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Motivational and Limiting Factors for Female Entrepreneurship

Dana Džananović & Nataša Tandir

International Burch University, BOSNIA AND HERZEGOVINA
Faculty of Economics and Social Sciences, Sarajevo

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Abstract

In the nature of every man is to deal with entrepreneurship and entrepreneurial activities to ensure their existence. Entrepreneurship requires initiative and risk readiness. Through the history of entrepreneurship development was an activity that was more prevalent for men. Nevertheless, in recent years, women's entrepreneurship has been growing. The aim of the paper is to point to the motivating factors that influence the initiation of women's entrepreneurship. Based on the literature review, the following factors were identified: external (education, financial stability and family issues), and internal (pull and push factors). It is concluded that push theory focuses on external stimulus factors, mostly negative, and pull theory focuses on positive outcomes that motivate an individual to do something. So, pull factors are those factors that attracts people to start business.

Keywords: female entrepreneurship, factors, entrepreneurship, women.

1. Introduction

These days, women are increasingly starting their own businesses and are acting in entrepreneurial manner for many reasons. Being self-employed brings flexibility in the career life of women and it partly explains why the number of women owned businesses is increasing. According to Winn (2005), the number of women is smaller than number of men everywhere in the world concerning economic growth and business ownership. Entrepreneurship is still viewed as a men's world.

Women's entrepreneurship is rapidly developing in the modern age and attracting everyone's attention in different sectors. The concept of female entrepreneurship is increasingly appearing in the media, it is mentioned daily at universities, and often we are faced with different information about the strategies of several prominent organizations that encourage women entrepreneurship. Therefore, it can be said that there are several reasons why female entrepreneurship is becoming more and more popular. There is something that is interesting and attractive in itself, and especially refers to stories about how and why they developed their businesses.

Female entrepreneurship is necessary for the advancement of society and the development of the economy and deserves much more attention from the one it has received so far. It indicates the importance of social changes in order to achieve lasting well-being and balance.

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Correspondence: Dana Džananović (MA student), International Burch University, Faculty of Economics and Social Sciences, Sarajevo, BOSNIA AND HERZEGOVINA. E-mail: Dzanao803@gmail.com.

Contributions of female entrepreneurship in a social and economic sphere are undeniable. Women as entrepreneurs are a contribution to the economy all over the world, in addition to innovation, economic growth, job creation and renewal through diversity (Ahl, 2006; Verheul et al., 2006).

Several traditional societies accept the view that in the business sphere, men are dominated, especially in the labor force. Women often work in poor economic conditions, or are unemployed, especially in rural and remote areas. In more developed countries, position of women in society and labor force is better. Companies that have not been available to women in the past are now more accessible due to changing attitudes and greater access to capital. With progress, labor force is changing, and women are faced with different challenges than before. The aim of this paper is to evaluate the current state of female entrepreneurship and to elaborate on limiting and motivating factors for women to become entrepreneurs.

2. Entrepreneurship theory

The concept of entrepreneurship is promoted in the middle Ages and since then the meaning of this term has also been changing and developing.

The earliest understanding treats the entrepreneurial function like managerial function. According to such an understanding, Marco Polo, a Venetian merchant, adventurer and probably the world's most famous traveler could call as entrepreneur. In the early 16th century in France, entrepreneurs were persons who organized and conducted military expeditions. In the 17th century, entrepreneurs were considered persons who performed and managed major construction projects. In these projects, entrepreneurs did not bear the risk, they only managed with the resources they received from the state.

However, in the middle of the 17th century, according to Johannisson and Peterson (1984), French economists are beginning to use the term "entrepreneur" for persons operating in the economic field and introducing innovations with risk and uncertainty.

One of the earliest theories of entrepreneurship was developed in the 18th century by Richard Cantillon (1680-1734). Cantillon distinguished three social classes (Hebert & Link, 1989):

- Landowners,
- Entrepreneurs, and
- People with a salary.

Entrepreneurs can have different occupations, such as craftsmen, wholesalers, and retailers, manufacturers, etc., but it is common for everyone to bear the risk, because they pay a certain price, according to the place where they buy (groceries, materials, etc.), to sell them again in large or in little quantities at an uncertain price. In the second half of the 18th century, French physiocrat, for example, founder of the School of Physiocrat Francois Quesnay (1694-1774) called agricultural farmers an entrepreneur.

As physiocrats considered that pure yield exists only in agriculture because only in agriculture produced wealth exceeds the spent wealth, it can be concluded that physiocrats considered entrepreneurs as a key economic actor.

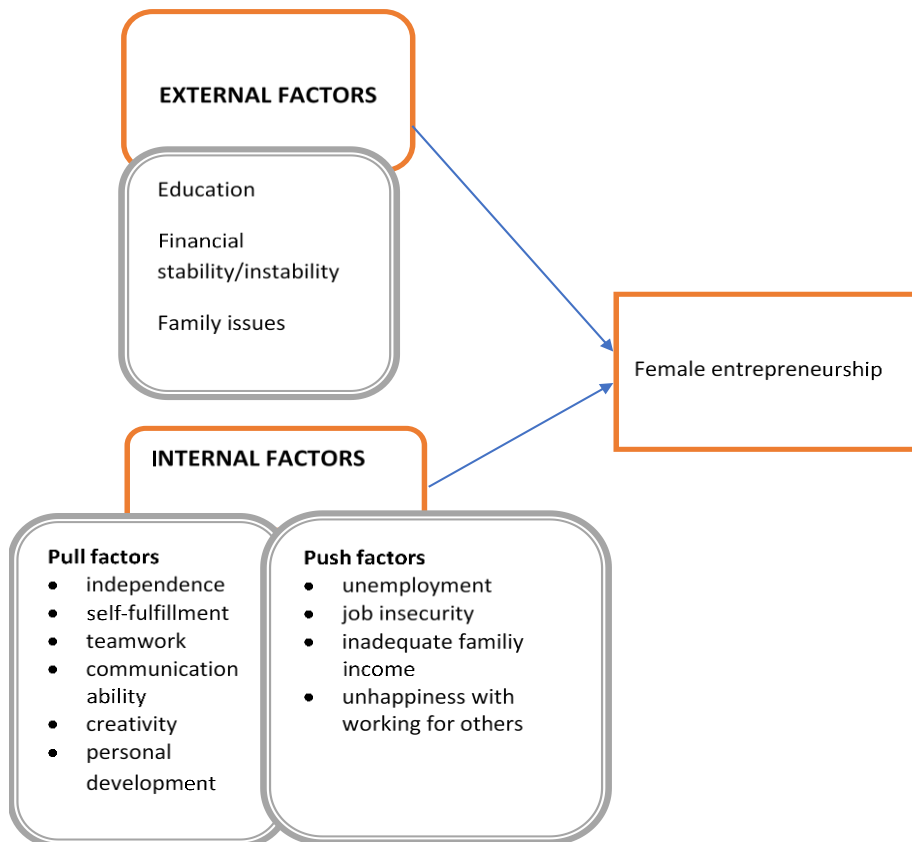
In the field of agriculture, Nicolas Baedaue (1730-1790) pointed out the risk-taking and innovation as essential characteristics of entrepreneur, while Jacques Turgot (1727-1781) spoke about entrepreneur in the field of production as a person who risks capital. In the 18th century, there is a clearer separation of entrepreneurs, as individuals who drive business ventures, from capitalists or passive investors, as a person with capital. This separation was favorable by accelerated industrialization and a large number of technical innovations.

Unlike the French authors who emphasized the importance of entrepreneurs and made the difference between entrepreneurs and capitalists, as well as between profits and interest, English people, but also other classical and neoclassical economists in their own economic learning did not give importance to entrepreneurs and entrepreneurship.

The goal theory proposed by Locke and Latham (1990) has attracted the great interest of researchers in entrepreneurship. This theory emphasizes the importance of specific and challenging goals for motivation. The necessary conditions that must be met to make goals effective in motivating motivation are: accepting the goal and engaging in its accomplishment, specifying the goal, the difficulty of achieving the goal, and feedback. Factors that primarily assist in engagement are the importance and self-determination (Locke & Latham, 1990). According to Frese (2007), the entrepreneur aims to establish a company, map the areas in which the firm should operate, plan how to achieve the goal, monitor the execution process and obtain feedback from customers and all other stakeholders. Goals pull the action and hence higher and more challenging goals have greater attractiveness and lead to higher performances. Anticipated results are visualized and produce motivation.

Motivation is a key link between intent and action. Entrepreneurial motivation is the process by which entrepreneurs decide whether to accept or not accept entrepreneurial behavior (Naffziger et al., 1994). Entrepreneurial behavior is seen as the main point of action. Entrepreneurial motivation can be linked to many factors. Based on motivation theories, factors are divided into internal (push and pull) and external (Model 1). External factors refer to incentives from the environment while internal factors relate to the needs and desires within the person.

Model 1. Internal and external factors



Model 1 illustrates driving factors towards being an entrepreneur. The model shows types of internal and external factors that drive women to become entrepreneurs. These factors are explained more in-depth below.

4. Push and pull factors

Based on motivation theories, factors are often divided into internal and external. External factors refer to incentives from the environment while internal factors relate to the needs and desires that are within the individual. Basically, external motivations are external rewards and basically internal motivations are internal needs. According to Amabile (1993), external motivation comes from the desire for the results of work, does not work by itself. Internal motivation comes from the assumed value of work and is different to each person. Motivation can be both external and internal at the same time, although this relationship will depend on whether some of the motivations are more or less dominant or different from one person to another. The intensity of any external and internal factor differs among people. According to Vroom (1964), an individual is motivated by several factors, but some factors dominate with respect to others. In an entrepreneurial context, the outcome of starting a business can be extrinsic and intrinsic. Financial and material rewards are the extrinsic results of a business and depend on the organization's performance. Intrinsic awards include when a person wants to be its own boss, to have own control over his fate, and so on.

One of the key demographic determinants in the research of entrepreneurship is gender. Researchers have been trying for decades to determine which motivational factors are important for women entrepreneurship. Since the 1980s, researchers have been trying to motivate people, especially women, for entrepreneurial ventures, and group motivational factors into push and pull. Push and pull theory of entrepreneurial motivation was formed in the eighties (Segal et al., 2005; Kirkwood, 2009). Push theory argues that individuals are encouraged to become entrepreneurs under the influence of negative external forces (job dissatisfaction, hard work finding, insufficient earnings, etc.). According to the pull theory, individuals become entrepreneurs looking for positive outcomes (independence, self-fulfillment, etc.). Push theory focuses on external stimulus factors, mostly negative, and pull theory focuses on positive outcomes that motivate an individual to do something (Segal et al., 2005; Kirkwood, 2009). According to Almobaireek and Manolova (2013: 559) push factors are explained as factors that initialize the need to act in order to eliminate “the tension caused by discomfort or pain”.

According to Gartner (1988) and Cromie (1987) pull factors are those factors that attract people to start business. Hughes (2006) found that independence and self-fulfillment are the most important reasons why women start an entrepreneurial venture. He further said that self-fulfillment and self-confidence refer to the belief that we are capable of thinking, teaching, making decisions, and to overcome the challenges and changes that we are faced with. Self-confidence in women is mostly disrupted by various stereotypes (e.g. women will not be accepted to work even though she fulfills all the conditions due to her role as a mother, and thus poses a victim stereotyping, which automatically disrupts her self-confidence).

According to Huges (2006), Gartner (1988) and Cromie (1987) we can conclude that women entrepreneurs have the need to express themselves, express their own views and talk about things that they consider to be important to experience the confirmation of their inner self; those they build self-confidence with active creativity by which they go beyond the limits, come out of imposed frames and thus come to self-expression that results in satisfaction.

Education, work on yourself and working with people greatly helps women in their own business. Women do not make a quick decision, what they decide to do they do with own and hard work, knowledge. They must be an example for people who have to follow them.

Push and pull theory have received the attention of a large number of entrepreneurship researchers. The researchers sought to establish the dominant push and pull factors, under which conditions factors of one category were more pronounced in relation to factors of the second category, a relationship with demographic and other attributes (gender, age, social status, etc.) and others significant dimensions. Generally, researchers find pull factors overtake push factors (Segal et al., 2005; Shinnar and Young, 2008; Kirkwood, 2009). However, many situational forces, individual differences and other factors can influence which factors will dominate. So, the outcome will vary depending on whether it is a favorable economic environment, a period of economic boom and prosperity in relation to unfavorable economic environment, recession and economic crisis. The poor economic situation increases the chances of overcoming the push factors, thus increasing the unemployment rate the prospects for finding a job and the expected returns from entrepreneurship can become more attractive to people than employment.

The main push factor highlighted in the literature is unemployment, lack of work, including the inability to find an adequate job due to an unfavorable situation on the labor market. The need for higher incomes that allow life beyond the poverty zone is a factor often associated with the previous one and referred to in several studies. Important factors are the dissatisfaction with the incomes in the current business, low salaries as dissatisfaction with existing business and a stressful and negative working environment (Ismail et al., 2012).

The action of push and pull factors is never clear and unilateral, since some factors may sometimes appear both as pushing and pulling.

According to Dollinger (1999) pull factors are an existing career and education that provides the appropriate knowledge. Career and knowledge offer entrepreneurship opportunities. Murphy (1992) states that existing knowledge and experience is ranked as a first-rate pull factor. However, Gangwar (2015) points out that this can also be a push factor since women's knowledge and experience can be lowly valued and underestimated in companies, and the push factor can also be an inadequate experience or lack of experience. We can conclude that experience has always been an important advantage, and it signifies the perception that has an impact on the relationship of man to the world; Murphy (1992) states that it is acquired over the years so most mistakes will most likely occur in young entrepreneurs in a relationship to the elderly; experience represents a thread of leadership in further business.

Motivation denotes the state of an organism in which all human energy is directed towards the target goal; to suppress stereotypes and to prove they can achieve their goal, some women decide on entrepreneurial ventures.

External factors such as family, education and financing affect entrepreneurs to start a business (Almobaireek & Manolova, 2013; Blanchflower & Oswald, 1990; Bowen & Hirsich, 1986; Dyer & Handler, 1994; Praag et al., 2008).

Establishing a balance between work and family responsibilities is one of the strong motivating factors that affect differently on the entrepreneurship of women and men. Access to "family rootedness" – this approach examines possible differences in the attitude of men and women towards the problem of establishing a balance between family and work, and the differences are expected in accordance with the division of gender roles in the patriarchal family. One of the hypotheses is that women are more likely to choose strategies that hinder the development of work precisely because of family responsibilities or career partners.

It can be concluded that the family is one of the most important factors that affect women to enter into entrepreneurship. Research shows that when it comes to family, there are significant statistical differences between gender, and women are more motivated than men (Kirkwood, 2009; Dawson & Henley, 2012). Insufficient family income and pressure of families are factors that are highlighted in the literature. Ineffective working hours, or the need for flexible

work time, can also be associated with the family due to female multiple roles and responsibilities in the family.

According to Sulabo and Domingo (2008), women's motivation for a pre-venture enterprise can come from the influence of other people (family members, relatives, friends, etc.). A person whose friends or family members are entrepreneurs can become motivated and encouraged to look at people who are close to her to start her own entrepreneurial venture.

The desire to acquire wealth or high income is the main motivating factor. Attention is paid to social status and prestige (Lebakeng, 2008; Verheul et al., 2009; Tomsk, 2014). Research shows that this factor is stronger expressed by male entrepreneurs in relation to women (Fielden, Davidson, 2005) and depends on national culture (Shane et al., 1991).

The individual's motivation to engage in the entrepreneurship can be highly negatively affected if influenced by financial constraints. The inheritance (money or family firm inheritance) is frequently referenced as initiator of entrepreneurial activity (Blanchflower & Oswald, 1990).

Hisrich et al. (2008) say that women better understand people around themselves not only buyers or users, but also associates and employees due to the fact that they are always ready to listen to others. They also use modern solutions much faster, such as decentralized and flexible organization, teamwork and collective decision-making and participation of employees in decision-making.

5. Conclusion

Although women are increasingly involved in entrepreneurial activities their number as entrepreneurs is still lower than number of men. Kolaković (2006) noted that social and economic factors influence the increase of women's involvement in entrepreneurial activities, so the culture of the place in which they live is of great importance. The first feature that affects the increase in the share of women in the entrepreneurial activity is a fact of different behavior among the genders in different countries.

The second feature concerns specific entrepreneurial behavior for individual countries. In addition, the strong influence on women's entrepreneurship has both the demographic and family structure, as well as the level of development of individual countries. Thus, in economically developed countries, the increase in the number of inhabitants does not affect the growth of entrepreneurial activities, as it is not the case with underdeveloped countries. Namely, in underdeveloped countries with population growth, the growth of entrepreneurial activities in both genders is also proportional, which is conditioned by the growth of entrepreneurial opportunities caused by the growth of total demand by the population. As a consequence, there is a rise in competition, as well as greater opportunities for self-employment.

We can conclude that motivational factors influence female entrepreneurship. This paper presents a brief but clear and comprehensive, very broad theoretical approach to the role and importance of motivation to human, business and entrepreneurial creativity. We point out the usual division of the theory of motivation factors into two large groups: push and pull factors. Push theory argues that individuals are encouraged to become entrepreneurs under the influence of negative external forces (job dissatisfaction, hard work finding, insufficient earnings, etc.). Pull theory says that individuals become entrepreneurs looking for positive outcomes (independence, self-fulfillment, emphasis, and proof).

So, pull factors are those factors that attract people to start business. Independence and self-fulfillment are one of them, but these factors are mostly disrupted by various stereotypes (e.g. women will not be accepted to work even though she fulfills all the conditions due to her role as a mother, and thus poses a victim stereotyping, which automatically disrupts her self-

confidence). Women do not make a quick decision, what they decide to do they do with own and hard work, knowledge. They must be an example for people who have to follow them.

We conclude that the main factor of the spike that is highlighted in the literature is unemployment, including the inability to find an adequate job due to an unfavorable situation on the labor market. On the other hand, literature suggests that the need for independence and autonomy is one of the main pull factors of entrepreneurial motivation.

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The authors declare no competing interests.

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The Effects of Quality Management Practices and Organizational Learning on Organizational Performance: A Proposed Research Framework

Nejra Šteta-Ćerimović & Ensar Mekić

*International Burch University, BOSNIA AND HERZEGOVINA
Faculty of Economics and Social Sciences, Sarajevo*

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Abstract

In a rapidly developing IT business environment, quality management practices in various forms are inevitable. Information Technology industry is experiencing the fastest growth in the Bosnian economy over the past five years. Therefore, they are constantly adapting to meet the challenges of digital transformation and to satisfy the expectations of today's customers. The best way in which an organization undertakes business activities is through quality management practices and organizational learning, which improves product quality and reduce product returns and the cost of servicing dissatisfied customers. This approach ultimately leads to an improvement in the company's performance. This study proposes a research model based on extensive literature review. This model may serve as a good basis to investigate interrelationships between TQM practices, organizational learning, and organizational performance. It may also help to determine if organizational learning fosters plays a mediating role between TQM practices and performance in IT Sector. Further validation of the model is strongly recommended to future researchers.

Keywords: quality management practices, organizational learning, organizational performance, IT industry.

1. Introduction

In recent years, many companies have realized using the traditional approach to quality will not help them achieve their full potential. In a dynamic environment, traditional organizational structures and management practices are considered inadequate. Many companies are in a constant search for strategies and processes that will help them gain competitive advantage, therefore most companies are trying to implement certain strategies, but fail due to a number of facts. In order for a company to achieve and later maintain its competitive edge in a fast-growing market, it needs to have the appropriate means by which it will be able to meet the needs of its customers and thus secure a leading position in the market. The modern approach to quality was affected by the development of high-quality Japanese items that overflowed the western world in the last century (Handžić, 2005). After the remarkable success of Japanese products in the world market, Western companies become very interested in their concepts. Therefore, as early as the 1980s, manufacturing companies focused on improving quality to achieve competitiveness and to generate greater profits. Companies started seeking alternative ways of empowering and enabling organizational learning, which can result in employees quickly

contributing to decision-making processes in the company (Love, Li, Irani & Faniran, 2000). As a result of intense global competition, the idea of total quality management (TQM) was created; TQM principles, methods, tools and techniques have been given extensive attention by international trade and global organizations (Zakuan, 2010). Programs such as TQM have become a key point of strategic management to conduct business operations (Starčević, Mijoč & Vrdoljak, 2012). Striving for quality products and business processes is the main characteristic of total quality management.

Total quality management can be defined as the process of integrating all activities, functions, and processes within an organization with the aim of achieving continuous improvement in cost, quality, function, and delivery of products and services to achieve customer satisfaction (Starčević, Mijoč & Vrdoljak, 2012). TQM represents the most general concept of quality management that takes into accounts the requirements and interests of all stakeholders of the organization (customers, employee's shareholders, suppliers, society). In recent decades, quality theorists Deming, Juran, Crosby, Feigenbaum and Ishikawa, original authors of TQM, have developed several theories, which have gained a lot of acceptance in the world (Vuković, Pavletić & Ikonić, 2007). Their considerations ensure understanding the philosophy and principles of TQM. TQM in its structure is a multi-conceptual discipline that integrates the new concept of quality and modern management (Handzić, 2005). The other concept that many authors claim important for organizational performance is organizational learning. The idea of an organization learning emerged just over two decades ago, and it is considered as one of the modern concepts for managing an organization's management issues in terms of gaining and maintaining competitive advantage. The business environment requires organizations to be innovative and unique and therefore becomes an important learning process by which organizations are coming up with new knowledge and generate valuable innovations. According to Gabelica (2018), the goal of introducing organizational learning is an adaptation to the environment, a constant increase in the organizational capacity for change, that is for learning, the development of the individual as well as collective learning, and the use of learning outcomes to operate more efficiently and effectively (Rupčić, 2002). A learning company creates competitive advantages by increasing knowledge, i.e. intellectual capital. The concept of organizational learning is intended to emphasize primarily the organization made up of people, not rules, norms and procedures because the organization learns through its members. In every organization, learning takes place simultaneously at multiple levels so that we distinguish between learning at the individual, group and finally the organization as a whole. It is extremely important to understand that learning is an ongoing process, not a one-time event that can happen overnight.

According to Zakuan (2010) adopting certain quality management practices can help companies achieve a competitive advantage in both domestic and international markets. Some of the greatest worldwide companies, such as IBM, General Motors, Motorola, Xerox, have been benefited from the effective implementation of total quality management. Their products are synonymous of quality and durability. High market shares brought them to power in the market, resulting in high product prices. It is widely known that the products of multinational companies are produced at the lowest costs, and these products are made from the latest technology. Therefore, many authors who studied the concept of TQM, advocate the idea that this strategy should become a fundamental concept of any organization, and thus the national economy, as well. This concept refers to the continuous improvement approach that involves all actors in the organization, both managers and workers and partners. This concept starts from the fact that any organization that wants to achieve sustainable success, must do everything to meet the demands of customers/users and other stakeholders, namely: owners, community, partners, and employees. Proponents of TQM claim that the introduction of such practices into the enterprise leads, due to higher product quality, to customer satisfaction. Also, due to the higher quality of the processes, these practices lead to fewer mistakes, causing greater productivity, and leads to

higher profitability due to the lower costs. They claim that managers can implement TQM in any business, whether in manufacturing, service companies, non-profits, or government organizations.

In recent years, the Bosnian economy is experiencing a slight increase, and the companies that make up the Bosnian economy are mostly small and medium-sized enterprises. The most responsible for this growth in the economy of Bosnia and Herzegovina (B&H) is the IT sector. The rapid development of the IT sector, especially the software and internet industries, is based on some specificities that are not comparable to other industries. As a result, the validity of the traditional economic processes and rules has been re-examined, both at the microeconomic and macroeconomic levels. In order to attract investment capital, IT managers, therefore, need to define a clear model for their management, and this applies in particular to effective management factors of profitability (Rupčić & Kurjaković, 2014). IT industry is among the most innovative and competitive industries in the world. This implies also to B&H, as the most growing industry in the Bosnian market from 2016 and onwards is the IT industry. The software industry is of strategic importance for the development of the B&H independently, but also as a driving industry for the development of other industries. IT companies positively contribute to the development of Bosnian exports and the economy as a whole.

Given the significant contribution of the IT sector to local economies, it is crucial to study and evaluate its performance including the discussion, investigation, and review of factors relating to the positive performance of software companies. In order to meet customer requirements and enjoy the positive performance, IT companies in B&H are working hard to adapt total quality management in their operations; which could help them to deliver high quality and low-cost services in the local and international markets. The main focus of Bosnian IT companies is the international market and therefore these companies, comparing to companies in other industries in B&H, need to provide extraordinary levels of performance. Industry leaders are successful for a reason because they clearly convey a vision through every aspect of the company. They recognized quality as a strategic advantage over the competition and developed systems where quality is a priority with a very high standard. No study has been conducted to explore the significant association between total quality management practices, organizational learning and company performances in Bosnian IT firms. Accordingly, the subject of research in this thesis is to identify and analyze the nature of the relationship between quality management practices, organization learning and organizational performance and how organizational learning moderates the relationship of quality management practices and organizational performance in IT companies. A deeper understanding of these interrelationships will contribute to the IT industry's theory and practice and also provide more insight into the impact of TQM and organizational learning on the performance of IT companies. The research will be conducted with the help of a questionnaire, which will examine selected sample companies. By answering questions, which are set in several separate segments, the respondents will contribute to establishing the existence of links between TQM, organizational learning and performance in organizations.

2. Literature review

Since this research has unified several concepts, it is necessary to understand what their main ideas are based on. Concepts such as TQM, organizational learning and organizational performance have been studied and discussed in many research papers. Summaries of these studies are presented on the following pages.

2.1 Definitions and concept evolution

2.1.1 Total quality management (TQM)

There has been a change in opinion in the last two decades that quality management does not only mean alignment with the given standards and criteria; quality also includes meeting the customer's needs and desires, and even exceeding them. Total quality management is quality management which includes orientation towards continuous improvement of the quality along with the lowest cost, education, and motivation of employees who work on ensuring quality that will meet customer expectations. Total quality management is management that requires the participation of all employees at all organizational levels. The main goal of total quality management (TQM) is improving quality beyond customer expectations and constantly striving for improvement. TQM was popularized by quality guru William Edwards Deming, who describes the organization as interconnecting systems that are designed to meet the needs of the consumer; in these systems, processes and activities are connected to each other and work with each other (Rawashdeh, 2018). His theory and teachings start from the fact that quality improvement is not a technique but an extremely well thought out philosophy whose essence is the cooperation of employees and their constant learning, in order to facilitate the adoption of business practices and theories that further enhance the business as a whole (Tomic, 2017). Deming advocates that management needs to be criticized and understand the need for change while embracing new knowledge and seeking to apply it. Therefore, Deming proposes the so-called Shewhart cycle i.e. Plan-do-check-act (PDCA) which is described in Figure 1 (Tomic, 2017).

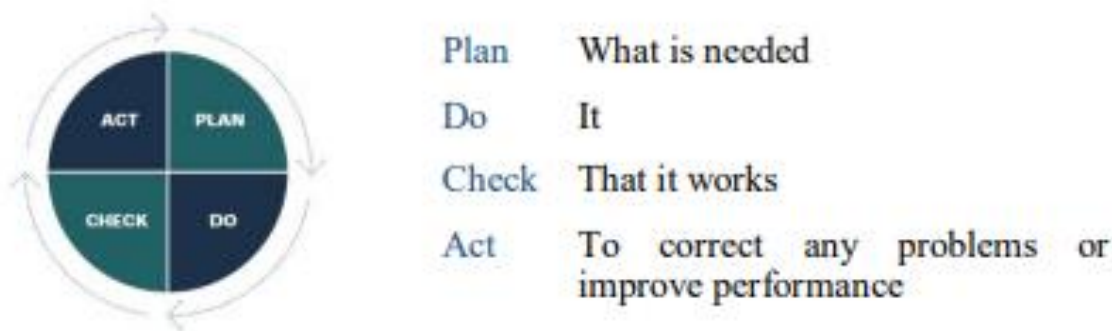


Figure 1. The Deming Plan, Do, Check, Action (PDCA) cycle

Source: Patel & Deshpande, (2017)

Plan-Do-Check-Act is a way of managing where each project or procedure is planned according to needs and outcomes. These steps are constantly repeated, but always on a new, higher level of quality in order to achieve continuous improvement. The essence of this approach is that errors, defects, and poor-quality materials are unacceptable, and that should be eliminated. After testing the efficiency and effectiveness, corrective action is taken to address the problem in the process.

Total quality management practices were firstly used by Japanese managers in the 1980s, to enhance the overall quality and performance in order to meet customer needs and expectations and enjoying long-term success (Zakuan, 2010). However, according to Zakuan, (2010), these practices have become more popular during 1990 in the US, Europe, and later followed by the developing countries. Different authors have suggested different constructs of TQM, therefore Zakuan et al. (2010), have analyzed a list of constructs proposed in a large set of articles through comparison of quality management practices across different studies and proposed set of eight constructs: quality leadership; customer focus and satisfaction; quality

information and analysis; human resource development; strategic planning management; supplier quality management; quality results; and quality assurance.

Total quality management has ten basic principles: Align with customer needs; Understand and improve the chain: subcontractor, supplier, and customer; Doing the “right” things; Doing things “right” from the first time; Measure improvements; Continually improve; Manage; Train; Improve communication (communicate effectively); and Give recognition for “moving forward” (Handžić, 2005). The primary goal of an approach based on quality management is output without any errors. In order to prevent possible errors, an active (modern) approach to quality control is implemented at all stages of the transformation process.

The process of implementation of a total quality management system is not an easy one. It is a comprehensive process that involves all processes in the company, requires the attention and dedication of every employee and most importantly, the commitment and perseverance of management in implementing such a system. Every consumer is important and everyone in the organization must have an equal attitude and improve its performance to equalize consumer expectations in terms of product and service (Bakotić, 2012).

2.1.2 Organizational learning

The modern era is characterized by the strong development of information, capital, products, services, but also by people with a tendency to erase national borders. Globalization is seen as a world without borders, and the development of the Internet and advanced communications technology allows virtual access, immediate access to information and involvement in business processes that take place in all parts of the world (Gabelica, 2018). Organizational learning today is a concept that seeks to increase intellectual capital and thus increase productivity and profit because knowledge in modern business is a major and lasting source of competitive advantage (Rupčić, 2002). Although there is not certain how long this concept will be “trendy”, it is undeniable that every company has to learn and adjust to changes in order to survive. After the period of agricultural and industrial society, modern society according to the dominant activity of people can be called information. It is the kind of society in which members of the society are fully and timely informed of all events and issues they encounter. The foundation of the information society is that information as a resource has some specific characteristics in relation to other resources; information is inexhaustible as a resource, consuming it does not destroy its content, does not diminish its value during use, and its usable value increases (Rupčić, 2002).

Business management requires a constant flow of information; in day-to-day business, employees are confronted with data and information. According to Rupčić, the company adopts new knowledge only when the discoveries and insights of individuals inculcate in organizational theory, organizational culture and normative value the system that shapes just “thinking and behavior” companies.

2.1.3 Organizational performance

The two key points of every organization’s management are organizational performance and organizational excellence. Performance measurement was originally widely used in HRM theory and practice and focused on individual performance. However, today performance measurement extends across all areas of work from the individual to the overall organizational level. Performance measurement at the organizational level has become particularly important for several reasons related to: growing competition, initiatives for all-round improvements, national and international quality awards, organizational change, state regulation and deregulation, the

power of information technology, etc. In the last many decades, both scholars and practitioners have been concerned about organizational success as the final outcome of the use of tangible and intangible assets (Al-Dhaafri, Yusoff & Al-Swidi, 2013).

Since the organizational success is seen as one of the most critical strategic management constructs, many studies have been conducted in order to understand organizational performance and its processes, antecedents, and other factors that can improve organizational success (Al-Dhaafri, Yusoff & Al-Swidi, 2013). Organizational performance can be seen and measured on the basis of the relation between different performance variables. According to Bakotić (2012) analyzing modern systems for measuring organizational performance, it is possible to observe some of their common features relating to the inclusion of financial and non-financial criteria, internal and external measurements, the criteria of effectiveness and efficiency.

Determining organizational performance is basically determining the success of a business. Different groups such as employees, customers, suppliers, shareholders, government, media, consultants, scientists have different perceptions of organizational performance. The goal of every performance measurement, especially organizational one, is to improve them.

2.2 Total quality management practices and organizational performance

The relationship between TQM and performance has been studied in many research papers using different performance measures such as quality performance, financial measures, employees' satisfaction and operational performance which gave us inconsistent findings (Jimoh, Oyewobi, Isa & Waziri, 2018). Jimoh and et al. (2018) also reflected upon the work of Sadikoglu and Olcay where they mention that the inconsistent results can be obtained to either different approaches, diverse TQM variables, or different performance measures employed in their study model; or maybe because some of the findings are country- or industry-specific. Therefore, Jimoh and et al. research was based on mixed-methods methodology. These authors showed that both TQM practices and strategies for continuous improvement were significant determinants of organization performance (production, employee, financial and customer-related performance). They argue that the application of TQM is vital for all construction organizations "survival in the hypercompetitive construction business environment". Additionally, Jimoh and et al. conclude in the article that due to the fact that the organization's management commitment and continuous improvement being positive and strongly related, managers must understand that implementation of TQM will allow companies to achieve superior organizational efficiency in a certain setting and at a certain time.

According to the study conducted by Starčević, Mijoč and Vrdoljak (2012), the total quality management (TQM) is increasingly getting implemented in today's enterprises. The authors claim that opportunities to maximize the benefits of implementation lie in systematic implementation in accordance with the fundamental principles outlined in the paper. The finding of their study shows that the companies that recorded a higher level of application of total quality management principles are financially more successful than companies that recorded a lower level of application. They discussed that the management support and employee involvement in implementation, the commitment to company to improve products and processes, achieving and maintaining customer satisfaction are just some of the factors required to successfully implement and achieve positive effects from implementation of total quality management.

On the basis of reviewed and presented literature, the hypothesis 1 of this study will be formed, as follows:

H1: Quality management practices are positively correlated with organizational performance in Bosnian IT companies.

2.3 Organization learning and organizational performance

The relationship between organization learning and organizational performance is well explained in the study conducted by Love, Li, Irani and Faniran, (2000). In order to facilitate change deliberately and proactively, these authors suggest that the TQM approach should be used as a mechanism for organizations to establish a truly integrated, even synergistic view of the knowledge, experience, and goals of all individuals within the organization. In their opinion, processes and structures must be in place to help people create new knowledge so that they would be able to continually improve themselves and the organization as well. Love, Li, Iran & Fanira have developed a model that recognizes TQM and organizational learning as key components to be adopted by organizations in order to become a learning organization and a leader in the established industry. Love et al. conclude in the article if construction organizations want to become resilient and environmentally sensitive, then they need to reconsider their performance strategies so that learning can become an institutional standard. In addition, this may allow organizations to review their approaches to organizational sustainability, design of strategies and organizational change.

The finding of a positive and significant relationship between TQM practices and organizational performance, which also replicates the previous studies, is discussed in the study of Mahmood, Qadeer & Ahmad, (2015). According to their article, the explanatory variable in the above results is TQM practices. Mahmood, Qadeer and Ahmad have concluded that because of its focus on productivity and quality, the relationship between organizational learning ability and performance is a relatively recent phenomenon and has great importance in the manufacturing sector. As predicted, the finding is that learning capacity improves employees' ability to solve problems and encourages active decision-making in a business which eventually accumulates into organizational efficiency.

On the basis of reviewed and presented literature, hypothesis 2 of this study will be formed, as follows:

H2: Organizational learning is positively correlated with organizational performance in Bosnian IT companies.

2.4 Organization learning as a mediator between TQM and organizational performance

Sisnuhadi and Jamal (2013) have studied the relationships between quality management (QM) practices (infrastructure practices and core practices), organizational learning, and organizational performance in Indonesia's and Malaysia's ISO 9000 registered manufacturing companies. They have found that the higher levels of infrastructure practices lead to higher levels of core practices and organizational learning and that organizational learning has a positive influence on organizational performance. Though the study has not shown that the core practices mediate the relationship between infrastructure practices and organizational learning, findings suggested that organizational learning mediates the relationship between infrastructure practices and organizational performance. Sisnuhadi and Jamal (2013) have concluded in their study that in order to maximize the learning process, it is necessary to implement on all aspects of quality management including both, the "soft" or behavioral aspects and the "hard" aspects of QM practices. The results of this study indicate that organizations should encourage organizational learning in order to boost their competitive advantage.

On the basis of reviewed and presented literature, hypothesis 3 of this study will be formed, as follows:

H3: Quality management practices are positively correlated with organizational learning in Bosnian IT companies.

Among the main objectives of the study done by Mahmud and Hilmi (2014) was also a positive impact of organizational learning capability in enhancing the success of TQM practices and having a positive impact on organizational performance. The writers take examples of the study conducted by Martinez-Costa and Jimenez-Jimenez (2009), where they found that organization learning measured by knowledge acquisition, information distribution, information interpretation, and organizational memory mediated the relationship between TQM and organizational performance.

Researchers Mahmood, Qadeer and Ahmad have also studied the impact of Organizational Learning Capability as a Mediator in understanding the relationship between TQM and organization performance. They found that organizational learning capability fully mediates the relationship between TQM practices and organizational performance. However, Mahmood, Qadeer and Ahmad suggested that other mediating mechanisms should not be out of the question in linking TQM with performance. They have come to the conclusion that organizations should form the strategies for implementation of learning capability along with TQM practices in order to enhance their performance and the top management can achieve outstanding efficiency by using their learning skill tools in tandem with TQM activities (Mahmood, Qadeer & Ahmad, 2015).

On the basis of reviewed and presented literature, hypothesis 4 of this study will be formed, as follows:

H4: Organizational learning mediates the positive association of quality management practices and organizational performance.

3. Hypotheses and research model

Many studies indicate a connection between total quality management, organizational learning and the organizational output in each of its forms. It was suggested that adopting the TQM procedures together with organizational learning would enhance business efficiency. This study has two main goals: (1) to determine the interrelationships between quality management practices, organizational learning, and organizational performance, and (2) to determine if organizational learning fosters organizational performance and plays a mediating role between quality management practices and organizational performance in IT Sector of B&H. The following hypothesis will be used and tested to explain the relationship of each TQM activity regarding organizational success in the IT industry of B&H. After reviewing the literature, we will examine four previously listed hypotheses through this study:

H1: Quality management practices are positively correlated with organizational performance in Bosnian IT companies.

H2: Organizational learning is positively correlated with organizational performance in Bosnian IT companies.

H3: Quality management practices are positively correlated with organizational learning in Bosnian IT companies.

H4: Organizational learning mediates the positive association of quality management practices and organizational performance.

We have presented our research model based on the literature review in the figure below.

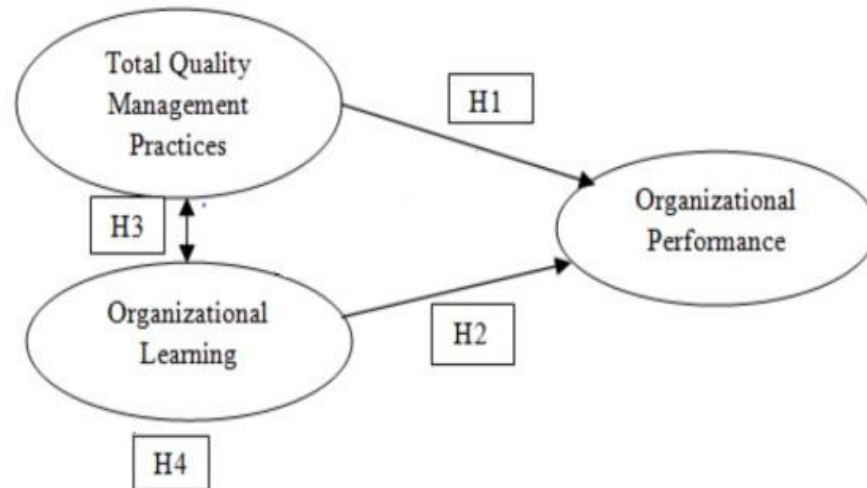


Figure 2. Proposed research model

4. Methodology

In this study, a qualitative research method will be applied using data retrieved from the survey questionnaire. We will target IT companies located in the Federation of Bosnia and Herzegovina; there are 55 IT firms that are a member of Bit Alliance in B&H. We will use a random sampling method to increase the precision in TQM, OL and OP research and reduce the sample variation and error.

A self-administered survey questionnaire compiled of previously validated scales will be used for the collection of data from the research sample. These survey questionnaires will be conducted via an online platform. Furthermore, we will use statistical methods for social science to analyze the characteristics of total quality management practices and learning in organizations and the relationship between them, which will be shown by tables and charts. The statistical program SPSS (Statistical Package for the Social Science) will be used in the data processing.

5. Conclusion

Over the past few years, the role of TQM and organizational learning has been well established and acknowledged as a key factor for organizational performance. Previous research reported that total quality management and organizational learning had a positive and important impact on the success of organizations. This study primarily focused on the implementation of TQM and organizational learning in IT companies in B&H and its impact on organizational performance. While previous studies were conducted to identify successful implementation of TQM practices in combination with Organizational Learning, it was found that no studies had attempted to investigate the relationship between TQM practices, organizational learning and organizational performance of IT companies in Balkan countries. It's expected that the most significant implication of this study would be that IT companies should pay more attention to total quality management practices, as these can support both knowledge management practices and organizational performance. The key restriction of this research is that the study asked for assumed data on current TQM activities and performance metrics, but the respondents might give the desirable data that will make their organizations sound better than actually it is. This study will serve as a basis for further research on the topic of the effects of quality management practices

and organizational learning on organizational performance in IT companies in B&H. Additionally, it will include suggestions for improving organizational performance using TQM and organizational learning. Future research may investigate those TQM practices, organizational learning and performance measures in other Bosnian industries.

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The authors declare no competing interests.

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Economic Analysis of Child Labor Based Households

Mochammad Fahlevi

*Bina Nusantara University, Jakarta, INDONESIA
Management Department, BINUS Online Learning*

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Abstract

The purpose of this study was to analyze the influence of father characteristics, mother characteristics, household characteristics, child labor characteristics, and community, on work time of child labor in Bengkulu City. This research uses primary data. Sampling was done by incidental method. Data are collected through interviews and questionnaires. The analytical method uses PLS-PM (Partial Least Square-Path Modeling). The results showed that the variables of father characteristics, mother characteristics, household characteristics and community had a negative and significant effect on the working hours of child labor. While the variable child labor characteristics had a positive and significant influence on working hours of child labor. If the father characteristics, the mother characteristics, the household characteristics, and the community are getting better, then the working hours for child labor will be reduced. While, if the child labor characteristics are getting better (the more it fits the criteria, namely male sex, the lower the education, and not going to school), then the work time of child labor will increase. The indicators on the father characteristic variables that most determine are father's income and father's education. Indicators on the mother characteristics that most determine are mother's income, mother's education and mother's occupational status. The most determine indicators of household characteristics are household assets, number of family members, number of children, number of working family members, and parents' income. Indicators on the most determine characteristics of child labor are the gender of child labor, the education of child labor and the status of child labor. The most determine indicators in the community are market availability and school availability.

Keywords: child labor, household, working hours, Indonesia, Bengkulu.

1. Introduction

In preparing qualified and competitive human resources, Indonesia and various other developing countries are faced with the phenomenon of underage or child labor, which is a national problem that needs to be resolved immediately and sustainably. The ILO reported that at least 152 million children were classified as child labor in the world in 2016, a figure which is still quite large although it has been reduced from 2012 (168 million children). Of these, nearly half (73 million children) do hazardous work. Meanwhile Asia Pacific still has the largest number of nearly 62 million children or 7.4% of the child population in the Asia Pacific. This also means that around 41% of the world's child labor population is in the Asia Pacific including Indonesia (ILO, 2017).

The existence of child labor will have an impact on the economic situation of a

country, although at the micro level child labor has a positive effect which is to contribute to increasing income and family survival, especially poor families (Basu & Van, 1998), but at the macro level the existence of child labor will provide negative effects on the labor market namely reducing wage rates and employment opportunities for adult labor. In the long-term child laborers who do not have good skills and knowledge because most of their time is used for work will affect long-term economic growth (Amao et al., 2010).

Children and adolescents are a major factor in investment in human resources. Becker (1965) provides a thought that assumes that humans are a form of capital or capital goods such as other capital goods, namely land, machinery, buildings, etc., which produce a return. Every expenditure made in order to develop the quality and quantity of capital is an investment activity. In this concept, humans are also assumed to be productive resources.

Investment in human capital aims to obtain a better level of productivity in the future. The most important investment in human capital is education. Educating children and adolescents means the country prepares quality human resources as an important component of economic growth (Hanushek & Kimko, 2000). Therefore, the state must ensure that every child has the best chance to grow up healthy, get access to proper education so that he can be a productive citizen in the future.

The survey results showed that there were 58.8 million children aged 5-17 years, some 4.05 million or 6.9 percent of them included in the category of working children. What is quite alarming is that of the total number of working children, 1.76 million or 43.3 percent are child laborers, meaning that children who do work that has the nature and intensity can disrupt and endanger the health and safety of children and optimally grow and develop children, both physical, mental, social, and intellectual. Meanwhile 20.7% of child laborers (364,320 people) do the worst forms of work such as prostitution, drug trafficking, mining, deep sea fisheries, and household sector work. Furthermore, About 50 percent of child laborers (880,000 people) work at least 21 hours per week and 25 percent of child workers (440,000 people) work at least 12 hours per week. On average children who work 25.7 hours per week, while those who are classified as child laborers work 35.1 hours per week (BPS, 2010).

Based on literature search results, research in several regions / countries related to the causes of child labor, some are partial, some are more comprehensive. Comprehensive research tends to include many variables such as examining the causes of child labor in terms of parents, as well as examining the influence of other factors such as children's preferences, environment, culture and other external factors. However, analysis tools that are carried out generally are regression (as in Siddhanta et al., 2003; Choudhury, 2006; Sahu, 2013), logistic regression (as in Amin et al., 2004; Fitdiarini & Sugiharti, 2008; Mudzongo & Whitsel, 2013; Webbink, 2013; Ariyanti, 2016), probit, logit, and sequential probit (as in Dayioglu's research, 2006; Ukoha & Emea, 2007; Tharmpornphilas, 2008; Ota & Moffatt, 2007; Kambhupati, 2009; Omomona et al., 2010; Murad & Kalam, 2013; Subanti et al., 2016).

This study also examines more comprehensively the factors that cause child labor but uses a more relevant data analysis tool that uses PLS-PM (Partial Least Square-Path Modeling). Causative factors (which are also called variables) are analyzed as variables that have been declared significant in previous studies. This is used as a basis for determining variables, because based on literature studies, theories have not been found about the factors (variables) that cause child labor with certainty, so the determination of variables including indicators is based on empirical findings.

The lack of supporting theories about the factors causing child labor, is the right thing in using the PLS-PM analysis tool. Because this analysis tool is more suitable to be used for predictive analysis namely to develop theories (Hair et al., 2014) although it can also be used to confirm / test theories (Hair et al., 2014).

2. Literature review

Children are regarded as something very valuable both as themselves and as human resources that will determine the future of a country. Preparing them with education and skills means that the state prepares quality human resources as an investment as well as an important component of a country's economic growth (Hanushek & Kimko, 2000). Therefore, the state, society, parents and the environment must protect and guarantee that every child has the best opportunity to grow up healthy and get access to proper education so they can become productive citizens in the future.

Each individual will maximize his satisfaction through consumption and leisure with income and time constraints (Becker, 1965). Consequently, individuals will allocate their free time by working for income (wages). Individuals have the freedom to make decisions regarding the allocation of their free time. Because an individual is in a household, and the household is the smallest unit in decision making (Becker, 1965), then in making decisions related to working hours, the individual will be influenced by the situation and condition of his household.

In the unitary household model (Becker, 1981), households act as a unit, the members agree in determining the allocation of resources and expenditures, including decisions in the allocation of working hours for household members. Children are also household members involved in the agreement. In the theory of labor supply, if a unitary person or household has achieved satisfaction with a certain level of income, then they will reduce working hours and increase their leisure time, including reducing their working children.

Household members including their children are human, humans are considered as productive resources or capital or capital goods (Human Capital Theory), and thus the household makes the decision to offer family members including their children as labor to get wages or income (Theory) Labor Offer. The supply of child labor is carried out especially if family income from non-children is very low or the family is a poor family (Basu & Van, 1999). Households make decisions in allocating time for each household member including children (Time Allocation Theory) by making a tradeoff between work and non-work.

It has been mentioned earlier that this household decision aims to maximize utility, where utility is a function of the number of children, number of children going to school, child time, parent time and consumption of goods (Brown et al., 2003).

It has been explained before that the household is the smallest unit where children live and develop in that environment and interact directly in it. Households that are one unit, contain elements: the child himself, parents, family members and the community. A child's activity is greatly influenced by these elements, as well as in economic activities, the decision of a child to work is largely determined by all these elements.

Variables that affect child labor (outflow of child labor time) in terms of supply of child labor at (micro level), based on literature studies can be classified into five (5) variables, namely child characteristics variables, father characteristics variables, mother characteristics variables, variables household characteristics and community variables.

Figure 1. Research framework

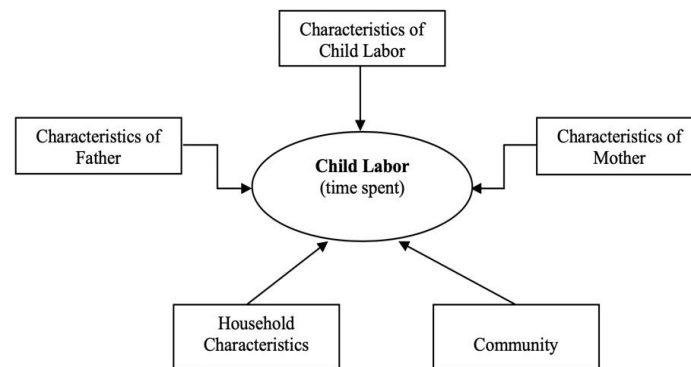


Figure 1. These variables are latent variables, they are variables that cannot be measured directly but must be measured based on the indicators. Each element can be described in the analysis framework in the Figure 1.

3. Methods

Creswell (2009) mentions that there are three types of research designs namely quantitative design, qualitative design and mixed design. In accordance with the problems that will be examined in this study, the research design that will be used is quantitative design, which follows the Postpositivist paradigm with the traits mentioned by Creswell namely determinism and reductionism by narrowing and focusing on selected variables, measuring variables, and verifying the theory. Hence, in this study, the approach used is a deductive approach, which is an approach that starts from a theory/concept related to the problem, followed by data collection and analysis process. The selection of indicators of each variable that influences the outpouring of child labor time is based on the theory and empirical evidence that has been stated previously.

In studies that use quantitative designs, data collection techniques that are prevalent / in accordance with the design, according to Creswell (2009) are through surveys by distributing questionnaires and conducting in-depth interviews with respondents. Accordingly, based on the opinion of Creswell, the use of primary data through direct surveys in the field is relevant for use in this study.

The analytical method used to identify child laborers and analyze variables that influence the flow of working time for child laborers in Bengkulu City is descriptive analysis and Partial Least Square-Path Modeling (PLS-PM) analysis, which is a nonparametric statistical analysis approach that has high flexibility in analyzing complex problems consisting of many variables and many indicators and can accommodate abnormal data (Hair et al., 2014). Furthermore Hair et al. also mentioned that the PLS-PM analysis is a flexible analysis method of large-dimensional data and is able to analyze patterns of relationships between variables including latent variables (variables that cannot be measured directly). The PLS-PM method is a SEM (Structural Equation Modeling) method. There are two kinds of SEM methods, namely covariant-based SEM (CBSEM) and variance-based SEM (PLS-PM).

The choice of this method is because the characteristics of this study are identical to the PLS-PM specifications that have been mentioned. Besides this PLS-PM analysis tool has never been done by researchers before in analyzing the determinants of child labor. The use of PLS-PM in analyzing determinants of child labor should be a methodological contribution in the realm of science specifically related to research on child labor.

Furthermore, the illustration of reflective or formative determination in PLS-PM can be described as follows, for example the latent variable “stress”, due to stress is headache, insomnia, increased blood pressure and others (reflective measurement). While the causes of stress are lack of money, many problems, education has not been completed and others (formative measurement).

4. Result and discussion

This research was conducted by taking a sample of 100 (one hundred) child laborers. Determination of the sample is done by accidental sampling. In general, respondents were first met, doing their work activities, for example selling on the highway, carrying groceries at the market, collecting used goods in landfills, pulling toil on the coast, printing bricks at the brick business, serving buyers / working at home-based businesses such as sweets shops, satay shops, cake shops, cake making businesses, salted fish making businesses and others.

The existence of child labor is veiled, especially child laborers who work in home-based businesses, they work sometimes without pay and know no time. There was even a respondent who was still 11 years old, when found to say, every three o'clock in the morning he had to get up and help parents produce cakes. When confirmed with his parents, his parents said they had no choice, hiring other people they could not afford to pay his salary.

Table 1. Descriptive statistics respondents

Category	Total (People)	Percentage
Children Occupation		
Work in a Household Business	19	19 %
Trade	49	49 %
Services	15	15 %
Others	17	17 %
<i>Total</i>	100	100 %
Father Occupation		
Home business	26	26 %
Trader	29	29 %
Fisherman	33	33 %
Others	12	12 %
<i>Total</i>	100	100 %
Gender		
Boy	80	80 %
Girl	20	20 %
<i>Total</i>	100	100 %
Age		
≤ 12	64	64 %
13-14	25	25 %
15-17	11	11 %
<i>Total</i>	100	100 %

Source: The results of primary data processing with SmartPLS.

R Square test results used to determine the significance of the ability of exogenous variables in explaining endogenous variables.

Table 2. Coefficient of determination (R²)

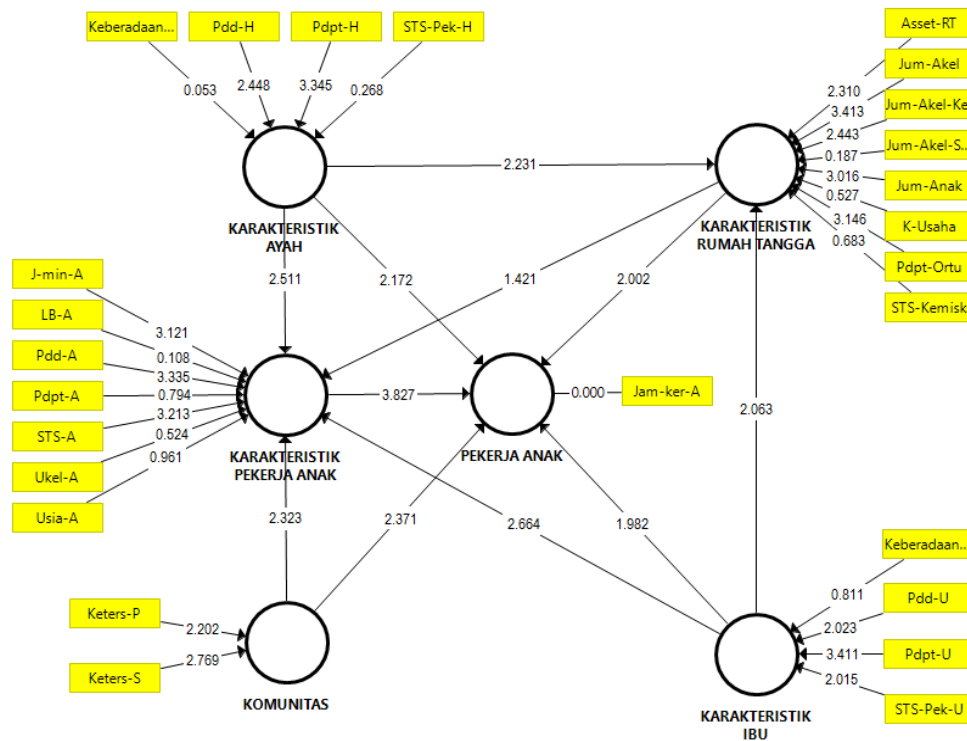
Endogenous Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Characteristics of Child Labor	0,673	0,433	0,106	6,335	0,000 *
Household Characteristics	0,714	0,710	0,066	10,891	0,000 *
Child Labor	0,671	0,592	0,089	7,555	0,000 *

Source: The results of primary data processing with SmartPLS.

The test results show that all P values < 0.05. This means that the ability of the father's variable characteristics, household characteristics, mother's characteristics, and community in explaining the characteristics of child labor is 67.3% is significant, the ability of the father's variable characteristics and mother's characteristics in explaining household characteristics is 71.4% is significant. The variable ability of father characteristics, household characteristics, mother characteristics, child labor characteristics, and community in explaining child labor is 67.1%, also significant.

According to Hair et al. (2011), there are three criteria based on the prediction model R², namely a strong prediction model if R² is more than 75%, a moderate prediction model if the R² value is not less than 50%, and it is said that the prediction model is weak if the R² value is below 25%. The prediction model in the study, which is a determinant of the outflow of working time for child laborers in the city of Bengkulu, is moderate, namely 67.1% and significant.

Figure 2. PLS-PM diagram and results of PLS-PM tests of child labor working hours



Source: The results of primary data processing with SmartPLS.

The PLS-PM measurement results (Figure 2) and the PLS-PM test results (Figure 2) to analyze the variables that affect the workload of workers, all of them meet the outer model and

inner model criteria, so these results can be used to determine the structural model in predict variables that affect the flow of work time of workers while answering research problems. The structural model consists of the outer model (the relationship between indicators and their latent variables) and the inner model (the influence between the latent variables determining the time flow of child labor). Insignificant indicators are no longer included in the outer model and adjustments are made to the names of the indicators.

The results of the outer model and inner model testing to determine the variables that affect the outpouring of child labor time are depicted as a whole in Figure 2.

Outer Models

1. $KA = 0,693 X_1 + 0,950 X_2$
2. $KI = 0,550 X_3 + 0,804 X_4 + 0,776 X_5$
3. $KRT = 0,578 X_6 - 0,679 X_7 - 0,626 X_8 + 0,787 X_9 - 0,535 X_{10}$
4. $KPA = 0,639 X_{11} - 0,802 X_{12} - 0,701 X_{13}$
5. $K = 0,668 X_{14} - 0,619 X_{15}$

Inner Models

1. $KRT = 0,739 KA^* + 0,677 KI^*$
2. $KPA = (-0,187) KRT + 0,648 KA^* + 0,571 KI^* + 0,643 K^*$
3. $PA = (-0,530) KRT^* + 0,510 KPA^* + (-0,417) KA^* + (-0,757) KI^* + (-0,793) K^*$

Based on the results of testing the inner model in the PLS-PM analysis, the answers obtained from the formulation of the problem are, the characteristics of fathers have a negative and significant effect on the outpouring of child labor in Bengkulu City. Mother's characteristics have a negative and significant effect on the outpouring of child labor time in Bengkulu City. Household characteristics have a negative and significant effect on outpouring of child laborers' working time in the city of Bengkulu. The characteristics of child labor have a positive and significant effect on the outpouring of child labor in Bengkulu City. The community has a negative and significant effect on the outpouring of child labor in Bengkulu City.

Has previously been mentioned about the concept put forward by Webbink et al. (2013) which states there are three (3) things that are the basis for the emergence of child labor, namely resources, structure and culture. The most important resources are income / wealth, work status and parental education. Household structure is how the composition of household members varies, for example the age structure of household members, birth order, the presence of parents, and the composition of household members who work. While culture is the norms adopted, for example, boys must be more responsible for the household economy or girls do not need to go to school and others. The empirical evidence described previously shows that there are no studies that use the composition of household members who work as variables or indicators in analyzing child labor. For this reason, the composition of working household members constitutes a theoretical gap in this study. The composition of household members who are then proxied by the number of working family members (used as an indicator of the latent variable of household characteristics) in analyzing the outpouring of child labor time.

The findings show that the indicator of the number of working family members gives a significant correlation between the latent variables of household characteristics. The severity of the relationship is negative. This gives the meaning that the more the number of family members who work, the more it will increase the outpouring of child labor. There is a tendency that children will follow what the adults around them do. For example, some interviews with child laborers in the coastal areas, that at first they worked only because they joined in, but over time it became a habit because they got money from work.

In the literature study related to child labor, there has not been found a journal / research that uses the PLS-PM analysis tool in examining the factors that cause child labor, so this study tries to use PLS-PM as a tool to analyze the causes or factors that influence the emergence of child labor, which household based. The use of PLS-PM analysis tools is a methodological gap as well as methodological contributions in coloring the results of previous studies. The results of the analysis by PLS-PM, give different meanings and meanings from the results of previous studies as described in the discussion.

In the literature study, most of the analyzes of child labor are carried out in broader areas such as countries such as Vietnam, Thailand, Indonesia, the Philippines, Latin America and others. As is known that a country usually consists of areas that often have customs and cultures that are different from one another. Hence, the possible causes of child labor are also different. Accordingly, this research takes a narrower scope of research, which is conducted in the city of Bengkulu (in addition to considerations of poverty data and data on the number of child workers previously mentioned). Research by taking a narrower scope of research area in Bengkulu City is one of the elements of originality of this research. Some findings give different results, for example some indicators in previous studies give significant results, but in this study, have not shown significant results as has been explained in the results and discussion. It is hoped that the findings in this study can provide academic and practical benefits in the scientific realm.

To reduce child labor effectively, various policies are needed. Policies made must be based on a thorough understanding of the causes, their roles and implications. Based on the results of the study, the main factor in the emergence of child labor from the supply side is sourced from the family and related to economic problems. Thus, to reduce the negative impacts of child labor, solutions to problems faced by families and children, especially those of an economic nature. For example, parents must be given motivation, encouragement and advice so they can start income-generating activities. The existence of credit facilities that are truly for underprivileged families must be regulated effectively and transparently, with a system of return that is as light as possible. Care and guidance are needed for them to be effective in using these facilities, so that parents can make a better income contribution for their children. Thus, parents can meet their basic needs, so that their children do not need to allocate time to work and generate income.

Although so far, the government has made efforts to provide direct assistance to the community, but it can still be said to be less effective, because giving in the form of assistance tends not to motivate to develop more towards independence. The level of education of parents has an influence on their children's time allocation decisions. Providing training to adults both formally and informally can be a potential way to mitigate child labor. In addition, there must be efforts to eradicate the erroneous assumption in the community, that boys must be more responsible for the family economy, so that many boys must work to help their parents and neglect their school. Though all children should be treated the same, that is, they must prepare themselves to become educated human beings and have skills for their future.

The compulsory education program for every Indonesian citizen is a form of government efforts to provide knowledge and education to children. By going to school, it is hoped that children will spend their time on learning thereby reducing the chances of a child becoming child labor. However, for various reasons there are still children who do not heed this compulsory education, sometimes even some of the children do not complete the required school or may not want to go to school at all. So, the role of the government in asserting children to be obliged to go to school and raising parents' awareness about the problem of sending children to school needs to be increased. Giving skills courses to children who have dropped out of school or to children who have difficulty studying in formal schools is a potential choice to make. Parental supervision of children's activities must be increased so that children do not go along with work, because if children are accustomed to getting money / wages from work, then they tend to always work and even neglect education in order to get money / wages.

Eradicating child labor must be carried out comprehensively, many factors are related to this. Parents, families and the environment and the government, are important elements to interact with one another and work together to “fight” child labor. The better the situation of parents (mother and father), the better the family and the environment (community) and the existence of government regulations and policies in the economic and non-economic sectors, which support efforts to alleviate child labor, it is expected to further reduce child labor in Indonesia, including in the city of Bengkulu.

5. Conclusion

Based on the results of research on Analysis of Household-Based Child Labor in the City of Bengkulu, several conclusions are obtained, namely that the characteristics of fathers have a significant negative effect on the outpouring of child labor time in the city of Bengkulu. If the characteristics of fathers get better, the time spent working for child labor will decrease. Indicators that have a significant correlation with father’s characteristic variables are father’s income and father’s education.

Mother’s characteristics have a significant negative effect on the outpouring of child labor time in the city of Bengkulu. If the characteristics of mothers are getting better, then the time spent working for child labor will decrease. Indicators that have a significant correlation with mother’s characteristics are mother’s income, mother’s education and mother’s employment status. Household characteristics have a significant negative effect on the outpouring of child labor in Bengkulu City. If the characteristics of the household get better, then the working hours of child labor will decrease.

Indicators that have a significant correlation with household characteristics are household assets, number of family members, number of children, number of working family members and parental income. The characteristics of child labor have a significant positive effect on the outpouring of child labor in Bengkulu City. If the characteristics of child laborers are getting better (the more in line with the criteria, namely male sex, the lower the education, and not attending school), then the outpouring of child labor will increase. Indicators that have a significant correlation with the characteristics of child labor are the gender of child labor, the education of child labor and the status of child labor.

The community has a significant negative effect on the outpouring of child labor in Bengkulu City. If the community is getting better, then the working hours of child labor will decrease. Indicators of the most significant relationship with the community are market availability and availability of schools.

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ERP Adoption Using Technology Acceptance Model: Case of Bosnia and Herzegovina

Ensar Mekić & Belmin Hadžimusić

*International Burch University, BOSNIA AND HERZEGOVINA
Faculty of Economics and Social Sciences, Sarajevo*

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Abstract

Even though the Enterprise Resource Planning (ERP) technologies have been significantly addressed in managerial literature, few studies investigated the topic in context of Bosnia and Herzegovina (B&H). This study explores the ERP technologies adoption using a Technology Acceptance Model (TAM). Accordingly, effects of Perceived Ease of Use and Perceived Usefulness on Behavioral Intention and Actual Use of ERP technologies in B&H will be investigated. Valid and reliable structured survey has been prepared and delivered to companies in B&H which are using ERP technologies. Based on the recent literature, first order structural equation model has been proposed and tested. In total, 82 questionnaire responses have been collected from companies in B&H which are using ERP technologies. Factory data analysis has been performed to purify scales through items' loadings and Cronbach's Alpha values. The scales were also tested for Convergent validity through partial least-square path modelling using Smart PLS 3 software. Results indicated that effects of Perceived Ease of Use on Behavioral Intention and Perceived Usefulness are significant and positive. Business Innovativeness has significant effects on Actual ERP System Use while Perceived Usefulness does not appear to be predictor of Behavioral Intention.

Keywords: Technology Acceptance Model (TAM), Enterprise Resource Planning (ERP), Bosnia and Herzegovina (B&H).

1. Introduction

Enterprise Resource Planning (ERP) technologies are becoming increasingly popular among companies in Bosnia and Herzegovina (B&H). However, even though many companies in B&H adopted and are using ERP technologies on a regular basis, official data on the adoption does not exist. Skopak (2016) reported that ERP has become an established phenomenon in B&H, but the investments are still far from fully utilized. His findings revealed that even though most of the companies have started to use ERP, they use it to integrate functional areas, but very few have moved to extended ERP. Furthermore, he found that even though companies in B&H are familiar with ERP knowledge, they are not sufficiently well informed (Skopak, 2016).

Therefore, the primary objective of this study is to measure ERP adoption level in B&H. More precisely, primarily, the study aims to investigate the effects of Perceived Ease of Use (PEoU) and Perceived Usefulness (PU) on Behavioral Intention (BI). Effects of BI on ERP Actual System Use (ERP_ASU) will be investigated as well.

The information presented above kindled our interest in finding the answers to the following research questions:

- (1) What is the level of ERP adoption in B&H?
- (2) Are there any direct effects of PEOU on BI?
- (3) Are there any direct effects of PU on BI?
- (4) Does BI have any direct effects on ERP adoption?

To answer the above-mentioned research questions, a section of Bosnian companies which are using ERP technologies was studied and modelled by deploying the structural equation modelling (SEM) technique. The research was initiated by a piloting literature, developing a structured survey, proceeded with the results and concluded. More details on these undertakings are presented in the later sections of this paper.

2. Literature review

The accompanying literature review is a consequence of the assessment of profoundly ordered textbooks and journals. It gives fundamental data which recognized variables, structure the study model and hypotheses, and distinguish enough items to quantify the variables. The exploration yielded three factors that are analyzed in the accompanying sections, specifically, behavioral intention, and actual system use.

2.1 *Enterprise Resource Planning (ERP)*

Enterprise Resource Planning systems (ERP) gives the spine to a venture wide data system. At the center of this enterprise software is the main database which draws information from and sustains information into secluded applications that work on a typical registering stage, in this way institutionalizing business procedures and information definitions into a bound together condition. With an ERP system, the information should be entered just once. The system gives consistency and visibility or transparency over the whole enterprise. An essential advantage of ERP is simpler access to dependable, coordinated data. A related advantage is the end of repetitive information and the defense of procedures, which bring about considerable expense investment funds (Davenport, 1998).

Implementing ERP systems, a strand of literature on ERP says that organizations (need to) experience an expectation to learn, adapt and afterward investment get benefit from it (Ross & Vitale, 2000).

2.2 *Perceived Ease of Use (PEOU)*

Perceived ease of use determines how much an individual accepts that utilizing a specific system would be liberated from physical and mental exertion. Furthermore, it clarifies the client's impression of the measure of exertion required to use the system or degree to which a client accepts that utilizing a specific innovation will be easy (Davis, 1989).

2.3 *Perceived Usefulness (PU)*

Perceived usefulness has been characterized as an individual's abstract impression of the capacity of a PC to expand the work execution while finishing an errand, which influences their apparent convenience along these lines indirectly affecting client's innovation acknowledgment.

It represents the degree to which an individual accepts that utilizing a specific innovation will upgrade their activity execution (Davis, 1986).

A system high in perceived usefulness is one for which a client has confidence. Individuals will in general use or not to utilize a framework useful to the degree they trust it will help them (Davis, 1989).

2.4 Behavioral Intention (BI)

According to Warshaw and Davis (1985) behavioral intention (BI) refers to defined designs to perform or not to perform some predefined future conduct. Therefore, the meaning of (BI) on the standard word reference meaning of “expectation”. More precisely, it helps understand if respondent is having something at the top of the priority list that he/she plans to do, use, give, and so on. The reason for embracing this lexicon-based significance is twofold:

(1) Intention has not been plainly, unequivocally characterized in social writing. Or maybe, it is normally left vague, apparently in the light of the fact that its importance is “undeniable” (Ajzen & Fishbein, 1980). At the point, when a definition is proffered, an outcome of having expectation is indicated as opposed to the significance of goal fundamentally, e.g., “Our hypothesis sees an individual’s goal to perform (or not play out) conduct as the prompt determinant of the activity” Ajzen and Fishbein (1980). Goal is characterized as self-prediction, e.g., “A proportion of the probability that an individual will take part in given conduct might be named social goal” (Fishbein & Ajzen, 1975).

(2) Studies that have inspired what we translate to be expectation (BI) reactions from subjects have commonly utilized poll wording like “I plan to (do X)” (Ajzen & Fishbein, 1980). Probably, without directions, respondents credit the ordinary significance to the word “plan” while addressing such inquiries, which is reflected in its standard lexicon meaning.

2.5 Actual System Use (ASU)

The actual system use alludes to how regularly and the volume of a system used by the client (Davis, 1989). Davis states that one’s social goal impact actual system usage. This is because of disguise and distinguishing proof and may impact BI through consistence. It is additionally contended that if end clients of the system are not educated or taught about the need or importance of the framework, this will enormously impact their BI to utilize it, and thus sway on actual use (Nakayima, 2011).

In this study, Actual System Use (ASU) refers to how regularly the user is using an ERP technology in his/her work.

2.6 Research model & hypotheses

To investigate ERP adoption level in Bosnia and Herzegovina, we will rely on a widely used Technology Acceptance Model (TAM) developed by Davis (1986). He proposed the Technology Acceptance Model (TAM) in order to explain the adoption and use of information technology. According to TAM, perceived usefulness (PU) and perceived ease of use (PEOU) are the two key determinants of technology adoption. Davis (1986) defined several components of Technology Acceptance Model such are those presented in figure 1.

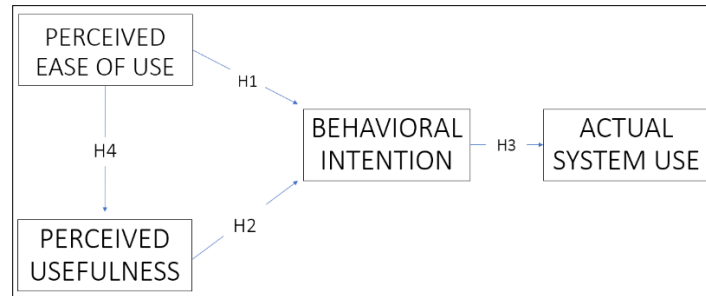


Figure 1. Technology Acceptance Model (Davis, 1986; Davis, 1989)

Accordingly, following hypotheses will be investigated:

H1: Perceived Ease of Use affects Behavioral Intention to use ERP technologies in B&H;

H2: Perceived Usefulness affects Behavioral Intention to use ERP technologies in B&H;

H3: Behavioral Intention affects Actual ERP technologies Use;

H4: Perceived Ease of Use affects Perceived Usefulness of ERP in B&H.

3. Methodology

3.1 Data collection

The data used in this survey was collected by distributing a structured survey. Scales used for the preparation of this instrument were previously used by researchers and proven reliable and valid for measuring perceived ease of use, perceived usefulness, behavioral intention, and actual system use. For measurement of Perceived Ease of Use and Perceived Usefulness, the work of Davis (1989) was very useful. Behavioral Intention has been measured using instruments of Callum, Jeffrey and Kinshuk (2014). Finally, the measurement of Actual System Use was created based on the work of Raymond (2019).

Items in the questionnaire for perceived ease of use, perceived usefulness, behavioral intention and actual system usage were measured with a five-point semantic differential scale. Distributed survey contained questions in five diverse classifications as follows:

- Questions 1-7: Demographics;
- Questions 8-14: Perceived Usefulness;
- Questions 15-20: Perceived Ease of Use;
- Questions 21-23: Behavioral Intention;
- Questions 24-26: Actual System Use.

Data was collected using online (digital form), but also by pen and paper approach. The respondents were contacted both via email, but also face to face.

3.2 Sample

The sample of this study were employees working in Bosnian companies which are using ERP technology on a regular basis. As the official list of ERP users does not exist in B&H, the only relevant sampling methodology was simple random sampling. Out of 150 contacted companies, 82 responses were collected indicating a response rate of 41%. If we consider that the data was collected at time of COVID 19 which caused many difficulties in the process, the response rate could be labeled as satisfactory.

3.3 Data analysis

Once the data was collected, it was processed using Software Package for Social Sciences and Smart PLS 3 software (a SEM software).

The causal relationships of the hypothetical model shown in Figure 1 were tested by means of the partial least square (PLS) path modelling method. Following instructions of Becker, Klein and Wetzels (2012) the following steps were performed to prepare structural equation model using Smart PLS3: (1) latent variables were created and related measurement items were assigned to them; (2) and the independent variables are related to one dependent variables.

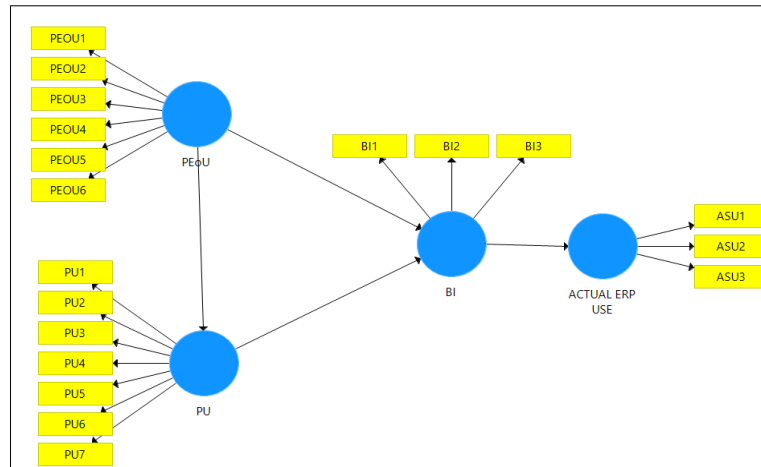


Figure 2. Model in Smart PLS 3

This study relied on Software Package for Social Sciences for descriptive analysis while Smart PLS 3, a SEM program has been used for confirmatory factor analysis, model fit and effects analysis. PLS could be applied in many instances of small samples when other methods fail (Henseler et al., 2014). Regular PLS algorithm and Bootstrapping technique were conducted in Smart PLS 3 to conduct exploratory factor analysis, confirmatory factor analysis and investigate direct effects of variables in the model. To ensure stability of results, following recommendation of Hair, Sarstedt, Ringle and Gudergan (2017), PLS Bootstrapping was completed using 10,000 bootstrap subsamples.

4. Validity, reliability and model fit

To test the construct validity of the instrument, both exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were made using Smart PLS 3. The main findings of the two mentioned analyses will be presented in the following paragraphs.

Factor loadings were observed for each item (see Table 1). Items with factor loadings greater than .5 on the factor with which they were hypothesized to correspond were considered adequate indicators of that factor (Hair, Black, Babin & Anderson, 2010).

Figure 3 presents acceptable loading of items on all variables. Accordingly, there was no need for removal of any item(s).

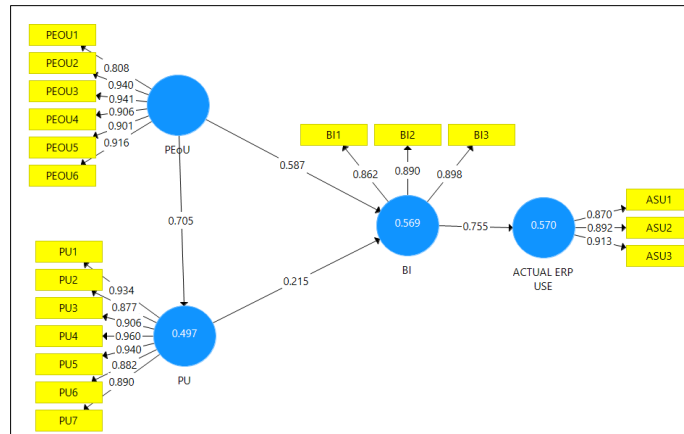


Figure 3. Loadings of items per factors

Cronbach’s (1951) coefficient alpha is widely used to determine the reliability of multi-item scales and assess the internal consistency of model constructs. The reliability of factors in this study has been presented in Table 1 below.

Table 1. Construct validation

Factor	C's α >0.7	CR >0.7	AVE >0.5	ACTUAL ERP USE	BI	PEoU	PU
ACTUAL ERP USE	0.872	0.883	0.795	0.892			
BI	0.860	0.863	0.781	0.755	0.884		
PEoU	0.954	0.959	0.815	0.699	0.739	0.903	
PU	0.967	0.968	0.834	0.699	0.629	0.705	0.913

Note 1: The right-hand part of the table displays construct correlations and square roots of AVE on the diagonal).
 Note 2: C's α = Cronbach's Alpha

PLS Bootstrapping is completed using 10,000 bootstrap subsamples indicating all AVE values between 0.610 and 0.781 which is above threshold of 0.5 defined by Fornell and Larcker (1981) and Hair, Black, Babin, and Anderson (2010).

Cronbach's Alpha values of all first order latent variables conform to the rule of thumb defined by Cronbach and Richard (2004), and this is confirmed by composite reliability scores which are all higher than the recommended cut-off of 0.7 (Fornell & Larcker, 1981; Hair, Black, Babin & Anderson, 2010).

According to Schmiedel, Brocke and Recker (2014) discriminant validity is ensured once the AVE value for each construct exceeds the squared correlation between that and any other construct in the factor correlation matrix. Table 1 indicates a full compliance to this rule.

Considering factor loadings of all items higher than 0.4, composite reliability scores higher than 0.7, and AVE values higher than 0.5, it could be concluded that all conditions of convergent validity are met in this study.

5. Results

5.1 Demographics

The questionnaire provided 82 valid responses in total. There were 39 male and 43 female respondents, which shows that both genders are equally active ERP users. Most of respondents are graduates with bachelor's degree (41.5%) and master's degree (35.4%). Only 5 respondents are aged 51 years and more, but most of them are adults aged between 31-40 years (40.2%) and young adults aged between 20-30 years (35.4%). Most respondents use ERP technologies monthly 11 times and more, precisely 64 users, while just 2 responded never. More than half respondents (57.3%) uses 5 or more than 5 modules at the company currently, then 3 modules are used by 13 respondents. Most of respondents answered that their company is using local server-based ERP, 61 precisely, while cloud server-based ERP 21 or (25.6%).

Table 2. Sample characteristics

Variable	Demographics	Number	Valid Percent
Gender	Male	39	47.6%
	Female	43	52.4%
	Total	82	100.0%
Education	High School	18	22.0%
	Bachelor Degree	34	41.5%
	Master Degree	29	35.4%
	PhD Degree	1	1.2%
	Total	82	100.0%
Age	20-30 years	29	35.4%
	31-40 years	33	40.2%
	41-50 years	15	18.3%
	51 years and more	5	6.1%
	Total	82	100.0%
ERP Usage Frequency (Times/month)	Never	2	2.4%
	1-5 Times/month	11	13.4%
	6-10 Times/month	5	6.1%
	11 times and more	64	78.0%
	Total	82	100.0%
ERP Modules Used (number of modules used in a respondents company)	1	8	9.8%
	2	6	7.3%
	3	13	15.9%
	4	8	9.8%
	5+	47	57.3%
	Total	82	100.0%
ERP Type Installed (type of ERP installed on a respondents company)	Local server based ERP	61	74.4%
	Cloud server based ERP	21	25.6%
	Total	82	100.0%

5.2 Empirical findings

All empirical findings are summarized in the table below.

Table 3. Hypotheses' tests

Hypothesis	Path in the Model	Direct Effects	Hypothesis Status
H1	PEoU -> BI	p = 0.000** t = 6.751	Supported
H2	PU -> BI	p = 0.058 t = 1.895	Not Supported
H3	BI -> ASU	p = 0.000** t = 11.707	Supported
H4	PEoU -> PU	p = 0.000** t = 7.619	Supported
Note 1: * Significant at 95% confidence interval			
Note 2: ** Significant at 99% confidence interval			

H1: Perceived Ease of Use affects Behavioral Intention to use ERP technologies in B&H.

Hypothesis 1 was supported with p value of 0.000, as well as the t value of 6.751. The direct effects are regarded as significant at 99% confidence interval.

H2: Perceived Usefulness affects Behavioral Intention to use ERP technologies in B&H.

Hypothesis 2 was not supported with p value of 0.058, as well as the t value of 1.895. The direct effects are regarded as not significant at 95% confidence interval.

H3: Behavioral Intention affects Actual ERP technologies Use

Hypothesis 3 was supported with p value of 0.000, as well as the t value of 11.707. The direct effects are regarded as significant at 99% confidence interval.

H4: Perceived Ease of Use affects Perceived Usefulness of ERP in B&H.

Hypothesis 4 was supported with p value of 0.000, as well as the t value of 7.619. The direct effects are regarded as significant at 99% confidence interval.

6. Discussion and conclusion

This study empirically explained ERP adoption in B&H through TAM. The findings revealed that PEoU has a significant direct effect on the BI in Bosnia and Herzegovina, while PU is not significant predictor. On the other hand, BI has positive direct effects on ERP adoption, while PEoU has positive direct effects on PU. The results emphasized the crucial role played by PEoU and BI in the ERP adoption by users in Bosnia and Herzegovina.

The one may conclude that Perceived Usefulness is no longer a valid predictor of Behavioral Intention since ERP users in B&H find all ERP systems useful. However, what makes the difference is Perceived Ease of Use, and this appears to be significant predictor of Behavioral Intention to use ERP technologies.

Even though the number of observations was limited (82 responses), exploratory and confirmatory factor analysis conducted using a Smart PLS (a SEM program) indicated high level of validity and reliability. The data collection was done in Bosnia and Herzegovina, and the data gathered is assumed to be the representative for the entire population of Bosnian companies using ERP technologies. Further studies should consider significantly larger samples.

This research provides supporting evidence to the already existing, yet modest literature on PEOU, PU, BI and ERP Adoption in B&H. All scales used in this study were validated which can be useful for future researchers.

It is recommended to repeat the study at different times, and provide conclusions using data from specific time period. In addition, segmenting the sample according to size and providing specific studies of this type for small, medium and large companies would be another recommendation.

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The authors declare no competing interests.

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Low Socioeconomic Background Students' Perceptions About the Value of Higher Education Degree to the Labor Market

Olga Tzafea

*University of Ioannina, GREECE
Department of Philosophy, Education and Psychology*

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Abstract

The relationship between higher education and the labor market has been the subject of a lot of research over the last decades, after the expansion of knowledge-based economy that has transformed it. Investment in knowledge as promised by traditional rhetoric does not reflect the demands that students should meet on the labor market. Degrees likely to strengthen future prospects of inequalities between social groups. Based on semi-structured interviews with 15 undergraduate students, the article examines how students from lower socioeconomic backgrounds understand the role that a University degree has in the labor market. It shows that students perceive their academic qualifications as having a declining role in shaping their employment outcomes, in what is considered to be a congested and competitive graduate labor market. Whilst academic degree is still seen as a significant dimension of employability, students increasingly are in need to add more value in order to gain an advantage in the labor market.

Keywords: labor market, socioeconomic background, employability, higher education, inequalities.

1. Introduction

Traditionally, the relationship between the university and the labor market has been close and unquestionable, urging governments to emphasize the importance of higher education degree at many levels (Brown & Lauder, 2006; Nunez & Livanos, 2010). The Lisbon Treaty content refers to the economic development of EU Member States, paying attention to both flexibility in employability and a high level of knowledge or skills (Brown, Green & Lauder, 2001; Brown, Hesketh & Williams, 2003: 107). Following the rapid increase of human capital theory in global society, the university is considered to be an important pillar of economic growth and economy globalization, too (Brown & Lauder, 2006: 318). Higher education degree has been connected to the economic development, particularly in meeting the demands of the new knowledge-driven economy (Weber et al., 2009).

In this context, new employability rules and modern labor market requirements, enforced by Universities, generate risks referring to their central mission of promoting equal opportunities and ensuring social mobility (Heath & Zimbars, 2011; OECD, 2010). In recent times, as conflict theories have previously suggested, it is strongly believed that social inequalities in

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Correspondence: Olga Tzafea (Postdoctoral researcher), University of Ioannina, Department of Philosophy, Education and Psychology, P.O. box 1186, Postcode 45110 Ioannina, GREECE. E-mail: olgatzaf@gmail.com.

getting a high qualified job are strongly preserved. Several scientists have pointed out that educational inequalities are linked to the labor market occupation structure, which greatly affects aspirations for students’ future career prospects (Moreau & Leathwood, 2006). Many scholars have also examined the impact of social and cultural capital, as articulated in Bourdieu’s theory (Bourdieu, 1986), on graduate’s career expectations (Brennan & Osborne, 2008; Lu, 2012). According to Reay, there is “a complex internal mechanism” (Reay, 2004: 435), which is necessary for individuals to enter and perform in the dominant culture. In this context, the rhetoric of reproducing social inequalities, the meritocratic performance based on university skills and qualifications as well as the association with labor market attract research interest internationally.

- A university degree improves the standards of living and widens students’ horizons.
- Low socioeconomic background students doubt the value of the university degree.
- Low socioeconomic students state that middle class students have more opportunities to take advantages in the labor market.
- In the middle of the crisis, students have no clear plans for their career prospects.

In recent years, this topic has attracted much interest in Greece due to the fact that it rises in the middle of economic crisis while the role of higher education is constantly changing. The transition to the labor market is considered to be a central axe for national educational policy regarding social inequalities and more specifically equal opportunities in the labor market (Maloutas, 2016; Καρμεσίνη, 2016). Recent researches show that graduates confront many difficulties when they transit from University to labor market (Καρμεσίνη, 2016). Greece is still at an early stage in relation to the other economically and technologically advanced countries of the West, combining education with labor market requirements (Gouviás, 2007). The University aims to reinforce social mobility and social inclusion but the fact that recently both unemployment and social exclusion are constantly raising create a sense of urgency for further studies. The expansion of higher education mostly benefits middle class students, making those of low socioeconomic background to be less representative in higher education and in labor market, too (Tomlison, 2012; Bourdieu 1986). Based on this approach, the following study allows a sample of lower socioeconomic background students to share their perceptions of the role that a University degree may have in the labor market. Understanding their accounts on benefits, values, the future plans and the expectations is important for two reasons. Firstly, the lack of capacity within the knowledge-based economy creates high unemployment rates, especially in Greece (Nunez & Livanos, 2010). Secondly, the labor market fails to meet the social demands, a result forcing social and income inequalities to be maintained and reproduced in various forms and ways of discrimination and selection, as well (Sianou-Kyrgiou, 2010).

2. Conceptual framework

Based on the human capital theory (Becker, 2003, 2009), successful labor market transition depends on qualifications and personal achievements. Academic qualifications are a kind of educational capital that can be “commercialized” in the labor market. At a more detailed level, participation in education is an investment with individual returns, better career opportunities and a wider labor market choice. According to Boudon, the investment in education is the result of individuals’ rational choice to gain as much benefit as possible in labor market (rational choice theory) (Boudon, 1974; Breen & Goldthorpe, 1997). Meritocratic views, as previously proposed by positional consensus theories, argue that investment in education give students’ direct and equal benefits to the neo-liberal globalized economy. Graduates have the potential to be equipped with knowledge and skills, as well as a certain “personal capital”, which constitutes the combination of degree, work experience, qualifications, and skills.

While the modern role of universities argue that their mission is to provide young people with “degree / qualifications” to enter labor market, the way that social groups use the degree to earn cultural and economic benefits is differentiated in the terms of social stratification. Tomlinson, in a qualitative survey of 53 graduates attempted to identify how students perceive the qualifications they have obtained at university in relation to their future employment. She concluded that the pattern of reproducing inequalities in higher education, as also noted by Weber and Bourdieu is still evident in the labor market transition “since elite and mass higher education often coexist” (Scott, 1995, as reported in Tomlinson, 2008). What is more, this coexistence is likely to intensify the differences and the levels of symbolic capital among graduates. “Expansion of mass higher education, combined with a corresponding reduction in the value of academic degree, is likely to strengthen these inequalities” (Tomlinson, 2008: 66).

Similarly, a survey of 27 English universities in 2,997 graduates highlights the factors linked to successful labor market transition. It has shown that the prominent factor that associates degree with labor market is the socioeconomic background and, in particular, parents’ education level, ethnicity, type of discipline, institute and access qualifications. Graduates’ transition to labor market is linked to interrelated educational and social factors (Brown & Lauder, 2006; Shavit, Arum & Gamoran, 2007). Researches show that graduates whose parents come from lower socioeconomic background do not have good earnings and returns or have highly qualified jobs (Argentin & Triventi, 2011; Smith, 2000). These students are not likely to have the same learning experiences and therefore their background doesn’t allow them to take advantage of university attendance or shape plans for their labor market transition.

The question is whether and to what extent the extended opportunities for participation in higher education also broaden the opportunities for labor market transition equally for all students. From a sociological point of view, this question has another dimension regarding the impact of socioeconomic factors on future career perspectives in the labor market. Taking the above into consideration, the following data shed light on this topic examining the way lower socioeconomic background students perceive the future prospects of the university degree for the labor market.

3. Method

This research draws upon a wider study that has examined students’ experience in higher education and the impact of their socioeconomic background on it (author, 2017). Data were analyzed in four phases and time-based research axes, representing all three stages of the academic trajectories: (a) access to higher education: expectations and choice of studies, (b) student experience (performance, teaching and learning, academic and social integration), (c) preparation for labor market transition to, and (d) students’ future aspirations¹. This paper is focused on the third and fourth phase exploring higher education students’ perceptions of the benefits, the value and the way that university helps them develop expectations for labor market.

After that, this study is based on three main research questions:

- (1) How do low socioeconomic students perceive the value of their degree in shaping future employment prospects;
- (2) What plans do low socioeconomic students develop to improve their employability;
- (3) Does their experiences meet their expectations?

In addressing those questions, students are asked several questions about how they perceive the value and benefits of their participation in higher education, for example, what they

¹ See Appendix.

think that higher education degree offers them, what are the advantages of getting a degree as well as how they acquire the skills and competences that are necessary in labor market. Addressing all questions, this study aims to enrich international research by filling the gap between the modern role of higher education and the notion that the investment of human capital in education has not led to the expected results. Under those circumstances, we will be able to look closer at the conceptual views, outlined in the introduction of this article which intend to explain whether students’ views their university degree as a basic investment to their human capital.

The study draws upon semi-structured interviews, lasting between 30’ and 45’ minutes, with 15 final year undergraduates (10 females and 5 males) in a peripheral university in North-western Greece. Those students had previously participated in a wider quantitative methodology research (776 students). After the completion of the first part of the research (questionnaire), 15 students were selected on the basis of their socioeconomic background to take part in semi-structured interviews. Their parents were from low class professional backgrounds (occupational groups v-vi, low skilled, manual work) and from a range of subject disciplines (Arts/Humanities, Greek literature and History, Biological Sciences, Chemistry, MBA etc.). Although this sample is limited to one particular institution, this topic has been largely investigated and as a result this data adds to recent research. The research was conducted in the academic year 2016-2017. Students were interviewed once, mainly in person. Equality issues were approached carefully, including probing on specific experiences and questions about potential equality issues. Students’ perceptions often revealed inequalities even when not named as such.

Five pilot interviews were conducted previously so as for the researcher to get feedback. The interviews, which included open-ended questions, were transcribed and analyzed. Firstly, students were asked questions about the demographic and social characteristics of the sample (gender, section, age, place of residence, education level and socio-occupational category of parents). The third part of the interview (presented in this paper) included questions about university benefits (skills development, cultivation), the relation between curriculum and the required knowledge as well as students’ perceptions about degree’s use and value. They also underlined students’ plans for future academic or career paths as well as their preferences for their future profession. Finally, the interviews focused on the overall satisfaction with the studies, and the relationship between students’ initial expectations and true-life experiences².

Table 1. Participant characteristics for the semi-structured interviews

Name	Demographics	Fathers classification³	Occupational
<i>Maria</i>	Female, Chemistry	Unskilled worker/farmer (2)	
<i>Kostas</i>	Male, Mathematics	Unskilled worker/farmer (2)	
<i>Orestis</i>	Female, Informatics	Unskilled worker/farmer (2)	
<i>Nantia</i>	Female, Mathematics	Never worked or unemployed (1)	
<i>Markos</i>	Male, Literature and History	Never worked or unemployed (1)	

² See Appendix.

^{3*} The categories of the study were: (5) High-level public and private sector executives or employers (e.g. ministers, Members of Parliament, big businessmen) – Officials in the public and private sectors, self-employed in higher scientific professions (e.g. University professors, lawyers, doctors, lawyers), (4) Public and private sector employees or self-employed in lower-level scientific professions (e.g. teachers, bank officials, police officers), (3) Lower-level, non-manual civil and private sector practitioners (e.g. office workers, corporations, police officers) – Manual workers in the public and private sectors, small business, self-employed craftsmen (e.g. small business owners, PPC technicians), (2) Semi-skilled workers (e.g. plumbers, hairdressers) – Unskilled workers or farmers, and (1) Those who have never worked or are unemployed.

Giota	Female, Biological Sciences	Small business owner (2)
Helen	Female, Informatics	Semi-skilled worker (2)
Afrodite	Female, Physics	Never worked or unemployed (1)
Kalliopi	Female, Economics	Small business owner (2)
Maria	Female, Physics	Semi-skilled worker (2)
Maria	Female, Literature and History	Semi-skilled worker (2)
Olga	Female, Literature and History	Never worked or unemployed (1)
Nikos	Male, Education	Unskilled worker/farmer (2)
Konstantinos	Male, Mathematics	Small business owner (2)

4. Results

4.1 *The value of the degree in the labor market*

As far as the first research question is concerned, the data are placed upon two central axes. In the first axe, the value of the degree is inextricably linked to the traditional mission of the University, namely the personal development and the promotion of knowledge, abilities and skills (15 out of 15 students). More specifically, the first data findings show that higher education degree contributes an improvement of students' way of living and also widen their horizons. It is worth noting that students do not just focus on the qualifications that may help them finding a job, but they also emphasize the importance that a higher education degree may have on their personal development. The vast majority of them share the same opinion as Maria and Kostas:

Maria: *"The University provides you with knowledge and opportunities. It offers a better level of living, opens up the mind, and provides rewards. It offers a better way of living, it opens up the mind, and it provides rewards which help you meet the objectives required for a better job."* (Maria, Chemistry)

Kostas: *"University provides you with a lot of knowledge, and a critical thinking, in order to deal with something, you have never encountered before. Both the mindset and the way of thinking are different, giving you important scientific knowledge and the ability to consider things that you could not otherwise."* (Kostas, Mathematics)

In the second axe, the new knowledge-based economy and the globalization of recent times dictate the University to broaden its content embracing further labor market outcomes. Addressing students to talk about their decision of getting a higher education degree, they seem to argue that it is a requirement for establishing advantages in labor market (almost 12 out of 15 students). Their responses clarify that it is a way for individuals to meliorate their life conditions and boost their human capital. Moreover, they strongly appreciate the benefits that they have acquired in order to meet new opportunities in labor market. The feeling that qualifications offer a big range of them that might otherwise be very limited. But, students from lower socioeconomic background feel unconfident with their acquired skills thinking that, even though University offers them many opportunities and skills, they do not develop them as much as they could. In other words, they do not seem to recognize how to use the degree beneficially in order to take an advantage in the labor market, as it was anticipated by two students from lower socioeconomic background:

Kostas: *"In order to find a job, I need acquaintances, qualifications and various skills such as organizational ones, and sort out the problems that arise. I organize my time the various activities I participate in, as well as I have an open mind thinking differently and examining many views on one issue, which was not the case before."* (Kostas, Mathematics)

Nantia: *“To find a job requires a degree, social capital and organizational skills. I feel more confident when I am comfortable in communicating with people because good social relationships help you get better jobs. At university, I have learned enough that give me the strength to survive in the labor market, but I think that I need additional skills and abilities. I believe that employers are looking for degrees, knowledge on foreign languages, computer and communication skills, that is, to be able to speak well. I do not know if I have developed it as much as I should because I do not generally feel confident about what I know so far.”* (Nantia, Mathematics)

Their responses, also, provide strong evidence about the external factors that force students to make a decision. One of the most important ones as the majority of students (13 out of 15 students) state is parents' contribution, as it was anticipated by lower socioeconomic background students:

Nikos: *“My parents always influence and advice with develop skills and then find the way I'm going to use them. In particular they have influenced me very much in developing other skills beyond the degree. The advised me to acquire other educational resources, to be more trained or competitive and, as well as to broaden my horizons. That was what really prompted me for the Erasmus studies.”* (Nikos, Department of Education)

Many students question the value of the degree for their future employability (12 out of 15 students). The findings indicate that their students' initial expectations were not met to the extent expected, supposing that labor market is now more competitive than it used to be in the past increases unemployment rates and inequalities. Their perceptions of the value of the degree express a kind of pessimism opposed to the optimism at the time of decision-making. Lower socioeconomic background students develop lower professional prospects, risking their joining in the labor market. Lower socioeconomic background students mention:

Nantia: *“I don't think University can provide us with the necessary knowledge for getting a qualified job. That's why I think I will not find a job easily. I have to get used to what the job market needs and acquire new skills. Getting a degree, is hard to help you get a job, but I like what I do. To get a job you need to have social networks, to know people, to own money, to be able to use it, but also to get paid. You must have a degree, this is true, but now they do not recognize it.”* (Nantia, Mathematics)

Orestis: *“My dream was to work in big companies, but in the meanwhile, I realized that this is not the case. The knowledge and skills offered by University are not enough. Also, a family background is necessary, too. In Greece, however, there are so few opportunities and there is no meritocracy.”* (Orestis, Informatics)

Overall, the data show that students' accounts on the value of the degree during the period of crisis are contradictory. Students consider that the degree has lost its value. Studying at a university is considered to be an unprofitable investment and the benefits depend mainly on the costs. There is, in other words, a mismatch between costs and returns (Lee & Coelli, 2010). On the other hand, they argued that it is a necessary requirement in order to take an advantage in labor market. This contradiction can be seen as an expression of a realistic assessment made by students in order to gain prominence in labor market, where graduates unemployment is high.

Lower class students understand that a university degree is the only way to take advantages in the labor market. They can see it as a natural process, but they can't easily understand how to make good use of it, doubting even about its utility in labor market. Matching students' perceptions of the value of a degree with the reasons that enable them to participate in higher education, it seems that the majority of students who question the value of the degree, participate in higher education because they intend to find a job more easily (11 out of 15 students). On the other hand, the majority of students who do not associate studies with career prospects

believe in its value in a great extent (14 out of 15 students). There are students who participate in higher education just for increasing their opportunities to find a job and they don't believe in its utility or value, in general. As it was anticipated by a student:

Markos: *“At University, I do not think you gain knowledge. The university itself can, as human beings are constantly changing. However, it is very difficult to find a job, and I will probably work as a waitress in a cafe. I am independent and I do not rely on my parents. I consider that it is important to work and to get acquainted. I do not want to go abroad. I would be happy with a salary of 800-1000 euros.”* (Markos, Department of Literature and History)

Giota: *“My school does not provide me with vocational training, and it does not prepare me for the labor market. If I want to do a lot, I have to look for additional school books. While my brother studies cinematographic in Thessaloniki, he is being prepared to work from the second year.”* (Giota, Biological studies)

4.2 Future plans

According to the labor market plans and expectations, students were asked about the required criteria for getting a satisfied job. 10 out of 15 students from lower socioeconomic background clearly state that a permanent job position is the first criterion for choosing a satisfied job. The second criterion is the earnings and, lastly, the status. As it was anticipated by one of the low socioeconomic background student:

Helen: *“I would prefer to have a permanent job; I do not care about the prestige. The money is coming after on my preference. All jobs are prestigious, depending on the code and the part everyone has or is responsible for. I'm not sure if I'll find a job in computer sciences so I'll look for something else.”* (Helen, Informatics)

Olga: *“As soon as I finish, I will go to Thessaloniki to find my own specialty, learning foreign languages. I would like to work in the public sector and get 800 Euros or more. I would like to find a permanent job in the public sector even if I have a lower salary. Unemployment makes me anxious. If I do not find a job on my subject I will go to work elsewhere. I am not interested in going abroad.”* (Olga, Literature and History)

Students would prefer to work in the public sector (15 out of 15 students) rather than go abroad because they are interested in getting a permanent work. They are anxious for their future trajectories and they think they will not find a satisfied job easily. The findings show that the majority of students has not clear plans to enter labor market.

Konstantinos: *“I want to get a job and then take a master's degree. I don't want to be a teacher at school as I have no patience with children. I want to do my own business or work in a company having an important position in an office. My parents tell me to do whatever I want as long as I am successful and happy. In ten years, I imagine myself working in a big company, becoming a career woman. First, I would choose prestige at work, then salary and third, permanency.”* (Konstantinos, Mathematics)

Afrodite: *“The ideal salary enables me to get the food I want and support my children. That's all I want, so I can make a living. Much money brings misery. What is more, social networks play a big role, as when I went to Australia with my uncle, they told me that successful friends help you succeed, too.”* (Afrodite, Physics)

Whilst there was a tendency for students to view degree classification as a reflection of their future labor market potential, it was hardly seen as a positional advantage that enables them to gain value in the labor market. Increasing the number of graduates, decreases their value while it rises employers' demands. In the global competition for qualifications, the dominant social

groups are trying to maintain their privileged position, which they have secured in the prevailing of the capitalist industrial model. Future plans are related to students existing cultural and social capital, being potentially significant in shaping future labor market potentials and outcomes.

4.3 *From expectations to real-life experiences*

As far as the last research question is concerned, the results are of a great importance. Students were asked if, during their studies, they met the expectations that they had developed at the very beginning. It is shown, that students, in their final year of studies, experience an uncertain transition accompanied with a doubt about the qualifications they hold. Gradual recognition of their qualifications should lead to a first form of professional identity. This transition is more difficult for those whose parents have not attended university or belong to less privileged social groups. Students who have specific and realistic expectations for their studies succeed better at university and have better experiences. On the other hand, students whose expectations do not target specific goals find it difficult to integrate themselves into the university and are constantly in the process of seeking an identity. These students are usually less satisfied with their studies. Bamber and Tett in a study conducted on students from socially disadvantaged backgrounds found that there was a change in their attitudes towards satisfaction with their studies in the last year of studies (Bamber & Tett, 2000; 2001). This is linked to the final adjustment moving from the stage of recognizing their qualifications to the gradual acquisition of their professional identity.

Maria: "I like literature lessons, but not school itself it doesn't fulfil any of my dreams. Maybe I should have considered my choice twice, but I didn't know how to do it. I had a lot of expectations but gives us only general knowledge that cannot be exploited in the labor market." (Maria, Physics)

There is a gap between study expectations and true-life experiences, which relates to the fact that students often decide to study in order to feel independent rather than meet specific expectations and dreams. The present study shows that initial expectations are not met and most students are satisfied with their carefree lifestyle rather than their studies.

5. Discussion and conclusion

This paper examined lower socioeconomic background students' perceptions of the role that a University degree has to the labor market as well as how they develop expectations for their transition to it. According to the first research question students seem to argue that a university degree improves the standards of living and widens their horizons, too. Also, they strongly appreciate the benefits to grasp new opportunities in the labor market. However, low socioeconomic background students doubt the value of the university degree in shaping future employment prospects. They don't appreciate higher education degree as a mean for future employability because it is hard to see it as an investment. Higher education students argue that a "university degree is not enough" (Tomlinson, 2012) for them to meet expectations for their future employability (Brown, Hesketh & Williams, 2004). Higher education degrees not an adequate qualification for getting a high qualified job. Low socioeconomic students view that middle class students have more opportunities to take advantages in the labor market because, except for their degree, they have developed other skills, necessary for getting better future career prospects (Ball, 2002). The mass higher education offers many access opportunities but limited career prospects in the labor market (Reay, Crozier & Clayton, 2009, 2010).

According to the second research question about students' plans for the labor market transition, it is proved that the crisis affects their decision, making it difficult for them to set career prospects. They have no clear plans for the career prospects, they are satisfied with low-paid jobs, and they are anxious about the merits of their qualifications (Brown & Hesketh, 2004). They would

also get any job, as they have no true ambitions and job expectations. They even prefer the stability that will provide them with a job in the public sector. Low socioeconomic background students consider that the exclusive value of the degree is related to the stronger probability of finding a job, otherwise it has no value. They make the rational choice to participate in higher education because they are strongly influenced by their parents' perceptions and they want to have as many opportunities as they can, for entering the labor market, even if, they don't believe in its value as well as equality.

According to the third question, there is a gap between previous university expectations and true-life experiences. Initial expectations are not met as expected and most students are not satisfied with their studies. The relationship between educational degree and benefits to the labor market is considered to be problematic, since students believe that equal opportunities don't offer equal future career outcomes. The widespread notion that participation in higher education adds little or no value to individual's human capital is supported by this article, even if participation considered to be an investment which yields individual returns, offer better career opportunities and wider labor market choice, lower socioeconomic background students don't benefit equally by this expansion (Brown, 2003).

According to the literature, students whose parents have not acquired a university degree are less likely to associate the acquired knowledge with the knowledge required by the labor market. These students end up in lower-skilled and low-paid jobs, reducing the benefits and the chances of an upward mobility. "Natural" limits are sited for securing higher professional and social status jobs. Increasingly, student's employability depends on social networks, social and cultural skills as well as personal skills that are directly related to their socioeconomic background (Reay, David & Ball, 2006). In recent years that unemployment and social exclusion are increased, especially in Greece, close to almost half of the young are reported to be unemployed (International Labour Organisation, 2011). Therefore, there is an urgent need to optimize the provided studies which focus on the transition from education to the labor market. In conclusion, the question of the relationship between higher education and labor market is an urgent issue, especially for educational policy makers. Within modern context of a neo-liberal and globalized society, knowledge is a key driver of growth that is produced at university and is invested in labor market.

The aforementioned results provide indications that the value that a University degree have to the labor market as well the expectations for the transition to the labor market differentiates future prospects in HE. Therefore, this paper complies Brown's points of view according to which, the modern globalized society, in which individual success is dominated by "talents", is not likely to develop equal job opportunities and social justice (Brown et al., 2016). Brown points out "the lack of capacity within the economy to deliver on the opportunity bargain has led to labor market crowding, along with wider congestion problems, as people seek to use the education system to 'stand out from the crowd' (Brown, 2016: 47).

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Appendix

Interview questions (third part)

Section C. Preparation for the transition to the labor market

I. The value of the degree in the labor market

1. Why did you decide to get a higher education degree?
2. What skills do you think that the university helped you cultivate?
3. What do you think is the value of your degree and what benefits can it offer you today?
4. Why did you decide to get a higher education degree?

II. Labor market plans

1. What are you planning to do after graduation?
2. Which is the most ideal job for you?
3. According to what criteria would you choose a job and why?
4. Do you think you will find a job in short time after graduation? Are you afraid of unemployment and why? Do you think the crisis will affect your transition to the labor market?
5. What are you planning to do to address the difficulties of finding a job, as for example, to get a job lower than your qualifications or immigrate?

III. From expectations to real life experiences

1. What were your experiences (positive and negative) during your studies? Examples.
2. Do your initial expectations match with the experiences you developed during your studies? Examples.



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