

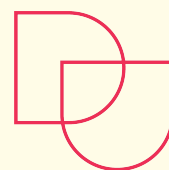
6th Dubrovnik International Economic Meeting

DIEM 2023

**Global Crisis, Digital Transformation
and New Leadership and
Entrepreneurial Approaches**

Book of Abstracts

**University of Dubrovnik
Department of Economics and Business
29th June - 1st July 2023, Dubrovnik, Croatia**



**SVEUČILIŠTE
U DUBROVNIKU
UNIVERSITY
OF DUBROVNIK**

6th Dubrovnik International Economic Meeting

DIEM 2023

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OF DUBROVNIK
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OF ECONOMICS
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6th Dubrovnik International Economic Meeting

DIEM 2023

**„Global Crisis, Digital Transformation
and New Leadership and
Entrepreneurial Approaches “**

Under the auspices of the President of Croatia Mr Zoran Milanović



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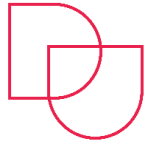


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Title of the keynote: Turbulent times - from one crisis to another



Marta Mas-Machuca, Dean of Faculty of Economic and Social Sciences, Universitat Internacional de Catalunya (UIC), Spain

Title of the keynote: User engagement in digital platforms: conceptualization, challenges & future insights



Tomasz Skica, Head of the Department of Entrepreneurship, University of Information Technology and Management, Department of Entrepreneurship

Title of the keynote: Local public policies on entrepreneurship support. Patterns, approaches and their instrumentalization

FROM THE EDITORS

This year the University of Dubrovnik, Department of Economics and Business organised the 6th Dubrovnik International Economic Meeting (DIEM 2023), as an international forum for discussion and presentation of research results in the fields of economics and business, with the emphasis on: Global Crisis, Digital Transformation and New Leadership and Entrepreneurial Approaches. DIEM 2023 welcomed an array of contributions, both theoretical and empirical, and stimulated discussions of ideas and approaches to the global challenges, crisis management and sustainable development. The Conference aimed at bringing together scientists and experts with diverse backgrounds to foster exchange of empirical results and ideas from various research fields. This year was a special honour for DIEM to contribute to the celebration of the University of Dubrovnik 20th anniversary, a jubilee that we are proud of.

Three eminent researchers were keynote speakers who also presented their work at the Conference:

1. Gorazd Justinek, Dean, New University, Faculty of Government and European Studies
Title of the keynote: Turbulent times - from one crisis to another
2. Marta Mas-Machuca, Dean, Universitat Internacional de Catalunya (UIC), Faculty of Economic and Social Sciences
Title of the keynote: User engagement in digital platforms: conceptualization, challenges & future insights
3. Tomasz Skica, Head of the Department of Entrepreneurship, University of Information Technology and Management, Department of Entrepreneurship
Title of the keynote: Local public policies on entrepreneurship support. Patterns, approaches and their instrumentalization

The overall objective was to attract professionals and researchers from the field of economics and other relevant fields, who are aware of practical and theoretical problems of modern economy, to participate and give their contribution in solving these problems with active participation in presentations, working papers and panels and to provide maximum opportunity for presentation by young researchers.

The 6th Dubrovnik International Economic Meeting DIEM 2023 brought together more than 100 scientists from 16 different countries.

Within the DIEM 2023 Conference, the panel “Entrepreneurial behaviour as a response to challenges in the environment” (in Croatian only) was organised

in cooperation with Faculty of Economics University of Osijek, CEPOR, Croatian Chamber of Economy and Business Association Krug.

DIEM has been recognised as an excellent platform to present new, contemporary issues and as an active promoter of economic profession in the future, having succeeded to establish excellent co-operation with many researchers, institutions of higher learning and business entities. In 2023 DIEM has been organized both on the site and online.

The peer review was completed by an international team of reviewers, consisting of experts in economics and business as well as other relevant fields from all over the world.

Finally, we would like to thank all the members of the international reviewing team who were at disposal all the time, to our keynote speakers, panellists as well as to everyone who has contributed to the Conference in any capacity.

Full Professor Ivona Vrdoljak Raguž, PhD, Editor in Chief

Assistant Professor Marija Bečić, PhD, Co-editor

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**BUSINESS MODEL INNOVATIONS IN SMES IN A HIGH
UNCERTAINTY: THE ROLE OF CEO'S VALUES**

UDK: 005-057.177:001.895]:330.131.7

JEL classification: O31, M12, L25, D81

Abstract

The current business environment is characterized by a high level of uncertainty which affects the global economic system and has the greatest impact on small and medium-sized enterprises (SMEs). With a high level of perceived uncertainty, CEOs of SMEs find themselves in a situation where the old approaches to decision making are irrelevant, and the time to create new ones is limited. In our study, we show that appealing to personal values is a mechanism that helps CEOs cope with the high level of perceived uncertainty and make decisions about the further development of the firm by undertaking business model innovations (BMI). Drawing on a multiple case study research design, we show that CEO's communion values lead to innovations in the value offering dimension of the business model. CEOs who are inclined to agentic values introduce innovations in the value architecture dimension. Those executives who balance between the two types of values tend to also balance between different types of innovations in the elements of the business model. We find that personal temporal focus orientation serves as the translation mechanism in the relationship between CEO's values and BMI in SME settings.

Keywords: business model innovation; CEO's values; temporal focus

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HUMAN RESOURCE MANAGEMENT IN SMALL ENTERPRISES: FINDINGS FROM CROATIA

UDK: 005.96:334.012.61-022.51](497.5)

JEL classification: M50, L25

Abstract

Small enterprises with fewer than 50 employees form the backbone of the economies in many countries, significantly contributing to the gross domestic product, employment, and exports. Considering their great importance and role in economic development, economies can benefit from a strong, productive, innovative, and growing small enterprise's sector. Employees play an essential role in the development of small enterprises. For this reason, it is important to explore to what extent small enterprise owners pay attention to human resource management and its development. Previous research on human resource management is mainly focused on large enterprises with limited evidence on how small enterprises manage and develop their employees. This paper explores the human resource management approach in the context of two small Croatian enterprises. Building on six semi-structured qualitative interviews conducted with three different employee groups – senior manager, middle manager, and senior staff, two qualitative case studies were created that provided a deeper understanding of the approach to managing and developing employees in small enterprises. The results suggest that small enterprises' managers are aware of their employees' importance and the need to support their future development. Although small enterprises implement and adapt human resource management practices according to their capabilities and limitations, it is evident that fostering and empowering employees is embedded in their organizational culture.

Keywords: small enterprises, human resource management, employees

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THE ROLE OF CEO TEMPORAL FOCUS IN SME DECISION-MAKING STRATEGIES IN CRISIS ENVIRONMENT

UDK: 005.21:005.931.1]:005.71-022.51/.55

JEL classification: M10, M12, D81

Abstract

Entrepreneurial behaviour and managerial decisions are central to the survival and success of a firm during crises. Previous studies have considered effectuation and causation as alternative decision-making strategies used by entrepreneurs to navigate uncertainty, having various individual and firm level factors as antecedents. Prior studies show that top-managers align their strategies with their temporal orientation. Accordingly, we suppose that the decision-making strategies can be affected by the CEO's perception of the time. This research aims to broaden the understanding of individual-level antecedents by examining the role of the CEO temporal focus on decision-making processes in small and medium-sized enterprises (SMEs). Based on the multiple case study design we empirically investigate 21 SMEs in order to identify the relationships between CEO temporal focus and effectuation and causation. The findings suggest that CEOs having past orientation tend to adopt causation, present-oriented CEOs rely on both decision-making strategies. and future-focused CEOs adopt effectuation. The research contributes into Effectuation theory (Sarathy, 2003) and Attention-based view (Ocasio, 1997; Ocasio & Joseph, 2005) extending the existing knowledge on the

individual-level factors, in particular, the focus of a CEO on past, present or future, which may become an antecedent of adoption effectuation or causation as a behavioural strategy in the conditions of high environmental uncertainty among small and medium-sized enterprises.

Keywords: effectuation, causation, temporal focus

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FOOD HUBS AS TOOL FOR DEVELOPING ENTREPRENEURSHIP IN GASTRONOMY: THE CASE STUDY OF DUBROVNIK¹

UDK: 641/642:005.342]:658.72(497.584)

JEL classification: L26, L66, Q11, Q13

Abstract

As the planning profession begins to embrace food and agriculture as important opportunities for sustainable cities and towns, planners are searching for ideas that can be implemented at the local level. Food hubs are gaining popularity as a way to build strong local food systems and healthy communities. Food hubs are innovations in local food systems that serve as an alternative to the conventional food distribution system. Hubs help connect small farmers with local markets and increase food access for local residents. But it is clearly that focusing on the local cuisine as a tourist destination product is worthwhile. Food hub operators are skilled business people who have identified a challenge how to satisfy retail and institutional market demand to source from small and middle size producers and have deftly come up with regionally appropriate solutions that not only result in positive economic outcomes but also provide valuable services to producers and their wider community. Food hub operators represent a new kind of food entrepreneur,

¹ This paper was created within the framework of the project “Establishment of the Regional Competence Center for Tourism and Hospitality Dubrovnik”, co-financed by the European Union from the European Social Fund.

one that is increasingly demonstrating a financially sound business model that can be both market and mission driven. This paper examines the importance of the establishment of a food hub for the development of entrepreneurship and innovation in gastronomy, i.e. for the development of the gastronomic offer in Dubrovnik. The survey was conducted in June 2022 among 93 graduates of the School of Tourism and Hospitality to find out their opinion about the establishment of a food hub and whether they are inclined to become its users. Research has proven that most graduates would use food hub services and as such they are necessary for business creation and innovation in the food service industry.

Keywords: food hub, entrepreneurship, gastronomy, Dubrovnik

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**NARROW VS BROAD STRATEGIC ATTENTION:
A COMPARISON OF PERFORMANCE LEVEL AND
VARIABILITY EFFECTS IN SMES FROM EMERGING
MARKET**

UDK: 005.342+658:657.47] (470+571)

JEL classification: D24, L26, M40, M41, M50, O31

Abstract

Allocating consistently high strategic attention to multiple strategic issues is highly valuable, yet fundamentally difficult. In this study, we juxtapose the benefits from broad (and narrow) strategic attention with its costs to establish the effects on performance level and variability. By considering various combinations of firm strategic orientations – entrepreneurial, market, and learning – as indicators of its perspective, we strive to uncover an optimal scope of attention that leads to superior and stable financial outcomes. We build on the foundations and recent developments in the resource- and attention-based view and rely on the dataset of 512 Russian SMEs. Our analyses reveal that firms with concurrent attention to two orientations on average have higher performance levels and lower

performance variability. On the other hand, broad attention negatively affects firm performance and increases variability. These results expand our knowledge of strategic orientation's impact on financial success and lay the path for future investigations of organizational attention.

Keywords: strategic orientations, attention scope, performance variability.

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FACTORS AFFECTING MICRO AND SMALL ENTERPRISES' ACCESS TO MICROFINANCE IN CROATIA

UDK: 336.776+334.012.61-022.51/.55]:330.34](497.5)

JEL classification: L26, G23, G32

Abstract

Micro, small and medium enterprises (MSMEs) are recognized worldwide as crucial element of boosting economic growth, reducing unemployment and poverty. In order to achieve growth, develop new products, create new jobs, they need to get finance. However, they are facing financing constraints, and persistent limitations to access to finance remain to be a major obstacle for them. Thus, financial inclusion is important for economic welfare and sustainable economic development. This study aims to identify the determinants of access to micro loans for micro and small enterprises (MSEs) by considering entrepreneur characteristics, firm characteristics, and perceived business obstacles. Data set of 173 MSEs from Croatia – the region Dalmatia, is available for the purpose of investigating and comparing characteristics of those that are financed and those that are not financed by micro loans. Besides, the paper also presents the logistic regression model which identifies set of characteristics which have significant relation with the MSE tendency to be financed by micro loans.

Keywords: micro loans, sustainable economic development, determinants of access to micro loans

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DIFFERENCES IN BUSINESS FRAUDS BETWEEN STATE-OWNED AND PRIVATE COMPANIES: CASE OF CROATIA

UDK: 334.724:334.722]:343.53

JEL classification: L32, G32, K42

Abstract

Frauds present a serious problem and arising issue for the whole society at national and at global level. According to global fraud research conducted by the Association of Certified Fraud Examiners it is estimated how average company loses about 5% of its annual revenue due to different types of business frauds. Total estimated annual fraud losses according to global ACFE research reach about 4.7 trillion dollars. Business frauds also present an important issue for Croatian economy, business community and society as a whole. Thereby, considerable attention should be given to this issue with the aim of raising awareness of the whole society on frauds and their negative and destructive impact to all pores of society. The main purpose of this paper is to examine differences in fraud characteristics between state-owned and private companies in the Republic of Croatia. Research was based on data on business frauds obtained by the Association of Certified Fraud Examiners Croatia which included 124 respondents. Data were related to frauds that occurred in Croatian companies in 2021 and 2020. In this paper we focused on fraud characteristics such as fraud loss, type of frauds, fraud duration and methods of fraud detection in order to determine whether frauds in privately owned companies differ significantly from frauds in state-owned companies.

Keywords: frauds, state-owned companies, private companies

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ENVIRONMENTAL TAXES AS A TOOL TO MANAGE GHG EMISSIONS

UDK: 336.224.44:504.7

JEL classification: H23, Q54, Q58

Abstract

The research provides substantiation for the problem of environmental pollution in the EU on the basis of the increase in greenhouse gas (GHG) emissions in the country's individual economy sectors. The research aims to assess the impact of environmental taxes on reducing GHG emissions in EU countries. The aim of the present study is to compare the effectiveness of the environmental support measures of the EU countries with the effectiveness of environmental taxes in relation to the reduction of GHG emissions. This study is characterized by the broad scope of its data analysis and its systematic approach to the EU's environmental policy. An integrated set of measures should be applied for the reduction of GHG emissions, involving environmental tools aimed at the implementation of environmentally friendly projects, including environmental taxes of broad scope. This set of measures has a more targeted effect in the countries that have implemented environmental tax reform. The findings of the study imply that the initial member countries of the EU, which had directed the financial measures of the environmental policy towards a reduction in energy consumption, managed to achieve a greater reduction in GHG emissions compared to the countries which had not applied those measures. Meanwhile, the Central and Eastern European countries are characterized by lower environmental taxes and lower expenditures allocated to environmental protection. The majority of these countries have minimal environmental taxes of narrow scope and have started giving more attention to saving energy and investments in environmentally

friendly technologies in their environmental policies only recently. GHG emissions are affected considerably not only by GDP per capita but also by expenditure on environmental protection. The countries with higher GDP per capita have greater GHG emissions than the countries with lower GDP per capita. This is associated with greater consumption, waste, and energy consumption.

Keywords: Environmental taxation, GHG emissions, EU Countries

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INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) ADOPTION AND THE VALUE RELEVANCE OF ACCOUNTING INFORMATION IN SELECTED AFRICAN COUNTRIES¹

UDK: 657.3(669.1+680)

JEL classification: F39, G20, G30, M41, M48

Abstract

The focus of the study was on examining International Financial Reporting Standard (IFRS) Adoption and The Value Relevance of Accounting Information in Selected Africa Countries: A Comparative Analysis of Nigeria and South Africa. The focus on cross country analysis in the subject of IFRS adoption and value relevance is growing quite slowly. However. Cross country empirical studies for countries in Africa continent is largely non-existent or at best difficult to find. This study address this gap by adopting a cross-country approach using Nigeria and South Africa. The study employed a longitudinal research design. The population and the sample of the study comprised the top companies in each country by way of market capitalization for the countries in the study, namely: Nigeria and South Africa as at December, 2019. The convenience sampling technique was used in the study to select listed firms across the two countries. Secondary data sourced from corporate

¹ This paper emerged from the Ph.D. thesis in Accounting of Ohonba Osamwonyi, Ph.D., the lead author in this research, defended at Igbinedion University, Okada, Nigeria under the supervision of the Co-Author, Mary Josiah.

annual reports of the sampled quoted firms got from the Nigerian Exchange Group (NGX) and Johannesburg Stock Exchange (JSE) were used for the study. The study made use of panel data regression and the results revealed that for South-Africa, Earnings Per Share (EPS) and EPS*IFRS were both positive respectively, and also statistically significant. Book Value Per Share (BVPS) and BVPS*IFRS were both positive respectively, and also statistically significant. Dividends Per Share (DPS) and DPS*IFRS were both positive respectively, and were also statistically significant. Intangible Assets (INTA) was not value relevant in the pre-IFRS period given the absence of the statistical significance of the variable, but show some evidence of weak incremental relevance from IFRS adoption as the interaction between INTA*IFRS was significant. Cash Flow Per Share (CFPS) was positive and significant; and furthermore, the interaction of CFPS*IFRS was also positive and statistically significant. For Nigeria, EPS and EPS*IFRS are both positive respectively, with EPS statistically significant. BVPS and BVPS*IFRS are both positive respectively, with only BVPS statistically significant. Furthermore, DPS and DPS*IFRS are both positive respectively, and statistically significant. INTA and INTA*IFRS are both insignificant respectively. Finally, CFPS is positive, though not significant; but the interaction of CFPS*IFRS is positive and significant. It therefore implies that, EPS*IFRS, BVPS*IFRS, DPS*IFRS, INTA*IFRS, CFPS*IFRS shows whether EPS, BVPS, DPS, INTA, CFPS reflects a stronger statistical significance in explaining share price when interacted with IFRS adoption (post) than without it (pre) in the two selected Countries (Nigeria and South Africa) . The study concluded that, there is the need for capital markets in developing countries to become more efficient and for companies and accounting regulatory institutions to ensure timely and quality disclosures of accounting information. It recommended that stock exchanges in developing markets should put a frame-work in place that measure the rate of compliance of each listed firm's annual report with IFRS demands to enable the sanctioning of firms that recorded below the expected compliance level. The study also recommended amongst others, that financial reporting councils and accounting standards setting bodies globally should support the effort to ensure improved compliance with IFRS as a matter of policy.

Keywords: IFRS, Earnings Per Share, Book Value Per Share, Dividends Per Share, Cash flow ratio, Intangible Assets

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INCREASING THE FINANCIAL AUTONOMY OF LOCAL GOVERNMENT AS A STIMULUS FOR SUSTAINABLE DEVELOPMENT OF RURAL MUNICIPALITIES: THE CASE OF LITHUANIA

UDK: 352:658.14/.17]:502.131.1(474.5)
JEL classification: H30, H72, R11, R51, Q01

Abstract

The assessment of the level of financial autonomy of rural municipalities, while at the same time identifying the endogenous factors determining it, has recently become an important topic not only for research but also for the strategic decisions of fiscal policy from the perspective of environmental, economic, social and regional sustainable development. Scientific problem - low financial autonomy limits sustainable development in rural municipalities. The aim of the study is to highlight the importance of increasing financial autonomy for the sustainable development of rural municipalities by analysing the phenomena of financial autonomy and sustainable development of local governments from a theoretical point of view. Here is present the results of a study that sheds light on the financial autonomy of rural municipalities in Lithuania in the period 2009-2019 and the determinants of this financial autonomy in three of the four dimensions of sustainable development: economic, social, and regional development. The results of this study show that most of Lithuania's rural municipalities are broadly similar in terms of their financial potential, socioeconomic conditions, and functions. Lithuania's rural municipalities are weak in terms of financial autonomy, and their own revenue potential is also low, accounting for only around 9% of total revenue. Today, all Lithuanian municipalities, including rural ones, have only two

own taxes in their revenue mix - land (2%) and real estate of legal entities (1%). The reality is that local governments' discretionary taxes account for only around 3% of their total revenue. While municipalities have the right to grant tax concessions on land and corporate property tax rates, they have virtually no autonomy over other tax and non-tax rates, their management, administration, and control. This situation highlights the lack of sustainability in the local government revenue mix and the limitation of opportunities for sustainable development of rural municipalities.

Keywords: *financial autonomy, rural municipalities, sustainable development*

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TERRITORY, NETWORKING AND REGIONAL POLICIES: REGIONAL DEVELOPMENT AGENCIES OF THE POST-TRANSITION EU MEMBER STATES

UDK: 332.14(4-67 EU)

JEL classification: H70, O17, O18, R11, R58

Abstract

RDAs - regional development agencies have a long development path in Europe since the early 1960s until today. RDAs are directed to the regions of the countries that implement it, but it also applies to the national level as well as to the level of the EU (which comes to the fore with the country's accession to full membership). In addition to the significant differences in the level of development of the regions of the EU Member States, there are also significant differences in the development of the regions of 11 post-transition EU Member States (Bulgaria, Romania, Czech Republic, Slovakia, Hungary, Poland, Slovenia, Estonia, Latvia, Lithuania and Croatia). Because they all belonged to the former "socialist bloc of countries" and broke their state alliances with the former states in the early 1990s, as well as because they did not have the same historical circumstances or the same timing for joining the EU, all this had and still has an important role on the uneven development of their regions. But, RDAs do not play the same role and importance in all post-transition countries, which reflects the specificity of their regional development management systems and makes it necessary to examine the role and importance of RDAs' work. This paper will analyze:

1) the role and development of RDAs in post-transition EU member states, and 2) the institutional framework of RDAs with an attempt to find innovative transformations of the role of RDAs that respect the framework of EU regional policies.

Keywords: institutional framework of regional policies and development, coordinators for the regional development, post-transition EU member states

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**PUBLIC DEBT AS A DETERMINANT OF THE
CONVERGENCE OF BOSNIA AND HERZEGOVINA IN
THE EU ACCESSION PROCESS**

UDK: 336.27(497.6):339.923(4-67EU)

JEL classification: F15, E62, H60, H63

Abstract

The debt crisis, as one of the significant causes of disruptions in economies, is no longer reserved only for underdeveloped and developing countries, but it is a global economic problem that we are currently witnessing. The concept of debt crisis stems from excessive borrowing, which, by its increase, causes negative economic consequences. The realized deficit of transition countries over the past decade has had a significant impact on the increase in public sector debt, and these countries are faced with the great challenge of consolidating public finances and trying to reduce public debt while preserving economic growth. This paper provides an analysis of the state of the public debt of Bosnia and Herzegovina and its implications for the economy, which, with its movement and inadequate structure, causes negative economic consequences, making the process of convergence in the EU more difficult.

Keywords: public debt, EU convergence, fiscal policy

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THE RUSSIAN-UKRAINIAN CRISIS AND THE ENERGY MARKET

UDK: 620.9:(327:341.31)](470+571):(477)

JEL classification: B17, H56, N40, N70

Abstract

The paper deals with the current crisis, the Russian-Ukrainian war, and events on the energy market. Emphasis is placed on the European Union since Russia is of strategic importance in the trade of major energy products. Namely, the majority of Russian energy exports on a daily basis is directed towards Europe. Nevertheless, Russia's aggressive venture was strongly condemned by the member states of the European Union, which are also members of NATO. Guided by the purpose of a peace alliance, despite energy connectivity, the European Union introduced a series of restrictive measures. Thus, it took an economically quite hostile position. In response to the restrictions, Russia predictably manipulated the energy supply chain and threatened Europe's energy survival. The European Union faced enormous challenges due to disturbed peace, social insecurity, energy uncertainty, inflation, threatened business and the gap between supply and demand. Therefore, this paper takes an analytical approach to this problem and analyses potential strategic solutions for both Europe and Russia. The end of the war is indefinite and still invisible, but what is doubtless is that the consequences in energy flows, strategic approaches and trends in the energy aspect will change forever.

Keywords: Energy market, Russian Ukrainian war, European union

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DETERMINANTS OF BROILER PRODUCTION AND ITS EFFECTS ON POVERTY STATUS AMONG CIVIL SERVANTS IN JOS METROPOLIS, PLATEAU STATE, NIGERIA

UDK: 636.5-051:338.515G:364.65G(669.1)

JEL classification: D13, I32, L11, L66, Q12

Abstract

The research was carried out to analyze broiler production as a sustainable tool in reducing poverty among civil servants in Plateau State, Nigeria. The specific objectives were to: determine the profitability of broiler production; evaluate the poverty status and the effect of broiler income on the poverty status of the civil servants; identify the socio-economic factors influencing the level of broiler production; and describe the constraints of broiler production. Data from 120 members of Poultry Association of Nigeria (PAN) who are civil servants, were analysed using descriptive and inferential statistics. Majority of the civil servants that engaged in broiler farmers were women.

Findings revealed that the influx of new entrants into broiler production in recent times was due to the ban on importation of frozen poultry product by the Federal Government of Nigeria which create high demand-supply gap. The civil servants' broiler producers earned a profit margin of 58% and return on investment of ₦1.67 per Naira invested. This resulted into reduced FGT poverty indices. The level of broiler production were significantly determined by sex, level of education and experience at different level of probability. Likewise, the poverty status of the civil servants were significantly affected by salary and income from broiler production at 1 and 5 % levels of probability. Major constraints in broiler production were high cost of feed and vaccines. Government ban on importation of poultry meat is plausible and should be further imbibed by the Nigerian citizens to consume home grown poultry meat.

Keywords: Civil servants, broiler production, sustainable livelihood, poverty

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**EDUCATION, SCIENCE AND RESEARCH – KEY
ELEMENTS SUPPORTING DYNAMICS OF ECONOMIC
GROWTH IN THE EU IN THE PERIOD AFTER
OVERCOMING THE EFFECTS OF THE COVID-19
PANDEMIC¹**

UDK: 001+37]:330.35(4-67EU)
JEL classification: D83, I23, I25

Abstract

Education, support of science and research currently represent one of the key factors supporting the dynamics of economic growth and development, both at the regional and global level. In the context of the indicated development, both within the European integration area and individual member states, there is a gradual implementation of projects focused on the reform of educational systems in order to increase the level and quality of education and its close connection with the needs of current social and economic practice. A highly qualified workforce possessing the necessary knowledge, competences and skills represents the core and at the same time the engine of supporting the growth and development of individual economic sectors and increasing the degree of their achieved competitiveness. Currently, almost every economic or social entity is confront with the need to constantly improve and respond

¹ This paper was supported by the Grant KEGA No. 008UMB-4/23 „The European Union’s position in the world economy - current situation and future prospects. Compendium of study materials for university study programs“

flexibly to the needs and demands coming from its external environment, which leads to the need to innovate and improve internal structures and processes in relation to prevailing trends. The results of the educational process transformed into a qualified workforce can significantly help to correctly identify and appropriately and purposefully adapt to these trends. In this direction, the emphasis on the necessity to connect education with the field of science and research is predominant, which represents key factors supporting economic growth and increasing competitiveness. Within the European integration area and individual member states, these starting points are reflected in the entire spectrum of strategic documents implemented in their internal economic environment. For all of them, we can especially mention the current NextGenerationEU plan, in the implementation of which the key will be the use of new knowledge, the results of scientific research and research activities of various types and focus.

Keywords: education, science and research, economic growth

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**INCOME INEQUALITY AND ECONOMIC GROWTH AT
THE EUROPEAN UNION**

UDK: 330.35:330.564-021.23](4-67EU)

JEL classification: C33, E25, F74, O15, O52

Abstract

Economic growth has several determinants, however, there is little research on the effect of income inequality on economic growth. In the case of the European Union, there are countries with different varieties of capitalism, which leads a significant variation in the levels of inequality between countries. The paper aims to estimate the effect of income inequality on the economic growth of the Member States of the European Union, considering different types of income inequality: Gini index, top1% share and top 10% share. We used a dynamic and static panel that models which measure the effect of inequality on the economic growth of the Member States of the European Union. The results show that the type of inequality variable affects the relationship between the income inequality and economic growth, in addition to the fact that the indicators that measure income inequality have a negative and positive impact on the economic growth on the Member States of the European Union.

Keywords: Inequality, economic growth, European Union

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**QUANTIFYING THE EFFECT OF ECONOMIC
COMPLEXITY ON INCOME INEQUALITY IN LATIN
AMERICA**

UDK: 330.35:330.564-021.23](8)

JEL classification: C33, E23, O15, O54

Abstract

Latin America is considered one of the most unequal regions in the world. There are several variables that explain the high and persistent inequality in the region; however, there are few studies that analyze the effect of economic complexity on the income gap in Latin America. The economic complexity is based on the fact that the productive structure of a country can explain its economic development, due to the fact that industries are the effect of the incentives produced by economic and political institutions. Institutions encourage production, innovation and creative destruction and produce more complex productive structures. The paper aims to estimate the effect of economic complexity on income inequality in Latin America. The methodology used is panel data, which manages to capture the change over time of the variables, in addition to the variation that exists in the countries of the region. The results show that economic complexity has a negative effect on income inequality in Latin America.

Keywords: Inequality, Economic Complexity, Latin America

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**MEASURING THE SOCIAL WELFARE OF A SOLAR
POWER PLANT IN WEST AFRICA - A SOCIAL RETURN
ON INVESTMENT (SROI) MODEL**

UDK: 621.311.243+631.674.4](6)
JEL classification: D6, F63, N77, O1, Q42

Abstract

The purpose of the paper is to present an example for the electrification of rural Africa. We will discuss the preconditions, necessities and obstacles of building a solar power plant in rural Niger. For the energy supply of a small village in West Africa a solar pilot plant (20 kWp solar plant with battery storage) is installed. This energy hub makes it possible to provide solar-powered electricity for the town, operate a (ground) water pumping system-delivering water for households and for irrigation of fields. The aim of the paper is to determine the social and individual welfare effects of the new energy system. Therefore, the social well-being of the village is analysed by the social return on investment (SROI) model. The analysis starts with an empirical survey of the households of the village. The villagers were asked to assess the benefits of the new solar power plant investment for their household and for the whole village. Investment and household valuation are intertemporal decisions whose consequences occur at different points in time, and social actors may have different time preferences. Therefore, two different discount methods are considered. The classical standard discounting model for the technical investment and the hyperbolic discounting for the discounting of the utility of the pilot plant for the households. Four different time preference rates (0%, 1%, 5%, 10%) are used to capture different risk assumptions caused by the current global and local risks (rising energy and food prices, corona

pandemic, climate change, water scarcity) and defining thereby the social time preference space. The social return on investment model determines the social return on investment for the households of the village. By rising the time preference rate from 0% to 10% a significant decline of the social benefits of the solar pilot plant can be determined. The global and local risks will rise the time preference rate of the villagers because the present becomes more and more difficult to manage and the visible future is reduced. Hence, the social revenues of the pilot plant decrease over time.

Keywords: Welfare Economics, SROI, Energy, Investment Model, West Africa

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**NEW MODELS OF ECONOMIC GROWTH - THE
RELEVANCE OF ECOMODERNISM AND DE-GROWTH**

UDK: 338.1:502.131.1

JEL classification: F43, O13, O44, O47, Q56, Q57

Abstract

To meet the Paris Agreement, the fundamental target to be reached is a green economy with significantly lower CO₂ emissions. According to the UN, economies have to change the current unsustainable consumption and production patterns. To achieve this transformation, currently two green economy narratives are being discussed: Ecomodernism and de-growth. Ecomodernism tries to find technological solutions to achieve a green resilient economy. Ecomodernism strives to reduce the dependence on nature by focusing more on technology to support human needs and follows the traditional economic growth theory of Solow and Nordhaus and Tobin. The de-growth approach questions the ability of the current linear fossil-fueled based economic system to decouple GHG emissions and resource consumption from economic growth to meet the SDGs and the Paris agreement goals and enable a green and resilient economy. A dynamic 2-country Computable General Equilibrium (CGE) Model is used to analyze the two green economy approaches. In our model, country A applies the ecomodernism pathway to a green economy and country B is on a de-growth path. The de-growth scenario represents a distortion of the current market economy. To analyze these overall economic effects arising from the different strategies, a de-growth wedge is developed based on the Harberger triangle concept. The

wedge measures the excess burden of welfare losses of the two new narratives. Our results from the stylized economic model for the ecomodernism path of country A and for the de-growth path of country B show a continuing spread of the economic development of the two countries. An aggravating factor is that the countries, which are intertwined through their trade relations, have to be managed against the background of two different green economy approaches: ecomodernism and de-growth.

Keywords: Ecomodernism, Degrowth, General Equilibrium Model

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MIGRANT INTEGRATION IN EUROPEAN COUNTRIES

UDK: 316.644:314.151.3-054.73](4)

JEL classification: F22, O15, J61

Abstract

The European Union was created and is founded on values which are the joint heritage and patrimony of the overall development of Europe, namely the ideals of freedom, unity and equality, peace and security, democracy, human and minority rights and the rule of law. The reason why migrants come to Europe is because it is safe, there is more democracy, there is more freedom, more tolerance, but also more social benefits, than in their countries of origin. The EU ensures the social needs of migrants are met through tax revenues. It also specifies the frameworks within which member states adopt the laws constituting the institutional integration infrastructure. Integration is the two-way process of adaptation between migrants and the receiving society, and therefore, the same effort is expected from immigrants who, fleeing conflict and poverty, have found the opportunity to start a new life in the country of immigration. However, many, once settled, do not want to integrate, but rather continue to live in Europe as they did in the countries from where they came. Numerous domicile residents feel that major ethnic changes are changing European culture too quickly, and that this could have unintended consequences, among other things, in terms of the economy. The objective of this paper is to identify the challenges related to migration, increase awareness of the issue, analyze and compare the integration efforts made by EU countries, and highlight the challenges they faced and the outcomes of their initiatives. The study involved comparing data from secondary sources and conducting a meta-analysis of relevant literature. Such research is significant in enhancing the migration process as continuous awareness-raising about this matter is one of the key solutions for embracing the changes in migration that affect us all.

Keywords: migrants, integration policies, domicile population

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PLATFORM WORK IN SELECTED CEECs

UDK:331.5:004](4-191.2+4-11)

JEL classification: F66, J22, J40

Abstract

Labour markets are increasingly being organized through digital platforms. These platforms are often characterized by a systematic asymmetry of information and power in favour of platform providers. They rely on an independent workforce that works for its own account and bears the risk independently, but at the same time receives low wages and no social security. Since there are no official statistics on the number of people who work via platforms, a small amount of literature deals with the research of the determinants of platform work. The aim of this paper is to determine how factors such as GDP per capita, unemployment rate, DESI index and online purchases affect the size of the platform work. The analysis was conducted on a sample of selected countries of Eastern and Central Europe (CEEC - Romania, Poland, Slovakia, Hungary, Estonia, Bulgaria and Czech Republic) and for thist purpose ETUI Internet and Platform Work Survey and Eurostat data were used. The results of analysis suggest that the online purchasing and GDP per capita affect the size of platform work in selected countries.

Keywords: labour markets, platform work, CEECs

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**RELATIONSHIP BETWEEN QUIET QUITTING
AND LEADERSHIP ORIENTATION: THE CASE OF
CROATIAN EMPLOYEES**

UDK: 005.5:159.923

JEL classification: D23, J24, M54

Abstract

Quiet quitting describes the situation when an employee mentally and emotionally checks out from the job, and does the bare minimum in her/his everyday work activities. This topic becomes very popular since the coronavirus pandemic, when people reconsidered their approaches towards work and decided to accomplish work-life balance. Quiet quitting is mostly evident among generation Z and Millennials, but other generations are also involved in this phenomenon. In general, quiet quitting originates from an organization's failure to create a meaningful bond with its employees. Consequently, leadership orientation could influence on appearance and presence of quiet quitting behaviour. The aim of this paper was to examine the phenomenon of quiet quitting among Croatian employees. An additional aim was to analyse the connection between quiet quitting and leadership orientation. The empirical research was conducted in 2023 on convenience sample. The questionnaire was created and distributed online. Research results showed a moderate level of quiet quitting behaviour among Croatian employees. Furthermore, research results suggested that task oriented leadership is more often represented than people oriented leadership. A negative statistically significant correlation between task oriented leadership and quiet quitting has been discovered, but no statistically significant correlation between quiet quitting and people oriented leadership.

Keywords: quiet quitting, task oriented leadership, people oriented leadership

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**THE IMPORTANCE OF MULTIPLE ANALYTICAL
STRUCTURES IN THE EVALUATION OF RISK
EXPOSURES OF CONSTRUCTION PROJECTS**

UDK: 005.8-047.44:624

JEL classification: L74, G32, D81

Abstract

Construction projects are complex, multifaceted operations that involve multiple perspectives and different resources and activities. The success of a project depends on its ability to balance the resources and activities that comprise it in a way consistent with all of its stakeholders' needs. Construction projects must be evaluated from different perspectives to assess risk exposures. Each view will render a different financial impact depending on which resources and activities are included in a particular perspective. A separate analysis of a single project mandates a computer-assisted framework to define multiple analytical classes. Multiple analysis of a single project implies comparing various projects by the same analytical structure. This paper discusses a framework that enables an arbitrary number of analytical classes for a particular project.

Keywords: risk exposure, construction project analysis

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**DEVELOPING SUSTAINABILITY BY REDISCOVERING
THE CONCEPT OF AUTHENTICITY**

UDK: 502.131.1

JEL classification: Q01, Q56, Z32

Abstract

In the past few decades, the concept of sustainability has entered almost all spheres of human activity while having an impact on environmental, economic, and social issues. Its definition varies from field to field adopting its meaning to different aspects, viewpoints, and conjectures. The polysemantic character of the concept requires a deeper insight into the intrinsic meaning of the notion itself. A proposition has been made to view sustainability from the aspect of a tourist destination. Namely, the objective of this article is to reconsider the concept of sustainability from the linguistic and etymological point of view by connecting it to the notion of authenticity in tourism. The authors consider that the lack of authenticity is a main drawback and an impediment to a true manifestation of sustainable development's real nature in the future. This article thus argues that, if we omit to recognize the essentiality of sustainability as a concept, the mechanisms necessary for its implementation may be perceived as imposed, rigid, and ethically inconsistent.

Keywords: sustainability, authenticity, development

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BURNOUT OF EMPLOYEES IN BUSINESS ORGANIZATIONS IN FOCUS OF PROBLEMS OF THEIR PERSONAL RELATIONSHIPS

UDK: 331.442:37.064

JEL classification: J28, M54

Abstract

The phenomenon of burnout is a topical problem in modern organizations. But is it so unambiguous to talk about the causes of this problem? Given the fact that there are studies in the literature in which personal relationships of people are considered as a possible factor of a burnout at work, it becomes important to check this relation empirically. Therefore, we raised the question of whether employees of business organizations have a connection between their satisfaction with marriage and the level of burnout. The study was conducted on a sample of employees of business organizations in Russia, in 2021-2022 (N = 203). It was established that an increase in satisfaction with personal relations is positively connected with a decrease in a burnout. Consequently, for many people interfamily support and high level of satisfaction with intimate-personal relations can interfere with a burnout syndrome at work. The received results can help to understand the specificity of a burnout manifestation in the organizations and the ways of communication with the employees in the situations of their stress experience and decrease of the motivation to overcome it. It is possible that marital and family relationships satisfaction can influence a burnout by affecting the motivational component and contribute to a person's self-determination, guiding and defining his/her identity. These assumptions have been put forward in some works before, and our results make an additional contribution to the study of the place and role of a person's identity and self-determination in

a burnout syndrome development. Besides, other peculiarities of a person's personal relations and their connection with a burnout at work cannot be excluded from consideration within the framework of the future research. Of course, we cannot say that people would be happier in companies if they were doing well in their personal relationships. But still, our data allow us to pay attention to this side of a person's well-being in an organization.

Keywords: burnout, personal relationships, family, identity, organization

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**IMPACT OF ORGANIZATIONAL CLIMATE ON
EMPLOYEE BURNOUT IN AN INDUSTRIAL COMPANY**

UDK: 331.442:005.7]:334.716

JEL classification: J28, M14, M54, L00

Abstract

Modern working conditions and the current economic situation are forcing employers to pay more attention to the organizational environment and its impact on workers' life. This research aims to identify those components of the organizational climate that contribute to mitigating employee burnout in the industrial sector. The theoretical part of the work is devoted to the analysis of scientific publications on burnout and organizational climate, key concepts and diagnostic measurements. An empirical quantitative study was conducted in an energy company in February-March 2022, with 915 respondents surveyed. The results of multiple regression analysis showed that transformational leadership has a significant impact on reducing the feelings of exhaustion, cynicism and alienation; organizational clarity and ethical standards contribute to minimization of cynicism, and good work organization helps to reduce exhaustion. We came to the conclusion that the company's responsibility should not be limited to psychological assistance to employees and wellbeing programs, serious changes are needed in the organization of work and other aspects of the organizational climate to decrease employee burnout.

Keywords: burnout, organizational climate, well-being

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WELCOME TO THE DAWN OF THE FOURTH INDUSTRIAL REVOLUTION: ARE HR PROFESSIONALS PREPARED FOR THE IMPACT OF FUTURE OF WORK?

UDK: 004:005.96

JEL classification: O15, O33, M15, M54

Abstract

Propelled by the socio-economic disturbances and the COVID-19 pandemic, advanced technologies such as artificial intelligence (AI), Internet of Things (IoT), robotics, and Web3, which are characteristic of the Fourth Industrial Revolution (FIR), have gained significant ground globally, including the developing countries. As organizations face the array of opportunities and challenges of adopting these technologies, human resource (HR) professionals are tasked with trailblazing the digital transformation of workplaces. Yet, a gap in scientific research regarding the preparedness of HR professionals for this task exists, especially in developing countries like North Macedonia. With this research, the authors aim at addressing this gap and exploring the impact of FIR-related technologies on Macedonian workplaces, employees, their skills, and jobs, as well as, the level of readiness of HR professionals to step up in line with these advanced technologies. The authors build upon a review of the existing literature and use a quantitative online survey distributed to a selected group of HR professionals, operating on the territory of North Macedonia. The findings will contribute to a better understanding of the preparedness of HR professionals to steer organizations in the direction of working in the new era of automation and digital transformation.

Keywords: Fourth Industrial Revolution, human resource management, digital transformation

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**THE POSITION OF WOMEN IN SUPERVISORY
BOARDS AND THE RELATIONS WITH BUSINESS
RESULTS OF LARGE COMPANIES IN REPUBLIC OF
CROATIA**

UDK: 005.742-055.2(497.5)

JEL classification: J16, G34, D21, L25

Abstract

The corporate governance framework comprises of a supervisory board, which acts as a liaison between numerous investors with varying interests, influences and motives, and the management. The supervisory board has a crucial role to play in the corporate governance system, as they adopt strategies that are vital for the survival and growth of the business. This paper examines the role of the supervisory board in corporate governance, the factors that determine its effectiveness, and the representation of women on these boards. The paper analyzes the characteristics and performance of women on supervisory boards, the barriers they face in securing membership on these boards, the concept of the glass ceiling, and prior research on the relationship between gender diversity and the performance of supervisory boards. Based on the results of regression analysis, it is determined that there exists a weak yet positive correlation between the number of women on the supervisory board and the profits realized by large companies in the Republic of Croatia.

Keywords: supervisory board, women on supervisory boards, large companies in the Republic of Croatia

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OVERVIEW OF THE APPLICATION OF KAIZEN AND LEAN METHODS IN THE HEALTH SYSTEMS AND COMPARATIVE ANALYSIS

UDK: 005.22:614.2

JEL classification: I10, I19, M11, M19

Abstract

In the modern world, in health systems management, more and more attention is drawn to quality as one of the strategic concepts. For quality assurance, healthcare systems introduce various concepts and methods to support quality management that allow minimizing unnecessary losses. It is about the so-called dual system of Kaizen philosophy and Lean production, which is based on constant changes, eliminating unnecessary process activities. The paper provides an overview of the results of research on the application of the Lean method in the USA and Italy, conducted in 2022, and the Kaizen method in Swiss hospitals conducted in 2018. Based on a traditional review of the literature, those three studies were selected and presented in the paper. It is the author's opinion that the managerial experiences of the mentioned hospitals offer quality solutions for the implementation in the healthcare system of the Republic of Croatia. The aim of the paper is to obtain recommendations for the improvement of the management system of Croatian healthcare based on a comparative analysis of the above three studies. Preliminary results showed that the application of Kaizen and Lean methods led to significant positive effects in all three analyzed health systems. The limitation of the research

refers to the fact that for the purposes of this paper, only the three mentioned studies were selected, and for a more detailed analysis, it would be necessary to examine other similar experiences in the health systems of other countries, but also to involve multidisciplinary teams in the development of an appropriate implementation model for the Republic of Croatia. Therefore, the paper deals with preliminary theses that are intended to stimulate further discussion for implementation of modern management methods in the healthcare system of the Republic of Croatia, which is currently undergoing a crisis.

Keywords: *health system management, Lean, Kaizen*

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**EXPLORING THE DYNAMIC CAPABILITY
PERSPECTIVE ON THE RELATIONSHIP BETWEEN
MANAGEMENT PRACTICES, ORGANIZATIONAL
LEARNING, STRATEGY, AND INNOVATION
PERFORMANCE IN FIRMS: A SYSTEMATIC REVIEW**

UDK: 005.2:001.895

JEL classification: O30, O31, M10

Abstract

This systematic review aims to explore the relationship between dynamic capabilities and innovation performance in firms, utilizing the framework of Dynamic Capability Theory (DCT). Given the need for more effective innovative solutions and the growing uncertainties in today's business environment, this study seeks to identify and characterize existing research on the topic, including the roles of management practices, organizational learning, and strategy. Through a systematic review of theoretical and empirical works published from 2012-2023, this study seeks to provide new insights into what dynamic capabilities are most conducive to innovation. The review is organized by research focus, type, contribution, and context, offering a comprehensive exploration of the state-of-the-art in the field. Thus, it offers a comprehensive and organized examination of the state-of-the-art on innovation performance of firms from the dynamic capability theory perspective, providing a specialized exploration that can inform future research and practice.

Keywords: innovation, dynamic capability theory, management practice

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**DIGITAL TRANSFORMATION AND BUSINESS
PROCESS INNOVATION IN SLOVENIAN
AUTOMOTIVE INDUSTRY: AN IN-DEPTH
QUALITATIVE STUDY**

UDK: 629.331:[004.7+001.895](497.12)

JEL classification: L25, L62, O33.

Abstract

This paper aims to analyze the process of transforming business models and value chains in the automotive industry while highlighting the importance of digital transformation (DT) and its role in solving twin transition puzzles based on changed consumer preferences, electrification and supply chain issues. It adds to the literature by highlighting links and shared ideas across a range of literature areas, pinpointing the key empirical findings into the discipline in a country with long tradition in automotive industry and offering well-informed recommendations for its continued advancement. The main findings, based on in-depth interviews in Slovenian companies operating in automotive industries, are that companies greatly differ based on their current technological advancement and technologies they employ in their processes. Among other things, much depends on their position in the supply chain, company size and company's leadership attitude towards digital solutions.

Keywords: automotive, digitalisation, Slovenia

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TEACHERS' PERSPECTIVE OF SOFT SKILLS DEVELOPMENT IN BUSINESS STUDIES

UDK: 005.336.5:378](497.6)

JEL classification: J24, I23

Abstract

Education and employment stakeholders worldwide have increasingly acknowledged the need to teach students soft skills to improve their academic performance and long-term prospects. Soft skills are transferable across jobs and industries and related to personal and social competencies. Their development aims to empower and increase personal growth and learning participation and improve job opportunities. Given their central role in shaping students' educational experiences, teachers must be well-versed in the value of cultivating soft skills and awareness of the necessity to incorporate their study into various curricular frameworks. As a result, this article investigates whether business schools adequately prepare their students for the soft skills demanded by today's labor market. Business teachers in Bosnia and Herzegovina were the subjects of the survey. The findings indicate that teachers recognize the value of teaching students soft skills but that current curricula may be strengthened in this area.

Keywords: business studies, soft skills, teachers

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**KNOWLEDGE HIDDEN OUTSIDE OF BOOKS –
STUDENT PROJECT MANAGERS AND THEIR
PROJECT MANAGEMENT SKILLS**

UDK: 005.8

JEL classification: M12, M19, O22

Abstract

Managing a project is like walking on a tightrope in a circus – one wrong step means a fall that everyone will see, and the circus in itself means fun, a show, unexpectedness, unpredictability, improvisation. This is exactly what young people face when they find themselves in the project execution for the first time. That is why the main goal of the research is to determine the effects of active student engagement and their role in the context of project management in the implementation of projects intended for students. An additional goal is to verify the correlation between the success of the project implementation, i.e. the success of individual student groups and the competence of student group leaders. The point of view of the leaders of the student groups regarding the competences they acquired through participation in the project and which were crucial for their further career development was also reviewed. An example of the project implemented by the Ministry of Regional Development and EU Funds will consider the effects of project management from the standpoint of the head of a student group participating in the project. Key roles of the project manager defining the limits of the project, resolving conflicts, presiding over the meetings and the consequences of the manager's activity on the project are pointed out. The definition is given of a student - project manager. The experience and knowledge they acquire in this way, almost entirely intuitively, becomes invaluable, but also a permanent value of human potential. The long-term benefit is evident from the transfer of experiences, skills, and knowledge that are later transferred to the real sector.

Keywords: Academy of regional development and EU funds, Leadership, Project management, Project manager, Student – project manager

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**CONTROLLING IN THE FUNCTION OF
MANAGEMENT BY OBJECTIVES**

UDK: 005.5

JEL classification: M12, M14, M19

Abstract

The tasks given to management are becoming more demanding every day, requiring new knowledge and skills. Drucker's famous management by objectives has survived, but its essence is changing and adapting to new knowledge determined by the needs of management. In this context, the research question is how to activate management by objectives and how best to reach management by motivation and ultimately to achieve the managerial goal. In line with the problem, this research focuses on the controlling approach when building the steps that are necessary to achieve the results. At the same time, controlling, as a key function of management, together with planning, shapes the goals that the other two functions of leadership and directing lead towards organizing, thus completing the operation of the management functions. Deyhle developed the combination of controlling and planning, which includes target decision-making, into a management by ... system, which leads step by step to the goal. The methodological approach to this research and the explanation of the entire system, called the WEG system, includes various methods, among which the desk research method, which combines Drucker's and Deyhle's approach to management, stands out. The WEG system as a goal-oriented system, at least for Croatian management, is a

new knowledge that is presented in this research in an easily applicable form. Through the presentation of the steps of the WEG system, planning together with directing and organizing lead from management by objectives to a result that represents the goals of management, which is also the expected result of this research.

Keywords: controlling, planning and decision making, management by "...", WEG system, goal achievement.

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EMPLOYEES SATISFACTION WITH LEADERSHIP IN FINANCIAL INSTITUTIONS IN CROATIA

UDK: 336.7:005.5]:331.101.3](497.5)

JEL classification: G2, G20, M54

Abstract

The main purpose of this paper is to examine and determine whether leadership in financial institutions in Croatia is satisfactory to its employees or not. The article reviews theoretical research on leadership, leaders, and motivation for good performance, while empirical research analyses data collected from financial institutions in Croatia. In this research data was processed using the statistical method "Weight of Evidence" by which the numerical values of the variables were calculated, i.e., the levels of influence on the overall attitude of each represented group of respondents (according to gender, age, level of education, business sector, work experience, monthly income, organization size, company ownership and employee rank) in comparison to all dependent research variables. In fact, negative values of impact levels show which segments of respondents within all observed distributions consider that properly performed job was not recognized by their supervisor. The results of the research provide example of the practical application of the marketing principle of segmentation in a leadership of employees' good performance in financial institutions in Croatia.

Keywords: leadership, financial institutions

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**DIGITAL TREND OF GLOBAL ECONOMY:
DOES GENDER EQUALITY METTER?**

UDK: 330.341:004.9

JEL classification: F63, J16, O30

Abstract

The national economic policy of any country aims at economic growth. At the same time nations have to develop economic cooperate with other countries and thus, to be involved into the global economy. Contemporary globalization profoundly counts on innovations and knowledge, where the main trend is digitalization, and which is generated mainly by human resources. The progress of innovations and digitalization reduced the importance of low skilled labour and unprecedentedly increased the importance of workers able to perform cognitive tasks. In this regard, decisive role of gender dimension for economic growth in the spheres where human capital and productivity, does metter. The paper studies information and statistics on women participation in economy, business and namely, in science links it with economic performance of the country. The aspects and motives that impede or inspire women empowerment are exposed and studied.

Keywords: Gender, Global Economy, Digitalization

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TEACHERS' MOTIVATION IN THE DIGITAL ENVIRONMENT

UDK: 37.011.3-051:331.101.3]:616-036.21

JEL classification: A23, I21

Abstract

Teachers' motivation has always been an important aspect and significant factor in the work of teachers. Motivated teachers are a key component of the quality of education. Therefore, research on teacher motivation is on the rise. Effective teaching contributes significantly to improving student performance and the well-being of our society. In recent years, much effort has been made to change teachers' conceptions. Many professional development programs are designed to improve the competences of teachers. With the occurrence of the COVID-19 pandemic, the learning environment became digital overnight, and classrooms were transferred to virtual platforms. All these changes increased the workload of teachers and emphasized the responsibility of teachers for the successful implementation of this transformation. The aim of this article is to give an overview of scientific works on teacher motivation, with a special emphasis on the digital environment.

Keywords: motivation, teachers, digital learning environment

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UNLOCKING POTENTIAL – REGIONAL MULTI-STAKEHOLDER DECISION SUPPORT SYSTEM FOR THE IDENTIFICATION OF SUSTAINABLE TRANS- FORMATION PATHWAYS

UDK: 330:502/504

JEL classification: Q50, Q57, Q58, R58

Abstract

Addressing complex transformation processes towards a sustainable and green economy requires accounting for multiple stakeholders and divergent value systems within a multifaceted decision-making process. And while broad objectives as set out in the Sustainable Development Goals are generally received favorably, the perceptions of what is considered sustainable in a national or regional context, as well as the necessary measures to reach these goals, can vary widely. This also applies to concerns regarding an appropriate prioritizing of conflicting objectives and measurement frameworks aiming to track progress towards enhanced sustainability. A transparent and comprehensible approach of measurement embedded in a group decision-making setting that captures the subjective perspectives of the involved parties can foster mutual understanding of affected stakeholders and potentially support finding a societal consensus. For this purpose, this study develops a novel indicator system for comprehensively monitoring the bioeconomy in relation to its sustainability using a systematic multi-layer filtering approach. To illustrate the applicability of the resulting indicator framework, an operationalization within a multi-stakeholder MCDA procedure for identifying regional transformation pathways for the implementation of a sustainable bioeconomy-

my in Germany under consideration of stakeholder-specific perspectives and weighted decision criteria is laid out. The underlying conceptual approach is intended to provide insights for researchers and decision-makers dealing with regional planning towards a low-carbon economy and allows for increased comparability concerning material and resource demands.

Keywords: bioeconomy, sustainable development, decision-making

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VIEW OF MANAGING CHANGES AND STRESS IN CROATIAN ENTERPRISES

UDK: 005.95/.96:159.944

JEL classification: J24, M12, M54

Abstract

Every organization faces organizational changes during its existence. Changes in customer needs, emergence of new competitors, new technologies, availability of limited resources, economic and social trends are just some of the reasons why organizations have to adapt their strategies, structure, culture, technology and people (their skills, knowledge, habits...). Human resources are most valuable asset and therefore require to be carefully managed through the process of change implementation. This is a prerequisite for an organization to be successful in the contemporary environment. Changes generate stress for all members of the organization which in return affects the quality of work, behaviour and engagement. The purpose of this paper is to examine characteristics of managing changes and stress in Croatian enterprises from the perspective of the employees and managers. The results of the study conducted on a sample of 102 respondents show that organizations mostly operate in dynamic environment which reflects the necessity for continuous implementations of changes whether they are adaptive or innovative. More than 60% of the respondents perceive change as a positive process even though almost half of them regard resistance to change in their organizations to be moderate. Results from the simple linear regression also confirmed that change and stress management strategies have an effect on the level of resistance to change.

Keywords: change management, stress, resistance to change

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CEIVED TRUST AND BUSINESS NEGOTIATION PRACTICES: THE SUBORDINATES' PERSPECTIVE

UDK: 005.32

JEL classification: D23, L22, M14, M54

Abstract

Trust is considered important for the successful functioning of the organisation. It keeps superiors and subordinates together, and creates a positive organisational climate, which in turn can lead to better work performance by subordinates. The purpose of the study is to determine which predictors influence negotiators' perceptions of their supervisors' trust. The following predictors are considered: teamwork, outcome, deadline, satisfaction, culture, and legislation. For this purpose, a survey was conducted among 157 companies in Croatia. Regression analysis was performed using the SPSS statistical package. Almost half of the respondents rate the supervisor's trust as moderate. Three-thirds of the negotiators consider the fulfilment of all set goals as a priority. Satisfaction of all parties involved in the negotiation process ranks second. For 60% of negotiators, it is important to conclude the negotiation on time. Slightly more than half consider teamwork to be important or very important. On average, respondents believe that legal issues are a greater obstacle than cultural differences. The survey results confirm that there is a statistically significant relationship between perceived trust on the one hand and teamwork, meeting deadlines, satisfaction and legal obstacles on the other. Although the small sample and geographic coverage of the study provide limited opportunities to generalise the research findings, the study contributes to the existing literature by examining perceived trust from the subordinates' perspective in the Croatian negotiation context.

***Keywords:* business negotiation, perceived trust and subordinates' perspective**

MARKETING

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THE IMPACT OF CONSUMER DIGITAL TRANSFORMATION ON DIGITAL HEALTHCARE ADOPTION¹

UDK: 004:614]:659.113.25

JEL classification: O33, I10, M31

Abstract

Digital transformation has influenced many fields such as manufacturing, technology development, and business management. Meanwhile, consumers are also experiencing digital transformation. The level of digitization of consumers varies, and it needs to be studied delicately because it affects individuals' acceptance of digital-related products and services. This study aims to examine the influence of consumers' digital transformation on the acceptance of digital healthcare, which is an emerging field that has the potential to significantly impact consumers' quality of life. This study was conducted in South Korea in December 2022 with 1,100 consumers over 25 years old using an online panel. The study developed a consumer digital transformation index and found a positive effect on the adoption of digital healthcare. The findings can be used to encourage digital healthcare adoption and provide managerial implications.

Keywords: Digital transformation, Digital healthcare, consumer behavior

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**THE INFLUENCE OF PURCHASE ATTITUDES AND
REVIEWS ON USERS' PURCHASE INTENTIONS IN
SOCIAL MEDIA SETTINGS**

UDK: 659.113.25:004.77

JEL classification: D12, Z13, M31

Abstract

The rapid growth of social media provides businesses with a new venue for users to make a purchase, as well as the opportunity to post their reviews and comments on products, which can greatly influence the purchase decision process of potential users. The social media platform generates both positive and negative reviews and comments that can influence users' purchase behaviour. In order to gain a deeper understanding of consumer purchase behaviour on social media, the study examines how positive and negative reviews and comments can affect purchase attitudes and pre-purchase behaviour. It also examines how social media users' purchase attitudes contribute to their specific purchase behaviours such as pre-purchase and post-purchase behaviours. The research instrument was a questionnaire, and data were collected through social media platforms using Google forms. Descriptive statistics and Spearman correlation coefficients were used to achieve the objective of this study. The research sample consisted of 162 social media users. The results suggest that there is a positive relationship between purchase attitude and pre-purchase and post-purchase behaviour. The results also suggest that there is a positive relationship between positive and negative reviews and comments, purchase attitude, and pre-purchase behaviour.

Keywords: purchase intentions, purchase behaviour, reviews and comments, social media

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**IMPLEMENTATION OF CONTEMPORARY
MARKETING PERFORMANCE ASSESSMENT MODELS
– BEYOND THE THEORY AND PRACTICE**

UDK: 339.138+005(497.7)

JEL classification: M31, M51

Abstract

The aim of this paper is to analyze the theoretical background, as well as the opportunities and barriers in implementation of contemporary marketing performance assessment systems and models; and to make a comparison of traditional and contemporary approaches applied. It aims to identify the approaches that are commonly used in companies worldwide, and to analyze the main opportunities and/or barriers for implementation of contemporary MPAS models, especially in Republic of North Macedonia. Research data are derived from an empirical study realized. Marketing performance measurement, as a building block of organisational competitiveness, is one of the main priorities for the companies, determined to measure the ultimate effects of marketing activities, not only in a short run, but also in a long run. This emerging trend has been evident worldwide, and in this context, the approaches used for measurement vary in terms of complexity, time frame etc. This paper will analyze the opportunities and barriers for companies to develop and apply marketing performance assessment systems that have a strategic orientation, use both financial and non financial measures, external benchmarks and provide continuous improvement. Another challenge that will be analyzed in this context is integration of MPAS in the overall organisational performance measurement systems.

Keywords: marketing performance assessment, organisational performance, assessment models

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**BABY BOOMERS AND GENERATION Z: THE ROLE
OF CONSUMER ETHNOCENTRISM ON PURCHASE
INTENTION**

UDK: 658.89.013:316.346.36](497.5)
JEL classification: D12, D91, M31

Abstract

Ethnocentrism is a very challenging and complex phenomenon that attracts the attention of many scholars who study it from different angles. One particular approach, certainly from the perspective of behavioural economics, is consumer ethnocentrism. Consumer ethnocentrism as a special phenomenon was created to study the relationship between marketing and consumer behaviour with the concept of ethnocentrism. It has been shown to have a greater impact on purchase decisions than some marketing strategies. Ethnocentrism has a great impact on a consumer's attitude towards foreign brands, purchase intentions, and purchase decisions for both domestic and foreign products. Therefore, the main objective of this paper is to investigate the relationship between ethnocentrism and consumer purchase intention and to find out if there are differences between the Baby Boomer generation and Generation Z. The research was conducted with a questionnaire - face to face with 218 members of Generation Z and 223 members of the Baby Boomer generation in the Republic of Croatia. The sample was stratified. The results show that the level of ethnocentrism of Generation Z is lower than that of Baby Boomers, and the higher the level of ethnocentrism, the higher the probability of buying Croatian products.

Keywords: *Consumer ethnocentrism, Baby Boomer, Generation Z*

TOURISM

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DIGITAL TRANSFORMATION OF BUSINESS IN THE HOTEL INDUSTRY AND ITS IMPACT ON SUSTAINABLE DEVELOPMENT

UDK: 640.4:004]:502.131.1

JEL classification: O31, O33, L83, Z31, Z32, Q01

Abstract

The aim of this paper is to investigate the role of digital transformation (DT) and how it helps companies to face the challenges of a competitive dynamic market. Digital business transformation is a necessity for companies that want to survive in the modern world. Contemporary conditions of market competition are characterized by the digitization of economies and its current progress, as well as all related consequential changes in that process. Digital transformation changes the business organization in all segments and affects not only companies, but also society, the environment and institutions. In this paper, we discuss the hotel sector and listed some of the examples used to shed light on how digital transformation has affected business and contributed to sustainable development. The goal of the research was to point out the need for rapid digital transformation in the hotel industry, and to emphasize the importance of sustainable development in tourism using the benefits that digital transformation provides. In its initial part, the paper will provide an overview of the current literature on digital transformation and a definition of the mentioned terminology. The second section of the paper discusses the status of digital transformation in the hotel industry and its positive impact on sustainable development. In the latter section of the paper limitations are provided, and implications for future research are considered.

Keywords: digital transformation, hotel industry, sustainable development

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**DIGITAL TRANSFORMATION IN A FUNCTION OF
STRATEGIC DEVELOPMENT OF RURAL TOURISM –
CONCEPTUAL FRAMEWORK**

UDK: 338.48:631]:004

JEL classification: L83, M31, Z33, Z39

Abstract

Tourism has recently undergone an intensive transformation. Accelerated growth and the inevitable connection with other sectors of the economy contributed to this industry becoming one of the largest in the world. The paper considers rural tourism as a powerful social, economic, and ecological driver that directly affects the development of rural tourist destinations and the empowerment of rural communities. This paper is based on the thesis that says that rural entrepreneurs must adapt and increase their visibility in the digital environment in order to develop new rural destinations and attract new visitors, and in order to offer accurate information to visitors and add value to their experience, which at the same time increases the competitiveness of economic entities in a rural area. The paper analyzes the relevant scientific literature and presents the conceptual framework of the impact of digital transformation in rural tourism on the strategic development of rural areas. The application and influence of modern ITC technology tools, like data mining, virtual reality, augmented reality, and the Internet of Things, which play a crucial role in the progress and strategic development of rural tourism, are investigated. Digital transformation as a flywheel for the strategic development of rural tourism can be achieved by involving all relevant stakeholders in this process. The paper aims to examine the scope, frameworks, and business models of digital transformation in rural areas in the field of rural tourism to prove that it is not just about new business tools but that digital innovations are also the initiators of new actors and ways of doing business, but also that they can change existing values and attitudes, thereby achieving an extensive economic and social impact.

Keywords: rural tourism, digital transformation, stakeholder approach to rural tourism

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PRE-TRAVEL EXPERIENCE ANTICIPATION AND THE DESTINATION CHOICE: GENERATION Z PERSPECTIVE

UDK: 338.48-6

JEL classification: L83, M31, Z33, Z39

Abstract

The tourist experience is one of the key issues for the tourist destination attractiveness perception and memorable tourism experience design must meet the need of different tourist categories. The purpose of the study is to highlight the importance of the pre-travel experience anticipation of generation Z in choosing a tourist destination. Generation Z is deeply involved with digital immersive technology and tourists of generation Z are supposed to seek immersive experiences which tend to be more memorable. Combining theoretical frameworks of experience economy concept and theory of generation, this paper aims to give deeper insight into relations between expected memorable experiences and tourist destination choice for gen Z. This study was conducted among Croatian public university students, and respondents filled in a detailed questionnaire on their background and expected experiences in a tourist destination. The results of the structural equation model revealed that expected memorable experiences have a positive influence on destination choice, regardless of the travel experience and travel frequency.

Keywords: memorable experience, destination choice, generation Z

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THE IMPACT OF COVID-19 CRISIS ON ITALIAN PROXIMITY TOURISM: AN ORIGIN-DESTINATION MATRIX APPROACH

UDK: 338.48:616-036.21]:311.17](450)

JEL classification: B40, C10, Z30

Abstract

The importance of proximity tourism has increased in the recent years due to COVID-19 crisis. Due to restrictions imposed by Governments to contain contagions, people could not cross national borders. Considering the work carried out by Guardia and Muro (2009) first, Domínguez (2014), and Alvarez-Diaz et al. (2020) later, this work focuses on the assessment of proximity tourism in Italy in the 2019-2020-2021 period. This study is based on the analysis of microdata made available by ISTAT (Italian Institute of Statistics). The work proposes to shed more light on the concept of proximity tourism and, in so doing, authors used an origin-destination matrix approach by calculating the coefficient of tourist attractiveness. The results of the study suggest a significant increase in trips within the Italian territory. Furthermore, these findings are also important in the political and market-decision sphere to orient internal and local policies in terms of domestic tourism.

Keywords: Pandemic, Domestic Tourism, Tourism Attractiveness Coefficient

TRADE

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**CAPTURING TRADING ACTIVITY DYNAMICS BY
MULTI-SEASONAL PATTERNS**

UDK: 336.764.2

JEL classification: C32, C58, G10, G17

Abstract

A great effort have been made recently in discovering multi-seasonal patterns of trading activity at stock exchanges with objective to improve the performance of trading algorithms and consequently to reduce transaction costs. In addition to hourly seasonality, daily, weekly, quarterly or even monthly seasonality can be found. Extraction of multiple seasonal components is not straightforward, i.e. many issues emerge when dealing with intraday trading data such as missing values, non-trading days, calendar variations, seasonality with different periods per cycle and outliers. Therefore, this study considers estimating the shortest seasonality first and proceeds to estimate the next seasonality from the irregular component by utilizing Loess method (locally estimated smoothing), which is repeated successively until there is no seasonality left. Application to DAX intraday trading observations, empirically demonstrates that hourly seasonality is the strongest and most persistent, indicating “U” shaped pattern. The daily seasonality exhibits moderate strength and almost linearly increasing trade pattern when approaching the end of the week as investors did not want to hold open positions over a weekend. For the same reason, trading activity was mostly intensified during the closing hours of the day. Monthly seasonality is also apparent with downturns in May, August, and December after increased trading in the previous months. Multi-seasonality patterns provide better insight into investors’ behavior; and consequently, improve trading strategies.

Keywords: intraday trading, multi-seasonality, locally estimated smoothing

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ASSERTIVENESS AS A KEY SALES TECHNIQUE

UDK: 658.8:005.32

JEL classification: M31, M37, D91

Abstract

Today's business environment includes numerous techniques that are available to sales employees, with which better quality and more efficient business decisions are made. The sales process as a specific form of business relationship is primarily based on mutual trust between the trader and the customer, and requires special techniques in order to maximize it and become sustainable in the long term. If trading companies want to be successful, they must also adopt assertiveness as a key sales technique. The term assertiveness implies self-reliance, self-awareness and self-confidence, and represents the ideal behavior of an effective sales representative. Using assertiveness, sales representatives develop a long-term sustainable and effective business relationship with customers by clearly stating their own requirements, but at the same time respecting the customer's requirements. The paper explains the concept of assertive communication, the elements and techniques of assertive sales, the key advantages of assertive communication and the advantages that assertiveness brings as a sales technique. For the purposes of this paper, a research was conducted among sales employees with the aim of finding out how familiar they are with assertive communication and how much they apply assertive techniques in the sales process.

Keywords: assertiveness, sales techniques, research

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**THE RIPPLE EFFECT - IMPLICATIONS AND
CONSEQUENCES OF INCIDENTAL DISRUPTIONS AND
BLACK SWAN PHENOMENA IN THE SUPPLY CHAIN**

UDK: 658.7:330.131.7

JEL classification: D21, D81, F1, F41, M11, M21

Abstract

Global supply chains are one of the key components of the economy. Any disruption in their functioning can have implications for the global economic situation. Phenomena known as black swans have transformed supply chains. In addition, unforeseen incidental events have contributed to an increasing global ripple effect, the implications of which are unpredictable for all supply chain participants. Black swans have contributed to the increased use of digitalisation and automation processes, combined with algorithms to predict trends in an uncertain market. Models and concepts hitherto used to manage supply chains have become useless, and phenomena previously described as unlikely to occur have become part of reality. The intensification of the risks identified is related to the lengthening of supply chains, decreasing reliability of supply, lack of visibility and transparency of individual processes. New ways and methods of managing supply chains should provide a solution to these and identified problems. Supply chains have become more complex over recent years, becoming key elements of competitiveness for many companies. But their interconnected, global nature also makes them increasingly vulnerable to a range of risks and failures. Recent years have shown that the resilience of supply chains to global shocks and changes has been shaken. It is therefore important to examine how chains have changed, the implications of global shocks and what actions need to be taken to strengthen the resilience of new business models. The aim of this study is to analyse the scope, implications and possible consequences of these phenomena in supply chains. A bibliometric method will be used to realise this objective, using tools to support visualisation and inference within the phenomena under study).

Keywords: ripple effect, global supply chain, black swan, co-occurrence analysis

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**ENERGY POVERTY IN THE EUROPEAN UNION -
METHODS, TOOLS AND WAYS OF COUNTERACTING
- INDICATOR ANALYSIS**

UDK: 620.9:330.59(4-67 EU)
JEL classification: D31, I32, O13, Q40

Abstract

According to the data of the European Commission, energy poverty affects about 11% of the EU population, i.e. 54 million Europeans. It is a serious social challenge. High energy prices, low incomes and poorly insulated, damp and unhealthy housing lead to higher rates of energy poverty. In the last decade, electricity prices have increased significantly in most countries, which, combined with the recent financial and economic crisis and the poor energy efficiency of European buildings, are becoming a growing problem in Europe. Most EU countries still do not identify and quantify vulnerable energy consumers and do not develop well-targeted energy poverty measures. In the UK, a definition of fuel poverty has been developed. There is a household in the situation of energy poverty, which has to spend more than 10% of its income on maintaining a sufficient level of heating. It has been noted that there are also certain groups in society that are more at risk of energy poverty than others. Such groups include households consisting of: young couples, elderly couples, couples with dependent child/children, single parents, multi-person families, one-person household (person under or over 60), minorities ethnic. Definitions of energy poverty are not entirely unambiguous, which means that the understanding of this concept may also be different in different countries. The aim of the considerations is therefore to organize the definitions (based on the available literature and government documents) and to present the range of

indicators for the analysis of the indicated phenomenon. In addition, directions and actions taken in the field of counteracting the occurrence and deepening of the phenomenon of energy poverty will be indicated. The following research methods will be used to achieve the goal: analysis of literature and strategic documents, bibliographical analysis and descriptive statistics.

Keywords: energy poverty, bibliometric analysis, indicator analysis

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**MODERN SOLUTIONS FOR URBAN PUBLIC
COLLECTIVE TRANSPORT IN POLAND**

UDK: 656.076.2:502/504(438)

JEL classification: L62, O18, Q53, Q55, R40

Abstract

The implementation of intelligent transport system solutions in cities provides passengers with better comfort and safety, moreover it considers the adaptation of vehicles to the needs of people with disabilities, the distribution of tickets as well as the broader infrastructure. The progressive digitization of transport services creates the opportunity to take use of the time spent traveling. Planning a smart city offering effective solutions in the field of urban mobility is one of the main problems of urban areas. The development of electromobility should contribute to reducing greenhouse gas emissions and increasing the share of alternative fuels in public transport. Through a system of incentives for residents to cycle and walk, local governments create their mobility. The aim of the study is to present current solutions in public transport used in Polish cities. The empirical material based on the survey allows for a comprehensive look at the development of urban public transport.

Keywords: digitization of transport services, intelligent transport system solutions, urban mobility, electromobility