viability, i.e. health. According to some scienctific works, energy can also be delivered to humans via "energy centers", allowing the direct consumption of food to be avoided. This, however, will have to be left for other investigations.

The basis for the formation of human energy potential is food, a prominent resource type in the economy. Calories are the unit of measure of the amount of energy coming into the body. Through work, people convert them into economic units. So, taking in energy results in an attendant consumption of energy in the form of human labour and its activity. It should ideally be balanced. A balanced diet is one that provides the individual's energy needs in accordance with its consumption, and the optimum ratio of nutrients, minerals and biologically active substances. In case of excess revenues, the overconsumption of energy produces a surplus, while the lack of consumption requires the organism to deplete its reserves. Both over- and under-consumption are harmful to human health, as they hinder normal development, lead to disease, and weaken and reduce vital forces.

Therefore, we assume that the basis of human potential quality is the three-dimensional system of parameters of time, space and energy. This article examines this approach on the level of the organism within the personal paradigm of human potential quality.

QUALIMETRY

As a science qualimetry seeks to design and develop theoretical, methodological and applied problems in the quantitative representation of quality. The assessment of quality within the framework of qualimetry, is viewed as a function ratio of the given quality indicator to the quality indicator adopted as the standard. Since quality may not be measured with a single indicator, evaluating it involves studying various assessment components. In this case, researchers can use two approaches: calculate the relative indicators that comprehensively characterise each component of quality, or assess quality at each level of its formation. The final result consists in the integral indicator of quality. The first method is more suitable for measuring the quality of products or services, but assessing the formation of quality requires the hierarchical study of each level of its accumulation.

Qualimetry methodology includes examining the properties of the object being studied and the conditions of its use. Here, a regional approach becomes more significant since the conditions of a product, resource or human potential use differ considerably by region. Inconsistency in the quality of human potential together with the conditions prevailing in regional environments leads to imbalance, incomplete implementation of qualitative potential, and reduced economic effectiveness of layouts on quality. In our view, the approach to assessing human potential quality suggested in this article corresponds to the main goal of qualimetry. However, it differs from existing techniques by combining the evaluation of internal characteristics of human potential quality and the regional environments where it is formed and used.

The study used a technique developed by a team of scientists under the supervision of M. Zgurovsky and K. Yefremov [2014] to evaluate sustainable development, which is characterised by two components: the quality of people's lives and their security. At this stage, security was not introduced to the model because the methodology is used to evaluate the human potential quality achieved in regions of Ukraine. That evaluation is based on the assumption that the formation of quality has three dimensions: spatial (ecological), time (demographic) and energy (economic).

Spatial analysis deals foremost with the study of geographical problems. However, the modern development of geographic information systems research techniques provides ample opportunities for modelling processes in various fields of science and practice, economics among them. These include logistics, marketing, banking, regional economy, and evaluating human development [Zgurovsky and Yefremov 2014]. The main function of the geographic information system for the assessment of sustainable development is implemented by means of spatial analysis. In the analytical category of human development, indicators include health, education, the labour market, demography and economy. Each of these has its own parameters. Thus, among the demographic, in particular, there are three secondary indicators of life expectancy at birth, and two mortality rates. In the concept of human development elaborated by the United Nations Development Programme (UNDP), the rate of longevity underlies human development characteristics – opportunities to live a long and healthy life. That is why one of the dimensions of human potential quality in the model proposed in this article is average life expectancy at birth. Since this study defines quality only by the physical ability of the individual to live a longer life, economic and demographic measurements related to educational development, aspects of activity such as employment and income are not introduced in the model.

The study of diet in economics is usually associated with health and food safety. Families with low income have decreased food safety [Schmidt et al. 2016]. The influence of food security on health and nutrition as a determinant of such security has been studied [Gundersen et al. 2011]. However, the relationship of the energy content of diet and household income is a controversial issue. An inverse relationship between these indicators is evident, as less wealthy people will purchase high-calorie fast foods that are poor in nutrients. However, this approach should be complemented by the thorough study of diet from the point of view of products, trace elements and nutrients [Drewnowski and Darmon 2005]. In our view, such estimates should also be accompanied by comparing the energy consumption of the standard indicators, as well as specific professional activity. This analysis is significant in size, but some conclusions cannot be justified vis-à-vis introducing the energy content of a diet to measure the human potential quality economic model.

RESEARCH METHOD

This research considers the problem of measuring the similarities between an actual vector of quality and an ideal one. To measure distances in metric space, Mahalanobis distance is used. To address more specific problems, Euclidean distance, weighted Euclidean distance and Hamming distance are suitable. In this study, we used Euclidean distance. Since the indicators of different dimensions are used for the assessment, they are standardized so they can be compared. Given that, indicators of each of the three human potential quality coordinates are as follows:

- time parameters are described with an indicator of the average life expectancy at birth, reflecting temporal limits of the quality formation process. This dimension can be described as the demographic characteristic of the human potential quality at the body level;
- spatial characteristics of the formation of human potential quality reflect regional environment favourability for human vital functions and are expressed through generalized indicators of the ecological condition (the ecological dimension);
- energy measurement within the personal paradigm of human potential concerns energy content of the human diet. The ability of families to provide balanced and high-energy food to meet the needs of the body depends on the welfare of family income. Thus, the data sampling of household living conditions survey in Ukraine [SSSU 2016a] indicate that the energy value of the average diet was 3,030 cal in 2015 – that was 206 cal lower than 2014 levels. In rural areas, the energy value of the diet was 3,290 kcal, while in urban areas it was from 2,826 to 2,996 kcal. The World Health Organisation (WHO) recommends 3,000 kcal as its standard.

In addition, expenditures on food account for 54.8% of all household expenses in Ukraine [SSSU 2016a]. Elsewhere in Europe, the share does not exceed 25%, and for residents of the UK and Sweden it is less than 10%. Poles and the citizens of Baltic countries spended in 2013 25–30% of the family budget on food, while Romanians, Serbs, Moldavians and Belarusians spend over 40% [WWW 2]. A lack of calories is not evidence of low household income, because dietary food usually contains fewer calories, but is more expensive. However, analysis of the Ukrainian diet in 2015 shows that the norms of rational consumption were reached only for grain products and potatoes, while for fruit, fish and meat even the minimum standards characterizing Ukraine's poverty threshold are not observed. The consumption of fish and fish products in 2015 was 43.0% of the minimum

rate, while fruits, berries and grapes were at 79.5%. The consumption of meat and meat products in 2015 likewise failed to reach the minimum standards.

Nor do the negative tendencies stop there for the country's average dietary figures. The ratio norm of proteins, fats and carbohydrates is 13 : 13 : 74 [MHU 1999], while the recommendations of WHO is 18 : 16 : 66. According to household assessments and consumption balances of the population in Ukraine in 2015, the real intake structure is 14 : 23 : 63 [SSSU 2016a]. The Ukrainian diet is excessively fatty, with the fat coming mostly from plant products (oils, confectionery, etc.). Excessive consumption of these fats cause cholesterol levels to rise, among other dangers. Also, there is a lack of carbohydrate intake, which is bad because carbohydrates are our main source of energy (50–60% of needed). In addition, the energy value of the Ukrainian diet, according to existing norms, only meets the needs of women's mental and light physical work and men's mental work, but is insufficient to meet the needs of tough physical labour. A specified amount of energy flow does not satisfy the needs of children older then 10 years. This measure in the evaluation model of human potential quality is referred to here as the economic.

Coordination of the various data requires standardisation. The stimulant indicators (its higher value corresponds to a positive impact on the resulting token) are subject to logistic rationing using the formula:

$$C_{norm}(x_{i,j}) = \left(1 + e^{\frac{a - x_{i,j}}{b}}\right) \tag{1}$$

where:
$x_{i,j}$ – i-th indicator of j-th region;
a – average value of i-th indicator by region;
b – standard deviation of i-th indicator by region.

Destimulant indicators (the larger indicator corresponds to an increase in the negative impact on the human potential quality) are normalized by the formula:

$$C_{norm}(x_{i,j}) = 1 - \left(1 + e^{\frac{a - x_{i,j}}{b}}\right) \tag{2}$$

The level of the regional human potential quality development is represented as a real vector value that becomes the value of one for the benchmark value of this quantity.

For each region, the Euclidean norm of the radius vector [Zgurovsky et al. 2014] of the human potential quality (P_q) is expressed as:

$$\left|\overrightarrow{P_q}\right| = \sqrt{I_t^2 + I_s^2 + I_e^2} \tag{3}$$

where:
I_t – indicator of time parameters of the formation of the regional human potential quality;
I_s – indicator of spatial parameters;
I_e – indicator of energetic parameters.

A quantitative measure of the quality of human potential is defined as the projection norm of radius vector on the ideal vector with coordinates (1, 1, 1):

$$P_q = \sqrt{I_t^2 + I_s^2 + I_e^2} \cdot \cos\alpha \tag{4}$$

where α is the angle of deviation of radius vector $\left(\vec{P}_q\right)$ from the ideal vector. Accordingly α is determined as:

$$\alpha = \arccos \frac{I_q^2 + I_n^2 + I_e^2}{\sqrt{3} \cdot \sqrt{I_t^2 + I_s^2 + I_e^2}}$$
$$0 \leq \alpha \leq \arccos \frac{1}{\sqrt{3}} \tag{5}$$

Thus, the deviation of the calculated norm of the radius vector $\left(\vec{P}_q\right)$ on the ideal vector projection will characterise the level of human potential quality development and spatial vector position–quality harmony level in the three-dimensional coordinate system. The equidistance of $\vec{P}_q$ from each of the coordinates will point to the harmony of quality, and the approximation to one of the coordinates – the dominance of the corresponding characteristics. The degree of harmonization provides the basis for the definition of the balanced influence of three selected dimensions of human potential quality and is defined as a lagging deflection angle of the vector from 1. Based on this, the degree of harmonization (G) is calculated:

$$G = 1 - \alpha \tag{6}$$

Deflection angle (α) shows the deviation of the established quality from the benchmark (ideal value) – Figure 1.

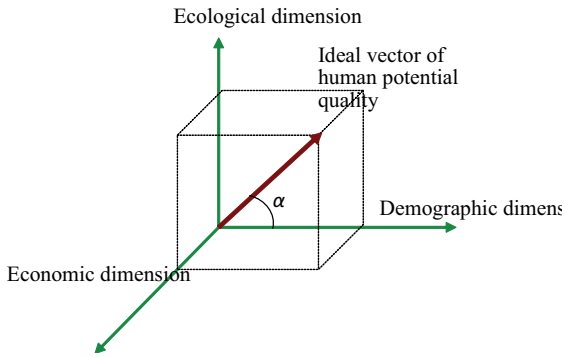

FIG.1. A schematic reflection of theoretical models for measuring human potential quality

Source: Zgurovsky and Yefremov 2014.

Therefore, the human potential quality will be expressed through an integrated assessment of joint measurement of the three quality formation conditions: time, space and life energy (the demographic, ecological and economic components).

RESULTS

Selected values of human potential quality formation indicators of Ukraine's regions and their standardized values calculated using formula (1) are shown in Table 1.

TABLE 1. Output data for the evaluation of the human potential quality in Ukraine by region

Ukraine's regions	Average life expectancy at birth in 2013		Integral indicator of environmental condition in 2010*		Calorie in average daily diet of the population in 2015**	
	actual value	standardized value	actual value	standardized value	actual value	standardized value
Vinnytsia region	71.93	0.639	0.462	0.513	3 053	0.776
Volyn region	71.46	0.539	0.636	0.787	2 981	0.694
Dnipro region	70.20	0.279	0.189	0.128	2 746	0.363
Donetsk region	70.26	0.290	0.077	0.061	2 664	0.260
Zhytomyr region	69.48	0.170	0.623	0.771	2 947	0.650
Zakarpattia region	71.02	0.443	0.620	0.767	2 805	0.446
Zaporizhia region	71.63	0.576	0.154	0.102	2 710	0.316
Ivano-Frankivsk region	73.15	0.838	0.437	0.468	2 927	0.623
Kiev region	70.38	0.312	0.455	0.500	2 748	0.366
Kirovohrad region	69.85	0.221	0.534	0.639	2 943	0.645
Lugansk region	70.77	0.389	0.342	0.307	2 252	0.030
Lviv region	73.28	0.853	0.499	0.579	2 870	0.542
Mykolaiv region	70.08	0.258	0.448	0.488	2 836	0.492
Odessa region	70.37	0.310	0.515	0.607	2 801	0.441
Poltava region	71.10	0.460	0.474	0.534	2 873	0.546
Rivne region	71.38	0.522	0.622	0.770	2 743	0.359
Sumy region	71.02	0.443	0.389	0.383	2 807	0.449
Ternopil region	73.64	0.888	0.479	0.543	2 856	0.521
Kharkiv region	72.14	0.680	0.389	0.383	2 715	0.322
Kherson region	70.00	0.245	0.504	0.588	2 951	0.655
Khmelnytsky region	71.88	0.628	0.528	0.629	2 922	0.616
Cherkasy region	71.85	0.622	0.483	0.551	3 185	0.883
Chernivtsi region	73.22	0.846	0.554	0.672	2 894	0.576
Chernihiv region	70.37	0.310	0.529	0.631	2 971	0.681

*The integral indicator of the environmental condition, integrating indicators of land, water resources and air, as calculated by the method developed by the Institute of Environmental Economics and Sustainable Development NAS of Ukraine and used to measure regional human development on the technique developed by the Ptoukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine together with the State Statistics Service of Ukraine and Ministry of economic development and trade of Ukraine [MEDTU 2012].

** Data is presented for different years because some indicators for the last three years have not been calculated by the Donetsk and Lugansk regions due to the anti-terrorist operations in the country's east.

Source: the authors' calculations on the basis of SSSU 2014, 2016a.

TABLE 2. The results of the evaluation of the human potential quality of Ukraine's regions

Ukraine's regions	The norm of radius vector $\left(\vec{P}_q\right)$	The deflection angle (α)	Degree of harmonization (G)	A quantitative measure of the quality (P_q)
Vinnytsia region	1.13	0.17	0.83	1.11
Volyn region	1.18	0.15	0.85	1.17
Dnipro region	0.48	0.36	0.64	0.44
Donetsk region	0.39	0.46	0.54	0.35
Zhytomyr region	1.02	0.45	0.55	0.92
Zakarpattia region	0.99	0.27	0.73	0.96
Zaporizhia region	0.66	0.53	0.47	0.57
Ivano-Frankivsk region	1.14	0.23	0.77	1.11
Kyiv region	0.69	0.20	0.80	0.68
Kirovohrad region	0.93	0.38	0.62	0.87
Lugansk region	0.50	0.57	0.43	0.42
Lviv region	1.16	0.21	0.79	1.14
Mykolaiv region	0.74	0.26	0.74	0.71
Odessa region	0.81	0.26	0.74	0.78
Poltava region	0.89	0.07	0.93	0.89
Rivne region	1.00	0.30	0.70	0.95
Sumy region	0.74	0.07	0.93	0.74
Ternopil region	1.16	0.25	0.75	1.13
Kharkiv region	0.84	0.33	0.67	0.80
Kherson region	0.91	0.35	0.65	0.86
Khmelnytsky region	1.08	0.01	0.99	1.08
Cherkasy region	1.21	0.21	0.79	1.19
Chernivtsi region	1.22	0.16	0.84	1.21
Chernihiv region	0.98	0.30	0.70	0.94

Source: the authors' calculations.

Regional indices of the level of human potential quality are calculated according to output data from Table 1 and formulas (3)–(6) – Table 2. Figure 2 shows the degree of harmonization of quality and its quantitative measure in the order of regions it rates.

Based on these calculations, it can be concluded that it is not only the level of human potential quality achieved that is important, but also the degree to which all indicators are harmonized that characterise the time-space and energy factors of its formation. Achievement of relatively high indicators of quality due to only one or two indicators (as for example in the Cherkasy region, where high values of caloric nutrition smoothed out the average indicator values by the other parameters, causing quality to be assessed as quantitatively

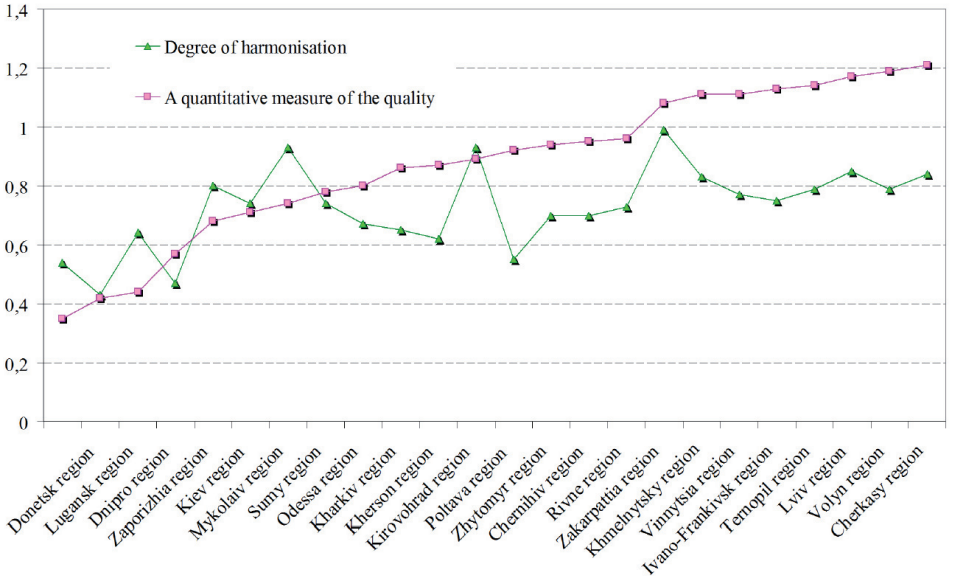

FIG. 2. The degree of harmonization and a quantitative measure of the human potential quality of Ukraine's regions

Source: the authors' calculations.

high) is not a categorically positive sign. Low degrees of harmonization are observed in Donetsk, Lugansk, Zaporizhia and Zhytomyr regions, which have significant fluctuations of three parameters (mostly life expectancy or the condition of the environment). Therefore, analytical generalisation should be carried out using all data listed in Table 2, or at least those in Figure 2. Under such circumstances, higher indicators were achieved in the Poltava and Khmelnytsky regions, where relatively average indicators were accompanied by extensive harmonization. Finally, the quantitative measure of the human potential quality in the seven highest-rated regions (Vinnytsia, Ivano-Frankivsk, Lviv, Ternopil, Volyn, Cherkasy, Chernivtsi region) was caused by a single high value – life expectancy above average – in the quality parameters (Ternopil, Lviv, Chernivtsi regions).

CONCLUSION

The methods of estimating regional human potential quality is one of the parts of this comprehensive research on the formation of quality. The complexity of this investigation should be complemented in future with the displacement of focuses of research at different levels of quality formation, beyond the level of the body, listed in this article. Future levels may include the individual, household, community, ethnic group, to name a few. The methods discussed here are suitable for analysis at any of the levels presented, with the remaining time-spatial and energetic three-dimensionality of

human potential quality formation system, however initial parameters (variables) will be absolutely distinctive. Beyond that, further research may include a security parameter, which is relevant given the increasing risks of the globalized world. In any case, estimation results should provide detailed material for seeking ways to save and grow regional human potential quality.

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Summary. The article evaluates the main parameters of human potential quality of Ukraine's region. The assessment is based on the quantitative measurement of sustainable development. The Euclidean metric was used. The quality of human potential as a multi-structural phenomenon characterizes the levels of human potential characteristics developed according to the environment of its formation, as well as public and personal needs. It is indicated that a structural approach should be used to study the quality of regional human potential. This necessitates the separation of certain levels of sociogenesis. Those levels include the human body, individuality and personality. Quality is formed at each of them. In this article, using qualimetry, a quantitative measure of quality was evaluated using the level of the human body. This was the basis for the premise that the quality of human potential is formed in a three-dimensional system of time, space and energy parameters, corresponding to the demographic, ecological and economic dimensions. Various indicators can be the characteristics of each of the parameters, depending on the research focus. Using the methods proposed, the quality of the human potential of Ukrainian regions was evaluated. Indicators of the degree of harmonization and the quantitative measure of the quality were calculated. It was established that analytical conclusions should be considered not only the grade of the quality achieved, but also the degree of harmonisation of internal and external factors.

Key words: regional human potential quality, personal paradigm, qualimetry, time–space factors, energy, degree of harmonization

JEL: O15, C52

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DO BETTER SOCIOECONOMIC FEATURES OF POPULATION MEAN MORE COMPETITIVE REGIONS?

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INTRODUCTION

The limited number of available goods is generating competition between market participants. Economic operators are competing with each other for these economic goods. From this point of view, the literature classifies the economic operators into three subgroups. Employees are competing for workplaces, companies are rivalling for higher market shares and profits, while regions are about to increase their living conditions. Choosing a location for establishments is one of the basic and most important parts of business decision making. Settlements are also interested in competition, since the companies are free to choose the location of their business establishments. They can utilize different kinds of economic tools (e.g. tax reductions or aids) in order to seem more attractive for the desired company. Regarding to the location theory, the beneficial business environment (e.g. infrastructure, R+D activities, transparency of the legal system) sometimes more important than the previously mentioned exemptions. Regions which are above-average of social indicators (e.g. GDP per capita, employment level, age structure, labour productivity) take precedence over others [Horváth 2006]. The previously mentioned issues are resulting in competitive and peripheral regions. Favourable geographical access and technological externalities are creating clustering forces. Clustering has its own effect on the labour market also. Competitive regions are providing better life standards which leads to larger scale of available labour force [Venables 2005]. Population raising and capital accumulation is effecting on development, growth of the knowledge sector and more frequent R+D activities. Growing share of employees, who are interested in the previously mentioned sectors are increasing economic growth. The literature uses the term of endogenous growth to refer these links [Morley 2015]. The role of regional

development and the population retention of rural areas are becoming more accentuated since the very beginning of the 21st century. The European Union's action programme, the Agenda 2000 proposed numerous goals, which are in connection with the growing differences between regions. A few of them were to develop the vitality of rural areas and stabilize agricultural incomes [EC 2000]. The development of rural areas should be sustainable. Sustainable development could be defined as a development process which is meeting the needs of the current generation, without harming the without harming the ability of future generations to meet their own needs [United Nations General Assembly 1987]. The importance of rural areas could not be ignored since most of the total area of EU-28 is described as a rural, as well as more than the half of its population is living in these areas. Important activates like raw material producing and tourism are also linked to rural areas, resulting in a significant share from employment and economic performance [Siudek et al. 2016]. Rural areas and even more peripheral areas are needed to be supported in order to preserve the values which are provided by these areas and mitigate the harmful effects of clustering forces (e.g. rural-urban migration). Without any kind of intervention, the processes would end up in serious differences between regions.

MATERIAL AND METHOD

The objective of the case study was to give an overview of differences between Hungarian regions from the aspect of socioeconomic factors. Assembled and assorted secondary statistical data (e.g. life expectancy, average age of population, educational attainment, number of early school leavers, GDP per capita) on the Hungarian population were intended to characterize NUTS 2 regions by socioeconomic factors. The sources were provided by the Hungarian Central Statistical Office (KSH) and National Territorial Development and Spatial Planning Information System (TeIR). Following indexes were calculated in order to highlight the differences in 2014:

- population growth (actual reproduction to total population);
- vitality index (population aged 20–39 to population aged over 60);
- old age dependency ratio (population aged over 65 to population aged 15–64).

ANALYSIS OF SOCIAL CONDITIONS ACROSS HUNGARIAN REGIONS

Regarding on the data by Hungarian Central Statistical Office (KSH), Hungary is a Central European country with an area of 93,011 km^2 and population of 9.9 million citizens (date from 2014). It is surrounded by Slovakia, Ukraine, Romania, Serbia, Croatia, Slovenia and Austria. Since 1981, the population was decreasing by 0.24% annually. Hungary is described as a rural country, 66.3% of its area is described as rural, while 33.1% classified as intermediate and just 0.6% is urban [EC 2015b].

The country became the member of the European Union in 2004. Table 1 represents the NUTS classification of the country.

During 1996 and 1998 one NUTS 1, seven NUTS 2 and twenty NUTS 3 regions were formed as the part of preparations of Hungary's accession to the European Union.

TABLE 1. The NUTS classification of Hungary

HU	NUTS 1	NUTS 2	NUTS 3	LAU 1	LAU 2
	statistical large regions	planning and statistical regions	counties + Budapest	statistical sub-regions	settlements
Number	3	7	20	174	3152

Source: EC 2013.

The Hungarian Central Statistical Office revisited the NUTS classification of Hungary in 2003. Three NUTS 1, seven NUTS 2 and twenty NUTS 3 regions were created as the result of the revision in 2005 [Jusztin et al. 2015]. Table 2 summarizes some general data on NUTS 2 regions.

TABLE 2. Characteristics of the NUTS 2 regions in Hungary

NUTS code	NUTS label	Area (km^2)	Population in 2014 (people per km^2)	Average age in 2014
HU10	Central Hungary	6 915	2 964 769	41.8
HU21	Central Transdanubia	11 085	1 097 560	42.3
HU22	Western Transdanubia	11 328	990 947	42.7
HU23	Southern Transdanubia	14 197	947 458	43.2
HU31	Northern Hungary	13 428	1 205 319	42.0
HU32	Northern Great Plain	17 723	1 521 318	41.1
HU33	Southern Great Plain	18 335	1 312 799	43.0
HU	Hungary	93 011	10 040 170	42.3

Source: National Territorial Development and Spatial Planning Information System (TeIR), available at https://www.teir.hu.

The averages of NUTS 2 regions (2014) were like the following: area (13,287 km^2), population (1,166,260 citizens) and population density (106 people per km^2). Although Central Hungary was the smallest of among all (6,915 km^2), the population was concentrated in that region since the 29.5% of the country total lives here. Southern Transdanubia has the lowest population (947,458 citizens), and that region was also disadvantaged from the aspect of population density (65 people per km^2) and average age of a citizen (43.2) which was the highest of NUTS 2 regions. Central and Western Transdanubia are approximately in the same situation by area (11,085, 11,328 km^2), average age of a citizen (42.3 and 42.7) and population density (96, 87 people per km^2). Northern Hungary was close to country averages with the total area of 13,428 km^2 and population of 1,205,319 citizen. Northern Great Plain and Southern Great Plain are relatively similar from the view of total area (17,723 and 18,335 km^2). There are major differences in the structure of population. While Northern Great Plain was the most favourable (41.1), Southern Great Plain was facing with serious aging. The previously mentioned region was also one of the most sparsely settled areas, with population density 70 people per km^2. Southern Transdanubia, Northern Hungary and Northern Great Plain was the most disadvantageous

NUTS 2 regions from the aspect of substantial unemployment, society, economy and infrastructure (Table 3). Share of 84% of the most disadvantageous local administrative units (LAU 1) were also situated in the previously mentioned NUTS 2 regions (Fig. 1).

TABLE 3. The most disadvantageous regions of Hungary

NUTS label			
Southern Transdanubia (HU23)	Northern Hungary (HU31)	Northern Great Plain (HU32)	Southern Great Plain (HU33)
Most disadvantageous local administrative units (LAU 1)			
Barcsi	Abaúj-Hegyközi	Baktalórántházai	Bácsalmási
Csurgói	Bátonyterenyei	Berettyóújfalui	Jánoshalmai
Kadarkúti	Bodrogközi	Csengeri	Kisteleki
Lengyeltóti	Edelényi	Fehérgyarmati	Mezőkovácsházai
Sásdi	Encsi	Mátészalkai	Sarkadi
Sellyei	Hevesi	Nyírbátori	
Szigetvári	Mezőcsáti	Tiszafüredi	
Tamási	Ózdi	Vásárosnaményi	
	Sárospataki		
	Szerencsi		
	Szikszói		
	Tokaji		

Source: Rural Development Programme 2014–2020, retrieved from https://www.palyazat.gov.hu/node/56582.

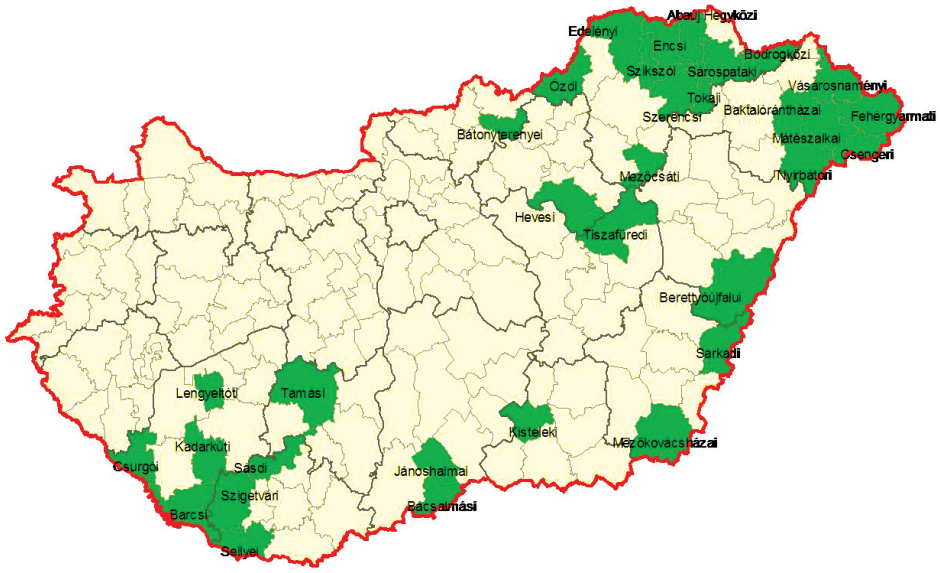

FIG. 1. The most disadvantageous regions of Hungary

Source: https://www.palyazat.gov.hu/doc/1254.

Central Hungary was in the best situation regarding the educational attainment. The share of people with higher education (56%) was above of the country average (43%). Southern Transdanubia, Northern Hungary, Northern Great Plain and Southern Great Plain are disadvantaged from that aspect, since the share of people with lower education are higher than the country average. Early school leaving was another challenge for Hungary. The share of early school leavers are 11.6% which are above the average of EU-28 (11.1% in 2014) [EC 2015c]. The proportion of early school leavers are the highest (18.4%) in Northern Hungary while that index in 2015 was just 7.2% in Central Hungary.

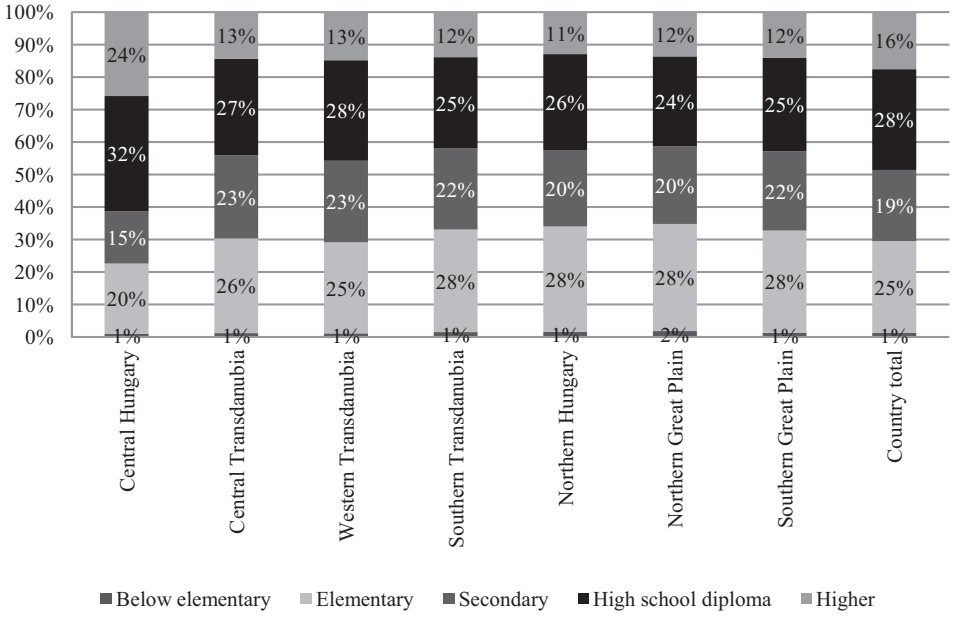

FIG. 2. Educational attainment in Hungary in 2014

Source: author based on the data provided by the Hungarian Central Statistical Office.

Table 4 presents the indicators which were calculated and assembled. These are also reflecting the inequalities between NUTS 2 regions of Hungary regarding socioeconomic factors.

Western Transdanubia, Central Transdanubia, Central Hungary and Southern Transdanubia are showing a favourable picture from the aspect of employment. All of these NUTS 2 regions have a lower or equal unemployment rate comparing them with the average of Hungary. Southern Great Plain, Northern Hungary and Norther Great Plain are facing serious difficulties from that view. The unemployment rate was higher in Northern Hungary and Northern Great plain than the averages of NUTS 2 regions of Europe (9.9% in 2014) according to Eurostat data.

The population growth was showing a diverse picture for us. The natural increase (–3.9‰) was unfavourable in all of the examined units. The net migration rate was com-

TABLE 4. Calculated indicators

NUTS code	NUTS label	Unemployment rate (%)	Population growth (%)	Rate of ageing (%)	Vitality index (%)	Old age dependency ratio (%)	GDP per capita (thous. HUF)
HU10	Central Hungary	6.2	0.15	121.9	1.14	27%	5 162
HU21	Central Transdanubia	5.6	–0.41	120.9	1.19	24%	2 941
HU22	Western Transdanubia	4.6	–0.31	129.3	1.12	26%	3 414
HU23	Southern Transdanubia	7.9	–0.64	132.6	1.09	26%	2 167
HU31	Northern Hungary	10.5	–0.75	117	1.16	25%	2 037
HU32	Northern Great Plain	11.8	–0.53	103	1.30	23%	2 062
HU33	Southern Great Plain	9.0	–0.69	135.4	1.10	27%	2 280
HU	Hungary (average)	7.9	–0.45	122.9	1.16	25%	2 866

Source: own elaboration on the data for 2014 provided by the Hungarian Central Statistical Office and National Territorial Development and Spatial Planning Information System (TeIR).

pensating the situation in Central Hungary (3.7‰) resulting in a positive population growth rate and favourable vitality index, while the tendencies are moderated in Western Transdanubia (1.5‰) because of the same reason.

Like many other EU countries, Hungary was also contending with ageing of its population resulting in an average age of population of 44.2 (data from 2016). The tendencies are also detrimental for the agriculture, since the average age of Hungarian farmers are 56, according to Hungarian Ministry of Agriculture data. The old age dependency ratio (25%) of Hungary was below of the average of EU-28 (28.1%). These results are very concerned from the aspect of sustainability regarding pension systems. The importance of old age self-sufficiency was getting more prominent because of the ongoing tendencies.

APPLICABLE INSTRUMENTS

Rural development is the second pillar of the Common Agricultural Policy. The national rural development programmes are supported from The European Agricultural Fund for Rural Development (EAFRD). For Hungary, there are 4.2 billion EUR available for regional development purposes for the current funding period of 2014–2020. The main aim of the Hungarian Rural Development Programme (RDP) is to moderate the problems of the society and inequality. The main objectives of the Hungarian Rural Development Programme (RDP) are in connection with the society and its problems such as:

– poverty;
– economic problems in underdeveloped regions;
– difficulties of social inclusion.

In order to solve these problems the programme appoints the following supportable areas:

– knowledge transfer and innovation;
– R+D sector;
– education;

– job opportunities;
– infrastructure.

Regarding to the RDP, it is justifiable to support R+D activities, information society, education and healthcare services and the evolution of road networks concerning accessibility (https://www.palyazat.gov.hu/node/56582). Figure 2 presents the main areas of Hungarian Rural Development Programme.

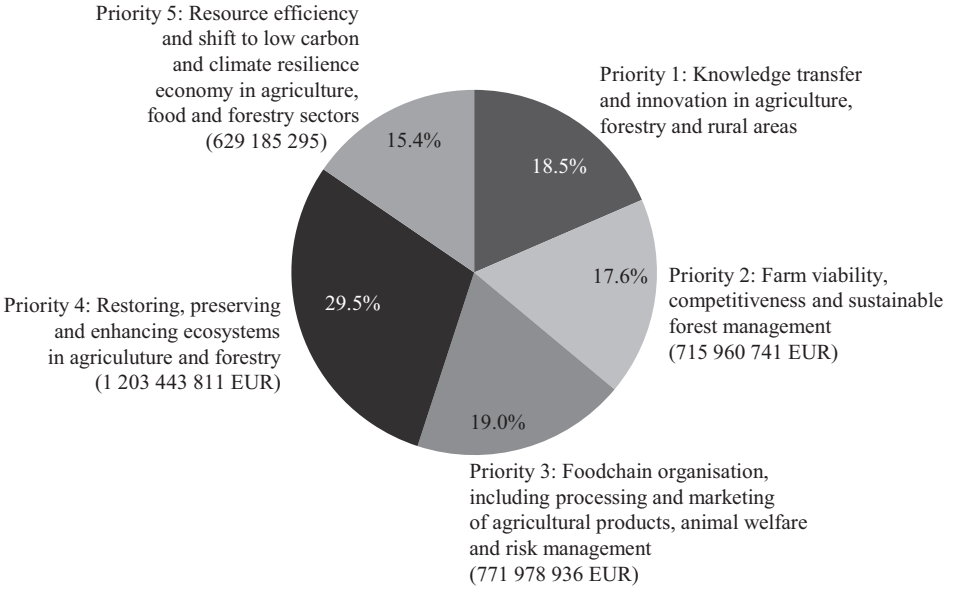

FIG. 3. The priorities of the Hungarian Rural Development Programme

Source: own elaboration on the data provided by the European Commission.

The supports from the European Social Fund (ESF) and the European Regional Development Fund (ERDF) could also offset these difficulties. The objective of European Social Fund is to support career opportunities by creating new jobs. To help job seekers to find their desired occupation is another aim of the fund. The most important intention for Hungary is to invest in human capital by improving people's skills, create training and healthcare opportunities and to develop the public administration system. The target groups of these supports are low-skilled and young people. At around 450,000 people are expected to benefit from education programmes, while 300,000 people will take a part in healthcare services. As much as 60,000 students and 40,000 teachers will be trained in order to reduce early-school leaving [EC 2015c].

The following few examples were supported by the European Social Fund:

– Opening to the Street programme. Central Hungary is considered the most developed region because of the distinct situation of Budapest. However, the number of homeless people is disquieting. To measure the exact number of homeless people is a difficult matter, we can only deduce to it from statistical sources. During the period of

2010 and 2014 an average of 5,529 people visited to shelters daily in Budapest. From March 2013 until October 2014 the ESF contributed 410,200 EUR to cover the expenses the Opening to the Street programme. During this period, 120 homeless people have received accommodation and education. Some of the have finally finished his or her primary education, while others were selected to participate in specific vocational or IT and communication training. Ten of them were employed for a year, while 75 homeless people participated in voluntary work. Another goal of the programme was to help them to get rid of their addiction [EC 2015c].

– Danish-Hungarian project reaches out to those on the margins. There were some examples for international cooperation within the ESF. The main aim of the project was about to help the people who faced with long-term unemployment by the application of the Danish education model. From June 2012 until February 2014 the ESF has allocated 578,168 EUR in order to achieve the purpose of the programme. Three hundred and ten people have benefited from the services, like receiving vocational education and obtain skills for more effective job-seeking activity. Thirty four of them were able to keep their job positions, while 22 participants gained a new profession [EC 2015c].

The main aims of European Regional Development Fund (ERDF) are to invest in small and medium-sized enterprises (SMEs), innovation and research, Information and Communication Technologies (ICTs), and to foster the transition to low-carbon economy [EC 2000]. Tourism, environmental protection, infrastructure, energy and resource efficiency, education and healthcare could be also supported (https://www.palyazat.gov.hu/erfa).

There are numerous examples for the utilization of ERDF supports in Hungary. The following programmes are strictly in connection with rural development:

– Kisbér, a village situated in Central Transdanubia (HU21) has received at about 1,773,000 EUR to modernize the education infrastructure. The village's elementary school, the grammar and vocational school and the kindergarten have benefited from the support [Local Government of Kisbér 2009];
– Komló, a village in the Southern Transdanubia region have also received from the fund. The village's house of arts and its museum have been renewed from the estimated sum of 55,6200 EUR [Local Government of Komló 2009].

CONCLUSIONS

Hungary is showing a twofold picture regarding the presented indicators. The economic importance of Central Hungary is disproportionate, since it is generating the 48% of the total GDP. The main aim of the structural funds is to support NUTS 2 regions, where the GDP per capita is less than 75% than the average of EU-28. Central Hungary consists of two NUTS 3 regions, Budapest (HU101) and Pest county (HU102). At the time of the accession Central Hungary (102.2%) has surpassed the previously mentioned criteria because of the predominance of Budapest (133.5%). There are aspirations since 2002 in order to divide Pest county from Central Hungary. The secession would be reasonable, since the GDP per capita in Pest county is just the 56.6% (data from 2011) of the average

EU-28. Central Hungary is also in an eminent role because it's social composition by education attainment. The situation of Central and Western Transdanubia are also favourable because of low unemployment rate. Although these economic related factors are better in the recently mentioned NUTS 2 region, Northern Hungary and Northern Great Plain has some potential because of their age structure. The utilization of the European Social Fund (ESF) is a great chance to improve people's skills in these regions by creating training opportunities and reduce early-school leaving. Entrepreneurship and employment are also supportable from the European Regional Development Fund (ERDF). To invest in R+D sector and education is a key issue for these regions since these activities are in a strong correlation with competitiveness of territorial units.

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Summary. The objective of the case study was to give an overview of differences between Hungarian regions from the aspect of socioeconomic factors. The paper deals with the distinct situations of NUTS 2 regions in order to get a general view of the country from that angle. Although, that approach is not the most detailed one, it makes possible to easily distinguish the competitive parts of the country. Secondary data were provided by the Hungarian Central Statistical Office (KSH) and National Territorial Development and Spatial Planning Information System (TeIR) were used to present the distribution of population by various expositions. Unemployment rate, distribution of educational attainment, population growth, rate of ageing, vitality index, dependency ratio and GDP per capita were calculated and assembled to present the differences. The results are showing clearly, that Central Hungary (HU10), Central Transdanubia (HU21), Western Transdanubia (HU22) are currently competitive. The population of Southern Transdanubia (HU23) and Southern Great Plain (HU33) are aging, but stable from the view of economy related indexes. Northern Hungary (HU31) and Northern Great Plain (HU32) are considered laggards from that aspect, but have a considerable potential because of the age structure of the population. The paper also introduces some national and EU programmes which are meant to mitigate the effects of unfavourable situations.

Key words: rural development, society, inequality, economy, education, innovation

JEL: O10, R51, R58

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PLACE OF LESSORS OF LAND SHARES IN SYSTEM OF AGRICULTURAL MARKETING IN UKRAINE

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INTRODUCTION

Ukraine's agricultural sector is currently undergoing rapid growth. It contributes 15––20% of the country's GDP (compare that to the 3% EU agriculture contributes) while 35% of the proceeds Ukraine receives in foreign currency come thanks to the agricultural sector. Ukraine is gradually assuming a leading position in the production of agricultural products in the world: It is among the top 10 global exporters of vegetable oils and cheeses, and it is one of the largest suppliers of cereals to the world market. But the increase in production and labor productivity are tempered by unemployment, labor migration, a deepening demographic crisis, poverty, and a declining social structure. Marketing as a management concept of modern agricultural production should play a particularly important role in solving the problems of the agricultural sector.

In rural areas, 7 million farmers have acquired the rights to land. In the meantime, division and privatization of agricultural lands and their distribution among former employees of collective farms could not be the basis for sustainable socio-economic development of the agricultural sector and the development of individual (family) forms of agriculture. Land relations in Ukraine's agricultural sector often function on a lease basis, which complicates the economic activities of the agricultural enterprises that own the land and affects their marketing decisions.

AIM AND METHOD

The paper examines the theoretical and methodological foundations for the interaction of lessors of land shares with tenants in the system of agricultural marketing. It also identifies the influence of land lessors on the activity of agricultural companies. The

paper uses theoretical generalization, comparative analysis, methods of observation and a systematic approach (considering the marketing activity of agricultural enterprises). During the research we used analysis, synthesis and induction. The analysis studies the lessors and agricultural companies, and identifies their essential features and the relationships that exist between them. The consistency of the interests of lessors and tenants was investigated. Ultimately, we arrived at the conclusion that lessors should be included in the elements of the 4 P's.

ESSENSE AND CHARACTERISTICS OF AGRICULTURAL MARKETING

Agricultural as a business covers the production of agricultural products (raw materials), their processing, storage, transportation and delivery to the consumer. The various business structures which facilitate this combination of activities form a complex of economic relations called agricultural marketing. To engage in effective agricultural production in the market, it is necessary to understand the specifics of agricultural marketing and take them into account in the economic activity of agricultural enterprises. There are different concepts of marketing at work in the agricultural sector: agricultural marketing, agrarian marketing, agribusiness marketing, ABI marketing and food product marketing [Kuznetsova 2015, Strapchuk 2016], to name a few.

Marketing for agricultural production is much more complex than other types of marketing because of the variety of methods used to implement it. That variety can be attributed to the large number and variety of manufactured products, and their importance to end users. Taking into account the current characteristics of the agricultural sector and approaches to the definitions of marketing, it is possible to choose those that correspond to the peculiarities of the agricultural sector.

Marketing is a creative activity that contributes to the production and maximum sale of goods. It consists of identifying the needs of the market, conducting scientific research and developing new products. Agricultural marketing can also be considered a process, a social and managerial one by means of which individuals and groups of people, by creating products and exchanging them, receive what they feel is necessary. Marketing as a method, concept and function of management in agriculture meets this definition – market-oriented management of an enterprise, the essence of which is in planning, coordination and control across the spectrum of enterprise activities. Marketing as a comprehensive approach means a comprehensive system of production and sales organization, based on previous research of customer needs. Agricultural marketing can also be considered a philosophy of business management and a basic business concept [Solovyov 2016]. The broadest definition of marketing allows us to state that such concepts are most closely correlated with the features of the agricultural sector in general and agricultural production in particular, with the peculiarities of the agricultural market.

Yakubovska [2011] interprets agricultural marketing as comprising activities aimed at implementing the marketing concept at all stages of the reproduction of agricultural produce with the maximum priority use of the self-regulating mechanism of the market. This approach allows one to consider agricultural marketing in the context of the environment. Adapting marketing – its tools, techniques, methods – to agriculture at all stages of the

reproduction of agricultural products will maximize the market's self-regulation, because any economic decisions should be made based on analysis of the market situation, change and the market's reaction to marketing decisions.

FEATURES OF LAND RELATIONS ON AGRICULTURAL MARKET IN UKRAINE

In the agricultural market, the turnover of goods supplies agriculture with the necessary means of production, services, advanced technologies, and sales of products produced by agricultural enterprises [Lobanov et al. 2012]. Given that, the most important feature of this market is its complex structure, which combines a number of subsystems: the land market, markets of agricultural raw materials, food, energy, plant protection products, fertilizers, preparations, credit resources, technologies and information, among others. Each of these has its own characteristics, which are interdependent and closely linked [Solovyov 2016]. Finally, agricultural land is limited, and so too, therefore, is production.

As of 1 December 2015, in Ukraine, 4,671.5 thousand lease agreements were signed for agricultural land of private ownership (shares) with a total area of 16,597 thousand ha (50% of privately owned land). The average rent was 786 UAH·ha^{-1}·year^{-1} (28 EUR·ha^{-1}) [Nialov et al. 2016]. This is a fairly large proportion of the country's population, which has its own special interests and the need for effective management of the agricultural sector. It is difficult to calculate this share precisely, as the second and third wave of land-share owners often own five or more parcels. The ratio between the number of employees in the agricultural enterprise and the number of lessors forming a land bank is 1 : 10 for medium businesses and much more for large agricultural holdings. Among employees of medium-sized agricultural enterprises, 20–35% are also lessors of land parcels. Fifteen years ago the figure was 70–80%.

In today's agribusiness environment, there is competition between lessees to renew leases of land shares. In 2017–2019, land lease contracts will terminate, but work on renewing them has already begun. Upon the condition of preterm renewal of the land share lease, tenants established a higher rent and pay one-time premium bonuses. We see several reasons for increased competition.

Firstly, there is growing interest among foreign companies and investors in Ukraine's agricultural land (according to the Swedish publication "The Local", 20% of the most fertile Ukrainian lands are controlled by foreign companies locked into long-term leases). Secondly, international investment funds are buying up Ukraine's sovereign debt, a proven mechanisms for acquiring land. American billionaire George Soros revealed his strong desire to invest 1 billion USD in the Ukrainian agricultural sector, as likewise did 150 global companies at the economic forum in 2015 declare a readiness to invest in the agricultural sector. Meanwhile, countries including the UK, the US, the UAE and China are buying arable land (they have in fact already bought 2% of the world's arable land) [Kalinchyk and Alekseyenko 2016]. According to the World Trade Organization, with its potential sales volume of 1.2 million ha, Ukraine is the 10th most attractive country for purchasing land.

The high profitability of agricultural production (for some products, profit can hit 100%) is also attracting domestic capital, which is always looking for highly profitable industries. The increased interest of foreign companies has only encouraged local entrepreneurs to invest in the agricultural sector. According to scientists at the Institute of Agricultural Economics, for the first half of 2016 investment in the agricultural sector rose by 60%. Further, in excess of 96% of investments in the first half of 2016 were directed to agriculture, and came mainly from enterprise. However, another incentive for the increased investment is the introduction of VAT for agricultural producers.

The year-on-year continuation of a moratorium on the transfer of ownership of land parcels (shares) has created a shadow land market, and conditions for corruption and tax evasion to flourish. The moratorium has been placed on 34 million ha of land, while in the shadow circulation there are about 9 million ha. Area of 27 million ha is privately owned by 7 million people [Dykhtyar 2016].

PLACE OF LESSORS IN MARKETING ACTIVITY OF AGRICULTURAL ENTERPRISES

Developing the theoretical basis for marketing activities in agriculture requires two aspects be taken into account: the specific formation of a land bank of agricultural enterprises and the sources of these formations. One source is lessors of land parcels who lease their plots to agricultural producers. These lessors can be business entities that own a parcel. A good deal depends on who owns the land and where it is located. If it is private property, then the owners are individuals and legal entities; if it is state property, they are executive bodies which, according to the law, transfer the land for ownership or use. If it is land owned by utilities, then rural, village and city councils come into play. More than 80% of agricultural land is lease-held by agricultural producers.

Lessors therefore must take their unique place in the marketing environment of agricultural enterprises and in the agricultural marketing system in general. It is a unique position because they are simultaneously providers of the underlying asset of agricultural enterprises – the land bank – and customers of those enterprises. Landowners influence the range of products manufactured by the enterprise, because the rent in most cases is tied to in-kind payments. There are cases when the company does not cultivate a product (sugar beets, for example) for a long time, and therefore does not have its own sugar, and so is forced to buy sugar at market prices and provide it to land owners, because the lease stipulates sugar as a part of payment in kind. Lessors of land parcels make up a distribution channel for the products agricultural enterprises sell. Some of these products are provided as rent for the land shares.

The following is an example of rent: A farm in Kirovograd region, possessing with the land bank 3,000 ha of arable land, with an average-size land share of 5–6 ha. As rent, the following grains are paid: barley, corn and wheat – 4 t; sunflower – 200 kg. Additionally, there is a package of free services. By converting these grains and services into money, 10% of the cost of the land share is covered.

Every year, the number of lessors who take rent in kind is reduced (up to 30%). The new wave of land-share owners prefer to have the rent paid in cash (they have no farms,

live in cities or other regions, and must pay for their children's or grandchildren's education, among their other expenses).

Land-share owners/lessors may create both opportunities and threats for an enterprise, which is why the role of the owners/lessors must be taken into account in enterprise SWOT analyses. Lessors influence the strategy and development tactics agricultural enterprises use. Depending on how long the land leases are taken for, cultures are rotated, equipment is bought, cultivation technologies are selected, fertilizer is used, so organic residues on the fields are left or removed. Orchards, vineyards and hopyards all require high-quality land based on long-term leases. Farm owners, who constantly work with the owners of land shares, already have 10–50% of the land leased for the 49 years, or own it privately.

Lessors affect local budgets as some taxes on rents go to local coffers. Three-quarters of the funds of tax paid on personal income, which are deducted from the rent for the land shares, remain at the local level or are transferred to rural communities, in the event of their unification. There are cases where lessees pay taxes from rent amounting to 3% of the normative monetary value of the land, while the rent for lessors can be both far higher or lower than that, depending on the region.

Agricultural marketing in Ukraine is usually done by individuals who are not prepared for it, and by entrepreneurs themselves. Lessors take up to 10% of enterprise managers' time to communicate with them. They play a major role in forming the image of the company and authority of managers or owners of agricultural enterprises.

In their relationships with the owners of land parcels, lessees must constantly communicate with them, know their needs and wishes and respond to them. The marketing rule that "satisfied customers will tell three friends about the business, while the dissatisfied tell eight" plays out in rural relations in less anonymous terms: "the satisfied shareholder is known across the street, while the dissatisfied one across the whole village". Therefore, the main objective in the communications policy of enterprise leaders should be to support business-oriented, friendly relations and mutual understanding with the owners of land shares, motivate shareholders to renew leases and to increase the lease term. When working with the owners of land shares, lessees segment this category of the contact audience. Segmentation factors include the lease term (less than 7 years, 7 years, 10–15 years, 49 years), the age of lessors (less than 40, 40–60, 61–75, over 75 years old), the terms of payment (cash, natural, combined) and the geographic location of lessors (brigades, villages, districts, regions). This segmentation makes it possible to simplify multivariate relationships with lessors and to provide an individual approach to each category of lessors.

Every lessee determines his own strategy of relations with the owners of land shares. Sometimes these are dictatorial strategies, or strategies for maintaining business relationships, or flirting strategies, to name three. The nature of the applied strategy depends on the ratio of demand and offer for land parcels, the age structure of the lessees (25% of lessees are in the 61–75-year-old cohort and another 20% of lessees are over 75 years old who have special needs), whether the lessor is an employee of the company, the belief system of the company leader particularly as regards society as well as his personal role in society's development, and the leader's personal qualities. When demand for land is low, lessees dictate the terms of the lease of land and rents. In regions where demand is near the offer, lessees, under current law, pay 3% of the normative monetary evaluation and

carry out minor image-building activities. Conversely, when competition is stiff among lessees for units of land, the rent they pay increases – by up to 8–10% of the normative monetary value of the land.

Lessees have a range of motives in developing strategic relations with lessors: they include rational motives (profit, reliability and guarantees, convenience and additional benefits) emotional motives (fear, the desire for freedom), ethical motives (integrity), social motives (solving social problems), and participation (helping other people).

The duties and forms of operation also vary, depending on the situation emerging in the farm economy and the region as a whole: carrying out meetings, informing lessees about rent payments, reception of land owners in certain hours and days (there are lessees who begin their working day meeting with lessors), delivering rental payments to shareholders, paying rent in advance for 10–15 years, selling products received by lessors as rent at market prices. Services provided for free include plowing and cultivation, transportation of straw to households, financial assistance for funerals, weddings and treatment, maintenance of water pipes and water supply, and transportation of water.

Lessees also participate in the social aspects of life in the village, especially carrying out sponsorship promotions, which boost the image of enterprise generally and the authority of its leaders. They provide financial aid for local sports teams, sponsor creative teams, organize concerts on holidays (Victory Day, the holiday of Midsummer, Harvest Festival), student scholarships, school and church maintenance assistance. Rural communities could not continue to function or build self-sufficiency without the active and comprehensive participation of businesses in the village. In economically developed countries, the majority of consumers, employees and investors prefer companies with socially responsible programs [Morozyuk 2014].

The main objective of marketing activities of the leaders of agricultural enterprises is to form long-term relationships with lessors. The lessor can assess his activities by examining the number of new owners of land parcels that have expressed their wish to conclude lease agreements, the number of lessees who have broken or failed to renew lease agreements or prolonged their lease terms (more than 7 years), and the money, time and labor he or she must expend to renew leases (in some regions for a 1–2-year preterm renewal of leases lessees provide a premium of 200–300 USD).

CONCLUSIONS

Because landowners and lessors of agricultural land play a significant role in the activities of agricultural enterprises, they are among the objects of research in agricultural marketing, and occupy a prominent place in the microenvironment of agricultural marketing. They are one reason land banks are formed, and are consumers of products in the form of rent, and the most motivated employees of enterprises. Relations between lessees and lessors are affected by marketing factors. These include economic ones like the consumer income system and tax system; social and cultural factors including the population's age structure, income and population migration; political and legal factors

such as legal regulation of economic activities and the legal framework of fiscal management; technical ones including technological innovation; environmental factors including geography, regional infrastructure, soil quality, the availability of water resources and ecology.

Lessors should be included among the elements of the marketing complex. Business management must take into account the need to form long-term relationships with the owners of land parcels, and one of the functions in agricultural marketing should be interaction with lessors. Segmenting consumers in agricultural marketing should include segmenting the category of lessor itself. The benefits lessors enjoy should be reflected in the enterprise's mission statement. In developing strategies for the development of enterprises, managers should take into account the specificities and details of forming relationships with the owners of land shares as sources of land banks, their partners and customers. This approach makes agricultural marketing more close to the real state of modern agribusiness in Ukraine and will form the foundation for further development once the moratorium on the sale of agricultural land has been relaxed.

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Summary. Ukraine's agricultural sector is developing quickly. While providing solutions to matters of the agricultural industry, marketing should be considered as targeted management of modern agricultural business. One of the specific features of the agricultural market is limitation of land and how production depends on it. More than 80% of agricultural lands are leased to agricultural growers and producers. Under the current conditions of agricultural activity of a business, there is an increase in competitiveness between lessors over reissue of land share lease agreements. Lessors, who are the owners of land shares, have to take their place in the market environment of agricultural businesses and in the system of agricultural marketing in general, since they both perform the functions of the key asset provider, i.e. the land bank and partially the consumer of products made by this business.

Key words: agricultural marketing, agricultural market, specific features of agricultural marketing, lessors, lessees, land share owners, rental payments

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INTERNATIONAL STUDENTS AND MOTIVATION TO STUDY AT POSTGRADUATE LEVEL – SOME EVIDENCE FROM CHINA

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INTRODUCTION

Every year substantial numbers of students make their decision to study in higher education institutions (HEIs) worldwide. Some of them decide to study in their home country, some decide to study abroad. There is huge global competition among institutions offering higher education services and it is still increasing. Seeing a growing potential, some higher education providers decide not only to recruit students globally but also get involved in mobility of people, programmes, and institutions [Dale and Robertson 2002, Schofer and Meyer 2005, Marginson 2006, de Wit 2008, Altbach et al. 2009, Salmi 2012, Chien 2013].

The dynamics of students' mobility is changing. Nowadays students have a number of options to study abroad. They can select an overseas institution, participate in a student exchange programme, for example Erasmus Mundus, or take courses from two or more institutions if they have a partnership, for example joint or dual degree programme.

"A joint degree programme awards one joint qualification upon completion of the collaborative programme requirements established by the partner institutions. A double degree programme awards two individual qualifications at equivalent levels upon completion of the collaborative programme requirements established by the two partner institutions" [Knight 2008, 15–16].

There is also a possibility to experience "transnational education" (TNE), which initially was introduced by Australia and the UK. Transnational education involves offering course content or an entire programme to students located in a country different from that of the institution that makes the award to which the content or programme belongs

[Altbach 2004, Bodycott 2009, Fang 2012, Fang and Wang 2014]. From the domestic students' perspective, transnational education refers to higher education in which students receive foreign, or partly foreign, education without having to move abroad, whilst recognising that some international students may move abroad to study a programme offered by a university not based in the country in which the study is being undertaken. There are a number of possibilities as to how such programmes may be delivered. For instance, some institutions offer distance learning, or combinations of onsite and distance learning. One of the attractions from the students' perspective is that, without travelling abroad, they have the opportunity to study for a degree at an international branch campus of a foreign HEI that operates in students' home countries [Chien 2013]. In the recent years a number of institutions have decided to develop branch campuses abroad and cross-border collaborative arrangements giving students the possibility to obtain, for instance, a dual degree or joint institutional awards.

A country of great significance in relation to international student mobility is China. Although China is one of the largest exporters of international students to English-speaking countries as well as nearby Asian countries [Lee 2017] it also attracts a lot of students from European and non-European countries and foreign HEIs. Despite this importance, there is very little research on international students' motivation to study at a postgraduate level in China, and no research, to our knowledge, when it comes to investigating the students who selected to study just a part of their programme at a Chinese branch of their home institution. To date there is only one piece of research that investigates students studying at international branches but the research looks at Arabic context [Wilkins et al. 2012]. Our paper investigates the factors that have determined students' choice of a Master's programme that is delivered by a European HEI that has a campus in Shanghai.

CHINA – EDUCATIONAL CONTEXT

The unprecedented scale and pace of China's development since the "opening up" policy introduced by Deng Xiaoping in 1979 has been reflected in the advances made in respect of education. The Third Plenary Session of the Communist Party of China 11th Central Committee held at the end of 1978 represented one of the defining turning points of the last 100 years. Since then, China has pursued a policy of reform and opening to the outside world. This was given further impetus on 11 December 2001, after 15 years of effort and negotiation, when China formally became the 143rd member of the World Trade Organization (WTO). This represented a strategic decision by China as a response to, and to help shape, the economic globalization that was taking place and marked a key point in China's evolution, economically and politically. The period since 1979 has witnessed historic rates of social development and economic growth, averaging over 10% for over 20 years. Although, today, there is a deliberate intention to create a "new normal" [Green and Stern 2015] in terms of growth rates reduced to nearer, and a more sustainable, 6.5%, that is still a rate of growth that would be envied in most economies.

With regards to the education sector in China, please note: "Measuring numbers of tertiary, or post-secondary, or higher education institutions and their students, particularly for the purpose of international comparisons, is difficult. Tertiary, post-secondary, further,

and higher education – with counterpart terms in other languages – all reference institutions and their students after completion of secondary education. Such institutions differ in the length of study, in academic rigor, and in the focus of study – particularly in the mix of general, vocational or professional teaching and learning – and in the granting of degrees, diplomas, certificates, and other attestations of learning. The term higher education most often refers to colleges or universities – publically or privately owned, awarding of degrees (bachelor's, master's, or doctorates), diplomas, or certificates – the last two generally awarded by institutions featuring shorter and more vocationally-oriented learning" [Shen et al. 2016, 1].

With the above caveats in mind, the expansion, size and shape of the sector can be illustrated by figures acquired from the National Bureau (http://www.stats.gov.cn/tjsj/ndsj/2016/indexeh.htm) – Tables 1 and 2. China has the largest higher education sector in the world, with 2,560 regular higher education institutions – HEIs (Table 1) enrolling over 26.5 million and 1.9 million undergraduate and postgraduate students respectively in 2015 (Table 2). In addition, in 2015 there are over 6.3 million students enrolled in tertiary vocational institutions – adult HEIs (Table 2).

TABLE 1. Chinese higher education in 1978 and 2015: illustrative statistics

Specification	1978	2015
Regular HEIs	598	2560
Number of full time academics	206 000	1 573 000
Number of undergraduate entrants in regular HEIs	402 000	7 378 495
Number of students studying abroad	860	523 700
Number of returned students	248	409 100

Source: National Bureau of Statistics China 2016.

TABLE 2. Chinese higher education students in 2015

Specification	Headcount		
	graduates	entrants	enrolments
Postgraduates			
Doctors	53 778	74 416	326 687
Masters	497 744	570 639	1 584 719
Total	551 522	645 055	1 911 406
Undergraduate in regular HEIs			
Normal courses	3 585 940	3 894 184	15 766 848
Short-cycle courses	3 222 926	3 484 311	10 486 120
Total	6 808 866	7 378 495	26 252 968
Undergraduate in adult HEIs			
Normal courses	962 495	1 014 675	2 793 354
Short-cycle courses	1 400 098	1 352 780	3 565 998
Total	2 362 593	2 367 455	6 359 352

Source: National Bureau of Statistics China 2016.

The need for, and intention to achieve, more sustainable growth is reflected in China's most recent strategic plan, the 13th China Five Year Plan covering the period 2016–2020. With regards to education, the Plan stresses the importance of the quality of provision, i.e. quality in all respects including campus facilities, social environment, international cooperation and teacher quality. It also commits to increasing the number of students in higher education. In 2015, the number of students receiving higher education, nine-year compulsory education, and pre-school education reached 36.5 million, 140 million, and 42.7 million, respectively. Those numbers will be increased to 38.5 million, 150 million, and 45 million by 2020.

In part this will be achieved by strengthening the reputation of Chinese universities and the Government has launched a new initiative called World Class 2.0 (also referred to as the Double World Class Project) to this effect. Announced in August 2015, the programme aims to strengthen the research performance of China's nine top-ranked universities, with the goal of having six of those institutions ranked within the world's top 15 universities by 2030. This initiative supplements the previous "211 and 985" initiatives.

"In order to build the world-class university and world-class disciplines, the Chinese government has been taking drastic measures in recent decades, including the '211 Project' (whose name refers to 100 universities in the 21st century), the '985 Project' (whose title refers to the month and year in which it was announced), an innovation platform for advantageous disciplines, development programs for key disciplines, the plan for enhancing the innovation ability of higher education institutions, etc. All these programs are for the purpose of funding and supporting the world-class universities and disciplines, improving the educational quality and innovation ability, furthering global academic cooperation, and attracting and retaining first-rate scholars and faculty. Moreover, the central government takes the responsibility in allocating the special funds to support the targeted universities and disciplines by means of a more centralized budget and finance system. And it also urges local governments to offer assistance for the 'world-class' initiative in terms of finance, policy, and resources" [Shen et al. 2016, 8].

With regards to international students, and consistent with the Chinese Government [2009] higher education policy document, there is an intention to increase student numbers from circa 380,000 in 2014 (15% increase from 2012) to 500,000 by 2020 (Tables 3, 4).

Table 3 illustrates the increasing numbers of students choosing to study in China, both formally registered for awards and those who study in China for short-term periods, e.g. to spend some time learning the language and/or to experience the culture. The total number of international students has increased from 377,054 in 2014 to 442,773 in 2016, an increase of 17.4%. Of those students, and over the same period, there has been a 28% increase in students choosing to register for a formal award (from 164,394 to 209,966) and, of those, there has been a 33% increase in the numbers registered for Masters degrees or Doctor of Philosophy degrees (increase from 47,900 to 63,867). With regards to destinations, the top two locations are Beijing and Shanghai.

Table 4 provides a breakdown of the countries of origin and illustrates the continued importance of Korea, the USA and Thailand but also shows the relative increased importance of countries such as Pakistan and India.

TABLE 3. International students in China: profile for 2014–2016

Specification	2014		2015		2016	
Total number	377 054		397 635		442 773	
Increase number from previous year	20 555		20 581		45 138	
Increase from previous year (%)	5.7		5.5		11.4	
Share in total number on long-term study seeking formal award (%)	164 394 (44)		184 799 (46)		209 966 (47)	
Share in total number on short-term study (%)	212 660 (56)		212 836 (54)		232 807 (53)	
Total	377 054 (100)		397 635 (100)		442 773 (100)	
Of total number on long--term study, number on Masters/Doctors	47 990 (MSc = 35 876) (PhD = 12 114)		53 572 (MSc = 39 205) (PhD = 14 367)		63 867 (MSc = 45 816) (PhD = 18 051)	
Increase from previous year (%)	18.2		11.6		19.2	
Number of originating countries	203		202		205	
Student origin: continents as procentage of total (%)						
Asia	60		60		60	
Europe	18		17		16	
Africa	11		12		14	
America	9		9		9	
Oceania	2		2		1	
Share of top 10 Chinese destination cities/ /provinces (%)	Beijing	74 342	Beijing	73 779	Beijing	77 234
	Shanghai	55 911	Shanghai	55 218	Shanghai	59 887
	Tianjin	25 270	Zhejiang	25 658	Jiangsu	32 228
	Jiangsu	23 209	Jiangsu	25 489	Zhejiang	30 108
	Zhejiang	22 190	Tianjin	25 411	Tianjin	26 564
	Guangdong	21 298	Guangdong	23 015	Liaoning	25 273
	Liaoning	21 010	Liaoning	22 784	Guangdong	24 605
	Shandong	17 896	Shandong	17 903	Shandong	19 829
	Hubei	15 839	Hubei	17 670	Hubei	19 263
	Heilongjiang	12 056	Heilongjiang	12 085	Yunnan	14 925
Chinese Government scholarship (%)	10		10		11	

Source: WWW 1.

With regards to student mobility and projections, the British Council [2014] has highlighted the continued significance of students outbound from China, alongside other countries including India, Nigeria, Saudi Arabia, Indonesia and Pakistan, on the basis of projections to 2024. However, it is also important to note the increased significance

TABLE 4. International students in China: top 15 countries of origin in 2014–2016

2014			2015			2016		
Rank	Country	Number	Rank	Country	Number	Rank	Country	Number
1	Republic of Korea	62 923	1	Republic of Korea	66,672	1	Republic of Korea	70 540
2	United States	24 203	2	United States	21 975	2	United States	23 838
3	Thailand	21 296	3	Thailand	19 976	3	Thailand	23 044
4	Russia	17 202	4	India	16 694	4	Pakistan	18 626
5	Japan	15 057	5	Russia	16 197	5	India	18 177
6	Indonesia	13 689	6	Pakistan	15 654	6	Russia	17 971
7	India	13 578	7	Japan	14 085	7	Indonesia	14 714
8	Pakistan	13 360	8	Kazakhstan	13 198	8	Kazakhstan	13 996
9	Kazakhstan	11 764	9	Indonesia	12 694	9	Japan	13 595
10	France	10 729	10	France	10 436	10	Vietnam	10 639
11	Vietnam	10 658	11	Vietnam	10 031	11	France	10 414
12	Germany	8 193	12	Germany	7 536	12	Laos	9 907
13	Mongolia	7 920	13	Mongolia	7 428	13	Mongolia	8 508
14	Malaysia	6 645	14	Laos	6 918	14	Germany	8 145
15	United Kingdom	5 920	15	Malaysia	6 650	15	Malaysia	6 880
...	other	139 917	...	other	151 491	...	other	173 779
		Total			Total			Total
		377 054			397 635			442 773

Source: WWW 2.

of China in terms of inbound students. There are also some interesting trends within the student mobility figures. For instance:

- Note: international trends specifically re Chinese students e.g. more studying in Dubai (304 in 2010, 815 in 2015 – see China Daily 25 May 2015) reflecting increased economic ties between China and Dubai and the fact there are 26 branches of international universities from 11 countries, all built in last 10 years. Dubai is attractive to Chinese students in part because it is multinational. "Eventually, I think we will have some branch universities from China open in Dubai" (Abdulla Al Karam, Director-General of Dubai's Knowledge and Human Development Authority).
- Also note, more Indians now studying in China (13,600 in 2014, up from 765 10 years ago, "China Daily" 25 May 2015). Most popular are medical courses and then Chinese language and culture. This contrasts with around 2,000 Chinese students each year study in India (low fees, low living costs and English-speaking).

Given the significance and scale of student numbers relating to China, inbound and outbound, it is not surprising that higher education institutions have increasingly chosen to establish a presence in China [OBHE 2016].

FACTORS MOTIVATING STUDENTS TO SELECT HE PROVIDER

Higher education provision is considered a service as it offers a product, which is intangible, cannot be stored, touched and seen in advance [Zeithaml 1981]. Due to these features selecting the right Programme and deciding which higher education provider to choose can be challenging for a prospective student as they would have to rely on other cues such as word-of-mouth recommendation, institution reputation, or level of fee. Usually a literature distinguishes three types of factors students are influenced by when confronting a Programme or Institution choice: push factors, pull factors, and factors attributable to an individual's psychological makeup [Mazzarol and Soutar 2002, Wilkins 2010, Rembielak 2015].

Push factors are those that push students out of their home country and pull factors are those that are in either host country or host institution, attracting prospective international students.

As push factors you can specified as follows:

- commonality of Language [Mazzarol and Soutar 2002, Wilkins 2010, Wilkins and Husmain 2011];
- geographical proximity of host country [Mazzarol and Soutar 2002, Abubakar et al. 2010, Wilkins et al. 2012];
- availability of science or technology based programmes [Mazzarol 2002];
- perceptions of the quality of the tertiary education system available in home country [Mazzarol and Soutar 2002];
- GNP growth rate of home country [Agarwal and Winkler 1985, McMahon 1992];
- cost of HE in host country [Agarwal and Winkler 1985];
- priority placed on education by government [McMahon 1992];
- image [Yavas and Shemwell 1996, Landrum et al. 1998, Padlee et al. 2010];
- range of courses [Mazzarol 1998, Soutar and Turner 2002, Pimpa 2005, Cubillo et al. 2006, Abubakar et al. 2010];
- reputation for quality [Mazzarol 1998, Soutar and Turner 2002, Cubillo et al. 2006, Padlee et al. 2010, Wilkins and Husmain 2011];
- quality of staff and staff expertise [Lin 1997, Mazzarol 1998, Soutar and Turner 2002, Padlee et al. 2010];
- accommodation [Binsardi and Ekwulugo 2003, Maringe and Carter 2007, Bodycott 2009];
- degree of innovation and use of IT [Mazzarol 1998];
- presence of students from students' home country [Mazzarol et al. 1997, Lin 1997, Bodycott 2009].

As pull factors you can specified as follows:

- economic and cultural links between source and host countries [McMahon 1992];
- availability of scholarships and other assistance at the host institution [McMahon 1992];
- course and career information [Joseph and Joseph 2000];
- reputable degree programme, degree valued in home country, university reputation [Joseph and Joseph 2000, Chen 2008, Padlee et al. 2010, Wilkins and Husmain 2011];

- attractive costs [Joseph and Joseph 2000, Binsardi and Ekwulugo 2003, Abubakar et al. 2010];
- host's national political interests in the home country through foreign assistance or cultural links and knowledge about host country [McMahon 1992; Mazzarol and Soutar 2002, Binsardi and Ekwulugo 2003];
- international recognition of host country and of host institution [Binsardi and Ekwulugo 2003];
- quality of education and institution and university reputation [Mazzarol and Soutar 2002, Binsardi and Ekwuluogo 2003, Pimpa 2005, Li and Bray 2007, Maringe and Carter 2007, Chen 2008, Wilkins and Husmain 2011];
- ease of university admissions and immigration procedures, legal stability [Binsardi and Ekwulugo 2003, Maringe and Carter 2007, Chen 2008];
- international education experience [Maringe and Carter 2007];
- use of government promotion agencies [Mazzarol 1998, Maringe and Carter 2007];
- employment during and after study [Binsardi and Ekwulugo 2003, Maringe and Carter 2007, Chen 2008, Bodycott 2009, Wilkins and Husmain 2011];
- image [Yavas and Shenwell 1996, Landrum et al. 1998, Padlee et al. 2010];
- accommodation [Binsardi and Ekwulugo 2003, Maringe and Carter 2007, Bodycott 2009];
- safety [Binsardi and Ekwulugo 2003, Chen 2008];
- variety of offered coursed [Mazzarol 1998, Soutar and Turner 2002, Pimpa 2005, Cubillo et al. 2006, Abubakar et al. 2010];
- good facilities at university; library facilities [Pimpa 2005, Abubakar et al. 2010, Padlee et al. 2010];
- recommendation from family, friends, and agents [Gatfield and Chen 2006, Abubakar et al. 2010, Padlee et al. 2010];
- multicultural environment and opportunity to mix with other students [Chen 2008, Abubakar et al. 2010, Wilkins and Husmain 2011];
- academic support [Bodycott 2009];
- quality of staff and staff expertise [Lin 1997, Mazzarol 1998, Soutar and Turner 2002, Padlee et al. 2010];
- rankings [Wilkins and Husmain 2011, Wilkins et al. 2012].

Although the commonly used theoretical framework for researching the patterns of international students' decision making process is the push-pull factor model, it has limitations [Li and Bray 2007]. It has to be acknowledged that apart from the push-pull factors there are also individual preferences and personal characteristics, which influence students' decision making process with regards to the choice of study, for example: personal reasons, personal preferences, academic ability, socioeconomic background.

METHODOLOGY

The research involved students studying one year of their business-related Masters programme of a European university and doing so at a branch campus in Shanghai, China. The quantitative research took place in February 2017. In total 18 students out of

24 took part in a survey via Surveymonkey tool, which gives 75% response rate. This is a very specific group of students as it constitutes of international students, who came from a home institution in Europe to study in Shanghai branch only selected modules for duration of one year, after which they come back to their main institution to complete their five-year degree programme. In terms of the demographics 10 of the respondents (55%) were male and 8 female (45%). All of them were 21–25 years old and represented nationalities of 5 countries: France, Italy, India, Mexico and Australia. With regards to professional experience 7 students (39%) had no working experience prior to their studies, 9 (50%) had one year working experience, 1 (5%) had 1–3 years and 1 (5%) had 4–5 years of working experience, and nobody had more than 5 years of working experience prior to joining the programme.

FINDINGS AND ANALYSIS

The findings show that majority of the students had the study financed by their families – 15 of the respondents, 6 out of 18 respondents used a loan, 3 obtained a scholarship and 3 financed the studies themselves. Only 1 student was supported by the employer. Some of the mentioned students got their funding from two or three sources, for example: family and loan (2), family and scholarship (2), loan combined with family and scholarship (1), loan combined with family and their own funds (1), themselves with family funds (1).

When enquired about the specific branch in Shanghai 9 students responded they found out about it from the university website, 4 from the university print materials, 4 from rankings, 3 from education guides, 2 from the internet and friends, and 1 from the family and social media (LinkedIn, Snapchat, Instagram, Youtube, and Facebook). Some of the students found out about this specific branch from more than one source.

In the response to evaluate the influences of various factors on their decision to study in China/Shanghai campus 9 of the respondents (50%) stated that the University recruitment agents were either important or a very important factor, whereas for 6 (33%) it was neutral and for 3 (16%) it was an unimportant factor. The importance of this factor is in line with Gatfield and Chen [2006], Abubakar et al. [2010], Padlee et al. [2010]. For 9 students (50%) their family influence was either very unimportant or unimportant whereas 4 (23%) considered it important or very important, which contradicts with Gatfield and Chen [2006], Abubakar et al. [2010], Padlee et al. [2010]. Seven students (38%) were influenced by perceived level of personal safety in China, which is also agreed with Binsardi and Ekwulugo [2003], Chen [2008]. The influence of their colleagues or friends was perceived as unimportant or very unimportant factor for 11 respondents (61%), which contradicts Gatfield and Chen [2006], Abubakar et al. [2010], Padlee et al. [2010].

Answering an open question, regarding the influences on their decision to study this one year in Shanghai, students mentioned about their own willingness to experience Chinese culture, to investigate new opportunities in China in the future, to visit an Asian country, and influence of a relatively low cost of living in China.

With regards to the evaluation of motivations for students' decision to study in China/ /Shanghai the respondents' answers are presented in Table 5.

TABLE 5. Evaluation of motivations for students decision to study in China/Shanghai (Likert scale 1–5, where: 1 – very unimportant, 2 – unimportant, 3 – neutral, 4 – important, 5 – very important) – the factors with average rate above 4.0

	Very unimportant	Unimportant	Neutral (neither important nor unimportant)	Important	Very important	Weighted Average
To become more employable	0	0	(6%) 1	(33%) 6	(61%) 11	4.5
To experience a different place	0	0	(11%) 2	(11%) 2	(78%) 14	4.7
To have an opportunity to live in China/Shanghai	(6%) 1	(6%) 1	(6%) 1	(17%) 3	(65%) 12	4.3
To have an opportunity to study in China/Shanghai	(6%) 1	0	(6%) 1	(27%) 5	(61%) 11	4.4
To study with people from all over the world	0	(6%) 1	(22%) 4	(33%) 6	(39%) 7	4.0
To get a better study experience than in my country	0	(6%) 1	(6%) 1	(33%) 6	(55%) 10	4.4
To enhance my language skill	(6%) 1	(6%) 1	0	(10%) 2	(78%) 14	4.5
To deepen my knowledge about Chinese culture	0	(6%) 1	(10%) 2	(39%) 7	(45%) 8	4.2
Total responses	(100%) 18					

Source: own research.

Looking at the weighted average (from five-point Likert scale, where: 1 – very unimportant, 2 – unimportant, 3 – neutral, 4 – important, 5 – very important) it can be seen that the most important motivations were: the willingness to experience a different place (scored 4.7), to become more employable (4.5), which is in line with Binsardi and Ekwulugo [2003], Maringe and Carter [2007], Chen [2008], Bodycott [2009], Wilkins and Husmain [2011], to enhance their language skills (4.5), to have an opportunity to study in Shanghai/China (4.4), to get a better study experience than in their country (4.4), to have an opportunity to live in Shanghai/China (4.3), to deepen their knowledge about Chinese culture (4.2), and to study with people from all over the world (4.0), which is in line with Maringe and Carter [2007], Chen [2008], Abubakar et al. [2010], Wilkins and Husmain [2011]. The least important factor pointed by students was to gain status among their peers or friends (2.4).

With regards specifically to the choice of this particular programme, taking into account the five-point Likert scale, the most important factor was the delivery of this programme in English (rated average 4.6). This is in line with research of Mazzarol and Soutar [2002], Wilkins and Husmain [2011]; however, this does not mean that we have a proper commonality of language as would be for example English at an English speaking country but this refers more to the language in which the programme is delivered.

Perception of the programme, as generally attractive, balance in the syllabus between theoretical and practical issues, accreditations of the programme and information on the programme on the website, and the accreditations of the programme, and ease of the application process were considered as quite important factors scored above 3 points on average, which is supported by Binsardi and Ekwulugo [2003], Maringe and Carter [2007], Chen [2008]. The Open Day, the programme timetable and the programme fee were considered very unimportant factors (less than 2 points average).

Surprisingly, contrary to Mazzarol and Soutar [2002], Abubakar et al. [2010], Wilkins et al. [2012], geographical proximity of host country was not considered an important factor, as students preferred to select a branch which was situated far from their European main campus. Also presence of students from students' home country contradicted Mazzarol et al. [1997], Lin [1997], Bodycott [2009], as it was not considered a motivator to select this branch.

With regards to the motivators to select the particular programme students highlighted the following factors: to become more employable (4.6 average in five-point Likert scale), for their personal development (4.4 average), to increase their professional network (3.9), and to obtain a higher status (3.6).

They appreciated the possibility to have an opportunity to study for a year in another campus and treated it as an added value, which made this programme unique and attractive. Thanks to this the students had an opportunity to experience study abroad and at the same time they did not have to study the entire programme there, which to those of them who studied in their home place meant cutting their cost of travel and accommodation.

CONCLUSIONS

The current study shows that there are a number of factors that play a very important role in students' selection of a the programme and their place to study. The context of this research is unique in that the sample was taken at a European university's branch located in China and the surveyed students studied there for one year only. The research focused exclusively on the factors that influenced these students' choice of this particular Chinese branch and the programme (modules) delivered there, purposefully ignoring the initial reasons to select the host institution and their main programme of study though it is possible that the actual initial choice was itself influenced by the opportunity to study at a branch campus in another country, including China.

It is worth pointing out that China is not simply just another country students decide to study in. It is now an extremely significant world player, it is projected to overtake the USA as the largest economy, students will enhance their long-term career prospects by experiencing Chinese culture and if possible learning Mandarin or at least establishing some level of proficiency. These factors all make China very attractive as a place to study and experience.

The findings reported here indicate that, within the specific context of this survey, contrary to some published research findings, it is not push but pull factors that were most influential in the decision to study in an international branch campus. Much of the research on student mobility investigates the motivation of international students to study

abroad but, in this case, the students have selected a five-year programme in their home European institution, one which gave them an opportunity to study for a year in one of its international branches abroad. This means that they were not pushed away from their home country but rather given a chance to experience study abroad so the motivation would reflect pull factors, including respondents' perception of China as a safe and economical place to live. Its distance from the students' host institution is not a discouraging factor, indeed it may be the opposite for students of this age group as, perhaps, geographical distance might reinforce the sense of experiencing something quite different. The survey also highlights the importance of the university and its agents for the students' decision making This finding is of a crucial value to the university and its management to assure they have appropriate members of staff in place to help students make their choices and to provide them with the best service.

LIMITATIONS OF THE RESEARCH

This study looks at only one group of students at the European university branch in China so the sample is small and the results cannot be generalized. Further investigation could be made with a bigger sample at this branch. Another possibility is to perform a qualitative research, which would provide a more profound analysis.

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Summary. This paper investigates reasons why students decide to study abroad, taking into consideration push, pull and individual psychological factors. The research took place in China in a European university branch in Shanghai, where international students were surveyed. Although up to date there was a lot of research on international students' motivations to study abroad, testing various push and pull factors models, and there is only one piece of research looking specifically at students motivations with regards to international branch campuses but at Arabic context. The gap created the opportunity for the present investigation. This paper is the first piece of research that examines international students' motivations to select a European university branch in China. The findings indicate that pull factors could be more important in influencing students to study at international branches of European universities.

Key words: international students, international branch campuses, students' decision, influencers, motivators

JEL: I21, I23

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FORMALIZATION OF BRAND MARKETING MANAGEMENT IN THE FOOD INDUSTRY

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INTRODUCTION

Companies that produce food are searching for opportunities to develop their products with quickly changing technology, consumer preferences, competitiveness and market position. Brands improve the individual life cycle of other products. It is mostly new food brands that are in demand and compete with outdated products, which need to be replaced in time. The interaction between aging brands and new brands companies have updated on distribution of a range of products with slow growth in demand in new places or changing their positioning strategy for life-long development.

This article identifies brand marketing management tools for building a food brand development strategy. Usually, to create high-quality food products or replace branded products of profitable worldwide companies using market penetration is not enough. Industrial food companies launch new products by using individual brand launch strategies, where product, price, distribution and promotion enable the proper selection of strategic marketing management tools. The brand launch strategy includes issues to start the formalization of brand marketing management.

The objective of the research done for this paper is to provide and determine a framework for the formalization of brand marketing management. The research uses Lithuanian new food brands of high quality and limited edition in Lithuania (e.g. meat of ostrich, beef, lamb).

In order to achieve the research objective, the following goals were established:
- to present a concept of the formalization of brand marketing management;
- to analyze brand marketing management tools;
- to highlight how food brand marketing management is formalized in food industry.

The research methods were used – a study of the scientific literature, a case study, a survey, primary data analysis and synthesis, comparative analysis and logical simulation.

AIM AND METHODS

The aim of theoretical and empirical research is oriented on identification of food brand marketing management tools. Food industrial companies formalize brand marketing management in order to flick the impact of market forces, including fluctuations in demand over product life cycles, brands competition, customer reactions and lost sales. Theoretical and empirical explanations of this formalization are confined to simplifing the branding or launch process of new food products. The formalization depends on the goals and the building of a framework of general business strategy.

The theoretical and empirical research is based on B2B and B2C case study in this article. The empirical research focuses on several problems to be addressed in the process of formalizing food brand marketing management: the formation of demand for food brands; determination of supportive marketing tools for branding; marketing tools for identifying new customer needs. It is important to know how a new marketing mix impacts the effects on demand and sales revenue.

The empirical aim is formulated in order to identify, first, customer willingness and needs to use a food brand and, second, market force factors shaping demand for the brand. The main customers of food brands were selected from B2B (HoReCa system) and B2C markets. It was assumed that the segmentation is more powerful on the formation of demand for food brands and reveals the greater influence of customer needs.

The empirical research was organized in three regions of Lithuania: Kaunas, Vilnius and Klaipeda. Two questionnaires were issued (2014–2016) to two target groups of respondents. The first consisted of HoReCa customers (156 restaurants and cafes) while the second comprised (local) residents of the three regions (412 conventional customers). The primary data were collected from completed and returned questionnaires in 89% from of the first group and in 74% of the second group. It was necessary for the survey to span so much time so that the fluctuations in consumer needs and seasonal consumption under structural market changes could be identified. The first questionnaire was used to identify marketing tools which could be consistently important to apply in the brand marketing management model – for branding and target market development. The second questionnaire was used to identify the needs of conventional customers.

The findings are reported in a scoreboard as problems of branding for industrial food companies. The empirical research serves in the discovery and assessment of five factors: demand, purchase frequency and motives, brand advantages and substitution. The empirical reseach leads to the construction of framework for managing brand marketing, with focus on identifying target markets, positioning tools and new marketing mix.

THEORETICAL ASPECTS OF BRAND MARKETING MANAGEMENT

Brand marketing management is an important construct for any modern business strategy [AMA 2007, Plinke 2015]. Market demand partly impacts on the objectives of business and a marketing core strategy. Available brand marketing management tools are

necessary to build brand identity [Heding et al. 2008]. The behavioral theory of firms [Cyert and March 1963, Plinke 2015] introduces new fields of marketing management for new product performance – marketing knowledge, funding and investment of marketing innovation, branding, strategic marketing and the harmonization of the relationship between suppliers and customers. Implementing the concept of brand marketing management helps companies differentiate the needs of customers and the levels of competition among suppliers, because it leads to the creation of rational, emotional and (in)tangible elements of branding [Heding et al. 2008]. Branding in many cases impacts on the dimensions supported for a new product performance.

Brand marketing management is a complicated process when it interacts within market segments with the active marketing mix [Keller and Lehmann 2006]. Most challenges brand marketing managers face are associated with the demand for suppliers. Thus, brand marketing management goals require information management challenges to be addressed. These include identifying market opportunities; analyzing demand; analyzing market segmentation and parametrization; creating the appropriate marketing mix and variation within respected market segments. According to Meffert [1995], brand marketing management is usually facilitated with the implementation of a new marketing mix in looking for simplification or formalization. In many cases, a new marketing mix is a great tool to get positive results from newly launched brands or new products, such as sales increase and long-term sales stability. Consequently, the formalization of brand marketing management is focused on new strategic items [Meffert 1995] and special marketing management functions [Page 1993].

Considerations about effective brand marketing management could be built into a framed closed-loop control system [Plinke 2015]. However, most of what is written about the framework of brand marketing management is linked to the formalization of strategic marketing. Arguments for formalizing brand marketing strategy are focused on a total set of actions, following the common business interests [Kotler 2015] – Figure 1.

According to brand corporate marketing strategy, the product development process is too complicated, mainly due to the efforts companies make to differentiate themselves from competitors, and through the advantages companies derive in meeting consumer needs [Kotler and Keller 2012].

Brand marketing management determines the overall resources and information about users and competitors during a given period and allows companies to formulate their operational and functional objectives after the analysis of the environmental situation. After market segmentation, marketing objectives can be changed or carried out to determine new objectives and target markets [Winer 2007]. The analysis of industrial cases reveals the prevalence of certain marketing management patterns for new products and brands [Cooper 1984, Dickson 1992, Grivens 1994, Tripunovski et al. 2014]. Using basic determinants of branding and several brand marketing management techniques helps to create high demand for brands [Amin and Cohendet 2004]. Firstly, market suppliers or intermediaries try to launch brands for shaping demand, creating new needs or "pushing" separate product attributes. Secondly, it is essential to define the functionality and quality of brands for customers through specific training and education, and show them how to apply new attributes.

Currently, brand marketing management is emphasized as an important determinant of product performance and sales power in turbulent markets [Cooper 1996]. The man-

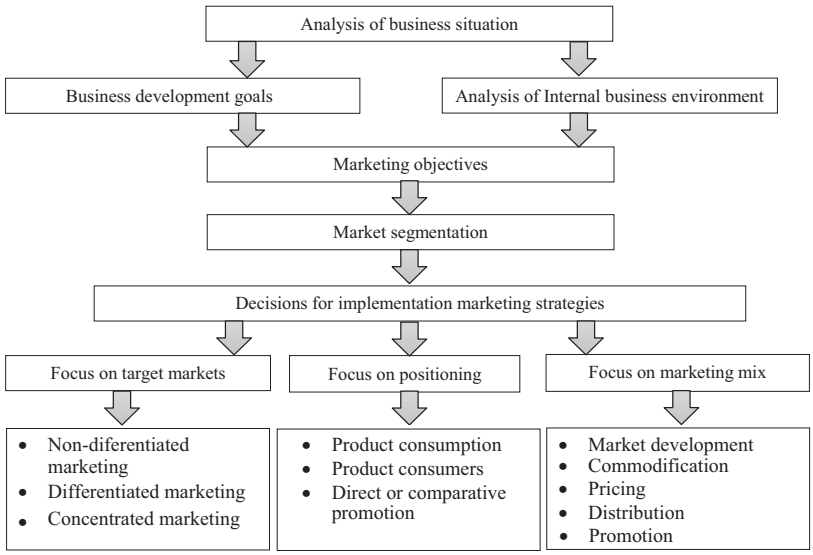

FIG. 1. A conceptual model of brand marketing management

Source: the author on the basis of Kotler 2015.

agement framework serves for building two framed marketing processes: the identification of marketing objectives and controllable (internal) variables (e.g. assortment for sale and pricing); the creation of referenced (external) variables (e.g. indicators of customer preferences), which interrelate with marketing management tools (e.g. promotional mix and innovations for customers in target markets).

Industrial food companies are able to launch brands and new products, the success of which is not yet certain, to new regional markets and distribution channels using innovative communication. The success of brand marketing management therefore depends on several factors: brand launch intensity; product novelty; market size; business resources or other internal variables impacting brand marketing strategy [Wilson and Gilligant 2003]. Product novelty or brand serve to frame sales power [Gatington and Dominique 1987] through the business culture and corporate image, market share, long-term contracts, products type (uniqueness or novelty), branding. The Atuahene-Gima model, which was first published in 1987, can be used to monitor sales power [Atuahene-Gima 1995]. The Atuahene-Gima model reflects strategic marketing management items and their important place in the marketing mix for individual branding (Fig. 2).

Atuahene-Gima [1995] stated that companies tend to overfocus on existing customers, and may suffer a high loss of brand demand by ignoring potential customers from other demographic groups. The sales force adjusts to customer loyalty, but sales are created by exclusive sales conditions or focusing on price, volume discounts, postponements, settlement payment terms and other items. Atuahene-Gima [1995] also maintains that companies must be "ambidextrous". Brands must stand out for certain properties and must be more unique or better than competitors [Li and Atuahene-Gima 2001]. If a brand is not

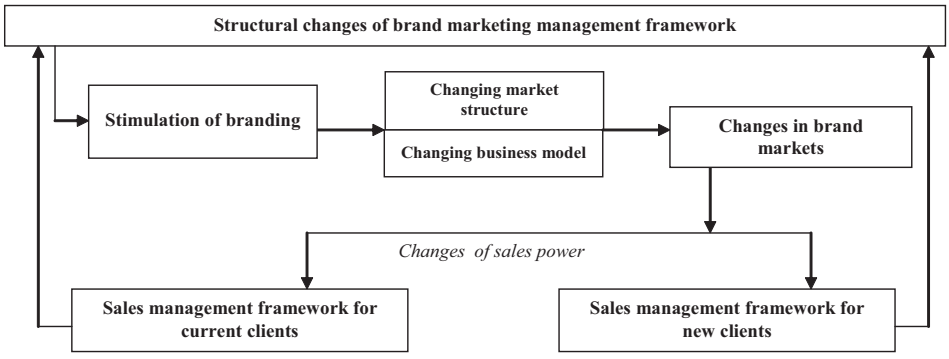

FIG. 2. The Atuahene-Gima model

Source: the author on the basis of Atuahene-Gima 1995.

physically unique, then it should at least be perceived as unique. Another characteristic a brand should possess is the ability to make the customer perceive value that exceeds what he or she pays – or at least be equal [Cooper and Kleinschmidt 1990].

Sales power depends on branding, market demand growth, product development intensity or modifications. The formation of sales power may follow various trends. Sometimes mistakes made in brand marketing management reduce sales, weakening the company's market position by rendering it less competitive. There are some cases when a brand is unique, but increasing demand for it is not possible using only traditional marketing management tools. Customers may not react to lower prices or are not interested in new product applications or even ignore product advertising. In such cases, the sales force for the brand decreases and the business also loses sales of other products.

The brand marketing management framework is analyzed here to determine the launch process and prevalence of marketing management patterns [Dickson 1992, Cooper and Kleinshcmidt 1994, Grivens 1994] and formalization possibilities. It includes the analysis of the marketing environment, forecasting, strategic and operational planning and results of actions taken. Such formalization can be agreed thanks to brand marketing management strategies [Meffert 1995] or marketing management functions [Page 1993].

Industrial food companies launch brands and new products with increased frequency in order to increase business profitability, and replace or diversify an existing product assortment for which there is less demand. When a brand is lauched smoothly and efficiently, marketing management items need to be reviewed. The strategy must be again formulated according to market expansion possibilities. In order to ensure the business for a more competitive position in the market (larger market share), companies must achieve higher profits and adopt brand marketing management objectives through demand formation and, then, increasing demand (Fig. 3).

Formalized brand marketing management serves to (trans)form the marketing strategy or marketing mix (Fig. 4).

The most important strategic and operational nature of demand-side brand issues are analyzed by marketing key environmental factors that determine a business's strengths and weaknesses, and the creation of brand demand. In this context, the behavior of cus-

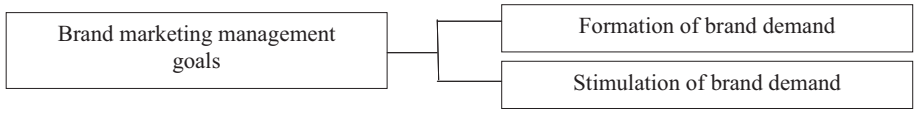

FIG. 3. Brand marketing management framework

Source: the author's elaboration.

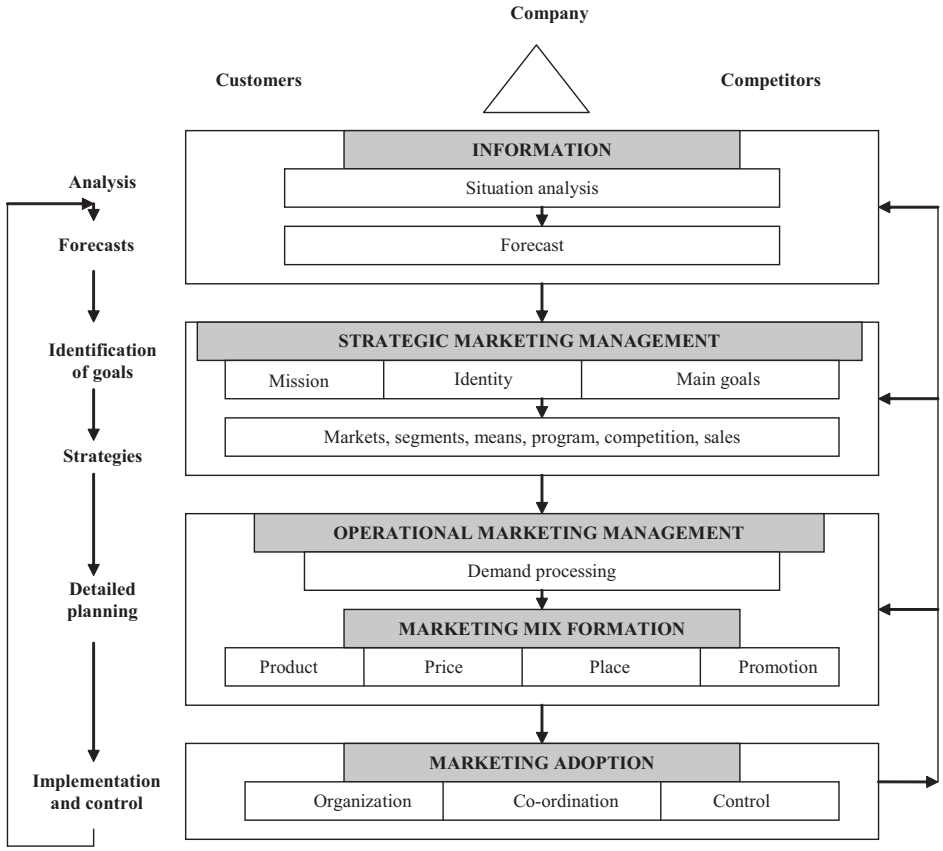

FIG. 4. Model of brand marketing management formalization

Source: the author on the basis of Meffert 1995.

tomers and competitors and macro-environmental tendencies, market changes and sales forecasts are all important.

Brand marketing strategy procedure is based on a formalized brand marketing management process, where external issues serve for business development, co-ordination and control of markets and the general business goals. The formalization of brand marketing management facilitates the resolution of typical problems of market expansion by using indicators, which promptly provide information about the execution of marketing

plans, allowing a company to adjust and take additional measures. On the basis of brand marketing strategy, companies decide on and implement all management functions by using the new marketing mix.

Brand marketing management is therefore oriented on: figuring out the most important strategic and operational issues for demand formation and stimulation; analyzing the marketing environmental factors that determine the company's ability to create demand for a brand; estimating major marketing mix factors.

EMPIRICAL OUTLOOK OF BRAND MARKETING MANAGEMENT

The process of launching a product on the Lithuanian market is based on improving sales and positioning the brand. The large variety of food trademarks makes it difficult to identify food innovation because of the countless new food products. Suppliers of the new food brands in Lithuania are faced with the formal marketing goal of product/brand positioning by novelty, quality, place and price. This makes brand marketing management no simple task, one that can be formalized only after the market's capabilities have been studied at some length.

In order to reveal the problems that attend the formalization of brand marketing management in the food industry, empirical research was done on the basis of food processing and marketing activities. Usually, sales of rare food brands are organized using a short--supply chain model, and the formalization of brand marketing management is focused on food processing, positioning and branding.

Food companies can not simply increase the scope of their production as the demand for national food brands is limited. The processing of food brands (e.g. rare meat) depends on local farming and intermediary networking. Customers in both the B2B and B2C markets can find local food brands in special trading places. The marketing communication in the B2B market serves to improve local food brand distribution. The target group (conventional customers) is limited for local food brands.

Empirical implications reveal the situation that customers of B2B and B2C markets are sensitive only to brand, but not new food products. The main survey scoreboard is established to place the results of both respondent groups for identification problems afflicting the formation of demand for a given food brand:

- the first group of respondents indicated their demand is limited by a specialized menu (e.g. gourmet menu, healthy grains menu);
- sales promotion was the most effective marketing tool for respondents of both groups;
- marketing information about local food brands to customers is presented as static brand advertising (where the sales occurred).

The results of the scoreboard (Table) illustrate that demand for new food brands is limited in both markets. Food brand marketing management can be accomplished with specific marketing tools and promotional campaigns. Demand for products is formed using the principles of test-marketing. Food brands are put on sale more for selected segments of the market. Customers in the B2B market, who need new products and use food

TABLE. Survey scoreboard for assessment of demand of food brands

Brand marketing management results	Survey for identification of brand demand						
	B2B market			B2C market			
Demand level (%)	low	average	high	low		average	high
	63	23	14	86		12	2
Distribution of answers about customer purchase frequency (%)	once per month and less	once per month and more	once per week	never optional	always during purchase	for exceptional purposes	for special needs
	60	37	3	68	2	28	2
Distribution of answers about purchase of brand package size (%)	frozen – 0.5 kg		7	frozen – 0.5 kg		53	
	frozen/vacuumed – 2.0 kg		47	frozen/vacuumed – 2.0 kg		35	
	frozen – 5.0 kg		45	frozen – 5.0 kg		12	
Distribution of answers about food brand advantages (%)	low	average	high	low	average	high	
	20	36	44	62	17	21	
Distribution of answers (%)							
Purchase motives	exotic product advertised product "pushing" product			trial purchase		8	
				satisfaction of brand use		26	
As new product	high	average	low	never optional	new	known	conventional
	58	38	4	56	30	12	2
As substitute of brand	high	average	low				
	49	39	12				

Source: the author's own empirical research and survey data.

brands as substitutes with higher value, order in bulk that is frequently delivered, ask for price discounts and other options.

The differentiation of market segments impacts marketing effectiveness in short periods. Suppliers of food products formulate proposals for markets more effectively by using brand marketing strategy focused on the new marketing mix.

Short-term test marketing requires marketing management to be reviewed. In applying the test-marketing, regional producers must periodically collect information about potential customers and their behavior and assess changes occurring in segments of the market, for example their size.

Test-marketing can be done to improve food brand marketing management. Such tests allow producers/suppliers to test new price, distribution, positioning and advertising strategies and marketing tools (e.g. brand value, package) in order to control their marketing budgets under real market conditions. Brand novelty, price and distribution

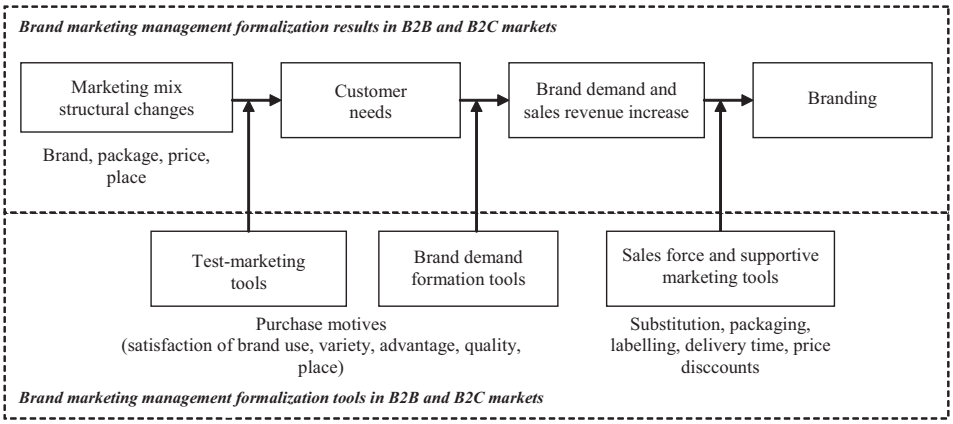

FIG. 5. Food brand marketing management formalization model for B2B and B2C markets

Source: the author's elaboration.

indirectly reflect current customer needs. The promotional mix used can increase market share, prolong purchase terms and brand life cycle. Brand marketing management tools have to be used as a new marketing mix, and individual elements must be selected so that each of them can reinforce positive peer effects while counteracting negative ones. It is important to ensure that the overall impact of the co-ordination carries the optimum effect for customers. In this case, promotional tools deal with customer relationships forming the new challenges of B2B and B2C communications systems. Direct promotion can lead to a positive market reaction for food brands that have been launched but remain little known or have been overlooked. Brand promotion serves for higher image in the market, and differentiated marketing tools are more effective in different marketing mixes.

CONCLUSIONS

In order to construct the brand marketing management framework, the tools of brand marketing strategy have to be analysed.

The following fields of brand marketing management are identified as problematic:

1. Food brand marketing management should be based on the implementation of a marketing strategy development framework. Brand marketing management tools lead to cause customers to react in different ways. The brand demand formation tools identified in this paper are connected with test-marketing and purchase motives – satisfaction with brand use, variety, quality, advantage and place, to name a few.
2. The food brands are important for B2B and B2C markets, and especially have to be powered in the B2C market. Support from marketing and the sales force bolster communication and branding.
3. Brand marketing management can be formalized only when the launch of new food brands increasingly impacts their demand and compatibility with other local food

products. Otherwise, brand marketing management goals have to be included in the brand marketing strategy and must be developed by a new marketing mix.

4. It can be argued that the formalization of brand marketing management serves for the formation of the new marketing mix or solve the marketing strategy which masters challenges arising in the target market.
5. Brand marketing management is a long-lasting process and requires special positioning and promotion. The market justifies new food brands differently: producers expect to get certain turnover faster by launching new products; intermediaries introduce new products with notable and successful positioning; customers expect to recognize brands and new products by price, quality, safety and adaptability. In order to improve the brand marketing management in B2B and B2C markets, marketing communication and several active marketing mix elements (e.g. place and promotion) have to be included in the formalization framework and target differentiation marketing strategy.

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Summary. The article helps to identify interrelated factors of the formalization of brand marketing management using applied strategic marketing tools. The brand marketing management framework is constructed on the market research results – new marketing mix. Consequently, valuable brands and new food products are more successful in market at the lowest costs under more intensive promotional activity. Customers always fix their choice at an advantage in consumption of new brands with (in)tangible attributies – quality, use convenience, time savings, image or variety by personal experience. Producers try to gain from new brand marketing management and try to form new consumption trends together with intermediaries. The theoretical and empirical researches were provided on the basis of scientific literature, case studies, primary data collection, surveys, primary data analysis and synthesis. A questionnaire was used to identify brand marketing management tools and the results of using them. The answers to research problems are formulated on the base of situation in the B2B and B2C markets of food brands. The research was framed to demonstrate that the formalization of brand marketing management can be impelemented succesfully by forming target marketing strategy and marketing communication.

Key words: brand management, marketing, formalization

JEL: M11, M31

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DEVELOPMENT OF EDUCATIONAL MIGRATION IN UKRAINE

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INTRODUCTION

In the globalized world, the phenomenon of educational migration is getting more and more significance. Migration of high qualified experts and scholars has a significant impact on the socio-economic development of the countries. Namely, there is a positive effect on the quality of economic growth of the countries with immigration, but at the same time it leads to loss of competitive advantages for the countries of emigration.

Ukrainian migration, which started in the period of Ukrainian nation-building, has a number of peculiar features that distinguish it from the previous waves of migration. The most important feature is the change in the meaning of the word migrant – this is no longer a low-skilled worker, but a person who has high or vocational education, speaks foreign languages, can work with modern computer technologies, and can apply innovative methodologies.

In addition, there is an increase in the number of migrants among scientists (to work in research and technology centres in different countries for acquiring, improving and applying their knowledge), teaching staff (for training and career enhancement via attending lectures of the leading professors, giving author's courses), and students (for education, training, and postgraduate work).

ANALYSIS OF RECENT RESEARCHES AND PUBLICATIONS

Various aspects and problems of educational migration were studied by M. Bachynska, L. Beztelesna, L. Zhurakovska, D. Kucherenko, L. Oppeld, M. Panteleyeva, N. Poberezhna, Yu. Chekushyna, A. Shevchuk and others.

L. Beztelesna emphasizes the idea that today the countries of the world are interested in forming the educational and qualification potential via migration primarily via involving foreign students and their future employment in the national labour markets [Beztelesna 2014].

Exploring the trends in educational migration, L. Zhurakovska highlights the idea that educational migrants, i.e. foreign students, can be considered as the most desired category of migrants, as they are usually represented by the most talented and motivated young people, willing to accept new knowledge and technologies. For the majority of developed countries, educational migration is becoming one of the means of forming the human capital which is necessary for the development of national economies; simultaneously, it is a powerful geopolitical resource used for the spread and promotion of culture and technology of the countries where the foreigners get education [Zhurakovska 2014].

A person acquiring new skills and knowledge is the main driver of economic development. Taking this into account, each country is interested in increasing the human potential. As a result, educational migration is becoming a crucial issue in the context of globalization, as D. Kucherenko states [Kucherenko and Martyniuk 2011].

In addition, the problems of educational migration are the subject of research by V. Iontsev, O. Bilyakovska, O. Malinovska. V. Iontsev defines educational migration as territorial movement from one locality (state) into another with the aim of getting education (or training) in one of the educational institutions of the locality (state). Having obtained education, a person who went to another country to study is obliged to return to the home country. However, there are cases of not returning, which are classified as "brain outflow" [Bilyakovska 2011]. O. Bilyakovska states that the purpose of educational migration is getting education and identifies the characteristic features of educational migration. They are: short-term nature, more or less clearly defined timeframe, adherence to a particular age group, voluntary nature of the movement [Bilyakovska 2011]. O. Malinovska identifies international educational migration as the movement of foreign students [Malinovska 2012].

Analysis of publications on this problem proves the urgency of the issue of educational migration, and it is still important nowadays to do the analysis of educational migration tendencies, and search for mechanisms of counteracting the transformation of Ukraine into the country of origin for educational migrants.

AIM AND OBJECTIVES

The aim of the article is to study the establishment of educational migration under the conditions of global instability, its development and impact. Global financial and economic crisis has raised a number of new questions for researchers who study educational migration processes. To determine what measures are needed to counteract the threats of mass education migration from Ukraine, first of all, it is necessary to identify the main reasons that prompted the development of such events.

BASE MATERIAL SUMMARY, OBTAINED RESULTS AND DISCCUSSION

Globalization under the modern conditions is a dominant trend that causes significant transformations in all spheres of public life. It is important to point out not only the fact of changes, but also those effects which the global processes make on the social system in general and system of education system in particular. Globalization and development of integration processes contributed to crossing of the national borders by educational services.

Naturally determined appropriate process that enables balancing the economic, social, political and spiritual spheres of society is defined as migration. Migration (from the Latin *migratio* – relocation) is the movement of people across the borders of certain territories with changing the place of residence permanently or for a more or less long time. Among the varieties of migration, it is possible to distinguish educational migration, which is mostly temporary relocation done to obtain education and training outside the administrative unit of residence [Romanenko 2014].

We believe that educational migration is a socio-economic and demographic process, which represents the frequency of changing the place of residence by scientists, academic staff, students and other individuals inside the country and abroad for the purpose of temporary or permanent change of employment, career enhancement, doing research, postgraduate education, training and other reasons.

Educational mobility as a prerequisite for educational migration is based primarily on the desire of an individual to get certain education, which can be classified in terms of the desired level of qualification, professional specialization, ways of getting education and the desired result.

Let us consider the historical background of educational migration in Ukraine. In Europe, the first university was founded in Bologna (Italy) in 1119. According to the regulations of the university, professors and students of the university could be selected from the representatives of any country and any nation. Medieval universities were an international phenomenon. Moreover, according to the statutes of certain institutions, people from other countries were eligible for top positions, up to the position of the rector. In particular, a Ukrainian Yuriy Drohobych was elected as a rector of the University of Bologna in 1481.

Moreover, although most universities tried to copy the structure of the University of Bologna, there were those that offered absolutely different approaches to their institutions, for instance, in England (Oxford, Cambridge University), where mainly the representatives of the aristocracy and wealthy families studied. From Ukraine, there were children of the ruling classes, noble families and the Cossack elite.

When a part of the Ukrainian youth got an opportunity to improve their education, the public reacted to that differently. Immediately, there appeared the supporters and opponents of study abroad. Thus, young people eagerly wanted to study at universities, because people who graduated from universities in those days acquired human rights (exempt from taxes, possibility to appeal to the highest court, granted earnings in the field under those terms and conditions). The main opposition was the church, being afraid of heresy and blasphemy, or even Catholicism that the future bachelors and masters could

bring together with education. Some people tried to interpret the foreign education issues in a way of compromise; however, the benefits of science were recognized indisputably.

In the 14th–18th centuries, immigrants from Ukraine attended the studies in almost all European universities. Many of them even graduated from two or even three institutions; besides, they showed constant dissatisfaction with what they knew.

The efforts of cultural and educational professionals aimed at strengthening the national school and science were not in vain. Kyiv Collegium (later Kyiv Mohylanska Academy), in which numerous students of European universities cooperated actively became an institute of higher education. After its foundation in 1724, at St. Petersburg Academy of Sciences, and later Academic University and Moscow University (1755), a significant part of Ukrainian youth went to study to those national institutions.

On completing the studies at foreign higher schools, almost all young scientists returned to their homeland; however, there were those who remained in the countries where they got education to become professors, deans, researchers and scientists; they took part in the European process of development of science, art and culture.

Thus, the historical retrospective is evidence that educational migration had been caused in a significant rate by regional imbalance of human resources, regional differences in living standards, uneven placement of jobs and educational institutions. A specific feature of educational migration, according to researchers, is its least harmful nature in contrast to other types of migration. The desirability of educational migration was predetermined by the income not only of the educational sector (or a particular university), but also of the economy of the country (region) that provides educational services in general. In addition, consumers of educational services are a potential workforce of corresponding qualifications [Kryvenko 2011].

Using the principles of system approach methodology, educational migration as a factor of migration system development can be described as follows. According to the systematic approach [Hrymblat 2004], a system is defined as any phenomenon, process (a set of interrelated elements) separated from the environment and interacting with it as a whole.

The latter are coordinated through relations between them to be organized into a certain structure (at the Ukrainian level – national and regional markets of education services, at the European level – European market of education services, EHEA, ERA). Being capable of self-development, the system has a semi-interpenetrating limit (openness and interconnection of regional and national migration system with the environment). The required attributes of the system are the purpose of existence and purpose of the system development (meeting the needs of population in higher education, joining the Bologna process, the EHEA, ERA by Ukraine).

The aim of the reform as defined in the Bologna Declaration is to create a single "European Higher Education Area" and "European Research Area". Implementation of "freedom of knowledge movement", formal criteria of the Bologna process, generates active international cooperation in the field of education, overcomes the barriers on the way to quality higher education, activates the mobility of students and teaching staff, is supposed to prepare young people to active life in the demographic society, ensure career and personal development. The volumes of educational migration in the countries of Bologna process are covered in the annual report on higher education in Europe [WWW 1].

The experts of the European expert group on educational mobility in their report "Making Learning Mobility an Opportunity for All" predict that by 2020 the number of young Europeans aged from 16 to 29 years old who will have a possibility to study abroad will have reached 50%. To achieve that, each year 6% of all university students and 3.5% of students of professional schools year have to go abroad to study [WWW 2].

Involving young people with a high level of education to the labour market contributes to the accumulation of human capital, which is one of the key factors of modern economic development.

It was estimated that the increase in the duration of study for the population by a year in the long-term perspective ensures the increase in GDP by 3–6% [OECD 2007].

In the structure of total migration flows, educational migration is predetermined by satisfying social needs in obtaining education and raising the qualification level. At the same time, educational migration can respond to a certain extent to the patterns of social and economic type of migration.

To specify the characteristic features of educational migration in Ukraine, it is necessary to identify the individual characteristics of these movements (Table 1).

The greatest danger of intellectual migration is not all Ukrainian scientists who depart from the country, really working abroad as a researcher. According to statistics, only 20% of migrants intellectual arranged by specialty within those scientific projects on which they work in Ukraine. For the most part, it is the most qualified, already known for his work abroad. The rest gets a job is not their specialty. But we should not underestimate the economic component of intellectual migration, because the majority of Ukrainian scientists important factor in the so-called welfare, decent wages, high levels of material and technical equipment of workplace and good working conditions and life.

We believe that maintaining and expanding of the reproduction of intellectual potential requires effective measures of educational and migration state policy that would be quickly adapted to the changes in the global economic environment. It is necessary to use the mechanisms which could formulate a systematic movement of intelligence, capital, and information in two mutually symmetrical directions (into Ukraine and out of Ukraine). It is necessary to strengthen the competitive advantages of the country in science, education and high technologies.

Under these conditions, export of educational services turns into a profitable economic activity, an indicator of improvement of the level and quality of education. Effective measures for effective use of scientific and educational potential as well as settling educational migration in the regions and the country in general are the following: increase of the level of funding for education and science; formation of stable relationships between educational and research activities based on projects that bring together scientists and teachers from a defined share of state and regional funding; building conditions for engaging talented young people to scientific activities; strengthening of the responsibility for ensuring decent social conditions for young professionals.

Regulation of the educational migration is done from two sides: regulation of migration and regulation of education. Regulation of migration takes place within the migration policy, which is defined as "a system of legal, financial, administrative and organizational measures of the state and non-governmental institutions related to managing the migration processes from the point of view of migration priorities, quantitative and qualita-

TABLE 1. Classification of educational migration in Ukraine

Feature	Typology	Variant
Aim	obtaining education and raising the qualification level	the level of education desired: preschool, primary, secondary, higher the direction of desired education: according to existing disciplines, directions and specialties ways of obtaining education: studying and education in the educational institutions, training, research the result of education: acquiring knowledge and skills, obtaining the certificate of education, useful connections (possibility to get a job in the country (region) study), personal fulfilment, prestige
Duration of staying	temporary: staying in the territory (country, region, city) of location of the educational institution under the terms of studying with subsequent returning to the native country	frequency of intermediate (repeated) migration depending on the distance between the territories: once a month, every 6 months, once a year, every 5 years interval of the interim migration depending on weekends or vacation: 1–2 days, 1–2 weeks, 1–3 months
	permanent: staying in the territory (country, region, city) to get a scientific degree and work in the host country	
Geographical feature	internal migration: moving to educational establishments inside the country	interregional: City of Region A → City of Region B, Village of Region A → Village of Region B intraregional: Town A → Town B, Village → City, Village A → Village B
	external migration: moving to educational establishments outside of the country	international: moving to educational establishments in another country macro-regional: moving to educational establishments with another system of education
Direction of movement	emigration: departure to the country of study immigration: entry into the country of study	–
Participants of migration	educational migrants: pupils, applicants, students, listeners, trainees, graduates, doctoral candidates	by age: up to 15 years, from 15 to 21 years old, more than 21 years old by nationality: by countries, confirming the status of a citizen according to the language of communication: by language by ethnicity: on ethnic grounds by gender: males, females
Attribute of legitimacy	legal: entering the country and being in its territory without violating the law	–
	illegal: violation of the law of the host country (most often – unreported employment)	–
Regulation	legal regulation: availability of systems for coordination of immigration and educational relations	levels of regulation: international, national, regional, level of educational institution directions of regulation: migration, education
	self-regulation: spontaneous movement of persons for the purpose of education, based on internal beliefs and personal preferences	–
Form of organisation	organized: done by means of special programs for academic exchange	levels of educational migration: international, public, private funding: budget, scholarships and grants, self-financing
	individual: done independently	–

Source: compiled on the basis of Filatov and Romashova 2004, Stepaniuk 2014.

tive composition of migration flows, their social, demographic and economic structure" [Petrova 1996]. Regulation of education takes place within the educational policy, which is defined as "a set of goals, objectives, principles, programs and basic activities of education authorities, aimed at organizing the scientific and methodological support and implementing education development strategy" [Krasnyakov 2011]. However, it is important to take into account dualism of globalization in the process of developing educational strategies and implementation of educational policies. On the one hand, global processes extend the capabilities of certain countries in the field of using intellectual resources; on the other hand, globalization intensifies competitive struggle for educational product, involves rivalry and is managed with commercial and competitive approaches. This is a threat to the countries with low and middle levels of income.

The development level of each country is measured by a number of indicators, including economic, social, demographic and other ones. One of the problems that arise in European countries today is a demographic problem. The natural reduction of population is a crucial problem of not only demographic, but also social and economic value, since it leads to losses of potentially employable population. In some European countries, natural reduction in population is partially compensated with the immigration growth, whereas in Ukraine the tendency of migration and natural movement of population which got established in the years of 1990–2015, has become a threat to the state from the point of view of not only demographic but also economical aspect.

The main factors that promote to increase migration processes in Ukraine include:

- low wages;
- instability of the Ukrainian economy;
- lack of jobs for people (mostly in small towns and villages);
- a good social support in countries where Ukrainians migrate;
- political instability in the country;
- loss of hope for a better life in Ukraine for themselves and their children;
- lack of conditions for self-fulfilment (it causes the brain drain potential).

For example, the Union of Soviet Socialist Republics owned 25% of the scientific potential of the world. This is largely ensured him the status of "superpower". In the early 1990s in the states of the former Soviet Union because of the destruction of the once unified system development science research institutions in each country took place in extremely complex crisis collapse of the intellectual community, which gave the opportunity to exchange experiences and scientific and important information.

Due to the natural movement of 2015 there was a reduction in the population of Ukraine by 166.4 thousand of people. Within the period of independence of Ukraine, the natural reduction in population had reached its historically highest rate in 2000, amounting to 373 thousand of people. In 2015, reduction of population due to natural movement, compared to the corresponding rate in 2000, decreased by almost a half. However, starting from 2011 (162 thousand of people), there has been a negative tendency to the growth if population reduction (in 2015, there was an increase in population reduction by 4.4 thousand of people (2.7%) as compared to the level of the year 2011); compared to 1991, when there were the lowest (39.1 thousand of people) rate of natural population reduction during the period of independence of Ukraine, the rate of natural reduction of population in 2015 was almost 4.3 times higher.

We studied the analysis of the data regarding the changes in volumes of involving the age groups of population in the labour market to identify the following tendencies:

– increase in the share of the population aged 15–19 years old involved in the labour force. Thus, starting from 1990, the proportion of working teenagers had grown by more than three times (from 10% of the total population aged 15–19 years old in 1990 to 27 and 35% correspondingly of involving female and male population in the labour market in 2020);
– increase in the share of population aged over 60 years old involved in the labour force. In particular, this proportion over the last 25–30 years has increased from 15.5 and 31.5% of female and male population in 1990 respectively to 35 and 38.9% in 2020 according to the corresponding factors);
– reduction in the involvement of population aged from 24 to 50 years old to the labour market that negatively affects employees, in particular, by strengthening the pension fund burden on their wages.

Prerequisites for such trends are primarily the socio-economic factors that do not encourage the population to support the schemes of expanded reproduction, causing the migration movement.

As an indicator of not only social protection of the population in the country, but also an indicator of the cost of labour, the employee benefits related to the performance of their job duties, are subject to consideration, first of all, from a macroeconomic point of view, since the labour market determines the size and dynamics of wages and other employee benefits.

TABLE 2. Minimum wages in the EU Member States and Ukraine, as of January 2015

Country	The minimum wage as of January 2015		Migration of Ukraine in 2015 (people)
	EUR per month	the number of times the excess minimum wage in Ukraine	
Bulgaria	184	2.9	25
Romania	218	3.5	9
Lithuania	300	4.8	64
Czech Republic	332	5.3	89
Hungary	335	5.3	816
Slovakia	380	6.0	19
Poland	410	6.5	88
Portugal	589	9.3	11
Greece	684	10.9	–
Spain	757	12.0	87
United Kingdom	1 379	21.9	–
Germany	1 428	22.7	795
Belgium	1 502	23.8	–
Netherlands	1 502	23.8	13
Luxembourg	1923	30.5	–
Ukraine	63	–	–

Source: composed according to data of Eurostat [WWW 3], the NBU [WWW 4], article 8 of the Law on State Budget of Ukraine for the year of 2015.

The minimum wages approved on 1 January 2015 in Ukraine was almost three times lower than the lowest minimum wage in the EU countries (Bulgaria) and more than 30 times lower (Table 2) than the highest minimum wage in the EU countries (Luxembourg).

One of the reasons for this situation is the low level of minimum wages. The nominal minimum wages in Ukraine starting from 1 September 2015 is 1,378 UAH; that is 158.57% more than the nominal minimum wage established on 1 January 2010. Instead, the minimum wages presented in foreign currency (EUR, USD) as calculated at the official rate of the NBU to date tends to decrease: as of 1 September, 2015 there was a decrease in minimum wages by 25.75 and 21.78% respectively from the minimum wages established on 1 January 2010 presented in euro and American dollars respectively [Stepaniuk 2016].

The facts mentioned above indicate that wages in Ukraine has lost its reproductive function. This leads, in particular, to the migration of population, including educational migration. Therefore, our study proves worsening of the situation in educational migration flows. More and more highly educated people seek to realize their potential in other countries to get higher salaries.

CONCLUSIONS

In Ukraine, the development of educational migration started a long time ago. Today, in the context of globalization, it is increasingly developing. In Ukraine, an important factor that influenced these processes is the enhancement of economic crisis and the decline of national system of education.

The intentions of young people to get temporarily involved in the international educational and scientific space are an effective channel of realization of intellectual potential and self-assertion. Coming back, they bring to Ukraine a new intellectual product, new knowledge and technologies. However, it frequently happens that the major part of this group of migrants does not want to realize their intellectual potential in their own country, and they go abroad for labour migration.

We believe that the situation can be changed if effective immigration policy includes the interests of economic development of the country on the basis of the knowledge acquired by educational migrants. The ultimate goal should be not the termination of migration, as it is impossible in the context of globalization, but the introduction of an effective mechanism of free circulation of migrants, including transformation of irreversible emigration into a temporary one.

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Summary. The article studies the historical development of educational migration processes in Ukraine. It processes the classification of educational migration in view of global instability and manifestations of the crisis. It also suggests measures that should be implemented to prevent significant educational immigration from Ukraine. It also determines that the prerequisite for the educational migration is the desire of an individual to get certain education, which can be classified in terms of desired level of qualification, professional specialization, directions, methods and ways of getting education and the desired result. It is noted that a specific feature of educational migration is its impact not only on the profitability of the educational sector (or a particular university), but also on the economy of the country (region) that provides educational services in general. In addition, the consumers of educational services are a potential workforce of corresponding qualifications. In order to define characteristic features of educational migration from Ukraine, it was necessary to identify individual characteristics of such transferences; that is why classification of educational migration was done in view of global instability and manifestations of the crisis. To maintain and expand the reproduction of intellectual potential, it was suggested to use effective measures of educational and migration policy that would quickly adapt to the changes in the global economic environment. It is necessary to apply the mechanisms which could establish systematic movement of intelligence, capital, and information in two mutually symmetrical directions (into Ukraine and out of Ukraine). It is necessary to strengthen the competitive advantages of Ukraine in science, education and high technologies.

Key words: educational migration, economy, immigration, emigration, educational migrants, human capital, movement of intelligence, globalization

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BRAND AWARENESS AND CONSUMER PROFILE FOR MILK: CASE OF THE TIRANA MARKET, ALBANIA

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INTRODUCTION

This paper focuses on brand awareness and its role on consumers' decisions for milk in Tirana. Brand awareness for food products in general, and for milk in particular, has been in focus of various studies and papers abroad. Until now, a number of analyses and studies in Albania, are conducted relating to the factors influencing purchasing decision and consumers preferences for various food products, dairy included, but none of them has taken into consideration brand awareness [Kapaj and Mane 2013, Shtepani and Kapaj 2015, Imami et al. 2016].

Brand awareness refers to the importance of a brand in the customers mind and includes: recognition, recall, top of mind awareness, brand dominance, brand knowledge and brand opinion. According to Aaker [1995, 1996], different levels of awareness are used to measure brand awareness. For niche brands, recognition is important while for well-known, brands, recall and top of mind awareness are more sensitive and meaningful. Brand recall can also be vital for regularly purchased products like coffee, detergents etc. for which brand decisions are made prior to going to the store.

Brand awareness is an important component of brand equity. Business companies can take advantage from increased brand awareness since it lowers customer acquisition costs and ramps up customer loyalty. A lot of consumers believe that if a brand is well known, it has a good quality. Strong brand awareness leads to high sales and high market share.

Numerous studies have tried to reveal the role of brand awareness in purchase decision. Hoyer and Brown [1990] found that brand awareness was a determinant factor in consumer decision making process. More specifically, consumers' ability to recognize and recall a brand is considered crucial to purchasing decision making [Dodds and Grewal 1991, Grewal et al. 1998]. Consumers use brand awareness as a shopping guide, to

save time and efforts. Furthermore, brand awareness has a strong impact on the subsequent purchasing choices, if the product once tried out fulfilled the consumer's expectations [Koniewski 2012].

METHODOLOGY

The primary objective of the study is to measure brand awareness for milk consumers in Tirana (Albania). Since milk is a regularly purchased product, for which customer decisions are made away from the point of purchase, brand recall is used to measure brand awareness for this product. The study focuses on branded milk traded in Tirana grocery stores and supermarkets. For purposes of the study, domestic milk processing companies and their respective brands, such as Erzeni, Lufra, Soal, Bledi, Mireli, Fast and Dukati as well as Sterilgarda an imported brand, are targeted. In order to fulfill the objective of the study, a number of 332 face to face questionnaires are realized, aiming at the people in charge of grocery shopping for their households. Stratified sampling method is used and the population of the study (number of households units in Tirana) is divided into different subgroups according to 11 administrative units in Tirana Municipality. Simple probability sampling is applied within different strata.

Data from the questionnaire helped to understand some specific elements of consumers buying behavior, as well as consumers' profile for milk in Tirana. Furthermore, secondary data helped to give a general picture of the milk sector in Albania.

MILK SECTOR IN ALBANIA

Since 1990, whole sectors of the Albanian economy, including agriculture and agroindustries, underwent great changes. Total number of farms in Albania is 351,000, 86% of which combine agriculture and livestock. Agriculture and cattle combined farms are dominant in lowland areas, while in the hilly and mountainous areas of the country, agriculture, sheep and goat farms are more suitable.

Dairy activities have a long tradition in Albania due to the favorable natural resources for dairy production. Milking cows, sheep and goats consist more than 70% of total number of the respective heads. Cow milk comprises 85% of the total milk production, sheep milk 8% and goat milk 7% (Table 1). However, the production of sheep and goat milk is seasonal.

When the communist system fell, all the state-owned companies in agribusiness sector were closed. After these companies were privatized, market economy elements emerged.

TABLE 1. Structure of milk production in 2015

Description	Cattle	Sheep	Goat
Number of livestock (thous. heads)	504	1918	932
Of which milking cows, milking sheep, milking goats (thous. heads)	357	1417	700
Milk production (t)	964 000	87 000	80 000

Source: Agricultural Statistical Yearbook 2015 [Instat 2016].

Currently, all companies operating in the agribusiness industry are privatized. There are about 2,400 private companies in the agribusiness sector, vast majority of which are small and medium-sized. Most of the agribusiness companies are located in the Central and Western Albania. Flour and bread production, and milk and meat processing are the key sub-sectors in Albania's agribusiness industry. Specifically, milk processing industry comprises about 15% of the companies operating in the agribusiness sector, 11% of employment and 22% of investments in the sector [Thoma et al. 2014].

The first private milk processing plants were established in 1999. Currently, several modern milk processing plants are operating successfully in Albania, taking also advantages of their brand names. Nevertheless, processing of sheep and goat milk is done mainly based on artisan production. The milk production and collection system (mainly cow milk) is characterized by the existence of the informal (direct selling from farmers) and formal market channels (collection and distribution by dairies) [Cela et al. 2009].

In terms of consumption, milk is an important component of the Albanian diet. The dairy sector provides about 80% of the supply for Albanian consumers [Cela et al. 2009, Shtepani and Kapaj 2015]. Consumer preferences for milk have changed a lot during last decades. Until late 1990s, majority used to buy milk directly from farmers. Since the first domestic companies appeared in the market, consumers oriented their purchases toward fresh pasteurized milk, while nowadays it is noticed an increased demand for UHT domestic milk. In 2016, processed milk (pasteurized and UHT) for consumption consisted in 95% of the total out of which 88% pasteurized (whole, semi-skimmed and skimmed all together) and the rest of 12% UHT (Table 2).

TABLE 2. Quality of drinking milk for consumption in 2014–2016 (t)

Products	2014	2015	2016
Drinking milk	12 103	11 106	10 983
Raw milk	1 021	829	533
Whole milk	3 652	4 651	6 425
– pasteurized	3 621	4 133	6 242
– UHT	32	519	182
Semi-skimmed milk	6 844	5 591	3 950
– pasteurized	4 318	5 517	2 967
– UHT	2 526	74	983
Skimmed milk	586	35	74
– pasteurized	565	15	74
– UHT	21	20	0

Source: Annual Report on Milk and Dairy Products 2016 [Instat 2017].

BRAND AWARENESS

Descriptive analyses show that consumers in Tirana have high levels of brand recall (above 50%) for the vast majority of the brands taken into consideration in this study, despite which brand they usually buy. From the data in Table 3 it can easily be revealed

that the highest levels of recall awareness belong to the mostly bought brands like Erzeni (96%), Lufra (98%), Fast (86%) and Sterilgarda (68%). On the other hand, taking into consideration the nature of milk as a product (frequently bought with the minimum of efforts), consumers easily change the brand bought if they find any of their expectations is not fulfilled (the reason for this might be as simple as for example they do not find their usual brand in the nearest shop). A considerable number of respondents report to have bought other brands, rather than the usual one, during the last month. Among the brands bought, mostly are exactly the ones which have the highest level of awareness. More specifically, 62% of the respondents report to have bought Lufra during the last month, 51% Erzeni and 23% Sterilgarda and 22% Fast (Table 3).

TABLE 3. Analyses results for brand awareness and purchasing habits

Brand name	Brand awareness[a] (%)	Brand usually bought[b] (%)	Bought last month[c] (%)	Evaluation	
				8–10 point scores[d] (%)	mean
Erzeni (pasteurized)	96	28	51	66	7.81
Lufra (pasturized)	98	40	62	83	8.64
Mireli (pasteurized)	57	4	10	20	5.54
SOAL (pasteurized)	51	4	8	17	5.13
Bledi (pasteurized)	23	1	1	23	3.38
Sterilgarda (UHT)	68	10	23	46	6.86
Fast (UHT)	86	8	22	41	6.47
Dukati (UHT)	46	0	6	15	4.72
Other brands (UHT)	18	5	11	16	8.62

[a] Question: For each of the following milk brands please indicate whether you have heard of or not.

[b] Question: Which of the following brand do you usually buy?

[c] For each of the following brands please indicate when it was the last time you bought it.

[d] For each of the milk brands you have heard of please give an evaluation on perceived quality (1 – very poor, 10 – excellent).

Source: the authors.

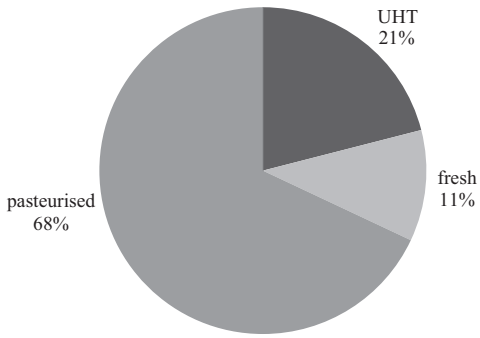

FIG. Consumers' preferences for milk by category

Source: the authors.

According to Engel et al. [1978], known brands help the product to be recognized as having a good quality. Consumers in Tirana give high evaluation scores to the brands with high levels of awareness. This is obvious since Erzeni and Lufra average scores are 7.81 and 8.64 respectively followed by Sterilgarda (6.86) and Fast (6.47). Furthermore, 83% of the those aware of Lufra evaluate with the highest scores (8–10) the milk under this brand, while for Erzeni, Sterilgarda and Fast this percentage is 66, 46 and 41%, respectively.

The distribution of this variable can also be explained with the fact that the majority of consumers (68%) in Tirana buy pasteurized domestic milk brands, 21% purchase UHT brands (domestic and imported ones) and the rest 11% of fresh milk (bought directly from the farmer) – the Figure.

CONSUMER PROFILE FOR MILK CATEGORIES

For business companies, it is important to discover the consumers profile for the products and services they offer in a given market. It helps them to tailor appropriate marketing strategies for different consumers groups according to their specific characteristics. In this study, we try to reveal consumers profile for different categories of milk (fresh, pasteurized and UHT) based on some socio-economic variables as for example age and education of the person in charge of the purchases in the household, number of members and children as well as monthly income.

TABLE 4. Socio-economic profile of consumers for different categories of milk

Description	Fresh	Pasteurized	UHT
Average age (years)	42	40	35
Average education level (years)	12	14	14
Average number of household members	4.5	4.4	4.4
Average number of children in the household	1.08	1.16	1.5
Average monthly income (EUR)	440	480	575

Source: the authors.

Table 4 shows information about consumers profile in Tirana for different categories of milk. Analyses performed showed that fresh milk is consumed in those household with the lowest average level of income (440 EUR monthly) and with a person in charge of purchasing with the oldest average age (42 years) and the lowest average level of education (12 years – high school completed). The contrary is true for UHT milk. It seems to be consumed more in those households with the highest average level of income (575 EUR monthly), with the youngest average age (35 years) and highest level of education (at 14 years old college completed) of the person responsible for purchases. It seems like there is not any difference among consumers profile for different categories of milk according to the average number of household members. With respect to the number of children in the household, it is noticed a slight difference between UHT milk consuming households and those consuming fresh and pasteurized one.

CONCLUSIONS

Milk processing industry is one of the key sub-sectors in Albania's agribusiness industry, giving a substantial contribution to the total production, employment and investments. Nowadays, several modern milk processing plants are operating successfully in Albania, taking also advantages of their brand names.

The transition from centralized economy to market oriented one, has been accompanied by changes in consumer preferences and composition of their food diet. This is reflected by consumer preferences for milk as well. The part of consumers that used to buy milk directly from farmers has been reduced considerably. After 1990, consumers initially oriented their purchases toward fresh milk, while nowadays it is noticed an increased demand for domestic pasteurized and UHT milk.

Business companies in the sector are conscientious that strong brand awareness leads to high sales and high market share. From the other side a lot of consumers believe that if a brand is well known it has a good quality. The consumers in Tirana seem to be fully aware of the different brands of milk being sold in this area, giving a higher evaluation score to the most well-known brands in the market. For the same consumers the highest levels of recall awareness belong to the mostly bought domestic brands like Erzeni, Lufra and Fast.

Business companies need to identify the consumers profile for the products and services they offer in a given market, in order to tailor appropriate marketing strategies for different consumers groups according to their specific characteristics. In Tirana, consumer behavior is very much depending on some specific socio-economic characteristics of the person responsible for purchases and the same household, such as: age, education, monthly income, number of family members and children. Processed milk is preferred more by consumers at a younger age, with more education, and a higher level of income of the household.

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Summary. Nowadays, it is quite important that business companies understand brand awareness and consumer profile for their products and services. They can take advantage of this information to properly adapt their marketing strategies to the needs of their targeted markets and segments. This research paper aims at measuring brand awareness and consumer profile for different types of milk in Tirana. Through a set of face to face questionnaires, it is revealed that those in charge of purchases in the household are pretty aware of the vast majority of the milk brands available in Tirana market. They also give high evaluation scores to the most known brands. On the other hand, consumers' profile for different types of milk (UHT vs. pasteurized or fresh) seems to differ based on some specific socio-economic variables of the household and the person in charge of the purchases. The consumers with the highest income and education level are more aware about food safety importance. Such consumers are leaned more towards purchasing UHT milk.

Key words: brand awareness, milk sector in Albania

JEL: Q13, M31

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VERIFYING AN IMAGE OBJECTIVES MATRIX FOR MEASURING THE EFFECTS OF PUBLIC RELATIONS ACTIVITIES IN BUSINESS

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[2] Exacto Sp. z o.o., Poland

INTRODUCTION

Research on company image can be done based on a number of initial assumptions. It is therefore possible to carry out research aimed at an initial state analysis to identify an organization's existing image, but also to assess implemented campaigns or strategies to determine the extent of changes that have occurred in an organization's image. In economic practice there are a number of methods for measuring the effects of public relations activities, including a systematic environmental analysis in the form of participant observation, non-participant observation, media monitoring, extensive crisis simulations to prepare for difficult situations, anti-crisis plan preparation support, and more. In practice, a whole spectrum of social research methods is applied [Miotk 2010]. They are used in a variety of ways, and are analysed in detail based on a number of variables. There is little doubt that there is a need to build more new methods, as that need results directly from the development of public relations tools, their availability and use. Despite different approaches to measurement, and paying attention to the needs of individual entities, there remains one more important aspect – many managers' lack of a professional approach to image management. Thus, activities are undertaken without a plan or budget, and are often realized ad hoc without thinking. The same holds true for the question of assessment, which is not always considered an instrument to support the management process. And after all, assessment can become an element that goes beyond strategic and operational activities.

One approach that can be used in complex image management is an image objectives matrix. The matrix, which becomes part of the long-term measurement of which W.K. Lindenmann writes, can be used both to forecast changes that occur in the image area, with a particular focus on capturing symptoms of crisis situations, and also in cur-

rent activities and in assessments of effects and changes that occur in an examined entity. It can also function as an element of crisis support [Miotk 2010]. Especially in this latter issue, the image objectives matrix method may be particularly useful thanks to its capacity, detailed nature, and its ability to flexibly adapt to changing market conditions. It helps identify symptoms that may affect crisis situations. On the basis of research done on an image objectives matrix, it is possible to determine the starting point for further assessment or subsequent research and analyses, as well as to identify changes that were made in the range of internal and external image over a given period.

In addition to the image objectives matrix method discussed above, the subject literature provides a window on a number of other methods for measuring the effectiveness of public relations activities. These include models by M. Cutlip, J. McNamara, T. Watson, K. Huyse, A. Zerfass, L.W. Nolte and J. White. However, no further mention of these models will be made in this article, because they are mainly theoretical in nature. We focus instead on assessing the practical use of the public relations effect measurement method. This is also the main advantage of the image objectives matrix over the selected models, but they are a good starting point for many theoretical, as well as practical, analyses.

PLANNING AND RESEARCH IN PUBLIC RELATIONS

Public relations activities should always start with research, which is defined as a set of methods aimed at obtaining information from the market and from within the organization. They help to minimize the risk involved in making decisions. From the point of view of the image, research aims to determine the point at which an entity is in an environment in which it can be seen by the environment.

There are a number of divisions that make it possible to systematize concepts involved in research. One is to divide them into primary and secondary. Primary concepts include those that give information programmed according to a researcher's needs. This makes them precise and detailed. Secondary research is characterized by the use of both internal and external information that already exists and has been previously worked out. Secondary research data can be collected quickly and inexpensively [Tworzydło and Olędzki 2009].

When a company prepares research projects, it is essential that it define where it wants to be after implementing the assumptions made as the researcher's field of interest. The research objectives concerning a company's internal and external image include:

- to assess how employees and other target groups perceive the company and identify changes to be made in this area;
- to assess the relations prevailing in the company between employees and divisions, and to suggest changes in this area;
- to assess tools used in internal and external communication;
- to assess motivational activities carried out in the company, as well as other ones aimed at building teams;
- to identify the symptoms of crisis situations;
- to analyse the effectiveness of communication channels;
- to assess changes that occur within and outside the company's walls.

An image objectives matrix referred to in this article makes it possible to search for knowledge on topics of interest to a company. That knowledge enables the company to fill the gap between what it knows and the information it lacks, i.e. the present state and the one it desires. However, companies embark upon such searches only sporadically, mainly due to their costs. Implementing company-designed research projects requires knowledge and analytical skills, and often the full-time employment of sociologists. External costs often exceed companies' resources for such activities. If access to quantitative research is not available, quality-based analyses using web resources, media monitoring data, or in-house data are used in business practice. The analysis is conducted in multiple

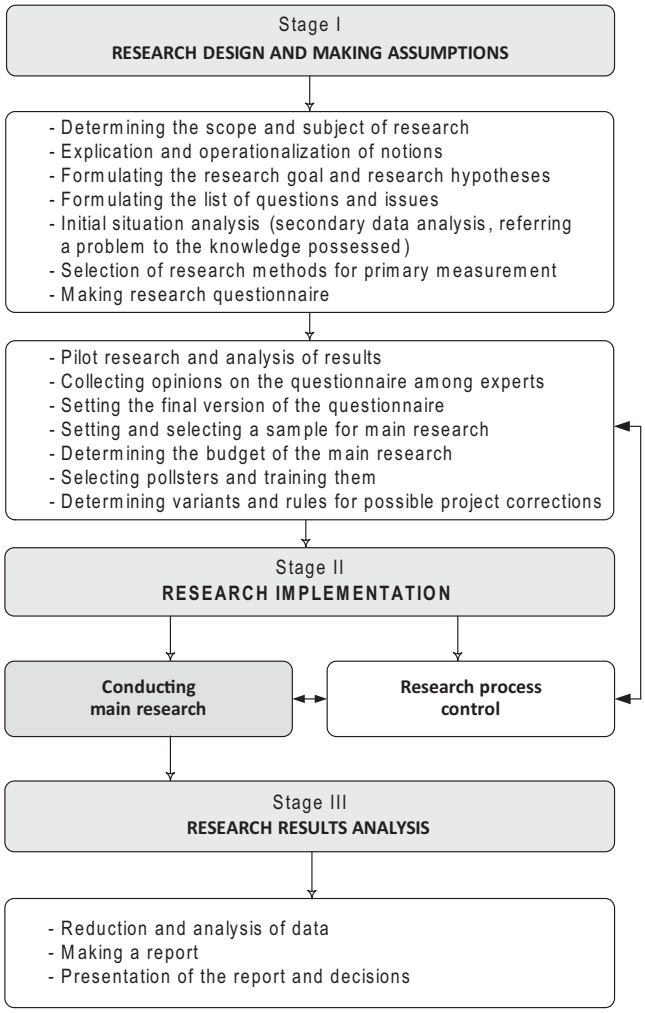

FIG. 1. Diagram of research used in the matrix design process

Source: Tworzydło 2008.

ways, using, for example, resources collected in the company or which are available on the Internet. In addition, research is conducted using quantitative and qualitative methods that can be both effective and efficient. According to W.K. Lindenmann, measuring the effectiveness of public relations activities means considering "any and all studies prepared to determine the relative value of what will be carried out under public relations". Efficiency means striving to achieve goals without concentrating on maximizing the cost of doing so. Effectiveness is defined as the ability to achieve goals, while reducing the cost of doing so. Therefore, this is a relationship of efficient actions, i.e. those that have been completed by achieving a goal, in relation to the effort required to achieve it.

A communication audit enables the accumulation of a wide range of data and subsequent formulation of goals that are the starting point for communication activities. Goals may include building or changing the company's image, as well as providing support for other activities, such as advertising. These goals are the basis for generating ideas that are then targeted at selected groups using a specific set of tools. Based on the information collected, it is possible to build a strategy understood as a public relations action plan, which describes the scope of the tasks to result in implementation of the primary objective and specific objectives. But in order for this strategy to be efficacious, its goals must be realistic and set at a certain time, and the strategy itself and its actions must accord with budget assumptions. Objectives should also be characterized by measurability, explicitness, detail and orientation to effects. All assumptions made in the strategic document are subject to control and monitoring. A systematic assessment can also lead to making adjustments in the range of individual parts, as well as the level of objective achievement.

The research process that is carried out in order to achieve effects in the form of a reliable measurement of public relations activities should consist of a logically arranged, coherent set of stages. The first stage is focused on research design and assumption making, while the second is implements the research and the third analyses the results. These stages are illustrated in Figure 1 (though please notes that the described research process concerns the implementation of projects that are consistent with the concept of image assessment based on the image objectives matrix method).

To a large extent, the success of the research process depends on researchers' approach to data that can be acquired throughout the research process, taking into account the logical consistency of the collected empirical material. This approach determines the scope of information used, and then influences the choice of methodology as part of the research.

PRACTICAL USE OF THE IMAGE OBJECTIVES MATRIX

The image objectives matrix method appears to be a complex element, crowning the research process, but it may constitute a specific aggregator of content delivered through research. It allows the starting point for image activities to be defined precisely. Matrix-based research makes it possible to identify the place in which a company is located in terms of both its internal and external images. It also allows research projects to be systematized. Thanks to its universality, it favours the unification of research processes, eliminates mistakes in the research process, educates in the field of professional image research, and enables inter-period comparisons [Tworzydło and Olędzki 2009].

The matrix is a support method for crisis staffs, because it allows for the identification of symptoms that may arise and areas that may pose a threat, which can then translate into support to solve crisis situations. It can also help to determine the direction of changes a company should make so that its final acceptance is stable and completed at the level it expects.

In ZETO's case, image research is based on the use of an analytical tool called an image objectives matrix. The location and primary objectives of ZETO-Rzeszów's were identified using it. The analysis used data collected during internal research on the staff (N = 75) and external research carried out among institutional clients (N = 200). The total accumulated empirical material was adapted to the matrix design requirements (five--point quantitative scales with values from 0 up to 4). The report included a comprehensive set of indicators that contributed to the company's image, and a trend analysis based on data from research (2006–2016) previously conducted. The image gap, which informs the company and researchers about the difference between the desired state and the state obtained in the image research, was calculated. A graphical representation of the difference between the desired state and the obtained state, the gap informs us about the space that separates the organization from the ideal state within the perception of the organization [Sztucki 1998]. It is the smaller one, while the actions undertaken by the company are more complex, professional, consistent with identity, and more. After exceeding the limit of the image's influence force, the external image can be supported with the internal image. The image gap provides information about problems the organization has in communicating. The bigger it is, the more concerns there will be about its future and its further perception in both its internal and external environments. There is a square in a matrix that represents the ideal image. This is the point the organization should strive to reach each time.

OBJECTIVE AND METHODOLOGY OF THE RESEARCH

The aim of the quantitative research carried out in 2016 was to analyse the internal and external images of ZETO-Rzeszów, and to translate the results into the fields of the image objectives matrices along with an interpretation of individual indicators. The research was a continuation of cyclically conducted measurements within the assessment of ZETO-Rzeszów by its institutional clients and staff.

Compared to earlier editions of research conducted for the company, here a broad range of research problems was broadened further, on the basis of an analysis of the needs of staff and institutional clients. The organizational climate issues that employees had reported in previous research projects were also taken into account. Additionally, the consultation between ZETO's management team and the management board made it possible to develop a new and more complex form of tools (two questionnaires) that met the company's needs and set strategic goals. The image indicators battery thus developed became the starting point for the current and future editions of the project, which will greatly facilitate comparative analyses.

Figure 2 presents a diagram of the entire research process. It takes into account the use of the image objectives matrix to measure public relations effects.

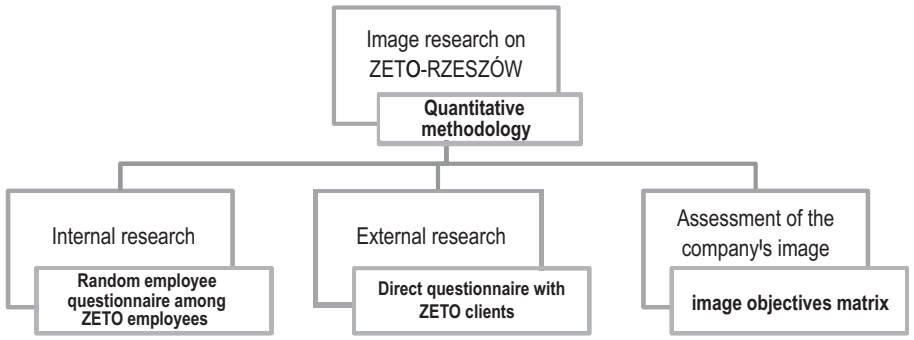

FIG. 2. Research methods and techniques used

Source: the authors' own elaboration on the basis of image research done on ZETO-Rzeszów.

The results were analysed using a method to assess public relations effects in an organization. The method shows where the organization is located, and helps it to carry out image transformations with an emphasis on preventing crisis situations and their effects. A matrix is based on the results of quantitative research among internal and external target groups with the assumption of uniform research trials and the universal nature of the questionnaire during time intervals under analysis. "The selection of respondents in particular groups must be made based on the principle of statistical measurement, assuming the smallest error possible".

EXTERNAL AND INTERNAL IMAGES FROM ZETO-RZESZÓW IN 2016 – ANALYSIS RESULTS

Later in this article, there is a classification of the factors that make up ZETO-Rzeszów's image along with average values, an analysis of the company's image based on the results of the 2016 edition, a separation of the image area for the years 2006–2016, the direction of the image changes, an analysis of leading trends, and a description of how the image gap was calculated and interpreted, showing the space that divides the organization from achieving image perfection. Because image studies conducted in 2016 were based on new, more detailed survey questionnaires, there were also changes in battery indicators that co-create the image objectives matrix. The model used to aggregate variables of the internal and external images of the entity studied was improved with key elements from the perspective of the company's management board. This made it possible to conduct more precise analyses, which may be the starting point for the implementation of strategic solutions based on a recommendation model, e.g. in the field of internal communication.

The current structure of the survey reflects ZETO's operational strategy more accurately, and takes into account the information obtained in previous research projects. The battery of indicators designed for the research will henceforth be the starting point for analyses in subsequent editions of research. When the research was begun, it was assumed that the analysis would include two key target groups – ZETO employees and

business clients. The selection of the unit of analysis was periodically maintained over successive editions of the study, which is an extremely important component of the entire research protocol. Also, the method of calculating matrix points and the image gap remains unchanged, though the number of specific indicators changed due to the modification of tools, which are currently characterized by a high level of standardization. Such a change makes it possible to apply analogous research procedures in subsequent years. It is also possible to make a comparative analysis of results obtained in previous editions. This year's research relates to more in-depth image aspects, which allows for a more effective implementation of the decision-making processes and solutions making up ZETO-Rzeszów's development direction.

In the course of the analyses, lists containing operationalized indicators aimed at developing the image objectives matrix for ZETO-Rzeszów were made. As regards how the values are interpreted, it is assumed that the higher the score (from 0 up to 4), the better the perception of a given component of the image is, both in terms of external clients and internal staff. In the first case – external studies – 38 external quantitative indicators were identified; they are summarized in Table 1. The company's image consists not only of soft, obvious and consequential aspects, e.g. from communication processes, but also the hard assessment of a product offer or technological processes, which by becoming the subject of assessment of the environment are sub-images/components of the company's overall image, and are therefore among the factors to be assessed and listed.

How the organization planned to shape its image can be divided into two basic factor groups: its state (declared values, standards of conduct, identity, strategies, degree of declaration fulfilment, product offer, and other), and the intensity and quality of communication carried out not only by PR but other communication sub-systems in both internal and external areas. Therefore, in the research cited in this article, a wide range of factors affecting image is taken into account.

In the internal research, indicators based on the assessment of individual aspects were used by ZETO-Rzeszów's employees. The survey questionnaire contained 58 single statements tested on a five-degree order scale, where 1 is the lowest negative grade, and 5 is the highest extreme positive grade. It was then necessary to adjust the measurement to design requirements of the image objectives matrix. For this purpose, the answers were placed on a 0-to-4 scale for each variable used. This maintained the scale's sensitivity while adjusting the values to the needs of the tool design. A large number of statements implicated the need to categorize the values into broader thematic indexes. Finally, 13 indexes aggregating individual internal quantitative indicators were designed. The components of the indexes were analysed in a detailed internal research report. The results are summarized in Table 2.

The results can be interpreted individually for each statement by means of the calculated average, and also in the synthetic view as the value of the whole index. We used the second approach, which falls into the area of calculation of the image objectives matrix. The index measurement scheme of the internal image is therefore based on the integrity analysis procedure and the creation of new quantitative variables in the SPSS empirical data analysis software by entering an appropriate numerical expression. The consistency of the position is checked well in advance using a dedicated test, and the result of Alfa

TABLE 1. External image factors used to assess ZETO-Rzeszów (on a 0–4 scale)

Research area	Indicator	Average
Direct parameters of company's image	confidence level in the company	3.43
	company assessment by friends and family of institutional clients	2.95
	perception of ZETO employees as professionals	3.43
	overall quality assessment of products and services	3.32
	market position assessment	3.05
	level of knowledge possessed on the company under study	2.65
	availability of service and product information	3.11
	presence in the media	1.61
	honesty of activities	3.58
Assessment of service quality	materiality level of services	2.97
	solidity level of services	3.32
	empathy level of services	3.31
	reliability level of services	3.56
	responsiveness level of services	3.39
Specialist software	range of assortment	3.23
	degree of adaptability to customer needs	3.42
	level of software modernity	3.33
	software quality	3.40
	failure-free operation of software	3.13
	support for the implementation process	3.11
	assessment of duration of the implementation process	3.04
Service	assessment of software service	3.06
	assessment of hardware service (average for 6 categories)	3.51
	service personnel's service level	3.40
	range of service assortment	3.08
	degree of adaptability to customer needs	3.40
	modernity level of services	3.38
	quality of service	3.40
	failure-free operation of service	3.36
ZETO's employees	competence, professionalism	3.55
	personal commitment, customer care	3.55
	personal politeness	3.81
	provision of full and comprehensive information	3.57
	access to information while processing a case	3.45
	customer satisfaction level with ZETO's employees service	3.59
Financial conditions	assessment of price lists (average for 3 tested features)	3.42
	satisfaction with price negotiations	3.03
	assessment of prices offered by ZETO	1.84
Average for the vertical axis of the matrix (external image)		**3.23**

Source: the authors' own elaboration on the basis of image research on ZETO-Rzeszów.

TABLE 2. The internal image factors for ZETO-Rzeszów (range of measurement from 0 to 4)

Research area	Index	Value
Internal image	Level of identification with company values (9 indicators)	3.61
	Level of employee identification with ZETO (8 indicators)	2.78
	CSR in the company (3 indicators)	3.12
	Quality of the management model (5 indicators)	2.16
	Quality of internal communication processes (5 indicators)	2.96
	Assessment of the board's communication competence (5 indicators)	2.93
	Assessment of vertical communication: employee–manager (3 indicators)	3.45
	Assessment of horizontal communication: employee–manager (4 indicators)	3.17
	Opportunities for professional development in the company (3 indicators)	2.20
	Assessment of the working environment (4 indicators)	3.13
	Employee support level (3 indicators)	3.20
	Effectiveness of the employee evaluation system (3 indicators)	2.16
	Assessment of the motivating system (3 indicators)	1.86
Average for the horizontal axis of the matrix (internal image)		**2.83**

Source: the authors' own elaboration on the basis of image research on ZETO-Rzeszów.

Cronbach's coefficient[1] determines the possibility of combining several variables into one valid index. At the index design phase, it is necessary to maintain a high level of research awareness, especially in the sphere of question selection, since they must have comparable response lists that differ in their level of order measurement and have the same direction at least. It must also be ensured that the questions relate to the same thematic subject. The index is calculated on a scale to which values from 0 up to 4 are assigned, with the lowest values being negative and the highest positive. The value obtained can also be expressed as a percentage using standard ratios and interpretive intervals, which will better illustrate the results obtained, though remain at the interval value level required for matrix design. The entire calculation procedure is repeated until 13 individual values are obtained, and on the basis of which the arithmetic average is calculated. This will be the target position on the horizontal axis of the matrix representing the position occupied by the subject under analysis with respect to its internal image.

Based on the data contained in the above two tables, the global average values were calculated. These values are the points of two axes of the image objectives matrix, i.e. the horizontal axis: internal image dimension, with an average of 2.8 (13 indexes), and the vertical axis, with an average of 3.2 (38 indicators). This made it possible to locate ZETO-Rzeszów in one of the 16 squares of the matrix, and to make an appropriate analysis of the position to which it was assigned.

[1] The analysis was done using a statistics program. It was designed to indicate whether individual elements that make up the scale check the same phenomenon, and takes values from 0 to 1. Obtaining a score within the range of 0.7 means that the scale is reliable (its positions are consistent and investigate the same phenomenon).

ZETO-RZESZÓW'S IMAGE OBJECTIVES MATRIX FOR THE PERIOD 2006–2016

The success of research processes depends on their being methodologically correct, though the cyclical nature of their implementation is also an issue. Especially when we examine the image and the possible problems that may occur and which often translate into an image crisis, it is important to be systematic. The results of the image studies carried out in 2006–2016 for ZETO-Rzeszów are shown in the matrix described in Figure 3.

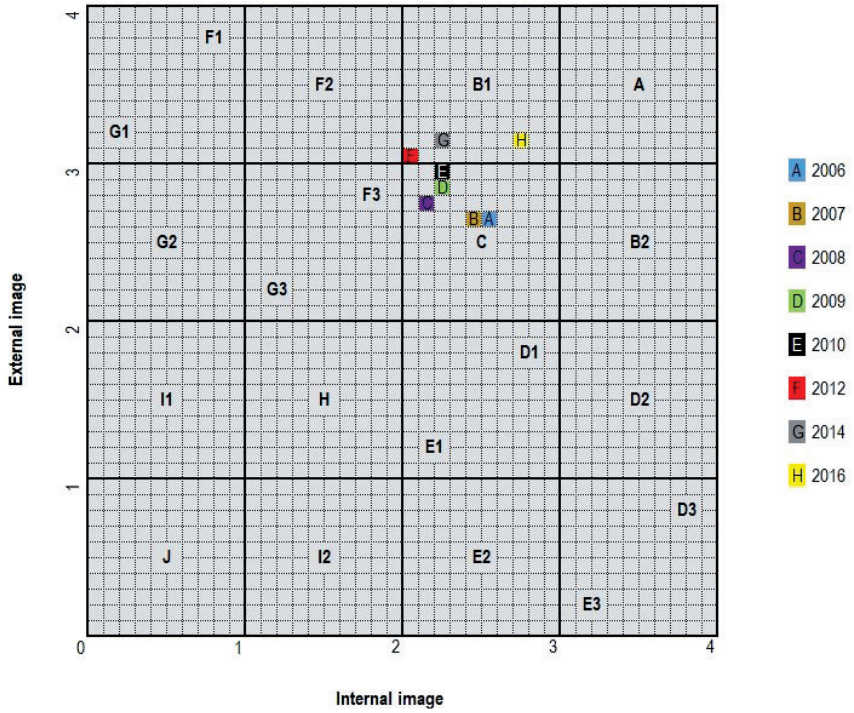

FIG. 3. Position of ZETO-Rzeszów on the image objectives matrix in 2006–2016

Source: the authors' own elaboration based on ZETO-Rzeszów's image research carried out among employees and 200 institutional clients.

Point grids have been used in the presentation of the matrix to allow for a precise observation of the range of changes and their direction (Fig. 3). The research conducted at ZETO-Rzeszów in 2016 made it possible to identify the image point with the following parameters (2.8, 3.2). The company is located on the matrix in square B1, which is called a stable situation field. ZETO has been in this field continuously since 2012. This is a very good result for both internal and external image assessment. However, it must be assumed that a strong image crisis can make ZETO's position worse and cause the image to weaken, which results in a change of the position on the matrix, such as a shift to square F2 due to deterioration of the internal image or to C, if the external image deteriorates.

The present situation calls for an in-depth analysis of these matrix components, reflected in the internal or external images which have been the least often assessed in image studies. Particular attention should be paid to areas (listed in Tables 1 and 2) where the average measured on a scale from 0 up to 4 did not exceed 2.50. This was true of our case: the company's presence in the media, evaluation of price level of the products offered, the quality of the management model, development opportunities for employees, the effectiveness of the employee evaluation system, and a reorganization of the system of motivation. The recommendations resulting from the analysis should be the starting point for decision-making processes of a remedial nature at hot spots.

The results of research done in 2014 and 2016 lead to the conclusion that ZETO has significantly strengthened its internal image (growth by 0.5), while its external image has consistently remained at a satisfactory level. Further, the company's image location has moved closer to square A, which symbolizes a very strong and crisis-free image. If ZETO maintains an internal growth trend and equal status in the external dimension at least, it will move into the image power square in the next edition.

Bearing in mind that the usefulness of image objective matrices is not focused solely on crisis prevention and the organization's present location diagnosis, a wider picture,

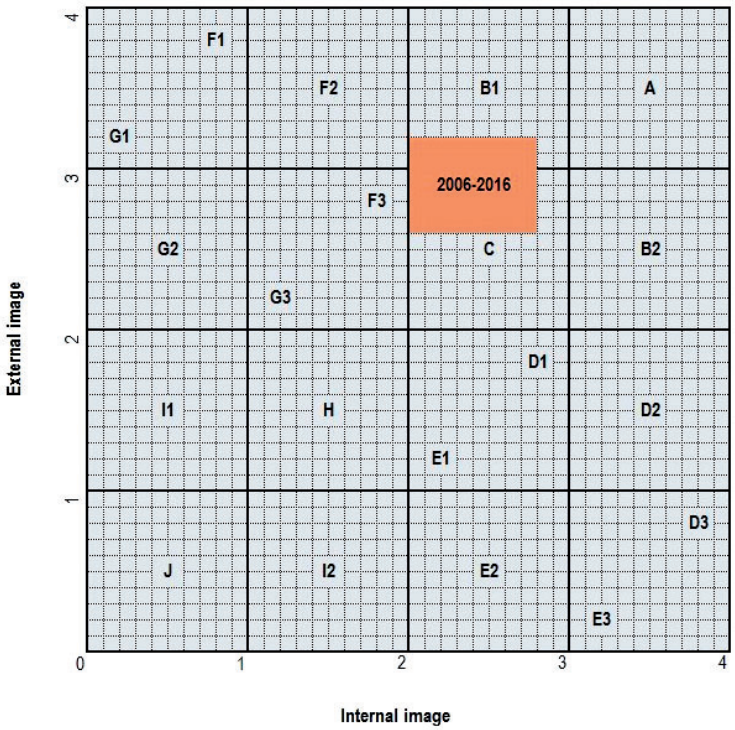

FIG. 4. The image area occupied by ZETO-Rzeszów in the years 2006–2016

Source: the authors' own elaboration based on ZETO-Rzeszów's image research carried out among employees and 200 institutional clients.

one that takes into account previous measurements, can be determined. This is possible thanks to the cyclical use of the matrix, which systematizes research carried out in the company and promotes their unification. Conducting research over an extended period of times provides the opportunity to determine trends in the changes. Over the past decade, eight editions of image studies were carried out for ZETO. During that time, the image objectives matrix was used as a baseline assessment method. The material collected this way is a valuable resource for identifying and analyzing the company's activities between 2006 and 2016, as well as for confirming the usefulness of this method for measuring the effects of communication activities. The following summarizes the image ZETO was located in during the ten-year period.

The data obtained in the research indicates a stable image position for ZETO-Rzeszów in the years 2006–2016. All changes and shifts occurred within two fields of the matrix at high density only. This is in the image centre C square (2006–2010) and the stable situation B1 square (2012–2016) – Figure 4. The distinguished image area field may show that the company has a well-developed set of public relations tools and well-chosen management and communication procedures with its immediate surroundings. Both institutional clients as well as staff members gave relatively high ratings to various image components. However, there is still a risk that a possible crisis situation may weaken the current image.

TREND ANALYSIS

The next element to be considered in the design of image activities is the analysis of the trendline of changes due to the positions of particular points in subsequent editions.

Showing two dimensions of internal and external images on a single chart in a broader perspective brings some interesting regularities to light. First and foremost, the compa-

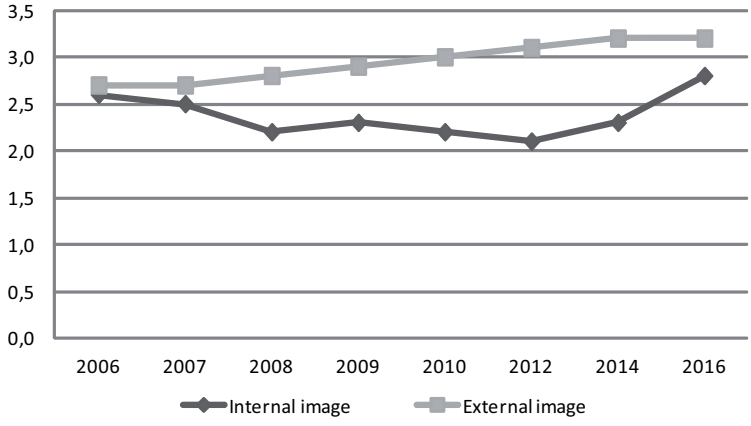

FIG. 5. Changes in ZETO-Rzeszów's image in the period 2006–2016 (measurement using the scale from 0 up to 4)

Source: the authors' own elaboration on the basis of image research on ZETO-Rzeszów.

ny's external image received higher scores than did the internal image among the assigned groups of the surroundings. This is true throughout the decade. While the above data may be positive, note that, especially when assuming the transitivity of the image, the strength of the external image on the internal image is stronger than in the opposite situation. Moreover, an increase in the value of external image points in 2006–2014 can be observed. In the ten-year period under analysis, the company's external image remained stable. The internal image, on the other hand, went through ups (2008–2010, 2012–2016) and downs (2006–2008, 2010–2012). The smallest deviation between the axes on the image objectives matrix occurred in 2006 (+0.1) in favour of the external image. The biggest difference occurred in 2012 (+1.0), when the worst results for the point that determines the internal image in the entire research history were found.

IMAGE GAP AND ITS INTERPRETATION

The last element of the analysis is based on calculating the image gap for ZETO-Rzeszów and its comparison over the years. This is a factor that determines the company's distance from an ideal situation. The gap value closes in the range of 0 to 16 (the smaller the gap, the less the difference between the state achieved and the one desired). The result obtained based on the research shows the space that divides the organization from achieving a perfect image. To calculate the image gap, the following formula is used:

$$LW = (WW \cdot WZ) - 16$$

where:
LW – image gap;
WW – value obtained from research on the internal image (2.8);
WZ – value obtained from research on the external image (3.2);
16 – number of image optimum and image maximum (at the same time).

TABLE 3. Values of the image gap over the last editions of the research (period 2006–2016

Categories	2006	2007	2008	2009	2010	2012	2014	2016
Internal image point (horizontal axis)	2.6	2.5	2.2	2.3	2.3	2.1	2.3	2.8
External image point (horizontal axis)	2.7	2.7	2.8	2.9	3.0	3.1	3.2	3.2
Image gap	–8.98	–9.25	–9.84	–9.33	–9.10	–9.49	–8.64	–7.04
Deviation between research editions	–	+0.27	+0.59	–0.51	–0.23	+0.39	–0.85	–1.60
Image gap parameter (W or Z)	W	W	W	W	W	W	W	W
Ranking that includes all research editions	III	V	VIII	VI	IV	VII	II	I

Source: the authors' own elaboration on the basis of image research on ZETO-Rzeszów

Compared to 2014, the overall image improved, as evidenced by the gap narrowing by (1.60). In addition, in the analysed research edition, the image gap was the smallest in the entire history of the research (–7.04), and the deviation itself also supports a significant change in how ZETO-Rzeszów is perceived by the internal and external environments. The company has a well-established position in the environment, which it developed over years.

ZETO still receives slightly higher ratings from outside parties than from employees. This is also shown by parameter W, which signals that the internal environment of the business is experiencing problems requiring active participation by employee teams and the board. Parameter W is perceptible in all of the years included in the analysis. Moving the value gap into five interpretive areas assigned to this factor – critical position, crisis vulnerability position, moderate position, strong position, optimal position – allows us to conclude that ZETO-Rzeszów had a strong image position in 2016.

The value of the image gap has decreased significantly since 2012, meaning ZETO-Rzeszów's image is becoming better and better. The company is approaching the ideal (4; 4) to which every organization should strive, even if it remains a theoretical reference construct and cannot necessarily be achieved. Based on aggregate results of internal and external research, a number of conclusions and decision-making recommendations can be drawn concerning the image. Inter-period comparisons show that the results of the image studies of this edition testify to the company's strong position over the entire decade. It not only reached the highest point defining the internal image on the horizontal axis of the matrix, but also maintained the highest point on the vertical axis, which tracks the external image. It was among the lowest found in the history of the research on deviations between the matrix axes (3 out of 8), showing the company's development to be uniform, the lowest image gap among all previous measurements, and a significant move towards square A, representing a strong image of a company resistant to negligible crises. Furthermore, the internal image in 2016 was significantly improved over scores for 2014, while the external image oscillated constantly at a similarly high level. Finally, for years there has been a tendency to better assess the external image from the inside, which requires, for example, corrective actions in selected elements of the decision-making process.

CONCLUSIONS

Completed in three phases (external, internal, image assessment), the research project enabled us to optimize the tools used for subsequent image studies, making it easy to see the changes closely, taking into account their direction. ZETO's management board has received extensive material that, if appropriately used, will help show the direction the company should be headed in the coming years. The opinions of institutional clients and employees will help to determine the strategy for future activities.

Looking from the perspective of the many years the research was conducted over using an image objectives matrix, it may be concluded that the matrix fulfils its task. As new methods of measuring public relations effects are sought, and as it becomes increasingly difficult to identify hazards arising from changes in the environment, the matrix is a tool that can capture the symptoms that could be triggered in critical situations. This method also favours unification of research projects and allows for inter-period comparisons, forcing executives to carry out research tasks for comparative purposes as the opportunity arises. This way, management engaged in building the company's image and identifying the areas to be changed and improved becomes much more effective. This method can also be an element of crisis support and can become the basis for a quick reaction. The matrix makes it possible to compare long-term results obtained by the company, and

make corrections to guide activities. Based on the research prepared for the matrix design, it is easy to identify a number of more or less important factors that can strengthen or weaken the perception of a company in its internal and external environments.

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Summary. This article presents the results of comprehensive research on image in the internal and external environments of an organization. During the research, the method of measuring the effect of public relations activities, i.e. the image objectives matrix, was also verified. The above tool is used to determine the image position of an economic entity, and to identify possible problems the entity must address in the range of its internal and external communications. The main conclusion is: The research project, completed in three phases (external, internal, image assessment), enabled us to optimize the dedicated tools for subsequent image studies, making it easy to see the changes closely, taking into account their direction. ZETO's management board has received extensive material that, if appropriately used, will have a direct impact on showing the direction in which the company should be headed in the coming years. The opinions of institutional clients and employees will help to determine the strategy for future activities.

Key words: public relations, measurement of effects of public relations activities, internal and external communication, quantitative research, scale reliability analysis, image gap, image objectives matrix

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INTEGRAL HUMAN DEVELOPMENT

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INTRODUCTION

"Humanity has entered a new era in which our technical prowess has brought us to a crossroads. We are the heirs of two centuries of enormous waves of change (...) more recently the digital revolution, robotics, biotechnologies and nanotechnologies (...). Technology has remedied countless evils which used to harm and limit human beings. We can feel gratitude and appreciation for this progress, especially in the fields of medicine, engineering and communications" [Pope Francis 2015].

We are not able to determine the value humanity's ideas, innovations and activities that take place every day and moment throughout the world. Nor are we able to determine the value of the evil, destruction, aggression, violence, omissions, environmental degradation and manipulation of whole societies, which we also carry out.

However, we are able to identify trends in the effective development of humankind, society, the people within an organization and the organization itself. The effects of these, understood as the tangible and intangible benefits inherent in the concept of integral development, if done in harmony with nature, may provide a higher level of organizational development for humans in organizations and communities.

This article examines the need to introduce and apply concepts concerning the overall development of organizations, societies and human development in the world and in organizations. The study identifies threats inherent in the functioning of organizations and non-integrated human activity.

INTEGRUM ET PERFECTUM

According to St. Thomas Aquinas, "*Integrum et perfectum – sunt idem realiter et differunt ratione*" – the ideas of entirety and perfection are really the same, and differ only in idea [Andrzejczuk 1998]. The word integral is inherently connected with the whole.

Integralis comes from the medieval Latin and means completeness, a certain whole, an interdependence [WWW 1]. Development means the flowering of something, a harmonious growth, a gradual evolution in order to reach a final stage. The opposite of development is atrophy, a condition of stagnation, neglect, a withering away, degradation. Development may relate to three issues [WWW 2]:

– the process of transition to a state of more complex form, or in some respects, a more perfect stage of the process;
– a method to develop events in time;
– changes in organisms over their lifetime, or over subsequent generations.

Development is an attempt to take and use the possibilities offered by human understanding of nature. It is, therefore, a human act and demands to make creative activities enriching the individual and the surrounding world. That means all activities aimed at improving human life, including economic, cultural, social, spiritual, scientific and moral development [Great Encyclopedia… 2014].

In 1987, the World Commission on the Environment and Development discussed the concept of sustainable development. The development of modern societies had to rely on meeting their needs in such a way as not to reduce the possibility of meeting the needs of future generations. To this end, measures have been taken in the field of global environmental protection, solidarity in relations between different countries, especially between rich and poor, as well as solidarity with future generations, with the treatment of economic, political, social and environmental factors as dependent on each other.

Integral development means improving humanity by getting to know oneself and what it is. It implies interaction with other elements, including nature and the cosmos. It is a listening of sorts to the "pulse" of nature and the cosmos. Integral development makes one feel a part of the whole. Openness to the whole allows us to uncover the truth and the laws of nature.

Unfortunately, for a long time people believed that the only objective of industry was to produce, and yet the objective is to create a general well-being and improve life [Harting et al. 2006].

Integral human development is development in all its dimensions, and also in the development of all people, without any exclusion or marginalization. Human development must be a comprehensive and integral, covering all the aspects of human life [Pope Paul VI 1967]. The authentic development of man and society cannot rely on the usual accumulation of wealth and the greater availability of goods and services without due consideration of the areas of the social, cultural and spiritual human being. An entire mass of resources and capacities made available to man and not guided by a morality, oriented on the true good of the human race, easily turns against us – as enslavement [Pope John Paul II 1987].

Economics, to function well, needs ethics. Economies need to recover the important contributions made by the principle of gratuitousness and the "logic of gift" in the market economy. The heart's deepest desires cannot be satisfied by material goods at all. Humanity horizon is clearly much higher and wider. Every development program must take into account the humanity's material and spiritual growth [Pope Benedict XVI 2009].

An integrated approach depends on [Pope Francis 2015]:

– a holistic view – in the case of crises, both social and environmental, including fighting poverty, restoring the dignity of the excluded and taking care of nature;

- recognizing the relevant role of science, facilitating cooperation with the economic environment with respect to academic freedom;
- recognizing ecosystems and the possibility of regenerating them;
- economic ecology – the whole is more important than its constituent parts;
- social ecology – the importance of family, community, nation and international life;
- cultural ecology – taking into account the perspective of the rights of peoples and cultures;
- the ecology of everyday life – ordering the environment so as to express and develop an integrated and contented identity;
- human ecology – relationships;
- human ecology – acceptance of the body.

The fantastic production capacity of nature and the enormous wealth of evolution is the foundation of a sustainable economy. We do not yet know the opportunities that will emerge from the combination of the creative nature of the human mind, from the synergies of the biosphere and the noosphere. Currently, biological evolution and technology are coming together in a productive synthesis and outline the framework of the Green Revolution [Füks 2016].

The Green Revolution is part of the concept of integral development. It should work with nature and biology in all aspects of life. It should invest in the development of an economy based on the forces and laws of nature, in closed circuits which do not generate waste in the digital economy, and biotechnology.

This requires an ecological culture based on new thinking, politics, educational program, lifestyle and spirituality. However, we cannot create a new relationship with nature without human renewal [Pope Francis 2015].

From a business perspective, an integral approach can increase competition. This means providing quality products in an honest way, which will improve relations and can instill a more positive attitude, fostering creativity and innovation; and increasing the value of relationships inside and outside the organization [Azmi 2006].

Whether we like it or not, we are united with nature. We do not manage nature but nature often copes despite our abuse. Protecting nature means that we pollute the environment in an acceptable way. Integration means that we use household waste to heat homes. Healthcare means that when we get sick we begin to heal and nourish differently. Integrity is to know your body and human nutrition is to consume healthy and wholesome food. A problem is the increasing intake of sugar and white flour, which contribute to many diseases. Healthcare does not deal with a focus on nutrition in harmony with the nature and the body's unique needs. Holistic health means human nutrition for the body according to its needs, while taking into account individual disorders.

ORGANIZATION AND DOUBLE PLAYS COUNTRIES

The European Union (EU) mobilizes international organizations such as International Organization for Migration (IOM) and United Nations High Commissioner on Refugees (UNHCR), which have become increasingly involved in the implementation of a "global approach" to EU migration. However, they fulfill an independent external agenda and

are a counterweight to the European Union, which may allow them to operate more effectively [Lavenex 2016].

The United Nations High Commissioner on Refugees was established by the General Assembly of the United Nations (UN) in 1951, and was initially responsible for the displacement of 1.2 million European refugees deprived of their home as a result of World War II. The United Nations High Commissioner on Refugees today protects around 22.3 million people in more than 120 countries. It was originally established as a temporary office, and its existence was planned for three years. Now, 50 years later, it is one of the most important humanitarian agencies, with headquarters in Geneva and delegations in 122 countries. More than 80% of the more than 5,000 member team works in the field, often in isolated, dangerous and difficult conditions. The United Nations High Commissioner on Refugees has been twice awarded the Nobel Peace Prize for its work [WWW 7] .

Other international organizations that impact the global situation include [WWW 4]:

- the UN, the United Nations International Children's Emergency Fund (UNICEF), the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) – humanitarian organizations that assist with cultural development but who do not seek to directly affect the economy,
- the General Agreement on Tariffs and Trade (GATT), the World Trade Organization (WTO), the European Free Trade Association (EFTA) – organizations facilitating trade,
- the International Monetary Fund (IMF), the World Bank (WB), the United Nations Industrial Development Organization (UNIDO) – organizations for industrial development, and the International Bank for Reconstruction and Development (IBRD), the work of which is limited to financial matters,
- the North Atlantic Treaty Organization (NATO) – a security organization.

The website of United Nations Information Center in Warsaw enumerate 60 ways the UN is changing the world. Why, therefore, does the impression exist that an organization with such noble ideas and structures work constantly on the basis of social gatherings rather than actual and effective action? Why do some maintain the UN does not take action, monitor or enforce compliance with the rules? Why has the UN adopted the role of observer and reporter role while failing to defend human rights?

It has been reported that in 2005 the UN had sent a total of 60 peacekeeping and observer missions to the most inflammatory points of the world. Stabilizing situations paved the way for negotiations and the furthering of peace processes. Thus, the UN has saved the lives of millions of people who otherwise would be civilian victims of war. Currently, around 16 peacekeeping operations are being conducted around the world [WWW 8].

However, the effectiveness of the UN could not be seen in Rwanda and Kosovo, where mass murder occurred. In Rwanda, 800,000 people were killed. An independent report commissioned by the UN Secretary General, Kofi Annan, highlighted the failure of the organization and its inaction. The investigators – the former Prime Minister of Sweden, former foreign minister of South Korea and a Nigerian officer – claimed that the "fundamental errors" in the peacekeeping operation in Rwanda, resulted from a weak mandate, poor funding and lack of political commitment. The report indicated that this was not addressed, despite signals of genocide [WWW 9].

Wars are driven by hatred and greed. They have an economic, geopolitical and religious basis. This is often a struggle for power. In most cases it is the powerless who are left to face the ensuing destruction. United Nations resolutions have proved unable to prevent war. The twentieth century was one of the bloodiest and the twenty-first century is not going to be any better [Peerenboom 2005].

Currently, there is no political will or local knowledge to succeed in creating a functional legal system that would be able to implement the rule of law. The ineffectiveness of UN operations forces and their fearfulness could be seen in Somalia and Kosovo [Peerenboom 2005].

United Nations action can also be seen in the example of Ukraine, where war is constant. In February 2015, in Budapest, the UN Security Council adopted a Russian version of a resolution. It has no word about the violation of the terms of a truce signed by separatists in Ukraine, nor does it call on them to cease military activities. Only concerns were expressed at the situation, while the agreements reached in Minsk were accepted and calls for peace were made to both sides of the conflict.

On 21 December 2015, the IOM reported that a total of 1,006,000 people arrived to Europe. These are data from Greece, Bulgaria, Italy, Spain, Malta and Cyprus. The vast majority arrived by sea and 34,000 people went via a route through Turkey. At least several thousand people did not survive the journey. It should be stressed that millions of refugees reside in Lebanon, Turkey and Jordan [WWW 3].

Currently, in the case of the war in Syria, the UN Security Council is accused of inaction by monitors and other organizations. The lack of progress is lamented by 21 aid organizations, including Oxfam and Save the Children [WWW 6]. Concerns have also been raised by other humanitarian institutions, which have largely become dependent on the world of finance and politics.

The Security Council unanimously adopted, on December 2015, a resolution on the road-map for the peace process in Syria. According to the document, talks on a ceasefire and the establishment of a transitional government in Syria were scheduled to start in January under the auspices of the United Nations. In these negotiations, attended by representatives of the current Syrian government and the opposition, the UN Security Council stipulated that a transitional government be created within six months. During this time, free elections were also to be held. Within 18 months a new constitution was to be developed [WWW 5]. As is already known, none of this happened.

What is the reality? In the case of Syria, the decisive voice – not only in this matter – was with Russia. Foreign Minister Sergei Lavrov added that, Syria should be a multicultural, multireligious and secular country at the negotiating table and have no room for terrorists. This voice sounds strangely familiar to the circumstances of the war in Ukraine.

Considering the different interests of different states and their impact on international organizations, we must now bear in mind that:

- the level of hypocrisy will grow;
- conflicts in the Middle East are beneficial for some countries and institutions;
- access to natural resources in conflict countries leads involvement in conflicts and their growth;

– international organizations are very good, transparent "media bodies" for showcasing noble ideas;
– ideas are not necessarily accompanied by measures to protect human rights;
– financial and political pressure will have an impact on the escalation of conflicts;
– a double game – engaged in, unfortunately, by many states results in – profit; impact, shows of force.

Thus, instead of integral development, we have atrophy, which is a silent killer.

CONCLUSIONS

Living in harmony with nature and communities can develop strong personalities. On the basis of communities and nations, the cooperation of various institutions and organizations, while respecting the Laws of Nature, is indispensable. Institutions, created on an international basis, could be a Council of Elders from different cultures and nations, one that would be the least corrupt and politically involved. Such a council would be a decision-making "body".

Aid measures, which would be granted by different institutions, would first go through (temporarily) a rotating, designated place, which would be directed at targeting assistance. This would avoid the influence of donors for the purpose of humanitarian organizations. Solidarity with the least developed countries would pave the way to determining the place to collect funds. These would be institutions involved in helping the poorest countries in Africa and Asia, while 5% of the funds would remain in an institution of support.

Understanding, coordination and implementation are likewise important. Ideas today are not as important as actual action. We need responsibility and an awareness of coexistence. International organizations should be involved more than ever in integral development, preventing stratification, violence and conflict. Those managing the organization (enterprise) should particularly focus on finding solutions in harmony with nature. Motivating and stimulating creativity and innovation should result not in a technocratic culture, but in natural rights and harmony with nature.

Integral development can ensure increases in the value of companies because it will "explode discovery" and solutions which are necessary for humanity and compatible with nature and the cosmos. We are called upon to construct a reality that makes up the whole. An single person is not able to change the whole. However, we are able and should plan to dream, to create in order to develop ourselves, our surroundings and the world. Integral development is the answer to questions concerning:
– areas for investment;
– ways to motivate employees;
– business planning;
– exploring important social, environmental and economic values;
– peoples' future;
– a sense of existence.

A bold cultural revolution is currently needed to restore values and objectives. Nature has in its structures a written message. But to be heard, it must first be seen. Everything is interconnected and humanity is not the absolute ruler. Integral development begins with

an integral ecology, including a human and social dimension. We are part of nature, we are involved in it and we permeate each other. It is, therefore, important to seek integral solutions, taking into account how natural systems interact with each other and social systems [Pope Francis 2015].

So, in the work of scientists and artists, it is important to:
- widen our horizons;
- use technology in the service of social and integral human progress;
- build awareness of the mutual coexistence of fauna and flora in human coexistence and in social and economic environments;
- search for solutions to suffering;
- lead a creative search for beauty and contemplation, and recover the depths of life;
- pose questions about purpose and meaning.

The ecology of integral work should be a place of multidimensional personal development.

Governments should instead:
- promote the diversity of production and creative entrepreneurship;
- promote economic freedom, small producers and diversification of production;
- sometimes limit the activities of large corporations;
- promote regions through local entrepreneurship;
- promote social-scientific debate.

International organizations should decentralize more to see and understand the needs of the people, to serve those most in need. An integral approach to business can promote competitiveness, while providing quality products in an honest way. This would lead to improved relationships with stakeholders and could instill a more positive attitude as well as foster creativity and innovation and increase the value of relationships inside and outside the organization [Azmi 2006].

International organizations should regain their credibility and decision making by:
- fighting against internal corruption;
- monitoring effectiveness;
- creating a normative system, ensuring inviolable limits;
- ensuring independence from the influence of politics and finance;
- decentralizing and recognizing problems integrally;
- building awareness of integral programs and media;
- consolidating integral awareness;
- monitoring situations;
- introducing sanctions as an opportunity to exert influence;
- consistently defending human rights.

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Summary. The concepts of sustainable development and corporate social responsibility are intended to humanize activity. However, are the existing concepts sufficient for them to fully realize their place in the world and its ecosystems, and to fulfill these roles? Is it necessary to seek a new concept of human organizational development, one which would strengthen the roles of creator, innovator and coordinator with total respect for the laws of nature? The author points to the contemporary threats and the need to search for new ideas and a more sensitive interaction with the environment, organizations, society and nature. This is necessary not only in meeting the goals of sustainable development, but also for development that is renewable, energy-efficient, closed loop, coordinated with nature and respecting its laws – and even using them. International organizations should not only prevent violence and preserve human rights, but also support the integrated development of individuals, communities and societies. They would thus help prevent stratification while increasing awareness and stimulating creativity. Integral development covers everything and everyone, is complete and respects the constant changes occurring in dynamic space. The concept of integral development seems now closer to modern humanity. Integrity

means the interplay and interaction between all the elements of a set (organizations, communities, businesses, workers, the environment, nature) and the common good. This is not merely an idea but an actual necessity. Integral development is human development, and its organization is compatible with nature. This means being aware of coexistence and need to improve. In the absence of one or the other of these, it would not be possible to speak of integral development.

Key words: ecology, international organizations, integral development

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