

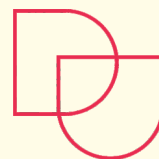
7th Dubrovnik International Economic Meeting

DIEM 2025

**„Resilience in Times of Global
Economic Uncertainty - Challenges and
Opportunities“**

Book of Abstracts

**University of Dubrovnik
Faculty of Economics and Business
28th – 30th May 2025, Dubrovnik, Croatia**



**SVEUČILIŠTE
U DUBROVNIKU
UNIVERSITY
OF DUBROVNIK**

7th Dubrovnik International Economic Meeting

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AND BUSINESS**

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All papers are subject to anonymous double-blind peer review.

7th Dubrovnik International Economic Meeting

DIEM 2025

„Resilience in Times of Global Economic Uncertainty - Challenges and Opportunities“

Under the auspices of the President of Croatia Mr Zoran Milanović



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KEY NOTE SPEAKERS



Frederic Marimon, Vice-Dean of the Faculty of Economics, Universitat Internacional de Catalunya (UIC), Spain

Title of the keynote: Revolution or Risk? Generative AI as the New Workforce Catalyst Amid Economic Turbulence

Dr. Frederic Marimon holds a PhD in Business Administration and serves as a tenured professor at the Universitat Internacional de Catalunya (UIC), specializing in business administration. Over the course of his distinguished career, he has held several leadership positions at UIC, including Vice-Rector of Research and Vice-Rector of Planning and Quality. He currently serves as Vice-Dean of the Faculty of Economics. Dr. Marimon's academic journey began with a degree in Industrial Engineering from the Polytechnic University of Catalonia (UPC), followed by an MBA from the IESE Business School in Barcelona. A thought leader in the field of operations management, Dr. Marimon co-founded the International Conference on Quality Engineering and Management (ICQEM) and the International Association for Quality, Innovation, and Sustainability (IAQUIS). He now leads the Observatory of Artificial Intelligence and New Technologies at UIC, where his research focuses on new business models driven by digital platforms and the collaborative role of Artificial Intelligence in the modern workplace. His research expertise spans the domains of quality management, e-quality measurement, and service management, and he has been actively engaged in international projects analyzing quality practices across a wide array of industries, with particular emphasis on higher education institutions.

With over 100 peer-reviewed articles published in leading academic journals, Dr. Marimon continues to contribute groundbreaking research in his field, making him a respected figure in the global academic community.



Vanessa Druskat, University of New Hampshire, Durham, New Hampshire, USA

Title of the keynote: How Resilience Helps Us Learn and Adapt in a Complex World

As an internationally recognized expert on leadership and team performance, Vanessa Druskat has advised leaders and teams in some of the world's most respected organizations including in over a dozen Fortune 500 and Fortune Global 500 companies in the banking, pharmaceutical, petroleum, and healthcare industries. During her thirty-year research career has published articles in the most well-known academic and practical journals in her discipline including the Academy of Management Journal, The Journal of Applied Psychology, Leadership Quarterly, Human Relations, the Harvard Business Review and M.I.T.'s Sloan Management Review. She is the recipient of multiple research and teaching awards. She is an Associate Professor in the Department of Management at the University of New Hampshire in Durham, New Hampshire in the USA.

FROM THE EDITORS

We are pleased to present this collection of abstracts from the 7th International Scientific Conference Dubrovnik International Economic Meeting – DIEM, held from 28 to 30 May 2025 at the Faculty of Economics and Business in Dubrovnik. The conference brought together academics, researchers and experts from various fields of economics, management and related disciplines. This year’s central theme was “Resilience in times of global economic uncertainty - challenges and opportunities”.

The conference served as a platform for the exchange of scientific ideas, current research findings and practical experience with the aim of deepening understanding and addressing the pressing challenges facing economics worldwide.

Prominent researchers delivered keynote speeches and also presented their work at the Conference:

- Frederic Marimon, Vice-Dean of the Faculty of Economics, Universitat Internacional de Catalunya (UIC), Spain

Title of the keynote: Revolution or Risk? Generative AI as the New Workforce Catalyst Amid Economic Turbulence

- Vanessa Druskat, University of New Hampshire, Durham, New Hampshire, USA

Title of the keynote: How Resilience Helps Us Learn and Adapt in a Complex World

This collection of abstracts contains contributions selected through scientific peer review, reflecting a diversity of approaches, topics and methodologies all aimed at enriching the scientific community and practice. The authors come from different countries and academic backgrounds, highlighting the interdisciplinary and international nature of the conference. The 7th Dubrovnik International Economic Meeting DIEM 2025 brought together more than 100 scientists from 16 different countries.

The DIEM conference continues to be an excellent venue for the presentation of new and contemporary topics and an active promoter of the future development of the economics profession. It has successfully fostered collaborations among numerous researchers, higher education institutions and companies. In 2025, DIEM conference was held in a hybrid format – both in person and online – enabling even broader participation from all over the world.

Finally, we would like to express our sincere thanks all the authors for their contributions, to our keynote speakers, and all the members of the international team who have been at our disposal all the time. We also extend our gratitude to the reviewers for their professional evaluation of the papers, to conference participants for their active participation and to all those who contributed to the success of the event. We believe that this collection of abstracts will inspire continued discussion, collaboration and the development of new research ideas.

Editorial Board

TABLE OF CONTENTS

KEYNOTE

How resilience helps us learn and adapt in a complex world 1
DRUSKAT, Vanessa

Generative AI: revolution or risk in employee performance and engagement? 2
MARIMON, Frederic

ACCOUNTING

Beneish M-score as fraud indicator: comparative analysis for Croatian and German companies 4
BARTULOVIĆ, Marijana
ĆORUŠIĆ, Ante
PERKUŠIĆ, Dijana

DIGITALIZATION AND AI

Can GENAI boost student academic performance: examining the role of AI quality 6
BAKOVIĆ, Tomislav
DUŽEVIĆ, Ines
ŠTULEC, Ivana

Resilient clinical trials: a systematic review of artificial intelligence's role in cost-effective and innovative patient recruitment strategies 8
KRAVAR, Josip

ECONOMICS

Digital intensity of firms in Croatian regions: comparison of industry and service sectors 10
BEČIĆ, Marija

The fuel of the future law and the Brazilian sugar-energy sector	11
<i>CIGAINSKI LISBINSKI, Fernanda</i>	
<i>OLIVEIRA FREITAS, Felipe André</i>	
<i>LEE BURNQUIST, Heloisa</i>	
Predictive models for sugar and ethanol prices: integration of supply and demand indicators with machine learning techniques	12
<i>CIGAINSKI LISBINSKI, Fernanda</i>	
<i>OLIVEIRA FREITAS, Felipe André</i>	
<i>LEE BURNQUIST, Heloisa</i>	
Empowering entrepreneurship: students' insights on university support for startups	13
<i>CYWIŃSKI, Łukasz</i>	
<i>HANCOCK, Aleksander</i>	
<i>SKICA, Tomasz</i>	
Using stochastic differential equations for profitability in a speculative attack on a fixed exchange rate	14
<i>ĆORIĆ, Domagoj</i>	
<i>CVJETKOVIĆ, Gloria</i>	
<i>VUKOVIĆ, Ivan</i>	
Leveraging AI and participatory science for sustainable solutions in times of economic instability	16
<i>ĆUKUŠIĆ, Maja</i>	
Determinants of public indebtedness in the Western Balkan countries	17
<i>GADŽIĆ, Mila</i>	
<i>JURIĆ, Jelena</i>	
Development of bio-business in Lithuania	18
<i>GREBLIKAITE, Jolita</i>	
<i>RAKSTYS, Rolandas</i>	
Competitiveness evaluation of different types of farms	19
<i>GREBLIKAITE, Jolita</i>	
<i>RAKSTYS, Rolandas</i>	
<i>DAPKUVIENE, Agne</i>	
<i>SVAZAS, Mantas</i>	

Youth unemployment and economic growth in the EU: a panel data analysis	20
<i>KRISTEK, Ivan</i> <i>DRVENKAR, Nataša</i>	
A concept for effective tax controlling based on the results of two empirical studies	21
<i>LIESENHOFF, Jana</i> <i>JUNGEN, André</i>	
Linking economic complexity and the environment: the case of the European Union	23
<i>SAUCEDO-ACOSTA, Edgar J.</i> <i>CARRILLO-OVANDO, Rosy Wendoli</i>	
Mutually reinforcing crises and sustainable development – lessons from rural Niger	24
<i>SCHLÖR, Holger</i> <i>KEILMANN-GONDHALEKAR, Daphne</i> <i>IBRAHIM, Boubacar</i> <i>KUCKSHINRICHS, Wilhelm</i> <i>SIEKMANN, Florian</i> <i>VENGHAUS, Sandra</i>	
Digitalization of small and medium-sized enterprises in Bulgaria – a factor for their competitiveness	26
<i>STOYANOVA, Tsvetan</i> <i>STOYANOV, Philip</i>	
Economic sanctions as an instrument of international policy: challenges, effectiveness, and legal framework	28
<i>TROJIĆ, Nikolina</i> <i>SAMARDŽIJA, Jasminka</i> <i>VEJZAGIĆ, Vanja</i>	
Innovation strategies and organizational competitiveness	30
<i>VESELICA CELIĆ, Rozana</i>	

Characteristics of the potential participants in the digital labour platforms	31
--	-----------

VOJINIĆ, Perica

PRUG, Andrijana

MATIĆ ŠOŠIĆ, Matea

Climate change-oriented inventions in maritime transport in the era of business uncertainty	33
--	-----------

WAGNER, Natalia

Determinants of economic growth: panel data analysis	34
---	-----------

ZDILAR, Ante

OBULJEN ZORIČIĆ, Zdenka

PUŠIĆ, Ana

Monetary policy responses to post-pandemic inflation in the Western Balkans	35
--	-----------

ZHIGOLLI, Gentiana

FINANCE

How can innovative financial instruments boost innovations in the bioeconomy?	37
--	-----------

MICEIKIENE, Astrida

SKAURONE, Laima

MEDIKIENE, Monika

MANAGEMENT

Customer-centricity in crisis management: lessons from leading organizations	40
---	-----------

BOROVAC ZEKAN, Senka

ROJE, Antonija

ŠEVERDIJA, Martina

Crisis communication strategies using image repair theory: a case study of Podravka in Croatia	41
<i>BOROVAC ZEKAN, Senka</i>	
<i>ROJE, Antonija</i>	
<i>TARLE, Ivana</i>	
Professional burnout as an issue of professional identity and face concerns in social intercation	42
<i>BULGAKOV, Ilya</i>	
<i>IVANOVA, Natalia</i>	
Ergonomic risk management as part of business resilience management	43
<i>HOKE, Eva</i>	
<i>HEINZOVA', Romana</i>	
The interplay between management practices and innovation performance of private firms	44
<i>HOXHA, Adnan</i>	
<i>PONIKVAR, Nina</i>	
<i>MARC, Mojca</i>	
Stress management as a way for business success in organizations	45
<i>IVANOVA, Natalia</i>	
<i>GOSTISHCHEVA, Alina</i>	
How can I thrive at work? The interplay of employees' environment, work culture and job-related factors	47
<i>KITANOVIKJ, Bojan</i>	
<i>EFTIMOV, Ljupcho</i>	
<i>PEARCE, Alison</i>	
<i>CVETKOSKA, Violeta</i>	
Determinants and achievements of knowledge transfer and knowledge sharing in public health institutions in the Republic of Croatia - empirical analysis	49
<i>KRAJNOVIC', Aleksandra</i>	
<i>HORDOV, Monika</i>	
<i>PEŠIĆ, Tonči</i>	

Applicability of organization theories in the study of transnational corporations	51
<i>PODRUG, Najla</i>	
Cultural and educational influences on entrepreneurial attitudes: a comparative study of France and Croatia	52
<i>UGRIN, Mirko</i>	
<i>LOVRINČEVIĆ, Marina</i>	
<i>ŠKOKIĆ, Vlatka</i>	
Gender diversity in corporate boards – bibliometric analysis	53
<i>VRDOLJAK RAGUŽ, Ivona</i>	
<i>MARKASOVIĆ, Dorotea</i>	
<i>PEZIĆ, Romana</i>	
Stress in the context of organizational conflicts: an investigation of causes and consequent effects	55
<i>VUKOVIĆ, Dijana</i>	
<i>GRMUŠA, Tanja</i>	
<i>LUBURIĆ, Goran</i>	
Macroeconomic factors and governance quality: drivers of innovative management in indonesia’s green energy companies	57
<i>WARONG, Maria Marlein</i>	
<i>WAQAS, Ahmed</i>	
MARKETING	
Sustainable digital marketing: a systematic review and content analysis of current research	59
<i>GREGUREC, Iva</i>	
Membership model as part of relationship marketing on the example of football club	60
<i>MIHANOVIĆ, Zoran</i>	
<i>SARIĆ, Bruno</i>	

Neurobranding in the digital age: bridging neuroscience and brand strategy in digital marketing environments 61
MOJSOVSKA SALAMOVSKA, Snezana

Sustaining media pluralism in the digital era: the role of digital taxation and public funding 62
NENADIĆ, Iva
GRKEŠ, Ivana

The role of critical thinking in understanding generational attitudes toward eco-friendly consumption 63
ZSIGMOND, Tibor
BÖLCSOVÁ, Vanessza
MACHOVÁ, Renáta

TOURISM

Challenges of mass tourism in Sintra: a case study on stakeholder perspectives and management strategies 65
CARVALHO, Ilidia
BRITO, Luis Miguel

Senior tourism – no longer a choice, but the future of tourism 66
LAPKO, Aleksandra
LAPKO, Paulina

KEYNOTE

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**HOW RESILIENCE HELPS US LEARN AND ADAPT IN A
COMPLEX WORLD**

UDK: 005.32:005.591]:330.131.7

JEL classification: M14, M54, D23, L20

Abstract

Uncertain times need not have a negative influence on organizations and their employees. It is how an organization prepares for and responds to uncertainty and adversity that determines their impact. Constructive responses depend upon the organization's ability to build multi-level organizational resilience. In the past, resilience was considered an enduring personal characteristic. Today we know that resilience is a process – one that any person, team, and organization can use to quickly adapt their actions and strategies during adverse times and “bounce-back” stronger and smarter than before. In this presentation, I will share a process model for building a multi-level resilient organization that thrives during uncertain times.

Keywords: resilience, adaptation, team learning

Frederic Marimon

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**GENERATIVE AI: REVOLUTION OR RISK IN
EMPLOYEE PERFORMANCE AND ENGAGEMENT?**

UDK: 004.8:331.103.24(460)

JEL classification: D83, J24, M15, M54, O33

Abstract

This study examines the impact of generative artificial intelligence (GenAI) tools on employee performance and engagement, focusing on the role of trust. Using a mixed-methods approach, we combine quantitative data from a sample of professionals in Spain with qualitative insights from a set of management experts. The results show that trust in GenAI tools mediates the relationship between user experience and work engagement. Employees who trust these tools are more engaged, leading to improved performance. The research integrates GenAI into the Job Demands-Resources (JD-R) framework, where trust is a crucial resource for enhancing work outcomes. For organizations to fully benefit from GenAI, fostering trust through transparency, reliability, and user-friendly experiences is essential. The study offers practical insights for managers seeking to effectively integrate GenAI in the workplace.

Keywords: generative AI, trust, employee performance

ACCOUNTING

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**BENEISH M-SCORE AS FRAUD INDICATOR:
COMPARATIVE ANALYSIS FOR CROATIAN AND
GERMAN COMPANIES¹**

UDK: 657.3:343.537](497.5:430)

JEL classification: M41, M42, K42, G38

Abstract

The main purpose of this paper is to determine trends and differences in financial statement frauds between Croatian and German observed companies. Fraud in the financial statement was measured using the M-score model and the research period was from 2018 to 2023. The research sample consisted of 29 companies included in the DAX (German stock market index) and 31 companies listed on Croatian stock market in the observed period. According to research results, the M-score can be used as a tool for fraud detection in both observed markets, and different users of financial statements can use this model to detect potential manipulations in financial statements. Results show that, in the whole observed period, most German companies were classified as non-manipulators, and the results were stable throughout the observed period. For the Croatian sample, number of companies classified as non-manipulators is decreasing, while on the other side, number of those classified as probably or likely manipulated is increasing. Such results indicate the existence of certain differences in fraudulent behavior of listed companies in the two observed countries, and that there are more warning signs and red flags of fraudulent behavior detected on a sample of Croatian companies.

Keywords: frauds, fraud detection, M-score

¹ This paper is based on a student's thesis that was defended at the University Department of Forensic Sciences in February 2025.

DIGITALIZATION AND AI

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CAN GENAI BOOST STUDENT ACADEMIC PERFORMANCE: EXAMINING THE ROLE OF AI QUALITY

UDK: 378:004.8

JEL classification: I23, O33

Abstract

Generative Artificial Intelligence (GenAI) tools are becoming increasingly interesting and useful for the student population in higher education (HE). The rate of adoption of GenAI tools at the population level has surpassed all previous technologies in history. The use and adoption of GenAI tools in higher education represents a critical area of future research with profound scientific and practical implications. This new technology is characterized by significant impact on productivity so it becomes important to explore the way that it impacts student work habits and academic results. This paper contributes to the growing body of research on the application of GenAI tools in higher education. It builds on previous research focused on the application of new technologies. The starting point of the paper is the measurement scales necessary to assess the use of GenAI tools in the context of higher education. The primary goal of this paper is to investigate the role of GenAI quality in the dissemination process of GenAI tools primarily through measuring the adoption and use of GenAI. Additionally, the paper addresses the impact of

adoption and use of GenAI on student academic performance. The research was conducted among students of a Croatian higher education institution during the winter semester of 2024, and approximately 340 responses were collected. Structural equation modeling (SEM) analysis was used to test the proposed hypotheses. The results of the study confirm that GenAI quality has a significant and positive effect on GenAI use and GenAI adoption. Furthermore, both GenAI adoption and GenAI use have a significant and positive impact on students' academic performance in higher education. The results of the study highlight the importance of GenAI quality in shaping students' experiences with GenAI tools and their broader educational outcomes.

Keywords: GenAI, AI quality, academic performance

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**RESILIENT CLINICAL TRIALS: A SYSTEMATIC
REVIEW OF ARTIFICIAL INTELLIGENCE'S ROLE
IN COST-EFFECTIVE AND INNOVATIVE PATIENT
RECRUITMENT STRATEGIES**

UDK: 004.8:616-071

JEL classification: I18, O33

Abstract

This systematic review assesses the recruitment of patients for clinical trials. It highlights the role of artificial intelligence (AI) in addressing the longstanding problem of enrolling sufficient numbers of the right patients into clinical trials. Despite the high cost and inefficiencies associated with the latest attempts to solve this issue the bottleneck persists, delaying important scientific advances. This review evaluates several recent studies that tried to use AI to tackle this problem. Significant results come from the key findings as the recruitment times that can be decreased by approximately 70% with AI-driven methods and average cost savings reach 30-50% compared with conventional methods. Almost all the trial platforms using AI report much improved subject identification. Even with its many benefits, AI implementation brings along certain trials and tribulations like algorithmic bias, data privacy and regulatory compliance. AI is not a magic tool; it has its challenges. Future research needs to focus on inclusive data practices, which are vital if the promised benefits of AI are to be realized. It needs to ensure that diverse strategies for engaging patients in the research enterprise are part of the equation. And it needs to compare, across a range of conditions and health challenges, the performance of AI and more traditional strategies for recruiting patients.

Keywords: artificial intelligence, clinical trials, patient recruitment

ECONOMICS

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**DIGITAL INTENSITY OF FIRMS IN CROATIAN
REGIONS: COMPARISON OF INDUSTRY AND SERVICE
SECTORS**

UDK: 005:004.9:658](497.5)

JEL classification: L86, M15, O33

Abstract

The introduction of digital technologies requires strategic planning and investment to realise the company's full potential. The digitalisation of companies differs in the manufacturing and service sectors due to differences in processes, objectives and environment. In industry, the focus is on integrating technologies such as robotics, artificial intelligence and big data analyses to achieve supply chain automation. In the service sector, the focus is on customer-centric technologies such as customer relationship systems, online platforms and AI-supported personalisation. The aim of this paper is to examine the differences in the digital intensity of firms in the Croatian NUTS 2 regions by analysing various indicators of company digitalisation. It also analyses the differences between the industry and service sectors in each region compared to the EU average. The data used in this paper comes from the Eurostat database for the years 2023 and 2024 and contains key statistical indicators on how companies in different sectors use digital technologies, tools and infrastructure. To investigate the differences between sectors and regions, a non-parametric statistical analysis (Mann-Whitney and Kruskal-Wallis tests) was used, which showed that there are statistically significant differences between industry and services in the use of different AI technologies or sales via e-commerce. In addition, the results suggest that Croatia is keeping up well with the EU in the adoption of digital technologies such as AI, cloud computing and e-commerce, while there are significant challenges in IT infrastructure, as there is a statistically significant difference between Croatia and the EU in the application of the ERP software package and ultra-fast internet.

Keywords: Digitalisation, industry, services, productivity, Croatian NUTS2 regions

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**THE FUEL OF THE FUTURE LAW AND THE
BRAZILIAN SUGAR-ENERGY SECTOR**

UDK: 620.92:662.756:664.1](81)

JEL classification: Q42, Q48, K32, L66

Abstract

The Fuel of the Future Law (LCF), enacted in 2024, marks a step forward in the energy transition in Brazil, especially by boosting the use of anhydrous ethanol in the sugar-energy sector. This study aimed to analyze the impacts of the LCF on production, prices, and the capacity of sugar mills to adapt. The methodology adopted Granger Causality Test, Instrumental Variable Regression (2SLS), and Impulse Response Functions (IRFs), in addition to simulations of scenarios with different levels of anhydrous ethanol blending in gasoline. The results indicate that changes in the blend directly influence the prices and production of anhydrous, hydrated ethanol, and sugar. The sector demonstrates its capacity to adapt, especially in scenarios of gradual increases, which allow progressive adjustments with less impact on prices. Abrupt increases, on the other hand, generate greater pressures on the market. The research highlights the importance of planned public policies to ensure a safe and sustainable energy transition.

Keywords: energy transition, greenhouse gas emissions, biofuels

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PREDICTIVE MODELS FOR SUGAR AND ETHANOL PRICES: INTEGRATION OF SUPPLY AND DEMAND INDICATORS WITH MACHINE LEARNING TECHNIQUES

UDK: 338.5:664.1]:519.246.8(815.6)
JEL classification: C22, C53, Q11, Q42

Abstract

Commodity price forecasting models are important tools for investors, producers, and others involved in the sugar and biofuels production chain. This study aimed to develop models to forecast the prices of CEPEA/ESALQ White Crystal Sugar and Hydrated Ethanol in the state of São Paulo. Traditional models, such as ARIMA and VAR, and Machine Learning (ML) approaches, such as Multilayer Perceptron (MLP), Long Short-Term Memory (LSTM), and Transformer, were used. The comparison between methodologies used univariate and multivariate models, with performance metrics such as RMSE and MAPE. The inclusion of a supply indicator to improve the accuracy of the multivariate models was also evaluated. The results showed that ML models, especially LSTM and Transformer, presented greater accuracy due to their ability to deal with nonlinear time series. The Multivariate models outperformed univariate models, highlighting the importance of incorporating other interactions into prediction.

Keywords: time series, supply and demand, sugar-energy sector

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EMPOWERING ENTREPRENEURSHIP: STUDENTS' INSIGHTS ON UNIVERSITY SUPPORT FOR STARTUPS

UDK: 005.342-057.875

JEL classification: L26, M13, I23

Abstract

Although existing research has explored student entrepreneurial potential, there remains room for further investigation. This paper contributes to the discourse on student entrepreneurship by addressing how entrepreneurial potential is shaped across various fields of study, considering both Polish- and English-speaking students as well as full-time and part-time learners. The added value of this study lies in the development of a fully proprietary questionnaire encompassing four key dimensions of entrepreneurial potential: locus of control, motivation, creativity, and risk-taking propensity. This tool has been calibrated in terms of its scale and psychometric properties. The research findings not only answer fundamental questions regarding the entrepreneurial potential of the surveyed students but also explore whether this potential varies depending on the field or mode of study and whether Polish-language students exhibit comparable entrepreneurial potential to their English-language counterparts. An additional outcome of the study is the formulation of recommendations for university policies aimed at fostering, supporting, and promoting student entrepreneurship.

Keywords: students entrepreneurial potential, entrepreneurship dimensions, entrepreneurship education

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**USING STOCHASTIC DIFFERENTIAL EQUATIONS FOR
PROFITABILITY IN A SPECULATIVE ATTACK ON A
FIXED EXCHANGE RATE**

UDK: 336.748:339.163.4]:519.21

JEL classification: E44, F31, F33, G13, G17

Abstract

The goal of the paper is to explain the financial positioning needed to be met to make profit during the speculative attack on the fixed exchange rate. The authors hypothesis that such an occurrence can be explained using stochastic partial differential equations which are well established in financial math. The paper starts of by analyzing simultaneous speculative attacks on the fixed exchange rate and equity markets in Mexico in 1994 and Hong Kong in 1997. After presenting an empirical overview of these cases and the objectives of speculators, the article explores the economic theory of fixed exchange rate regimes and their behavior in international markets, with a specific focus on Triffin's trilemma. Such an overview serves as groundwork for the authors to use stochastic partial differential equations to quantify profitability during the simultaneous pressure on the bond market and the equity market in the fixed exchange regimes. The results show that stochastic partial differential equations can successfully model profitability dynamics in speculative attacks on fixed exchange rate regimes. The conclusion is that (in order to maximize profitability during the named event) traders should focus on the risk indicators – Delta, Gamma, Theta, and Vega – for both equity

and bond market. Specifically, the named Greeks should be weighted in the favor of gains on the equity market short in order to offset potential (realized) losses from short positions in the bond market.

Keywords: speculative attack, fixed exchange rate, stochastic modelling

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LEVERAGING AI AND PARTICIPATORY SCIENCE FOR SUSTAINABLE SOLUTIONS IN TIMES OF ECONOMIC INSTABILITY

UDK: 001:323.212]:004.8

JEL classification: O33, O35, C81, R58

Abstract

This paper explores the possibilities of combining concepts from the field of participatory science, which includes citizen science as its narrower form, and artificial intelligence (AI), highlighting their joint potential to strengthen resilience in times of global economic uncertainty. Analyzing the growing body of research and the evolution of participatory science theories and initiatives, this paper highlights the growing potential of integration with AI technologies, such as natural language processing, machine learning, and computer vision, to improve data collection, analysis, and participant engagement in collective initiatives. It is based on data from 37 participatory science project plans proposed by international students. The findings suggest that AI can make a significant contribution to common challenges, such as inconsistency in data collection and volunteer engagement, among others. The paper also addresses standard concerns in the process, particularly related to data privacy, algorithmic bias, and accessibility, emphasizing the importance of transparent and inclusive integration of AI into participatory science projects. The paper also proposes a framework for setting up such projects for complex socio-economic challenges involving the wider community, supported by AI. By fostering collaboration between academia, local authorities and citizen volunteers, these initiatives could be a scalable model for promoting resilience and innovation during economic disruptions. This study thus highlights the need for continued interdisciplinary research and policies to ensure ethical implementation of AI and sustainable participatory practices for resilient community projects.

Keywords: *participatory science, artificial intelligence, community-driven solutions*

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DETERMINANTS OF PUBLIC INDEBTEDNESS IN THE WESTERN BALKAN COUNTRIES

UDK: 336.27

JEL classification: E62, E65, H60

Abstract

High public debt accumulated in the last decade all over European and Western Balkan countries threatens to jeopardize sustainability of budgetary policies and public finances in a whole. Further increase of public indebtedness should be expected in the future regarding economic situation in Europe as well as globally. It is important that further increase of indebtedness should be adjusted with other macroeconomic goals and current economic situation. Therefore, it is important to determine which economic factors could affect public indebtedness in certain country. The aim of this paperwork is through econometric analysis to investigate macroeconomic determinants of public indebtedness in selected countries of the Western Balkan and make comparative analysis with the selected Central and Eastern European countries. This research will investigate possible effects of economic growth, debt stock, fiscal balance, gross fixed capital formation, inflation and foreign direct investment on indebtedness in the selected countries in the period 2007 – 2023. The obtained results will be used to analyse determinants within selected sample and to compare possible differences between two groups of countries within the sample. Results of analysis will be also used to make conclusions and give certain guidelines for fiscal policy, public finances and debt management in the Western Balkan countries.

Keywords: public indebtedness, economic determinants, Western Balkan

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DEVELOPMENT OF BIO-BUSINESS IN LITHUANIA

UDK: 005.94:338.4:502.131.1(474.5)

JEL classification: Q01, Q16, Q57

Abstract

In the presentation it will be presented the latest patterns of development of bioeconomy and bio-business in Lithuania. Bio-business sector is one of the most perspective in using biomass and developing high-added value bioproducts from byproducts as potential for smaller countries and smaller actors in the market. The main issues of bio-business concerns will be discussed in the presentation as well as the potential of what is important for creating high-added value products in different bio-sectors. Bioeconomy themes 'inclusion in learning process will be shortly discussed presenting unique study programme in Lithuania on sustainable bio-business management. Other possibilities about reaching out local communities and business with support of knowledge and consultancy will be discussed.

Keywords: bio-business, sustainable bio-business, bio-product

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COMPETITIVENESS EVALUATION OF DIFFERENT TYPES OF FARMS

UDK: 631.1:339.137

JEL classification: O13, Q12, Q18, Q56, R50

Abstract

The competitiveness of farms of different sizes is a complex issue, depending in particular on both the type of farm and its capacity to expand. The drive for competitiveness is further boosted by the prevailing environmental change, where rising environmental levels are reorienting farms towards sustainability. In the long term, this will benefit the segment, as sustainable farms will have more opportunities both to sell their products and to create additional value from the agricultural waste they generate. This paper presents solutions to assess the level of competitiveness and potential of farms. The assessment models are versatile, thus allowing their use in different countries or regions. The paper presents relevant indicators for assessing the competitiveness of farms from economic, social and environmental perspectives, in line with the principles of sustainable development. Particular attention is paid to dairy farms, as they present the greatest existential and sustainability challenges.

Keywords: farm competitiveness, sustainable development, dairy farms

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**YOUTH UNEMPLOYMENT AND ECONOMIC
GROWTH IN THE EU: A PANEL DATA ANALYSIS**

UDK: 331.56-053.81:330.35(4-67 EU)

JEL classification: C33, E24, F23, O40

Abstract

In this paper, the authors analyse the factors and their intensity of influence on youth unemployment in the European Union. The aim of the study is to determine how important macroeconomic factors such as gross domestic product (GDP), foreign direct investment (FDI), public investment in education, the proportion of part-time work and investment in research and development influence the employment opportunities of young people. The study is based on panel data and the period analysed ranges from 2009 to 2023 and covers all 27 EU member states. A multiple linear regression is used to analyse the data, with the youth unemployment rate as the dependent variable. The main objective of this paper is to investigate whether economic growth affects youth unemployment and to analyse how government spending on education affects youth unemployment. The research findings can contribute to a better understanding of the role of macroeconomic policies in solving the problem of youth unemployment and provide recommendations for the design of effective employment and economic policies in the EU Member States.

Keywords: youth unemployment, economic growth, labour market

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A CONCEPT FOR EFFECTIVE TAX CONTROLLING BASED ON THE RESULTS OF TWO EMPIRICAL STUDIES

UDK: 336.22:005.22

JEL classification: H25, Q56

Abstract

The dynamics, complexity and abundance of tax law often pose significant challenges to companies. Companies are often confronted with a multitude of national and international tax regulations as well as an increasing tax burden. In addition to the extensive regulations already in place, companies are also constantly faced with new challenges, such as sustainability reporting. Tax challenges often lead to uncertainties in tax planning as well as administrative burdens and high costs. Tax therefore has a major impact on the value and stability of a company. In many cases, Tax Controlling can help companies to overcome these growing challenges and improve the company's risk position. Effective Tax Controlling – which deals with the planning, monitoring and optimization of tax processes – is therefore essential for ensuring the long-term success and competitiveness of a company. In this paper, a comprehensive Tax Controlling concept is developed to assist companies in implementing a Tax Controlling system. In addition, recommendations for action are derived for science and practice. Among other things, the importance of Tax Controlling for corporate sustainability reporting is emphasized. In order to achieve this goal, the article begins with an overview of the results of a qualitative-empirical study based on twelve expert interviews and a quantitative-empirical study based on an online survey of more than 100 representatives from German companies. The results of both studies are then compiled in

an orderly manner and brought together to form a deductively derived Tax Controlling concept – which covers the areas of objectives, tasks, instruments and organization. Finally, recommendations for action for science and practice are derived. Among other things, the benefits of Tax Controlling in the context of sustainability reporting, which is becoming increasingly important for companies, will be analyzed.

Keywords: tax controlling, ESG, tax compliance

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LINKING ECONOMIC COMPLEXITY AND THE ENVIRONMENT: THE CASE OF THE EUROPEAN UNION

UDK: 330.34+338.2]:502/504(4-67 EU)

JEL classification: O14, O52, Q56

Abstract

Environmental damage has been a topic of great importance to the European Union since the European Green Deal was approved in 2020, with the goal of Europe becoming the first continent with net-zero emissions by 2050. Economic complexity is a concept that has gained relevance because it explains the productive structure of countries. There is literature that links economic complexity with environmental degradation. There is a gap of knowledge regarding how the productive structure of the European Union member states affects the environment. The paper aims to quantify the effect of economic complexity on the environment at the European Union through a nonlinear function. To achieve this, a panel data model with fixed effects was used, as well as a nonlinear functional model to quantify the effect of the Economic Complexity Index on CO₂ emissions. The results show that the relationship between the Economic Complexity Index and CO₂ emissions is U-shaped, and the same holds whether fossil fuels or the energy intensity index are used as measures of environmental degradation.

Keywords: *European Union, economic complexity, environmental damage*

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MUTUALLY REINFORCING CRISES AND SUSTAINABLE DEVELOPMENT – LESSONS FROM RURAL NIGER

UDK: 711.3:502.131.1(662.6)
JEL classification: Q01, Q12, Q54, O13, R20

Abstract

The Republic of Niger is facing crises that are mutually reinforcing: climate crises, inflation, debt crises and deglobalisation, which are hitting rural areas particularly hard. Rural development – a key issue of sustainable development – in Niger is linked to thirteen UN SDGs. A household survey was organised to assess the socio-environmental-economic conditions of a small village in rural Niger. Twenty percent of the households are smallholders, 15% large farmers, one household is nomadic, and 62% subsistence farmers. The household survey also provides information on the structure of agricultural production in different households, energy and water consumption, and the impact of climate change on

living conditions. The results of these household survey will be mapped against the rural SDGs, their targets, and indicators to provide a holistic picture of sustainable rural development in West Africa, using the example of rural Niger. The lessons from rural Niger can be applied not only to West Africa, but to all developing countries facing similar challenges, especially in rural areas.

Keywords: rural economics, household survey, SDGs

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**DIGITALIZATION OF SMALL AND MEDIUM-SIZED
ENTERPRISES IN BULGARIA – A FACTOR FOR
THEIR COMPETITIVENESS**

UDK: 004:005.343:334.012.61-022.51/.55(497.2)

JEL classification: L25, M15, O32

Abstract

Digitalization is a key factor for improving the competitiveness, effectiveness, and sustainability of small- and medium-sized enterprises (SMEs) in Bulgaria. With ever-changing technology, evolving consumer expectations, and increased global competition, SMEs have recognized the use of digital tools has become essential for their growth. This study reveals initial information regarding digitalization implications on Bulgarian SMEs in terms of business transformation or business model innovation in the early stages of the digitalization journey, and highlights the main challenges and opportunities for these businesses in the process of digitalization. Digitalization provides various opportunities for SMEs like access to markets through online sales platforms and/or e-commerce with lower transaction costs and increased access to customers. Cloud services and business process management systems help organizations be more productive internally so they can respond well to the ever-changing landscape of the market. Digital tools engage in innovation, offering better ways to analyze the market, understand customers, and develop customized products and services.” This builds up trust and collaboration among stakeholders, and establishes an efficient business climate in terms of electronic transactions. Yet, in practice, the digital transformation of Bulgarian SMEs is going through enormous hardships. These challenges come in the form of limited qualified personnel, budget restrictions, and disparity in digital infrastructure connectivity between

rural and urban cores. A common challenge is that most SMEs neither have a structured digital strategy nor incorporate digital technologies into current business models. That these barriers are holding them back from fully reaping the benefits that digital solutions bring. To address these questions, this study conducted an empirical analysis comprised of expert interviews and a nationwide survey. Interviews with 12 digitalization experts supported essential success factors like management support, tools used and organizational and environmental elements. Through a stratified random sampling technique, 150 SME managers in diverse sectors were surveyed in a time period ranging from January 10 to February 10, 2025, resulting in 114 complete responses. The survey analyzed levels of digital adoption, whether any digital strategies existed, areas of digitalization and impacts on competitiveness. Quantitative data were analyzed through descriptive statistics, factor analysis, and correlations. The results of this study are a guide for SMEs who aim to adopt such digital technologies, policymakers who work for favourable mechanisms, and scholars who study digital transformation. The study, by both assessing the context as well as by assessing its inhibitors and facilitators of the digital transformation of SMEs, moreover serves as a key reference for both policy makers and business leaders, as the study offers clear recommendations to create a better environment for SMEs in BG to be more inclusive and better prepared for a better digital transformation.

Keywords: digitalization, SMEs, competitiveness

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**ECONOMIC SANCTIONS AS AN INSTRUMENT
OF INTERNATIONAL POLICY: CHALLENGES,
EFFECTIVENESS, AND LEGAL FRAMEWORK**

UDK: 339.9:33.025.16

JEL classification: F51, F52, K33

Abstract

This paper analyzes the theoretical aspects of economic sanctions in international relations, with a particular focus on their application, effectiveness, and legal framework. Since World War I, sanctions have been increasingly used as a tool of international policy aimed at compelling states to change their political behavior without resorting to military force. The central research question posed is: How do economic sanctions affect international relations and the political stability of targeted states? The study confirms three hypotheses: (1) Economic sanctions significantly reduce political stability in targeted states by depleting economic resources and destabilizing internal politics; (2) The effectiveness of sanctions largely depends on the level of international cooperation and the economic capacity of the targeted states, with coordinated global efforts increasing pressure and results; (3) A clear legal framework and well-defined objectives enhance the effectiveness of sanctions by enabling measurable outcomes and ensuring legal sustainability. The paper includes a review of historical examples of economic sanctions, analyzing both successful cases and those that failed to achieve desired outcomes. It also examines the role of legal mechanisms, including United Nations resolutions and regional agreements, that regulate the imposition of

sanctions. The conclusions highlight the need for precisely defined objectives and a coordinated international approach to maximize the effectiveness of economic sanctions. This study contributes to the academic debate on the role of sanctions in international politics and offers recommendations for further research on the long-term impacts of sanctions on global stability and economic relations.

Keywords: sanctions, political stability, international relations

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**INNOVATION STRATEGIES AND ORGANIZATIONAL
COMPETITIVENESS**

UDK: 005.21:001.895

JEL classification: O31, O32, M21, L10

Abstract

Organizational innovation is a crucial factor for the competitiveness and performance of a company as it enables adaptability, efficiency and long-term market success. The paper examines the role of innovation strategies in shaping the competitive position of firms, focusing on organizational innovation, structural change and strategic flexibility. A qualitative research approach was used, incorporating a systematic literature review and comparative analysis, to examine the impact of leadership, organizational culture, and external market dynamics on innovation-driven competitiveness. The results show that companies that implement well-structured organizational innovation strategies – including process optimization, management restructuring and business model redesign – achieve higher productivity, improved adaptability and a sustainable competitive advantage. However, financial constraints, resistance to change and regulatory barriers remain a major challenge. The study highlights that leadership commitment and strategic innovation are essential to achieving long-term sustainability. The study contributes to a broader discourse on how innovation management can drive organizational innovation and foster continuous improvement, strengthen competitive position and maintain resilience in an increasingly dynamic business environment.

Keywords: competitive advantage, innovation management, organizational innovation

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CHARACTERISTICS OF THE POTENTIAL PARTICIPANTS IN THE DIGITAL LABOUR PLATFORMS

UDK: 004.738.5:331.5:314.114

JEL classification: J22, J46, O33

Abstract

Digitalization has strongly influenced the functioning of all sectors of the economy, and consequently the development of the platform economy has led to a transformation of the labour markets. As there is no consensus among researchers on the impact of the increasing share of platform work on the economic status of individuals, some scholars argue that platform work acts as a stabilizer that narrows the gap in unequal incomes, while others argue that platform work increases employment insecurity. Regardless of one's point of view, it is a fact that in today's digital environment, the number of employees working through platforms is rapidly increasing. The aim of this paper is to find out why people participate in platform work and to determine the socio-demographic characteristics of workers who choose to work via platform. For this purpose, the results of a questionnaire conducted on 103 respondents in two Croatian counties (Dubrovnik-Neretva and Split-Dalmatia) in the period from August 2023 to August 2024 were used. The results of the study suggest that platform work is often an additional source of employment, but can also be a necessary solution for those who cannot find job in the traditional sectors of the economy. In terms of the socio-demographic characteristics that can be attributed to people who work via digital platforms, the results show that

older people are significantly less interested in this type of work. Women are almost three times more likely to work on platforms than men, while people with a university degree are less likely to work on platforms compared to those with a lower level of education.

Keywords: digital labour platforms, platform work, socio-demographic characteristics

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**CLIMATE CHANGE-ORIENTED INVENTIONS IN
MARITIME TRANSPORT IN THE ERA OF BUSINESS
UNCERTAINTY**

UDK: 629.5:620.9

JEL classification: L91, O31, Q42, Q55, R40

Abstract

Decarbonisation is one of the greatest global challenges faced by maritime transport. This paper aims to evaluate technological advances in alternative fuels and energy sources-related technologies in maritime transport. Data from patent databases was analysed to assess that research issue. A comparative analysis of ten types of alternative fuels/energy sources in maritime transport was conducted in the context of technology potential and technology S-curve. The results show that the patent-based maturity rate of alternative maritime fuels/energy sources varies between 26.4% and 91.7% of the saturation level of current invention curves. Biofuels, wind, and LNG are characterized by the highest patent-based maturity rates. In accordance with the concept of successive S-curves in technology development, wind and biofuels-based technologies in particular can be expected to change their shape of the invention curve. Among zero-emission fuels, technologies based on methanol, ammonia, battery, and hydrogen require further urgent intensive research work. Achieving the right level of technology maturity for all alternative fuels is essential for business entities to decide freely about choosing the best ones for investments in the maritime industry.

Keywords: sustainable shipping, alternative fuels, technological knowledge

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**DETERMINANTS OF ECONOMIC GROWTH: PANEL
DATA ANALYSIS**

UDK: 338.1

JEL classification: C23, E02, M20, O43

Abstract

The main objective of this paper is to examine the determinants of economic growth in 78 countries in the period 2012-2022. Although the literature review clearly identifies individual determinants of growth, this paper differentiates in terms of studying individual effects in countries at different stages of development. The analysis was conducted using four different methods (pooled OLS, fixed effects panel, random effects panel, and generalized method of moments), with a special emphasis on dynamic panel analysis, which uses the most complex estimation. Following the identified literature gap regarding the study of the impact of formal institutions in countries with different levels of development, the study identifies investments, employment rate and the institutional framework as the main determinants of growth. The impact of the institutional framework was found to be the strongest, but it largely depends on the level of development of individual countries. In addition, the analysis of long-term estimates further confirms the results obtained. Finally, economic policymakers should make additional efforts to simplify the existing institutional framework and adapt it to the challenges of the global macro environment.

Keywords: economic growth, panel analysis, institutional framework

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**MONETARY POLICY RESPONSES TO POST-PANDEMIC
INFLATION IN THE WESTERN BALKANS**

UDK: 338.23:336.74: 336.748.12]+ 616-036.21(497)

JEL classification: E52, E31, E58, O52

Abstract

This research aims to study monetary policy responses to post-pandemic inflation in the Western Balkans. The inflation rate after the pandemic rose significantly due to supply chain disruptions, increased energy prices, and global economic uncertainties. Central banks had to react quickly to protect economic stability. Through comparative analysis, this study will analyze the strategies used by Central Banks, including interest rate measures, to address inflation in the Western Balkan countries (Kosovo, Albania, Croatia, North Macedonia, Bosnia and Herzegovina, Montenegro, and Serbia). While many studies focus on developed countries, this research focuses on the Western Balkans, a transitional economy region, thus filling a gap in literature. The findings may also be helpful to design more adequate responses for eventual crises in the future.

Keywords: monetary policy, post-pandemic inflation, Western Balkans

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HOW CAN INNOVATIVE FINANCIAL INSTRUMENTS BOOST INNOVATIONS IN THE BIOECONOMY?

UDK: 330.322:330.341.1:63

JEL classification: O31, Q16, Q57

Abstract

Developing the bioeconomy requires sustainable financial resources. In recent years, an increasing number of innovative financial instruments have been discovered to finance sustainable projects. Such financial instruments help to ease financial and operational barriers to bioeconomy development, create an enabling environment for innovation, and foster a sustainable and resilient bioeconomy while tackling global challenges such as climate change and resource scarcity. The research aims - to identify innovative financing instruments for bioeconomy development and to assess how innovative financing can boost innovation in the bioeconomy. The research results show that the degree of innovation in the bioeconomy sector varies from country to country due to insufficient investment in rural regions' infrastructure, lack of sustainable financing, political and economic instability in some countries, economic, financial, and political risks, lack of private sector participation in public-private projects, limited access to finance for small entrepreneurs and lack of knowledge and skills in the use of innovative financial instruments. The research identifies the financing challenges facing the bioeconomy sector and explores possible solutions. In assessing the financing challenges identified, it proposes to promote coordination among all financing stakeholders to share good practices in project implementation, to support financing mechanisms

for projects involving integrated systems of agriculture, food, and other bioeconomy sectors, to raise awareness of the potential of these systems, and to promote the adoption of high-impact or large-scale projects. Innovative financing can make a significant contribution to bridging the gap between local needs and global sustainability goals by addressing the challenges of financing, scaling up projects, and balancing interests. These challenges include instruments such as blended finance, green bonds, crowdfunding, carbon credits, blockchains, and decentralised finance. Local communities can contribute to the bioeconomy's development goals and make real progress in meeting their needs in a sustainable way by using innovative financing instruments. Successful implementation requires sectoral coordination, confidence building, and flexible financing instruments to help communities address economic and climate challenges.

Keywords: financing instruments, bioeconomy, innovations

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**CUSTOMER-CENTRICITY IN CRISIS MANAGEMENT:
LESSONS FROM LEADING ORGANIZATIONS**

UDK: 005.346:005.334:005.35

JEL classification: M14, M21

Abstract

Crisis management and customer-centricity are critical strategies for businesses operating in uncertain environments. This paper explores the role of customer-centric approaches during crises by analyzing four case studies from diverse industries – telecommunications, technology, cultural, and tourism sectors. The primary objective of the research is to identify how customer-centric strategies help organisations mitigate adverse effects, foster trust, and enhance long-term customer loyalty during crises. Key findings from the case studies indicate that organisations that adapted swiftly to shifting client needs witnessed increased customer satisfaction and engagement. Additionally, differentiated client support tailored to specific customer segments proved practical for maintaining business continuity. Based on the findings, the paper offers practical recommendations for managers, emphasizing the importance of proactive customer segmentation, transparent and empathetic communication, and investment in innovative solutions during crises. The study calls for future research to quantitatively analyse customer-centric strategies across various industries and crises.

Keywords: customer-centricity, crisis management, customer loyalty

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CRISIS COMMUNICATION STRATEGIES USING IMAGE REPAIR THEORY: A CASE STUDY OF PODRAVKA IN CROATIA

UDK: 005.334:664.8/.9(497.5)

JEL classification: M14, M21, M31, M37

Abstract

This paper explores the application of image repair theory in crisis communication strategies, focusing on the case study of Podravka in Croatia to identify effective methods of managing public perception during organizational crises. The study evaluates how Podravka, one of the biggest companies in Croatia's food industry, navigated its crisis by employing image repair strategies. By examining the company's responses and communications during the crisis, this research highlights the significance of maintaining a positive public image and the role of proactive communication in mitigating damage to reputation. This study aims to fill the research gap in the current literature regarding the application of image repair theory in corporate crisis management. It provides insights into effective crisis communication strategies that can be employed to repair and enhance corporate image, particularly in times of public scrutiny.

Keywords: crisis communication, image repair, communication strategies

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PROFESSIONAL BURNOUT AS AN ISSUE OF PROFESSIONAL IDENTITY AND FACE CONCERNS IN SOCIAL INTERCATION

UDK: 159.944:331.44

JEL classification: J28, M12, M54

Abstract

The issue of professional burnout has long been a key focus in psychology, becoming even more relevant in recent years amid rapidly changing socioeconomic conditions, particularly in business organizations. Fear of job loss or failure to meet high standards can significantly impact employees' psychological well-being. The purpose of this study covers a research of professional burnout in relation to professional identity and how it affects social interactions, especially through face concerns. Professional identity – awareness of one's professional roles and status – plays a crucial role in shaping actions and decisions. We hypothesize that professional identity, its development, and its presentation in social settings are key to understanding professional burnout. Our empirical study, conducted from 2022 to 2024 with 246 employees in Russian business organizations reveals significant connections between professional identity and professional burnout factors: emotional exhaustion, depersonalization, and professional success. Interestingly, face concerns were more strongly linked to professional burnout of women, highlighting gender-based differences. Data suggest these strategies might mediate the relationship between professional identity and professional burnout, with a shift towards prosocial attitudes reducing professional burnout risk. These findings underscore the complex relationship between professional identity and professional burnout, suggesting face concerns as a mediating factor. Understanding this dynamic can help in developing preventive strategies to reduce burnout in business environments, ultimately enhancing employee well-being and organizational efficiency.

Keywords: *professional burnout, professional identity, face concerns*

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**ERGONOMIC RISK MANAGEMENT AS PART OF
BUSINESS RESILIENCE MANAGEMENT**

UDK: 331.101.1

JEL classification: J28, J81, M54, O32

Abstract

As part of the occupational health and safety issue, Ergonomics creates a safer working environment, where ergonomics focuses on adapting work to the person. Part of comprehensive risk management in a company is the identification and management of ergonomic risks. These risks undermine the safety and resilience of production and work processes. It is necessary to realize that it is necessary to address the individual needs of workers and individual factors in the workplace already during the design of the work environment. Occupational diseases represent an unnecessary financial burden for society, so companies should pay attention to ergonomics in the workplace, through which diseases can be prevented. The article presents a case study of an advanced workplace of a selected industrial company. The first phase of the research focused on the analysis of ergonomic risks. Risks were identified and assessed using ergonomic checklists, the RULA method, NIOSH, and the CERAA application. The results of this case study provide specific recommendations and can inspire other industries to improve ergonomic conditions in workplaces. The paper highlights the importance of ergonomics in the workplace and its key role in preventing occupational hazards. The case study can contribute to creating safer and healthier working conditions for employees and raising awareness of the importance of ergonomic measures in the workplace, which will contribute to building the resilience of enterprises.

Keywords: ergonomic, risks, workplace, staff

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THE INTERPLAY BETWEEN MANAGEMENT PRACTICES AND INNOVATION PERFORMANCE OF PRIVATE FIRMS

UDK: 001.895: 330.341.1]:005

JEL classification: O30, O31, O32

Abstract

Grounded on the Dynamic Capability Theory, this cross-sectional explores how various structured management practices relate to the innovation performance of firms. The purpose is to identify the most conducive match between structured management practices, while taking into account a variety of contextual factors as well as characteristics of firms, for development of new products and services. The empirical analyses is based on the GLS model, estimated on the data collected by the World Bank, via its Enterprise Survey, round 2019, from 11,726 firms located in 21 economies (14 EU, 6 WB and Moldova). The preliminary results indicate that, compared to management practices, investment in R&D remains the predominant driver of innovation performance. While management practices have some heterogeneous effects between EU and Western Balkan countries, overall, they do not play a disproportionately greater role in either region. Thus, management practices alone may not be sufficient to drive innovation unless complemented by technological investments. We conclude that access to financial resources for R&D is crucial for improvements in innovation performance.

Keywords: innovation, management practices, firms; dynamic capabilities

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**STRESS MANAGEMENT AS A WAY FOR BUSINESS
SUCCESS IN ORGANIZATIONS**

UDK: 005.96:159.944.4

JEL classification: M54, J24, D23

Abstract

The report examines the issue of stress in modern organizations and the need for psychological research in this area. Stress is considered as the tension of the body, aimed at adapting to the situation to restore a normal state, a factor of burnout and decreased performance (Vodopyanova, Starchenkova, 2005.). On the one hand, it helps the body to change, provides optimal tone to maintain homeostasis. On the other hand, when overstressed, it leads to severe consequences for human life (Selye, 1982). Staff stress management can influence employee productivity improvement, improve the socio-psychological climate in the team, improve employee health, increase staff loyalty and reduce the number of conflicts. Despite a large amount of research, there are still many questions about how stress develops among employees of an organization, what manifestations of stress are observed among employees of organizations, how to help a person not to go beyond optimal stress and maintain their efficiency and motivation to work, be ready to work effectively in their company, etc. We consider the problem of stress management from the point of view of a business psychological approach. According to the business psychological approach, in the study of various aspects of business management, a comprehensive analysis of factors related to the individual psychological characteristics of the personality of employees, with the peculiarities of their interaction, attitudes towards themselves, their business, surrounding people, etc. is carried out. Business psychology comprehensively

studies the factors and conditions under which people in an organization successfully complete their tasks. The conditions for the development of those human qualities that allow employees to be capable of personal growth, effective communication with people, maintaining human values, etc. are studied. Business is considered as a professional and social environment that influences the formation of personality (Ivanova, Benton, 2019). According to the business psychological approach, stress is a risk for companies that leads to lower productivity and financial losses. The task of business psychologists, based on the analysis of the peculiarities of stress among employees, is to help management develop measures that will help increase labor productivity and reduce staff turnover. It's about finding mechanisms to maintain optimal stress levels necessary for employee performance and motivation. The purpose of the study: to develop recommendations for the management of an organization on stress management, taking into account the peculiarities of stress among employees. The study is based on an analysis of the stress management case in a particular organization and an analysis of the data we have collected on the specifics of stress manifestations among employees of business organizations. Methodology: A) quantitative study of stress manifestations in employees of business organizations (N= 70) using 5 methods for various manifestations of stress in humans; B) qualitative analysis of the manifestation and management of stress in a particular organization. Results: The peculiarities of stress among employees of business organizations have been identified. The relationship of stress manifestations with the index of psychological safety, level of internal comfort, and coping strategies used has been revealed. The results show that there are a number of correlations between the stress level of employees and their involvement in work, staff turnover and the level of psychological well-being of employees. The results show the need to implement a stress management approach in various organizations to improve the psychological climate. Such measures are crucial for achieving organizational goals and business growth in modern economic conditions. The results of this study can be useful to management, consultants, and coaches to maintain optimal stress levels in the organization and provide psychological assistance to staff in overcoming the negative effects of stress.

Keywords: *stress, stress management, business efficiency*

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HOW CAN I THRIVE AT WORK? THE INTERPLAY OF EMPLOYEES' ENVIRONMENT, WORK CULTURE AND JOB-RELATED FACTORS

UDK: 005.73:331.101.3:004

JEL classification: O15, J28, M54, L86

Abstract

This study investigates how three organizational antecedents – environment, work culture, and job design – jointly shape employees' thriving at work. We propose that these factors create a supportive ecosystem that fosters both vitality and learning. Using a survey of 316 employees in the ICT industry in North Macedonia, we conducted multiple linear regression analyses to assess the predictive power of environment, work culture, and job design on thriving at work. Results reveal that the environmental factors emerged as the strongest predictor, followed by job design and work culture. Altogether, these factors accounted for a substantial portion of the variability in thriving at work, underscoring their collective importance for employee well-being and development. From a practical standpoint, these findings suggest that enhancing physical, social, and structural job dimensions can substantially boost employees' vitality and learning. For managers and human resource

professionals, the insights encourage a holistic approach by integrating ergonomic practices, cultivating a positive organizational culture, and thoughtfully designing job roles to promote thriving in contemporary, often remote, work settings.

Keywords: thriving at work, work culture, job design

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**DETERMINANTS AND ACHIEVEMENTS OF
KNOWLEDGE TRANSFER AND KNOWLEDGE
SHARING IN PUBLIC HEALTH INSTITUTIONS IN THE
REPUBLIC OF CROATIA - EMPIRICAL ANALYSIS**

UDK: 614.2+005.64]:005.94(497.5)
JEL classification: D01, D83, I12, I18

Abstract

In the post-Covid era, individual health and well-being have become key priorities. The theme of the 2025 HLPF Conference confirms this by prioritizing several UN SDG sustainable development goals, particularly Goal 3 – Ensuring healthy lives and promoting well-being for all at all ages. The Integrated Health Care (IHC) principle provides a forward-thinking, holistic approach that prioritizes the patient as the central point of the healthcare system, emphasizing recovery and overall well-being rather than solely medical treatment. This concept integrates various aspects of patient care, including social, technological, and other relevant health elements, creating a comprehensive framework for improving health outcomes. Implementing IHC principles requires strategic management of partnership networks involving medical institutions, universities, healthy food producers, medical technology developers, and other stakeholders. Knowledge management within these networks is a critical process that ensures instant information, knowledge transfer. Literature highlights the benefits of these networks, such as reliability, security, scalability, and cost savings. This study investigates the extent of knowledge exchange and transfer among healthcare professionals working

in public health institutions in Croatia. The authors will use a quantitative method and statistical analysis with a smaller sample, surveying healthcare professionals based on Liebowitz's model (2018), which analyzes key institutional factors influencing knowledge transfer in healthcare institutions, such as organizational culture, processes, and management support. The findings will identify key opportunities and barriers for improving knowledge transfer in Croatia. Based on these results, the authors will propose guidelines for optimizing knowledge transfer processes in healthcare institutions. This research will encourage further scientific discussions and analyses on the topic, initiating strategic guidelines, project initiatives, and best practices in this critical field-global health.

Keywords: IHC - Integrated Health Care, knowledge management in health, network management in health

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**APPLICABILITY OF ORGANIZATION THEORIES IN
THE STUDY OF TRANSNATIONAL CORPORATIONS**

UDK: 334.726

JEL classification: F23, L21, M16

Abstract

Transnational corporations are the most powerful and significant single economic entity of our time, whose role and strength are undeniable. Transnational corporations are not only economic but also extremely important political and social institutions of the modern world. We have witnessed numerous discussions about global competition and transnational corporations, but there are very few conceptual and theoretical discussions that would analyze transnational corporations and their management. However, there are a number of attempts to analyze certain aspects of transnational corporations from existing theoretical perspectives. Existing organizational theories are based on very simplistic assumptions that are not adequate for transnational corporations because they cannot illustrate the complexity and kind of abundance of transnational corporations. In addition, transnational corporations are rarely used as an object of research. This paper first defines the prerequisites for the applicability of organizational theories in the research of transnational corporations, and then analyzes the dominant organizational theories in order to determine their adequacy.

Keywords: transnational corporations, organization theory, management of transnational corporations

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CULTURAL AND EDUCATIONAL INFLUENCES ON ENTREPRENEURIAL ATTITUDES: A COMPARATIVE STUDY OF FRANCE AND CROATIA

UDK: 005.342:316.7:37](497.5:44)

JEL classification: L26, M13, I25, O57

Abstract

This study examines the influence of cultural and educational factors on attitudes toward entrepreneurship in France and Croatia, two countries with distinct historical, cultural, and educational backgrounds. Utilizing a mixed-methods approach, the research combines qualitative insights with quantitative data to analyze how these factors shape entrepreneurial perceptions and intentions. Key findings reveal that cultural norms significantly affect entrepreneurial attitudes, with French culture being more supportive of innovation and risk-taking compared to Croatia, where entrepreneurship is often seen as a necessity rather than an opportunity. Education also plays a crucial role; while formal education is more valued in France, informal education is emphasized in both countries, particularly in Croatia. Common challenges include bureaucratic barriers, limited access to financing, and inadequate government support, although these issues are viewed as more severe in Croatia. The study highlights the need for tailored strategies that address cultural and educational disparities to nurture entrepreneurial ecosystems. Finally, these findings contribute to the understanding of cross-cultural differences in entrepreneurship and provide actionable insights for policymakers seeking to boost entrepreneurial development.

Keywords: attitudes toward entrepreneurship, culture, education

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**GENDER DIVERSITY IN CORPORATE BOARDS –
BIBLIOMETRIC ANALYSIS**

UDK: 005.33-057.177.1-055.2

JEL classification: D22, G34, J16

Abstract

Women leaders have to dismantle many workplace barriers caused by gender biases and become transformational role models as they pave their way to the top. Although this journey to the top is frequently more challenging than that of their male colleagues, it nevertheless fosters women's growth. This article deals with gender diversity in corporate boards. The main goal of this article is to investigate the extent to which the issue of gender diversity in corporate boards has been analyzed in a certain period of time (i.e. in the last 15 years, from 2010 to 2024). The main purpose of this article is to show if this topic has been sufficiently addressed in scientific articles, and to identify a potential research gap. The methods used in the article are literature review, bibliometric analysis, comparison method, compilation method, classification method, description method, analysis and synthesis. The collected data were systematically prepared and processed, and bibliographic visualisations were created using the VOSViewer program. The analysis included 368 scientific articles from Web of Science database, filtered by the keywords "gender diversity" and "corporate boards" (indicated in scientific articles). The relevant literature was collected in January 2025. The article is based on the

analysis of the existing literature that can be found in the WoS database, and it deals with the issues of gender diversity in corporate boards, in addition to investigating the types of published articles, keywords, authors who are significant contributors to the topic, and the countries where they had conducted their researches. The results have shown a decline in published research with selected keywords in 2024. It has also been found that there is an opportunity for researches in less-developed countries to contribute to this field, given that the majority of the published articles and conducted research comes from the USA, UK and Australia.

Keywords: corporate boards, gender diversity, bibliometric analysis

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STRESS IN THE CONTEXT OF ORGANIZATIONAL CONFLICTS: AN INVESTIGATION OF CAUSES AND CONSEQUENT EFFECTS

UDK: 658.3:331.44

JEL classification: J28, M14, M52, M54

Abstract

Organizational conflicts can arise for various reasons, including disagreements over work tasks, mismatches in values and goals, poor communication, and differences in personal and professional work styles. These conflicts often lead to stress, which manifests itself through physical, emotional, and psychological symptoms in employees. Stress caused by organizational conflicts can significantly affect the work atmosphere, reduce productivity, increase absenteeism, and high employee turnover. Managers who recognize the causes of conflicts and intervene promptly can significantly reduce the negative consequences of stress, thereby ensuring the stability and productivity of the organization. Given the increasing importance of employee well-being in organizations, the paper highlights the importance of implementing preventive measures and building an organizational culture that supports employees' emotional and mental well-being. Through theoretical analysis and empirical research, the paper examines how organizational conflicts act as triggers for stress and also considers how different types of conflicts – interpersonal, structural, and interpersonal – affect the emotional state of employees and the overall dynamics within the work organization. Furthermore, strategies

that organizations can implement to reduce conflict and stress in the work environment are explored, including developing effective conflict resolution mechanisms, training in emotional intelligence, improving communication skills, and promoting a culture of collaboration and trust. The main objective of the research is to analyze the impact of organizational conflicts on the level of stress among employees and to identify the key causes of conflict in a sample of 750 respondents. Based on the results obtained, the goal is to develop effective strategies for reducing stress, improving communication skills, and building an organizational culture that supports the emotional and mental stability and well-being of employees.

Keywords: organizational conflicts, stress, causes of conflict, employee turnover

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**MACROECONOMIC FACTORS AND GOVERNANCE
QUALITY: DRIVERS OF INNOVATIVE MANAGEMENT
IN INDONESIA'S GREEN ENERGY COMPANIES**

UDK: 005.342:620.9:330.34(594)

JEL classification: E60, O31, O44, Q48

Abstract

In this paper, we analyze the impact of macroeconomic drivers and the quality of governance as a framework on innovative management in Indonesia's green energy companies. Based on recent literature, we conduct a comprehensive thematic analysis which leads us to four consolidated elements that influence innovation results: (1) macroeconomic factors like foreign direct investment (FDI), interest rates, and exchange rate stability; (2) governance quality factors like regulatory fragmentation, corruption, and state owned enterprises (SOEs) governance; (3) policy framework effectiveness; (4) responsiveness at the firm level towards innovation. The analysis indicates governance quality as an important moderating variable that affects the extent to which favorable macroeconomic parameters translate into innovation at the firm level. While abundant renewable resources and improving economic prospects exist in Indonesia, the energy transition is slowed down by governance issues which heighten transaction costs, distort market creation, and negatively impact policy execution. The findings suggest that in the context of Indonesia, hybrid models that combine policy targets with market-based approaches tend to be most effective. Such related works are scarce, this research fills the gap by formulating a single cohesive framework that explains the influence of macro economics and governance on firm innovation in emerging economies' green energy industries.

Keywords: macroeconomic determinants, governance, energy

MARKETING

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SUSTAINABLE DIGITAL MARKETING: A SYSTEMATIC REVIEW AND CONTENT ANALYSIS OF CURRENT RESEARCH

UDK: 004.728:339.138

JEL classification: M31, M14, Q01, A13, D83

Abstract

Sustainability is no longer just a trend but an essential priority for all ecosystem stakeholders and digital marketing activities can support this priority. This paper explores sustainable digital marketing which is becoming an attractive research field for a growing number of experts and scientists in recent years. To establish a theoretical framework for exploring this field, this paper provides an overview of the existing literature collected from the WoS platform and the Scopus database. The conducted research indicates that the concept of sustainable digital marketing contributes to social and environmental well-being, highlighting business sustainability, among other things, partly due to the increasingly active engagement of consumers as well as companies. Analyzed papers cover the concept's application across various industries, the use of different technologies to put sustainable digital marketing into practice, and its impact on brand reputation and support for sustainable consumer behavior.

Keywords: sustainability, digital marketing, sustainable digital marketing

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**MEMBERSHIP MODEL AS PART OF RELATIONSHIP
MARKETING ON THE EXAMPLE OF FOOTBALL CLUB**

UDK: 339.138:796.332:796.073

JEL classification: M31, M37, M39, Z21

Abstract

Under the pressure of increasing competition in the global market, companies are implementing relationship marketing strategies in order to establish long-term and profitable customer relationships. At the same time, the sports industry is experiencing massive growth and simultaneously marketing in sport is developing as a specific discipline of marketing. Just like other companies on the market, sports associations/clubs apply a membership model as part of relationship marketing to create a long-term, profitable relationship with customers/supporters. This research has examined factors that affect members' satisfaction, whether there are differences in consumer attitudes and behaviour between members and non-members, and whether certain factors affect the identification of members with the organization. The survey was conducted on Croatian football club Hajduk fans, some of whom are members and some are non-members. The survey was conducted using a questionnaire that was shared over the internet and in person. The results of the research have shown that the satisfaction of the members is more affected by the involvement of members in the work of the club than by club's first team performance, that members are larger consumers of club products than non-members with a higher probability of long-term purchases and that there is a positive direct link between member identification, organization satisfaction, organization reputation, frequency of the contacts with organization and satisfaction with the benefits that the organization provides to its members.

Keywords: relationship marketing in sports, member identification and satisfaction, football club Hajduk Split

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**NEUROBRANDING IN THE DIGITAL AGE: BRIDGING
NEUROSCIENCE AND BRAND STRATEGY IN DIGITAL
MARKETING ENVIRONMENTS**

UDK: 658.8:159.964]:004

JEL classification: D87, D91, L86, M31

Abstract

The aim of this paper is to present an extensive literature review and present latest research findings related to the phenomena of neuromarketing and neurobranding, as well as its growing importance in the highly complex and volatile digital marketing environment. It will be focused on contemporary research, implementation, benefits and constraints of neuromarketing and neurobranding and its integration into digital branding strategies and digital marketing processes. The paper will explore how neurobranding as an emerging interdisciplinary field, merges neuroscience insights with branding, in order to influence consumer behavior. Neurobranding leverages key cognitive mechanisms such as emotional responses, memory activation, and sensory engagement, to create compelling brand experiences. Having in consideration that neuromarketing and neurobranding strategies employ serious neuroscience methods in order to better understand how consumers are responding to specific marketing stimuli, it is of vital importance for marketers to understand how neurobranding principles can be applied to enhance brand strategy, foster brand resonance and strengthen the consumer loyalty. Additionally, the application of neurobranding is amplified by technological advancements. Digital platforms allow brands to engage consumers through personalized content, dynamic pricing models, and immersive sensory experiences. By bridging neuroscience and brand strategy in digital environments, neurobranding offers transformative opportunities for marketers. As brands continue to adapt to the evolving digital landscape, neurobranding will play a crucial role in shaping impactful strategies that resonate deeply with consumers' minds and hearts. This paper concludes by identifying major challenges such as ethical considerations in neuromarketing and neurobranding, as well as proposing future directions for interdisciplinary research.

Keywords: neurobranding, neuromarketing, consumer behavior, digital marketing environment

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SUSTAINING MEDIA PLURALISM IN THE DIGITAL ERA: THE ROLE OF DIGITAL TAXATION AND PUBLIC FUNDING

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JEL classification: L82, L86, H25, H30

Abstract

The traditional advertising-based business model for news media - while still the most prevalent one – has become increasingly unsustainable. The profound digital transformation of the past two decades has positioned digital platforms at the center of a multi-sided market, with media becoming just one component of the value chain. The dynamics of network effects and other factors, such as data harvesting, user experience and integration of various functions, strengthens the central position of a small number of leading platforms in the information systems and advertising investments. Furthermore, the centrality of platforms has led to disintegration of news production – which is a high-cost investment, especially for quality and investigative reporting – from distribution and advertising. Taking this into account, this paper examines the necessity and effectiveness of policy intervention aimed at ensuring media pluralism and fostering informed citizenship – both essential foundations of democracy. It examines the taxation of big tech as a potential revenue source for such funding, while also considering the risks of political influence and media capture in the allocation of these funds, drawing on experiences with public subsidies.

Keywords: *news media business model, digital tax, public subsidies*

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THE ROLE OF CRITICAL THINKING IN UNDERSTANDING GENERATIONAL ATTITUDES TOWARD ECO-FRIENDLY CONSUMPTION¹

UDK: 366:504

JEL classification: D91, O33, Q01, Q56

Abstract

Sustainable consumption is one of today's most pressing societal challenges, often interpreted through generational differences. Younger age groups are frequently regarded as "greener" consumers; however, our research presents a more nuanced view. The study aimed to examine whether this generational difference truly exists and to explore the role of critical thinking in eco-friendly decision-making. Using a primary, quantitative approach, we conducted an online survey with 212 respondents from different generations. Data were analyzed using Pearson's chi-square test. The results did not confirm that younger generations are significantly more environmentally conscious. Rather, critical reflection and awareness, not age, proved key in environmentally oriented choices. The study challenges generational stereotypes and highlights that "green thinking" is more about mindset than age. While the sample characteristics limit the generalizability of the findings, future qualitative research could uncover deeper motivations behind consumer behavior.

Keywords: sustainable consumption, generational differences, critical thinking

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TOURISM

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CHALLENGES OF MASS TOURISM IN SINTRA: A CASE STUDY ON STAKEHOLDER PERSPECTIVES AND MANAGEMENT STRATEGIES

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JEL classification: L83, Z32

Abstract

Mass tourism is rising globally, and Sintra, located near Lisbon, exemplifies its challenges. Once picturesque, the town now faces frequent overtourism episodes. This qualitative, descriptive case study explores the issue. After a literature review, eight stakeholder interviews were conducted. Participants included heritage managers, DMCs, guide associations, and two residents' groups focused on sustainability and quality of life. Although key institutional actors declined participation, the study evaluates tourism's impact on Sintra's development. Butler's model was also used to find the current development stage of this tourist destination, which has great cultural and natural importance. Findings reveal widespread concerns and strategic suggestions. To reduce pressure, stakeholders call for better information systems, capacity management tools, and promotion of lesser-known areas. Improved infrastructure – parking and public transport – is also advised. Mass tourism has tarnished Sintra's image and visitor experience. Without integrated management, cultural and environmental damage looms.

Keywords: mass tourism, sintra, tourism management

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**SENIOR TOURISM – NO LONGER A CHOICE, BUT THE
FUTURE OF TOURISM**

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JEL classification: J14, J11, Z32

Abstract

The topic of this paper addresses one of the biggest social challenges in Europe – the aging of society. This phenomenon has numerous social and economic consequences. The main goal of this research was to explore the tourism activities of seniors, identify the factors that hinder this activity, and determine the relationship between tourism and the well-being of seniors. The analysis focuses primarily on psychological and economic aspects. During the research process, 209 seniors from Poland were surveyed using both Web Interviews and the Paper & Pen technique. It was found that there is a clear link between perceived accessibility, travel satisfaction, and life satisfaction among seniors. The main obstacles to tourism within this social group were also identified: the most common reasons for abandoning travel were poor health and lack of financial resources. As the proportion of older people continues to rise worldwide, senior tourism is becoming increasingly relevant, particularly in the fields of economic and psychological research. However, many research gaps remain, and this paper aims to address them.

***Keywords:* tourism management, psychology of tourism, senior tourism**