II UZBEK-INDONESIAN JOINT INTERNATIONAL CONFERENCE

Economics And Management Towards Nation Character Development

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- Economic science, education and formation of human capital
- Social policy and labor market
- World economy and development of national economic system
- Financial system and financial and credit institutes

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Gunadarma University (Indonesia)
FOREWORD

Dear participants of international conference!

On behalf of staff and students of the branch of Russian economic university after G.V. Plekhanov in Tashkent allow me to greet all the participants of the international conference and express gratitude to the rector of Gunadarma University professor E. Margianti for participation in this event.

Representatives of Indonesia have been to the Branch many times. A large-scale "Uzbekistan-Indonesia" culture forum was organized and held at our university. Regular meetings with students of our university is an indicator of importance of such events in deepening and developing bilateral cooperation between Uzbekistan and Indonesia in various areas, in particular in education sphere. These aspects were the basic theme of negotiations with the Branch authorities during the visit of Ambassador of Indonesia in Uzbekistan. During his visit Extraordinary and Plenipotentiary Ambassador of Indonesia in Uzbekistan Mr. Mohammad Arshinov made a report on the issues of economy development of Indonesia for the students of the Branch. It is very important for the university to expand outlook of our students.

Meetings of such level, certainly help to learn more about the country, its culture and history, and especially national economy. During the meeting students of Branch asked the Ambassador of Indonesia a lot of different questions on education system, opportunity of training in universities of the country, organization of joint seminars, symposiums and discussions of projects and programs representing mutual interest and student's exchange programs as well.

The delegation of Gunadarma University headed by the rector of university prof. E. Margianti visited the Branch several times. Gunadarma University specializes in the sphere of information technologies. There are 1300 teachers in the University. The university has partner programs with universities of the USA, France, England and etc. University consists of twelve departments in the capital city Djakarta and it takes the fifth place according to the rating in Indonesia. Gunadarma University was founded in 1981 and successfully functions in the sphere of education and scientific and research works. During the meetings there also signed Cooperation agreement between Gunadarma University and the Branch of REU after G.V. Plekhanov in Tashkent.

The given agreement provides bilateral cooperation between two universities in sphere of carrying out the research works which represent a mutual interest, short-term exchange of teachers and scientists for implementing scientific researches, consultations promoting scientific personnel education, organization of joint seminars, symposiums and discussions of projects and programs representing a mutual interest and students' exchange as well.

Within the limits of the given agreement the delegation of the Branch of Russian economic university after G.V. Plekhanov in Tashkent visited Indonesia in October, 2011 and took part in the work of Uzbek-Indonesian joint international conference organized by Gunadarma University. Extraordinary and Plenipotentiary Ambassador of Uzbekistan in Indonesia in Uzbekistan Mr. Shavkat Djamalov took part and made a report at the conference.

While visiting Indonesia we admire this country and its hospitable people every time. Gunadarma University and its staff impressed us greatly; it is a great honor for us to be partners of one of the largest and well-known universities of Indonesia.

In 2012 Russian economic university celebrated its 105 anniversary from the date of its foundation. During its activity the University trained more 150 thousand highly qualified specialists, about 2300 specialists are from Tashkent Branch in the Tashkent. They work successfully in Russia, Uzbekistan and in the countries of the near and far abroad. Achieving high results in various spheres of activities, the graduates of the University rank the leading positions in politics and economy, business and science, continue renowned teaching traditions at the universities of Russia and abroad. We do our best for our students to do well in studying.

At the University training is conducted on 22 educational programs of higher professional education, three sets of programs of additional professional education. We have made contracts on students' exchange and cooperation on programs of double and triple diploma with the higher educational institutions of 17 countries of the far and near abroad. High level of education in our University is known far of Russia boundaries. For more than 105 years of its existence REU after G.V. Plekhanov has always been famous for its teaching staff. For the period of its functioning the Branch in Tashkent has steadily ranked the place on the market of educational services of the Republic of Uzbekistan. Hundreds of applicants annually compete for the right to study in our Branch.

On September, 21-22 In the Branch of Russian economic university after G.V. Plekhanov in Tashkent there conducted II Uzbek-Indonesian joint international conference Economics and Management Towards Nation Character Development jointly with Gunadarma University and with the support of Embassy of Indonesia in Uzbekistan. The collection of theses of participants' reports has been published on the basis of research materials of leading and young scientists, who have perspective views on innovative development of national economy at the beginning of the conference. Conference, its total documents and recommendations become a practical basis of consolidation of our universities with the purpose of development of higher education.

I wish all the participants fruitful and constructive work.

Director of the Branch of "Russian Economic university after G.V. Plekhanov" in Tashkent, Doctor of economic sciences, professor Kalandar Abdurakhmanov
FOREWORD

First of all, I am honouer and pleased to present my foreword for the Proceedings of "II Uzbek-Indonesian Joint International Conference on Economics and Management Towards Nation Character Development".

This conference was obviously the culmination of the vision, dedication and the cooperation of Gunadarma University, Jakarta, Indonesia and Branch of Russian Economic University after G.V.Plekhanov in Tashkent, Uzbekistan. The conference is planned to be held alternately in Indonesia and Uzbekistan in the time series. The first conference of October 18-19, 2011 has been organized in Jakarta, Indonesia is the first event in this plan series.

"II Uzbek-Indonesian Joint International Conference on Economics and Management Towards Nation Character Development" that will be held in Branch of Russian Economic University after G.V.Plekhanov in Tashkent, Uzbekistan on September 21-22, 2012 as the next steps of the collaboration and cooperation as well others occasion in the future, I belif will bring us to be closer in some aspects.

In the first conference has been presented 38 papers which cover a broad spectrum topics of economics and management towards nation character development. These papers captured the spirit of the Conference and reflect its major focus and objectives. The articles provide an overview of critical research issues reflecting on past achievements and future challenges, while for the second conference, Gunadarma University will send a fullteam delegation of Economic Faculty included Rector, and Vice Rector IV of Collaboration and Cooperation, Dean of Economic Faculty, Head of Department and Center as well Head of Departments and senior researchers from Diponegoro University, Semarang to convey the research articles and paper covering many aspects of insightful, inspirational messages, scholarly analysis of critical policy, programs issues of economics and management as well as experienced-based notes for practice. I belif that can provided a significant contribution to the development of knowledge in this interested area.

In this special occasion, I'd like to take this opportunity to expressed my gratitude and thanks to all people who made this first conference the success as it was. Firstly, allowed me to give my special appreciation and gratitude to leaders of Branch of Russian Economic University after G.V.Plekhanov in Tashkent, Uzbekistan in their trust to Gunadarma University in building cooperation for mutual benefit. I took this opportunity to make a ballance situation of inviting Rector of Branch of Russian Economic University after G.V.Plekhanov in Tashkent, Uzbekistan, Prof Dr Abdurakhmanov K. Kh to become Honorary Professor in Gunadarma University, Jakarta, Indonesia as well I was in Branch of Russian Economic University after G.V.Plekhanov in Tashkent

I encourage the continuation and development of cooperation programs and services which serve to strengthen economics and management in both countries and the relationships between Branch of Russian Economic University after G.V.Plekhanov in Tashkent, Uzbekistan and Gunadarma University, Jakarta, Indonesia.

In this occasion, please allowed me also to express my appreciation and gratitude to all of the organizing team including scientific committee, program chairs, session chairs, and others, for their commitment, effort and dedication in undertaking their own task to bring the success of this conference.

Finally, I owe our gratitude to all the conference participants for their contributions to the intellectual discourse during the conference and for the overall success of it. The conference would not have been successful without the support and active contribution from all participants.

As closing remarks, Let's say thanks to the Lord Almighty God for all His blessing on us.

Prof. Dr. E.S. Margianti, S.E. MM
Rector of Gunadarma University
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PART I

We would like to acknowledge these following names for contributing their paper(s) in “II Uzbek-Indonesian Joint International Conference Economics and Management Towards Nation Character Development”:

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On the map page, there is Default Java island with 6 Province. Moreover user show data mapping based on chosen of indicator category, Plant, Region, and year. Provided information is data of each regency in transparent gray for specific area which automatically works, It is based on dismouse over region and color index as data mapping reference. This is an example of data mapping in DI Yogyakarta, with harvest coverage indicators, maize plant, Kulonprogo, in 2008.

This table show data information of each regency based on chosen of indicator category, plant, area. Eg. DI Yogyakarta, with production indicator, maize plant, in 2008, 2009, 2010

Conclusion
Food security and featured commodities continue to be improved by the government, especially all of areas which able to dig featured commodities. Moreover improving of farmers' welfare need long and short term policy such as the policy of protection farmers with the import restrictions, but it should be supported by policies to improve local production through improving effort of crop featured productivity such as in Java, Sumatra and Sulawesi.

This research tries to design prototype geographic information system in order to conduct the accurate mapping and to know the local featured crops production in Indonesia. This level is conducted for documentation and mapping of agricultural products which is the local featured production. This documentation requires the usage of potential physical, economic, social and cultural environment by the utilization of information technology and communication, which have the ability of relevancy and accessibility of reliable information.

References

DETERMINANTS OF IT GOVERNANCE EFFECTIVENESS

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Abstract
This research seeks to examine empirically the individual IT governance mechanisms that influence the overall effectiveness of IT governance. Obtaining the sample data by using questionnaire of 5 (five) companies in DKI Jakarta with 30 respondents, this research examined the influences of four proposed IT governance mechanisms which are culture of compliance, involvement of top management in IT, corporate performance measurement systems, and IT risk management on the overall effectiveness of IT governance. Using Multiple Regression techniques, this research found significant positive relationship between effectiveness of IT governance and the following two IT governance mechanisms: the involvement of top management in IT and IT risk management, and found negative relationship in culture of compliance and corporate performance measurement systems.

Keywords: IT Governance, Mechanisms IT Governance, Good Corporate Governance.

Background
In recent years, Information Technology (IT) Governance has been emerging as a central issue in the business and IT world and also proven to create value for the organization. Good governance in structure and directions will be able to support an information technology development in order to reach the vision of the company organization. The organization is started by auditing the technology information. This audit has a purpose in giving value of technology information assembling performance referring to the COBIT tool, which can be used as comprehensive devices to create IT Governance in a company organization. Every organization has to do communication’s audit regularly in order to know how effective the communication’s programs, activities, performances or policies that they have done. Communication audit uses integrated, planned and systematic method of researches, objective data and standardized bench marking.

Formally, Information Technology governance (IT governance) has the following definition (ITGI, 2000): "IT governance is a structure and processes are interconnected as well as directing and controlling the company in achieving goals companies through value-added and balancing between risks and benefits of information technology and processes."
Within the framework of corporate governance, IT governance becomes the primary and are an integral part of successful implementation of corporate governance overall. IT governance ensures the efficient and effective measures to increase the company’s business processes through the structure that links IT processes, IT resources and information to the company’s strategic direction and objectives. Furthermore, IT governance integrates and institutionalizes best practices from planning, management, implementation, implementation and support, and monitoring IT performance, to ensure company information and other related technologies really become advocates for the achievement of corporate goals.

As the world grows more dependent on IT systems and processes, management of IT Risk becomes a practical necessity. Those who neglect this emerging discipline may squander opportunities from fear of trivial or imagined threats, or fail to take elementary precautions against significant threats.

Regulations governing business conduct—most prominently Sarbanes-Oxley in the United States—raised the accountability of corporate officers and disclosure standards for business information, with significant implications for IT. Sarbanes-Oxley was an external stimulus—for many companies, the first—that forcibly aligned business and IT strategies, and made IT Governance a top-of-mind issue for many chief executives.

Many researchers have examined the critical role of top management practices in information system success. In this study top management means the CEO and the level of management directly below that of the CEO. The involvement of top management appears to lead to effective information system planning (Rockart, 1988; Cerpa and Verner, 1998; Earl, 1993; Shuman and Rohrbaugh, 1991; and Sohal and Fitzpatrick, 2002). A lack of top management involvement has been shown to lead to unfavorable outcomes in IS planning, and even failure to plan for IS. (Cerpa and Verner, 1998; Nath, 1989; Sabherwal, 1999; and Salmela et al., 2000). Syaiful Ali and Peter Green; within “Determinants of Effective Information Technology Governance: A Study of IT Intensity” found a positive and marginally significant result (p=0.079), this finding suggests that the involvement of top management is a positively influence on the effectiveness of IT governance, consistent with the previous study by Vaswani (2003).

Over the last decade, business has been paying greater attention to corporate ethical and legal compliance programs. In a survey of Fortune 1000 firms, Weaver et al. (1990) found that 98% of responding firms address ethical or conduct issues in formal documents. Meanwhile, 78% have a separate code of ethics, and most of them distribute these policies widely within the organisation.

Recent corporate collapses, like Enron, WorldCom, HIH, and One.Tel, have shown that the lack of a culture/ethics of compliance has adversely impacted the company’s existence. This situation has forced government authorities to enact laws like the Sarbanes-Oxley Act (2002) in US, to address such cases in the future. In this study, ethics or culture refers to similar concept that means “All the beliefs, values, attitudes, rituals and behaviour patterns that people in an organisation share” (Meyer, 2004, p.29).

Measurement plays a crucial role in translating business strategy into results. In fact, organizations which are tops in their industry, stellar financial performers and adapt change leaders, distinguish themselves by the following characteristics: having agreed-upon measures that managers understand; balancing financial and non financial measurement; linking strategic measures to operational ones; updating their strategic scorecard regularly; and clearly communicating measures and progress to all employees. (Lingle, John H. and William A. Schieman, “From Balanced Scorecard to Strategic Gauges: Is Measurement Worth It?” Management Review, March 1996).

There are several researcher have done the research about this study, those are: Ahmad A. Abu Musa by the research “Exploring Information Technology Governance (ITG) in Developing Countries: An Empirical Study” exploring the current performance of information technology governance (ITG) in Saudi organizations using the balanced scorecard model introduced by the ITG Institute (ITGI, 2005). An empirical survey was carried out to achieve this purpose. The results of this study suggest that Saudi organizations should achieve better governance of their IT in order to ensure that an organization’s IT strategy is aligned with and supports the overall organization’s strategy— that IT supports the organization’s ability to exploit opportunities and maximize benefits. The results also suggest that Saudi organizations should use their IT resources more responsibly and manage their IT-related risks appropriately in order to champion the IT development for the success of their businesses.

This study did not provide a general understanding of the conditions under which the mechanisms are likely to produce IT utilization quality of IT governance, but tend to discussed mechanisms such culture of compliance, involvement of top management in IT, and IT risk management. This paper does not discuss the quality of governance in the use of IT firms manufacturing or trade, but only discussed in banks, consultant, and forestry organizations. Year of data collection is 2010.

As shown in Figure 1.1, this study adopted and extended the prior study model (Ali and Green, 2005) into the following model:
The hypotheses in this research are:
H1: Corporate Performance Measurement Systems affect positively on Effectiveness of IT Governance.
H2: Culture of Compliance affect positively on Effectiveness of IT Governance
H3: Involvement of Top Management in IT affect positively on Effectiveness of IT Governance.
H4: IT Risk Management affect positively on Effectiveness of IT Governance.

Research Method

Type of data used are primary data measuring by questionnaire. The questionnaire was built from a model by Syaiful Ali and Peter Green (2005).

The variables used in this research consisted of the dependent variable and independent variables. The dependent variable is Effectiveness of IT Governance and the independent variables are Corporate Performance Measurement Systems, Culture of Compliance, Involvement of Top Management, and IT Risk Management. Data analysis technique of hypotheses test use multiple linear regression using SPSS 17.0. The steps conducted in the hypotheses test, including: Statistics Descriptive Test, Classical Assumption Test (Multicollinearity Test, Heteroscedasticity Test, and Normality Test), Hypotheses Test (T test and F test).

Results and Discussion

This study sought to examine empirically the individual IT governance mechanisms that influence the overall effectiveness of IT governance within an organization by examined the influences of the following IT governance mechanisms on the overall effectiveness of IT governance: performance appraisal, culture of compliance, involvement of top management in IT, and IT risk management.

Based on the research Vaswani (2003), stating there are influence between variable of performance appraisal of the effectiveness of IT governance. While Syaiful Ali and Peter Green (2005), supporting the results of this research which states that the performance appraisal does not significantly influence the effectiveness of the use of IT governance. This is caused by different perceptions of performance appraisal in each companies, and also good performance appraisal system would encourage the employee increasing the applied of information technology.

In the culture of compliance variables, this research showed no significant effect on the effective use of IT governance. The results of this research are not consistent with research conducted Vaswani (2003) as well as Syaiful Ali and Peter Green (2005). Illustrate that could be given because of the slow evolution in the management if there are new rules or regulations.

Involvement of top management showed a significant effect on the effective use of IT governance. This research is consistent with a research by Vaswani (2003) and Syaiful Ali (2005).

IT risk management variables clearly show a significant influence on the effective use of IT governance, because with more and better risk management in IT, it will get better quality information that will ultimately support the effective use of IT governance. This variables research conducted by Mirela Gheorghe, Pavel Nastase, Dana Boldeanu, and Aleça Ofelia (2009).

From the above studies concluded that IT governance mechanisms affect the effective use of IT governance at the top and middle level in the organizational structure of the company. With the support of top management, middle level in the organization feel more obliged to master a system that has been developed. With a great integrated system would be increasing the quality of information so it will be related towards the value of the companies.

In Indonesia, human resources in IT dominated by well-grounded foreign employee, particularly in banks and financial institutions, so it affects the quality of IT management in a company. While on IT risk management, access limited to the holders of more systems to make security systems more secure so that the quality of information generated is also guaranteed its effectiveness in supporting the company's performance.

In general, distinguishing between developed and developing countries is the ability of science and technology. The rapid progress in science and technology in developed countries is supported by good information systems. Conversely, weak information systems in developing countries result in retardation in the mastery of science and technology. The progress of a country is determined by the mastery of information, because information is the main capital in developing science and technology became a key point for developing countries.

If Indonesia wants to get ahead in global competition, this country must overbearing the information. In this era of globalization and information, control information is not enough merely to overbearing, speed and accuracy required for the development of science and technology is very fast and unlimited, one way to build appropriate mechanisms in IT governance.

The results of this study only represent the four variables into the mechanisms of IT governance because of constraints in the development of questionnaire indicators.

Statistics Descriptive Test
Known on the variable Effectiveness of the use of IT governance with a mean value of 3.5 indicates that the effective use of IT governance has been perceived impact on companies.

In variable Culture of Compliance, Corporate Performance Measurement Systems and Involvement of top management in IT with a mean value of 3.7. In Involvement of Top Management support on perceived influence on the effectiveness of IT governance, IT risk management while in the mean value of 3.6 indicates good risk management will determine the effectiveness of IT governance good also.

Quality Data Test
Validity Test
Validity of test results indicates that all items are declared valid because the probability value of correlation (sig. (2-tailed)) is less than significant level (α) of 0.05 (Singgh, 2007). The results showed that all items are valid statements, so that valid for use as a means of collecting data.

Reliability Test
Declared the value of Cronbach Alpha greater than 0.6 (Ghozali, 2001). Reliability test results showed that all reliability coefficients greater than 0.6, then all the items otherwise reliable statement. This means that all statements in the questionnaire is reliable.

Classical Assumption Test

Multicollinearity Test
Multicollinearity Test used to determine whether the regression models found a correlation between independent variables. The results shown that all of the independent variables have Tolerance value > 0,1 and VIF value < 10 (Ghozali, 2001) declared that the model free regression multicollinearity.

Heteroscedasticity Test
Heteroscedasticity test used to determine whether the regression model has the same variance (homoscedasticity) from the residual one to another observation.

Heteroscedasticity test can be seen through the scatterplots graph. Scatterplots Graph show the point spread randomly either above or below the Y axis so that it can be concluded that there is no heteroscedasticity in regression models.

Normality Test
Normality test used to determine whether the data has a normal distribution. To test the normality of data can use normal probability graph. Here are the results of normality test using the normal probability graph.

Based on the results of normality test with normal probability graph shows that the dependent variable has normal distribution. This is indicated by plots that spread around the diagonal line and follow the direction of the diagonal line.

Hypotheses Test
Hypotheses test in this research conducted by multiple linear regression models which conducted partially and simultaneously. The multiple linear regression partially performed by using T test, and the simultaneously by using the F Test.

Based on testing through multiple regression analysis (multiple regression) were performed to determine the effectiveness of IT governance mechanism using a statistical calculation SPSS software 17.0 . The mechanism of IT governance to be variable in the research consisted of culture of compliance, corporate performance measurement systems, involvement of top management in IT, and IT risk management. Hypotheses testing is done by using a test of goodness of fit/R2, t test partially and simultaneously by using the F test Results of multiple regression analysis calculations.

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If Indonesia wants to get ahead in global competition, this country must overbearing the information. In this era of globalization and information, control information is not enough merely to overbearing, speed and accuracy required for the development of science and technology is very fast and unlimited, one way to build appropriate mechanisms in IT governance.
The results of this study only represent the four variables into the mechanisms of IT governance because of constraints in the development of questionnaire indicators.

Conclusions and suggestion

Conclusion

This study sought to examine empirically the individual IT governance mechanisms that influence the overall effectiveness of IT governance within an organisation by examined the influences of the following IT governance mechanisms on the overall effectiveness of IT governance: culture of compliance, involvement of top management in IT, and IT risk management.

In particular, this study found robust empirical evidence that (1) the involvement of top management in IT is positively correlated with the overall effectiveness of IT governance, and (2) the existence of IT risk management support greatly enhances the overall effectiveness of IT governance.

Suggestion

Instead the company used in this sample consistently implement IT Governance. Involvement of top management be improved to get better results in the application of IT Governance. In order to produce a good IT Governance is expected to improve the company's compliance culture.

References


DIRECT AND INDIRECT INFLUENCE OF EMOTIONAL SPIRITUAL QUOTIENT ON JOB PERFORMANCE IN DIFFICULT SITUATION

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Abstract

The aim of this study is to analysis direct influence of emotional spiritual quotient on job performance and also indirect influence through adversity quotient® and motivation. Data were collected from 70 general managers and managers of real estate firms in Indonesia. Partial Least Square was performed to analyze the data. Results of the study indicated that influence of Emotional Spiritual Quotient through Adversity Quotient® and motivation on job performance is greater than direct influence. In other words, someone who has a high Emotional Spiritual Quotient will have the ability to cope and survive in difficult situations and then have the motivation to produce good performance.

Keywords: adversity quotient®, difficult situation, emotional spiritual quotient, motivation, job performance

Background

Although the situation and condition of internal/external company do not support, but each company certainly remain hopeful that their employees are capable of producing optimal performance. Many of factors that enable a person is able to have a good performance, otherwise a lot of factors also that enable someone’s achievement is hampered. According to Troeia and Zagladi (2004), emotions exhausting (fatigue) due to workload is one of the factors that affect performance. Performing job optimally in normal and conducive circumstances is an ordinary phenomenon. However, it could be regarded as an extraordinary phenomenon when optimal job performance is achieved under difficult circumstances.

Refer to job performance theory, job performance is predicted by at least two predictors which are motivation and ability (Porter and Lawler, 1968 and Locke, Mento and Katcher, 1978). Therefore, in addition to be highly motivated, employees are required to have the ability to overcome various problems and difficulties, especially in difficult circumstances.

To perform optimally in tight competition and various constraints company requires employees have capability to overcome those constraints. Studies aiming at determining factors that affect performance are required to find out the answer to the question regarding factors that can enhance or affect performance. The importance of conducting research to identify determinants of job performance is in accordance with Schein (1994) who argued that understanding human nature is difficult. Whenever we make generalization, there are always found more important phenomenon which weakens the previous theories.

Until 1995, the majority of opinion regarding success factors are still fixed on the intellectual intelligence (i.e., intelligence quotient—IQ). Goleman (1996), based on his study, concluded that psychologists agree that IQ was only supports about 20 percent of the factors that determine success. The remaining 80 percent, meanwhile, comes from other factors including emotional intelligence (i.e., emotional quotient—EQ). EQ describes the ability, capacity, skill to receive, assess, and to manage emotions both own emotion, emotion of others, and emotion of groups.

In line with Goleman, Ashkanasy (2002) reviewed in his article about the role of emotion in an organization. Ashkanasy (2000) stated that managers should be able to understand the emotional impact of the employee's job, able to create a positive and friendly emotional climate because the company is a place where employees come not only to work.