2nd Dubrovnik International Economic Meeting

DIEM 2015

„Scientific Conference on Innovation, Leadership & Entrepreneurship – Challenges of Modern Economy“

Abstracts of the Proceedings

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Under the auspicies of the President of Croatia
Ms. Kolinda Grabar-Kitarović

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KEY NOTE SPEAKERS

Giovanni Battista Dagnino, Professor in the Department of Economics and Business of the University of Catania, Italy

Title of the keynote: **Competition strategies in theory and practice**

Giovanni Battista Dagnino is Professor of Business Economics and Management at the University of Catania, Italy, where he is Coordinator of the PhD Program in Economics and Management and member of the University Spin-off Board. He is faculty member of the European Institute for Advanced Studies in Management in Brussels, Fellow of the Strategic Planning Society in London and Friend of the European Investment Bank Institute in Luxembourg. He has held visiting positions in a number of universities and business schools throughout the world. He is associate editor of Long Range Planning and seats in the editorial boards of seven international academic journals. He is known for his pioneering work on coopetition strategy, a new management area that he contributed to set off. Other investigation concerns the relationships among strategy, governance and entrepreneurship, the role of anchor firms and networks in regional innovation and development and research methods in strategic management. He has authored/edited eleven books and several articles in leading management journals.

David Gibson, Professor at Sunderland University, UK

Title of the keynote: **University entrepreneurial ecosystems for regional development**

Professor David Gibson, University of Sunderland, is one of the leading world experts in Entrepreneurship Education. He has won numerous awards nationally and internationally for his groundbreaking work in embedding Entrepreneurship into the entire curriculum of Queens University Belfast to ensure the entire student population of 24500 developed an entrepreneurial. Mindset and enterprise skills to create national and international impact. As well as leading his university to the Times Higher Award of "Uk Entrepreneurial University of the year" , in 2009 he was named "the most innovative educator in the UK" by the Higher Education Academy and was awarded an OBE form the Queens of England in2012., the only educator in this area ever to receive such an award. He was named the world number one Entrepreneurship Educator due to the evidence that his system led to many high growth start ups and to a change to the culture in the region. With twenty six year business experience and running his own business for ten years he has both practical business experience and over sixteen years of experience of changing academic culture for regional development. He has published widely and has written several textbooks including the award winning "Efactor" published by Pearson Education. He has worked extensively with the EEC and in China and India advising governments on how to set up entrepreneurial ecosystems based on his "ELVIS" model. His keynote will focus on how Universities can change their culture to create entrepreneurial ecosystems, it is "University Entrepreneurial ecosystems for regional development"

FROM THE EDITORS

After the successful 1st Dubrovnik International Economic Meeting organised in 2013., University of Dubrovnik, Department of Economics and Business Economics has organised the 2nd Dubrovnik International Economic Meeting (DIEM 2015), Scientific Conference of Innovation, Leadership & Entrepreneurship - Challenges of Modern Economy.

This International Conference (DIEM) is an international forum for the presentation of research results in the fields of Economics and Business Economics, in 2015 with the emphasis on Innovation, Leadership & Entrepreneurship - Challenges of Modern Economy. The peer review has been completed by an international team of reviewers, consisting of experts on economics from all over the world. On this conference two eminent researches gived key note speeches and presented their work at the conference: Giovanni Battista Dagnino, Professor in the Department of Economics and Business of the University of Catania, Italy (Title of the keynote: Competition strategies in theory and practice) and David Gibson, Professor at Sunderland University, UK (Title of the keynote: University entrepreneurial ecosystems for regional development).

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

Contributions of the second Dubrovnik International Economic Meeting - DIEM 2015 lays in participation of 134 scientist from 28 different countries. We believe that the actual response of participants to our second conference proves our expectations that DIEM will represent an essential link from the scientific and educational point of view. The different views of the authors and conference participants as well as their suggestions of solutions to the same will hopefully be interesting and useful not only to the academics, but also to all the participants in the world of economy.

We are proud that DIEM has been recognised as an excellent platform to present new, contemporary issues and an active promoter of economic profession in the future.

Throughout the duration of this project, members of the Organising Committee and all the members of the international reviewing team were at disposal and to them we express our warmest gratitude.

Dubrovnik, October 2015.

Associate professor Ivona Vrdoljak Raguž, Ph. D.
Senior researcher Zorica Kržel - Čolović, Ph. D.

TABLE OF CONTENTS

MACROECONOMICS

MANAGEMENT AND ORGANIZATION

MARKETING

MONETARY ECONOMICS

PROJECT MANAGEMENT

PUBLIC FINANCE

TRANSPORT

KEYNOTE ADDRESS

Giovanni Battista Dagnino
University of Catania, Italy

COOPETITION STRATEGY IN THEORY AND IN PRACTICE

"Do you ever feel in competition?"
"No. Our generation... ***We believe in coopetition****. We believe that metal sharpens metal.*
We're constantly talking to each other.
We're constantly helping each other.
We believe that it's through our unity we're strong, not through division.
Competition is an old model."

Mastin Kipp at Oprah's Super Soul Sunday, Jan 2013

JEL classification: D21, D22, M10

1. INTRODUCTION

In the PC industry the portals traditionally work both competitively and cooperatively with other portals. The same condition occurs today among and within virtual market platforms, entrepreneurial ecosystems, and the various kinds of actors that they involve.

Restaurants also, when they work together in the same urban district, can create a much larger and valuable market that they ever could by working individually. A good example of "restaurant coopetition" is when there is part of a city that has a large number of restaurants concentrated in a relatively small area (customarily named "*the restaurant district*" or "*the restaurant quarter*"). If you look at this from a traditional business point of view, this looks like a bad idea. However, the reality is that all this abundance of eating places *attracts* customers who may just go to the area without any specific restaurant in mind. This is where the competition starts. Then, the restaurants with the best ambience, or the best sounding menu, or the best price usually bring in more customers. Typical examples of coopetition are, in this sector, food courts, special food events, advertising, and cross-promotion.

In this brief essay, I would like to share some thoughts on coopetition strategy theory and practice by primarily reconnecting some of the dots my intellectual journey inside coopetition and having a look at the present and future of coopetition studies. Let me add that I am aware that this essay is going to present a viewpoint that is certainly biased toward what I have done and I am doing on coopetition as well as the "virtues" of coopetition vis-à-vis its dark sides. Notwithstanding that, my hopes go in the direction that this viewpoint of mine may add at least a brick in raising the awareness and interest towards this truly important aspect of business reality and life.

Coopetition is a condition in which we have cooperation and competition at the same time. Coopetition encompasses, in a single backbone, the two traditionally countervailing forces of cooperation and competition that, in today's fast changing scenarios, require more attention and comprehensive analytical treatment (Gnyawali, He and Madhavan, 2006).

In what follows, I shall proceed by initially retracing a short sketch of my personal intellectual journey on coopetition. Then, I will discuss the current state of the art of coopetition as an area of study. Finally, I shall talk about my interpretation of the future of coopetition studies in management.

2. COOPETITION AS A PERSONAL INTELLECTUAL JOURNEY

Let me immediately say that this is the story of a fifteen-year long intellectual journey of mine. An intellectual journey that I started as early as in 2001, just at the very onset of the new millennium after reading the seminal book on coopetition of Adam Bradenburger and Barry Nalebuff (1996). The book was not mine; actually I found it by chance left unattended on the shelf of a very senior colleagues of mine at Catania. Then, after looking at it a couple of times in different days, I took some courage and asked him to lend it to me. Fortunately, for he was not really interested in this book, he said yes.

The reading of the Brandenburger and Nalebuff book left me with mixed feelings. In fact, at the beginning I ought to confess that, while I did not like it too much, at the same time I could recognize, almost immediately, that they were right (and highly original at that time) in clearly pinpointing the need in business operations to see cooperation and competition as one thing instead of two or more, as the prevailing industrial economics-grounded strategy and management literature had done until that time. After some rumination, I resolved that I could probably make some attempt to contribute to the study of coopetition. This decision of mine was truly not risk free (of course in academic terms) at that time. Actually, nobody believed in coopetition in 2001! Accordingly, I had to resist to the many skeptical smiles of colleagues (and practitioners) when they were hearing, even from distance, just the echo of such a strange and illegitimate word as coopetition (Dagnino, 2009). In this instance, I tried to pay little or no attention to this reaction, that is in fact quite customary routine when people first tackle new and innovative objects, thinking and/or ideas. Then I started looking for the (really scarce, unfocused and sparse!) literature supporting the possibility for a firm to admit and pursue a coopetitive behavior. That is, in a retrospective but possibly authentic outlook, how it all began when we talk about coopetition in my own research.

My first paper on coopetition dates back to 2002, when – with my early co-author Giovanna Padula of Bocconi University – I tried to conceptualize coopetition as matter of "incomplete interest congruence" between two or more parties. This paper on coopetition, drafted as early as in 2002, and eventually published as chapter one of the Routledge book *Coopetition Strategy: Theory Experiments and Cases* (2009) I edited with Elena Rocco of the University of Venice Ca' Foscari, over time has revealed rather influential in establishing coopetition as an area of study. It accounts today for over 340 citations in Google Scholar.

The second paper on coopetition, drafted as well with Giovanna Padula, titled "Untangling the Rise of Coopetition: The Intrusion of Competition in a Cooperative Game Structure" appeared in 2007 in the inaugural special issue on the issue coopetition pioneered by the journal that was the first one to bet and believe on coopetition *International Studies in Management and Organization*. This piece advances the notion of cooperation as a truly coopetitive game, where firms interact among each other on the ground of a partially convergent interest structure. It also proposes a set of environment-related and firm-related factors that explain the drivers of the intrusion of competitive issues within a cooperative game structure. The article has met with notable success over time:

(a) it has almost 200 citations in Google Scholar;

(b) it is consistently ranked among the most 2 or 3 cited articles at ISMO; and

(c) it has been awarded a special recognition for influential work on coopetition in the decade 2004-2014 at the EIASM Umea workshop.

Some venues have been the persistent travel companions of my journey. Since 2004, I have been so fortunate to pioneer and launch the European Institute for Advanced Studies in Management (EIASM) Workshop Series on "Coopetition Strategy", and thereby contributed to chair six editions of this one that became a biennial venue hosted over a decade in various parts of Europe: Catania (2004); Milan's SDA Bocconi (2006); Madrid's Carlos III University (2008); Montpellier I University (2010); Katowice's University of Economics (2012); and Umea (Sweden), May 2014.

This conference series, together with a bouquet of other initiatives conveyed in worldwide influential conferences, such as the Academy of Management Annual Meetings (Chicago 2009, Orlando 2013, and the latest one on Global Coopetition Strategy that has taken place in Philadelphia in 2014), and the Strategic Management Society Annual Conferences (Rome 2010, and Miami 2011), have been instrumental in gathering and nurturing, especially in Europe, a community of scholars and students mainly focused on coopetition and therefore in establishing coopetition as a significant emerging area of strategic management. Just to present a little but hopefully not insignificant example of this growing coopetition community, at the Umea Workshop in May 2014 we organized for the first time a doctoral tutorial that was attended by 11 PhD students and candidates who were doing dissertation on coopetition. In addition, in my university (the University of Catania in Italy) we have now a least ten written reports related to coopetition that have been delivered in the last three years: two PhD students, who have written their dissertations (on completed in 2012 and one ongoing) on coopetition, and some eight MSc degree theses on the key issue.

3. THE PRESENT OF COOPETITION

As said earlier, coopetition is today as an area of studies that is receiving increasing attention in academia. In fact, in the last five years the number of books and articles on coopetition has incredibly flourished, outgrowing considerably the figures presented by the former five years. The amount of articles published in international academic journals has been epitomized by a steep increase in the last 5 year-time (2009-2014: 63; vs. 21: 2004-2008; vs. 8: 1999-2003). The journal that have gathered a remarkable part of the articles published on coopetition are the *British Journal of Management* and *Industrial Marketing Management*.Six books on coopetition have been published in the last 5 years. Likewise, the amount of publications that have appeared in practitioners' outlets and newsletters has literally skyrocketing (100+ only in the last 3 years)!

In addition, there is nowadays notable attention raising from the (online) media, BBC, FT, WSJ, Huffington Post, etc. And the words coopetition is recorded and accepted as a "normal" word, not only in Wikipedia, but also in Oxford and Collins English Dictionaries ("*cooperation between competitors in business*"), as well as in the Financial Times Lexicon ("*Simultaneous competition and co-operation between a company and external players such as rivals, government agencies, suppliers, distributors, and partners*") .

As concerns business practitioners, I have recorded and am continuously recording a fast growing interest in coopetition by executives, entrepreneurs and consultants. Actually, they find them caught in a range of coopetitive situations that they do not know how to deal with. This occurs since, while most of them have formal and/or informal education and training to deal with cooperation opportunities and competitive dynamics, they usually did not experience any education or training to cope with coopetition conditions. Some recent personal experiences (e.g., company sales seminars and consultancy) do nothing else than confirming this condition.

At first glance, coopetition is seemingly a paradoxical behavior or even a bad idea. In my understanding, let me second that this is nothing else than a misbelief. The misbelief is probably due to the binomial (black/white) view of the world that traditionally epitomizes the Western view of the world (Dagnino, 2012). Nonetheless, if we look at the business world, we easily and immediately find plenty of situations where cooperation and competition, far from being alternative to one another, coexist at the same time and in the same context (Schweitzer and Galinski, 2015).

If we accept the possibility of the existence and the widespread diffusion of coopetition as a phenomenon, then we ought to think about how to turn coopetition from an external and spontaneously received issue into a deliberate and purposeful strategy (Dagnino, 2009) for any kind of firm or company, huge (Gnyawali and Park, 2011) or small (Gnyawali and Park, 2009). This is a fundamental step forward that, in my opinion, is to be walked over and over in order to use coopetition as a strategy that creates value for individuals, firms, networks and industries.

The next quasi-natural step is to learn how to formulate coopetition strategies and execute them in an appropriate way. To this end, we need to develop some updated diagnostic tools and some execution guidelines and frameworks. Actually, the literature on and the practice of coopetition has experienced dramatic growth and success in the last few years (Bengtsson and Koch, 2014) and we can confirm that, while we have now a body of knowledge that may help in this endeavor, additional efforts need to be done to develop actionable frameworks and applicable tools to detect coopetition and help formulate and implement effective coopetition strategies. Some important companies, such as Eriksson and Nokia, are at the forefront in this regard and may serve as conduits to make coopetition strategy as a widely practiced strategic option.

4. THE FUTURE OF COOPETITION

Let me start this section by saying that I am pretty far from having a crystal ball that may allow to predict the future! Therefore, while the current trends in studying coopetition are pretty detectable and understandable, I am not sure about the future path(s) that coopetition movement may take.

Nonetheless, I have reasons to believe that coopetition studies are undergoing today the best of times in their almost two-decade history. In fact, taken apart articles being published as stand-alone original and review contributions in journals, a consistent stream of publications, especially special issues of international journals dedicated to coopetition (*Industrial Marketing Management*, *International Studies of Management and Organization*, *International Journal of Technology Management*), or to the interplay of competition and cooperation (*Strategic Management Journal*) is about to appear in print in the next one and half years. This condition, I believe, will certainly give another wave of huge boost to coopetition as a recognized area of research and practice!

As concerns community building initiatives, I am actively working with a small but cohesive group of other Europe- and US-based academics to promote this area of research and teaching through the Global Coopetition Research Network (GCRN) (see www.co-opetition.net). I seat on the Founding Steering Committee of GCRN and collaborate on various relevant initiatives on coopetition: research projects, journal special issues, and conference events. The steering committee of researchers on coopetition has in fact crystallized the efforts in recent years to advance coopetition research and practice. In particular, the GCRN has contributed to facilitate the establishing and development of coopetition studies through a set of international publications as well as organizing a rather consistent stream of solid scientific initiatives. The GCRN is currently planning of launching in 2016 an international association of scholars interested in coopetition.

In addition, I am currently co-organizing the Strategic Management Journal Special issue Workshop and Discussion Forum, titled “The Interplay of Competition and Cooperation”, at the 35th Strategic Management Society Annual International Conference, Denver, October 3-6, 2015. We are also organizing/chairing a major international conference in Rome in June 2016 under the auspices of the Strategic Management Society. The theme of this conference is “Strategy Challenges in the XXI Century: Innovation, Entrepreneurship and Coopetition”.This venue will feature some of the world’s most recognized contributors in this theme in the strategy field. Last but not least, in the next couple of years I also wish to publish a book on “coopetition theory.”

Another important milestone in coopetition would be the development of a range of teaching courses at various degree levels (e.g., BS, MSc, MBA, PhD, and executive education). Needless to say, planning to craft a textbook on coopetition and a case study/teaching collection on coopetition would be of great help in this perspective. Likewise, we should possibly also look much more closely at how industry regulations and regulatory issues should evolve and adapt in the face of the diffusion of genuinely coopetitive environments, such as network, platforms and ecosystems (Gomez-Casseres, 2015).

In sum, we probably ought to primarily to consolidate the contours of academic profiles that are solidly and consistently tied to be contributors/scholars in the rapidly emerging area of coopetition strategy. Since coopetitive behavior is much diffused in industry practice, in the next few years the coopetition community is expected to perform and publish study on coopetition mindset and applications in internationally reputed practitioners’ journals. This condition is especially targeted for coopetition studies to achieve much-required fallouts that is relevant to business practice.

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David Gibson
Liverpool John Moores University, United Kingdom

DEVELOPING UNIVERSITY ENTREPRENEURIAL ECOSYSTEMS FOR REGIONAL DEVELOPMENT

JEL classification: G 21

Abstract

This abstract presents the results of ten year's research completed with students of all disciplines, with over 3000 who developed Entrepreneurial competencies within their degree discipline and a control group of 1000 students who did not study Entrepreneurship in any form. The purpose of the research was to measure the Entrepreneurial competency development of students and any entrepreneurial outcomes at graduation, two years, five years and ten years after graduation. A research questionnaire based on the author's "E-Factor" competency model was designed in conjunction with a leading Occupational Psychologist and these were administered at the requisite stages. The paper highlights the key results of the longitudinal study: Students who had undertaken the Curricular Entrepreneurial training had improved their "E-Factor" score significantly in comparison to the control group not only at graduation but at each stage of the study. There was a direct correlation between the level of Entrepreneurial competence and the extent of their curricular Entrepreneurial learning. There was also many more businesses started by those who had received curricular training than by those who were members of the control group .The more experiential the pedagogy the more impactful the Entrepreneurial Learning

Key words: competencies, entrepreneurship education, pedagogy

1. INTRODUCTION

The author over a ten year period worked with over 30000 students and over thirty academic staff to design and implement a curricular Enterprise Education project on a cross campus basis to all disciplines throughout Queens University Belfast .The project was driven by a broad policy directive from the UK Government that students needed to be more "innovative and entrepreneurial" with particular reference to successful US “entrepreneurial universities” for example MIT who had created a number of highly successful high growth businesses from staff and student based projects. There was also an awareness at the highest level that all UK students needed the skills of the Entrepreneur to compete in the global economy. One of the challenges was that there were very few exemplars anywhere in the world where Entrepreneurship had been embedded into the curriculum of all students and indeed into the entire student experience, but only small "pockets of good practice”. Many of the large research based universities who had successful commercial spin outs were highlighted as role models, however in many cases their success was based on one or two staff research spin outs with very little infrastructure to reach all students. A recent report by the MIT Skoll Entrepreneurship Institute (2014) highlighted that large research spin out income was only one aspect of the "entrepreneurial university" and did not meet the needs of the vast majority of students needing to develop "an entrepreneurial mindset" to compete in the global economy.

After reviewing existing practice the author who was appointed to lead Entrepreneurship education at Queens University Belfast in 2002 decided to design and implement his own cross curricular model. He hoped to reach students on a cross campus basis and to help them develop entrepreneurial competencies and develop an entrepreneurial ecosystem. This would allow students to develop enterprise competencies, have a new venture experience and they would be given the opportunity to be involved with co-curricular activity to develop their innovations and capabilities further.

It was also important to measure the number of students who undertook curricular activity and the impact of the education with regard to its educational value and any direct results such as the number of business and social enterprises started up by the students. The author designed a new Entrepreneurship education model based on ten year’s research with entrepreneurs which had highlighted eight competencies which all entrepreneurs needs to survive in the global economy and in particular were required in the constantly changing working environment of the entrepreneur. The model was called the "E-Factor” competency model (Gibson 2006) and it became the basis of curriculum design and pedagogical development of a number of cross campus curricular initiatives to be embedded within the curriculum. Although it was relatively straightforward to measure the impact in terms of the funders’ requirements, it was felt for long term impact and learning that the longitudinal impact should be measured over a ten year period to provide meaningful rigorous data for policy purposes.

A research questionnaire based on the "E-Factor" model was administered to all students undertaking the curricular Entrepreneurship both before and after the course and on a large sample of the participants (3000) over the ten year period and to a control group of 500 students who did not undertake the curricular Entrepreneurship Education. A random sample of thirty students formed a focus group to provide detailed qualitative data over the ten year period.

This paper focuses on the results of meetings with the group of thirty over the ten year period although it is important to state that the quantitative data from the 3500 sample provided impact evidence in line with the results highlighted in this paper.

Before reviewing the literature and the research results, it is important to explain the details of the "Elvis. Model" which incorporates the "E-Factor" competency teaching model but was designed specifically in an attempt to enhance the effectiveness of the Entrepreneurship education project on a longitudinal basis.

2. THE ELVIS MODEL

As mentioned above “ELVIS“ was an attempt to create a working Entrepreneurship Education model which would not only help students develop the competencies and mindset to become more entrepreneurial but produce measurable results both on a short term but also on a long term sustainable basis.

The author and Queens University Belfast have won many awards for the model and the short term impact it achieved. This included the University being named " Times Higher Entrepreneurial University of the Year UK 2009" and the author winning fifteen awards including the first UK National Teaching Fellowship in 2007 from the Higher Education Academy, "The Most Innovative Teacher in the UK" 2011, the World Number One Enterprise Educator Award in 2011 and the first OBE ever awarded by the UK Government for Enterprise Education in 2012. However does the longitudinal research evidence highlight that the participants have achieved long term results directly as a result of having experienced the curricular model?

"ELVIS" is an acronym of the key components of the Entrepreneurship Education Curricular Education system designed and implemented at Queens University Belfast in 2002.

E stands for **the embedding of entrepreneurial competencies within the curriculum**.

The Eight Competencies embedded into the teaching and learning were as follows

1. Creativity.
2. Resilience

3. Personal Influence
4. Financial Mastery
5. Leadership and Team work
6. Negotiation and Assertion Skills
7. Personal Branding
8. Strategic Action

Every student in every degree pathway had to undertake at least one compulsory module during their degree where they would be assessed on their development of the competencies and the reflection on their learning. It was felt that as the model was innovative and represented a significant change both in curricular content and in pedagogy that educators would need to use the very competencies they were teaching. Students who graduated having completed a module with these competencies embedded graduated with the "Queens Certificate in Entrepreneurship Studies". By 2009 over 85 percent of all Undergraduates were achieving this on graduation which is a measure of the amount of students who were involved in the programme. It provided a large dataset to research over a period of time.

L stands for **linking up the Entrepreneurship education model with the rest of the Entrepreneurial Ecosystem both within and outside the University**. This includes further co-curricular activity with student societies and enterprise projects within the University and also linking with all relevant agencies and a large sample of entrepreneurs within the region and internationally.

V stands for **verifying the outcome of all enterprise activity in the curriculum both short term and long term** as educational activity, the teaching learning and assessment would have to be measured as Higher Education best practice and educators would need to review the feedback from students. Numbers participating and any short term results would need to be fed back to funders and other university stakeholders. Public Sector policy developers, funders and other stakeholders also need research based evidence that the model works on a sustainable basis.

Without evidence the likelihood is that most funders and universities will only invest in Enterprise Education models on a short term basis limiting the potential impact of any Enterprise Education carried out. Educators despite the practical nature of the project had to work together to research and publish findings as this is critical in providing verifiable evidence to University Senior Management and the Funders of the University. Longitudinal research data is considered the most rigorous evidence of success by all stakeholders.

I stands for **institutional support and innovative pedagogy**. Without institutional support from a senior level any curricular project is unlikely to have a long term future. Most innovative Entrepreneurship education projects are funded on a short term basis externally with the need for the institution to fund the next stage of the project on a permanent basis. Does the curricular project fit in with the strategic plans of the University? If not, this is also likely to impact on its long term impact and indeed existence.

Innovative pedagogy and assessment are vital to ensure that students acquire not only knowledge but also the entrepreneurial competencies and attitudes needed. University module leaders are under pressure to ensure research is embedded in the curriculum and that the module and its teaching and assessment have rigour. However it was felt in the design of the ELVIS project that students need to be inspired and to learn by doing. Ocinneide et Al (1994) confirmed in their study of Irish Higher education that it was possible to develop creativity and a belief amongst students that they could make things happen. There were very few modular examples that met up with this within the UK Higher Education system in 2003 but fortunately there are now a few case studies with guidance from the QAA (2012) who have recognised the need for appropriate pedagogy and assessment in teaching in this area. The emphasis of the "Elvis" teaching model was getting engagement with the students, providing experiential experience and a chance to reflect on experience rather than simply reviewing literature on its own.

S stands for **student and stakeholder marketing**. The objective of the new cross campus Entrepreneurship education was not for students to learn about Entrepreneurship but to complete entrepreneurial projects within their own disciplinary areas and to develop the competencies and self-efficacy to create and implement projects. It was felt that the curricular modules were vital to ensure that all students got the chance to develop these competencies and also to find out about further projects and opportunities outside the curriculum. This led to the deliberate inclusion of meeting with outside stakeholders and to at least a limited amount of co-curricular activity. Traditionally most of the student base is not reached outside the curriculum and it was vital to provide relevant and inspirational teaching and an opportunity for independent learning within the curriculum as all students at all levels were registered on the Certificate in Entrepreneurship Studies. There was a need to build the profile of the modules and the success stories and ensure they were highlighted both within internal communications and also with all the stakeholders both within and outside the University Ecosystem. A commitment was made to constantly develop the programme based on student and alumni feedback, student feedback on the module and alumni who were now working were encouraged to provide feedback on the benefit of the curriculum and the pedagogy on their career and constructive feedback for module development.

The outline of the ELVIS project highlights the features of the project and the plan for its strategic development. One of the problems was there were very few exemplars of working cross campus enterprise projects and very little research evidence. It was necessary to create a project that had clear objectives, best educational practice and that could be measured both on a short or long term basis.

The standard reporting systems to university management and external funders provided short term evaluation. Long term longitudinal data measurement provided a more structured and rigorous measurement of sustainable impact with practical and policy considerations.

3. LITERATURE REVIEW

One of the challenges in learning from the literature was that there is a lack of applied studies in this area, in particular regarding developing a compulsory campus wide curricular project because educators have been unable to make these projects happen and there is also a dearth of published research in Enterprise Education, particularly on curricular non business school interventions. The work of Gibb (2005) does provide excellent guidelines of best practice on cross curricular Enterprise Education without any evidence or evidence based strategy on making it happen on a Campus wide basis. Hannon (2007) also highlighted the fragility of UK Higher education Enterprise Education provision. Pittaway, L and Hannon, P (2008) reviewed potential institutional strategies despite the lack of proven successful models that can be rolled out particularly within the UK context.

Indeed ten years ago Henry et Al posed the significant question can Entrepreneurship be taught? which remains a perennial issue as it is still unclear whether this is indeed a challenge or simply more difficult to achieve for academics who have excellent knowledge about the literature on Entrepreneurship but neither the practical experience or pedagogical skills to create a high impact entrepreneurial experience or indeed the capacity to learn to deliver it. Certainly the work of Jones (2011) and Thompson, Scott and Gibson (2010) highlighted the importance of Entrepreneurship education being grounded on a student learning model, whilst the challenges that the enterprise educator faces was discussed by Carey and Matlay (2011) without any evidential data on how specifically to address these issues. Lewis (2011) and Blenker P et al (2011) both concurred in the view that the development of an entrepreneurial mindset needs to be the core objective of university Entrepreneurship education. Lewis (2011) also reviewed the challenges of developing Entrepreneurship education for all students whilst there is a lack of high level research in this area.

Broadly the literature highlights the challenges that Enterprise Education faces and provides examples of potential models and what universities should do. What is needed are well researched longitudinal examples which prove what institutional and pedagogical strategies can work in practice and are transferable to other institutions. This paper will provide longitudinal qualitative evidence and will be used in conjunction with further quantitative evidence to provide a model which will increase the likelihood of any educator with appropriate professional and academic training being able to produce excellent student focused campus wide curricular Enterprise Education in all universities.

Wilson (2012) whilst accepting the need for the measurement of Enterprise Education gave the following proviso "if enterprise culture which is the essence of successful Enterprise Education is to be measured, It cannot be a simple process; it requires a rigorous and comprehensive study, engaging with students and universities during the process." What is clear is that major Policy makers need research evidence to inform policy and to create a long term plan to keep Enterprise Education at the core of learning and development in all activities.

4. THE RESEARCH METHODOLOGY

The author recognised an outstanding opportunity at Queens University Belfast to design a unique curricular model as when he arrived in 2002 the University had a small cohort of students studying traditional Entrepreneurship and the University was coming under pressure to justify its results based on the High level Investment form OFSTED four years earlier to promote Entrepreneurship Education. There was a need to design and implement a Campus wide curricular system as soon as possible. The opportunity to work with many thousands of students in the curriculum from all types of disciplines provided an outstanding longitudinal opportunity to measure impact and learning and provide rigorous results for policy to share with future international educators.

A research questionnaire was designed based on the E-Factor model outlined above and it was issued to every student undertaking an Enterprise Education based module before the first session and after the last session. The author picked two samples to follow over a ten year period and selected thirty students who were undertaking the modules, and we planned to re-administer the questionnaire at the end of the module; two years, five years and ten years afterwards. He created a random focus group who would meet at each juncture for an afternoon at each stage of the research project to produce learnings and results not only to shape existing curriculum but a ten year longitudinal study that would provide significant data and clear outcomes good and bad for each participant. In addition a group of three thousand students would complete the questionnaire over the same time period. Their results would be compared with a group of five hundred students who did not do the curricular enterprise modules

This paper focuses on the results of the qualitative sample. The thirty students were picked randomly with ten from the Engineering Faculty, ten from the Science Faculty and ten from the Faculty of Humanities. They were all final year students as in the early years of the project a university committee that the author reported to only allowed modules to be designed and embedded for final year students. It was relatively straightforward to keep in touch with the group as they were enrolled on the Curricular Certificate in Entrepreneurship Studies.

5. DETAILED RESEARCH METHOD

There was no attempt for the author to lead the group other than to ask them to complete the questionnaires and to provide an opportunity to share experiences and opinions with the clear proviso that they were encouraged to reflect on the impact of the curricular module on their working life throughout the ten year period. The results were very significant and provide excellent learning to share with educators and policy makers. The results are arranged into a number of areas to provide maximum learning.

The sample all increased their overall scores over the ten year period. The most significant increase was before and immediately after the programme and two years afterwards although there was still increases after ten years to show that with this limited random sample that the entrepreneurial results not only improved immediately after the enterprise education but also on a sustainable basis leading to the conclusion that the sample had been changed by the intervention.

The four areas where the sample showed significant weakness before the module was in their creativity, resilience, personal branding and financial acumen. There was almost a 30 percent average increase in all these areas immediately after the module was completed. This increased by a further 10 percent after two years and by a further eight percent by the end of the ten year study. There were also significant increases in developing strategic action but an average eight percent increase for leadership, negotiation and personal influence.

Although the questionnaires were administered at each stage this was to provide additional evidence to the Qualitative data provided by the focus group. The competency development increase outlines have a strong correlation with the large Quantitative sample to be reviewed in a different publication.

6. THE MAIN BENEFITS OF THE PROGRAMME

The group felt that the programme had developed their belief that they could start up a business as and when they wanted to. They were much more resilient and ready to tolerate ambiguity in the work place. They all felt they had developed both their creative skills but also understood their own personal strategy of being creative. They were prepared to promote both themselves and their companies and put themselves forward for opportunity. They were more relaxed and aware of strategies pertaining to raising funding and to understand the importance of money in most business situations. They had found it a shock in their modules to be more than passive recipients of the research knowledge of lecturers but all felt that their action orientation had increased as a result of the module. They also felt that that the entrepreneurial learning methodology made them capable of making much more impact in whatever work situation they were in. They all felt they had a significant advantage in developing innovative projects in their career.

THE PEDAGOGY

Initially they had found the pedagogy very unusual and not in line with what they had experienced not only through their university degree but also in secondary education. They found the style of learning inspirational and responded well but worried if this was proper education if they were doing things and having fun. They also learned that they would continue to learn post university and were willing to create ideas, implement and in many cases learn from failure. This was not something they had experienced before. Two of the comments of the group highlighted the focus of the group:

"The best teaching I have had in my three years in Queens. Unbelievable!!!!"
Third year Nursing Student

"The most impactful teaching session in my life"
Pharmacy graduate five years after the teaching experience

"The entrepreneurship teaching strategies inspired me to set up my multimillion tourist business within three years of Graduation"
Computer Science Student

SELF EFFICACY

This was perhaps the key variable in that all focus group students felt that this had increased for them immediately and continued to grow over the ten year period As one History student indicated:

"I feel the programme and the method of learning increased my capacity and my belief that I was an enterprising graduate and that I could make impact within the workplace almost immediately."

LINKING MODULES TO CO-CURRICULAR ACTIVITY

The focus group found it strange that part of their assessment for their module was linked to finding out about student enterprise projects and making a contribution to their success. 86 percent of them found this unique method very useful.

"It enabled me to link law, enterprise theory and human rights. I got involved with Enactus. And became an elected member of the Student Union Management Centre"
Third year Law student

"I found the "come outside" message fascinating. I learned about Social Enterprise Projects and ultimately became Head of Student Enterprise and am now a Senior Manager for Innocent Foods running their entrepreneurial investments Not a likely " destination for an Engineering student"
Third Year Mechanical Engineering student

The consensus was that they recognised the benefit of this linked approach and were initially driven by the fact that they were being assessed on this area and thus paid attention and the engagement developed further in many cases.

STARTING BUSINESSES

The Focus group indicated that they got the message that Enterprise Education went way beyond start up.

"*What I liked was that I became streetwise about starting a business and had the skills to create and start a new venture either within a company or as a small business".*

However 42 percent of the focus group had started their own business by the end of the ten year period and one had created a millionaire spin out business. The other 58 percent were in Senior Management jobs for which they attributed their Entrepreneurial training within the curriculum as a significant factor. The one exception was a Business student who was now completing a PhD and was determined to become an "Entrepreneurial Researcher"!!!

ANY OTHER FINDINGS

Almost a tenth of the focus group wanted at some stage to become a full or part time enterprise educator .They all felt that students should have curricular enterprise education from year one to ensure they made the most of the opportunities that the University experience provided.

Over 90 percent indicated that they felt that all Universities must have educators who had practical experience with clear expertise in entrepreneurial learning. They indicated that they had picked up the view that the enterprise educators seemed to be treated as second class citizens to pure researchers within the university system and felt they wanted more transparency about this. They felt that parents and careers advisers should have access to this research evidence in their choice of universities.

7. FUTURE DIRECTIONS

The results from the focus group show clear longitudinal benefit from this type of project. There is now a need to provide detailed statistical analysis from the Quantitative data and test it for correlation with the Focus group evidence.

When the results from this longitudinal study highlight the benefits, it is hard to understand that why after over twenty years there are limited curricular interventions and research data to help educators and universities to create campus wide interventions for maximum impact. There is no doubt that the conclusions of Penaluna, Gibson et Al (2008) remain valid "Entrepreneurial Education needs Entrepreneurial Educators." Perhaps in addition to researching further applied interventions there is a need for much more than the present training and support system for educators because their success is not only predicated by their teaching and their curricular design but by having training and mentoring for a longer period to negotiate the obstacles that a university as a large bureaucratic organisation will present them if they are to achieve the sustainable impact clearly needed.

This research has indicated that good curricular education has significant longitudinal validity and it is likely that the next stage of the research project will offer both related and further findings. Policy makers must listen to enterprise educators who have had significant experience in creating cross campus curricular education for the vast majority of a University population and develop a new approach otherwise it is unlikely they will produce an adequate number of innovative graduates to compete in the global economy. Universities have to respond to funding and the needs of key stakeholders. If Policyholders accept that enterprise education has significant role to play, they must ensure that this policy is turned into practice.

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RESULTS OF APPLIED COLLECTION MANAGEMENT MODEL – SERBIAN CASE

JEL classification: G 21

Abstract

The main aim of establishing collection management model (CMM) is to minimize non-performing loans (NPL) in credit portfolio. Furthermore, efficiently organized collection management has direct impact on profit of the bank, via the level of provisions. The subjects of the analysis are the results of applied CMM on corporate credit portfolio of Erste bank and Banca Intesa Serbia in the second quarter of 2010. Consequently, the focus of this paper will be the period within 2011 and 2013. Elements of implemented CMM in both banks are the same, i.e. Aim, Architecture and Instruments in both models are similar. However, Organization, Control and Monitoring within the model are different due to the different risk management policies and organization in accordance with business needs. The authors focus on the following indicators: NPL, CAR (Capital Adequacy Ratio), ROE (Return on Equity) and quality of corporate credit portfolio. Finally, these results will be compared with the performance of the whole group to which Serbian banks belong, i.e. Italy and Austria.

Key words: NPL, collection management, credit risk

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REASONS FOR THE INCAPABILITY OF BANKS IN BOSNIA AND HERZEGOVINA TO COLLECT PAST DUE RECEIVABLES

JEL classification: G21

Abstract
The basic idea of research is order to answer questions about the number and characteristics of problems with claims collection and risk management of claims collection. Research was done at thirty-two commercial banks in B&H (twenty-three having head office in FB&H and nine in RS). The current economic crisis and recession are affecting most countries and their economies; they wish to overcome it as soon as possible and with the fewest consequences. Problems with uncollected claims arise at the beginnings of a crisis; they announce the crisis and deepen it strongly. From this point of view, it can be said that uncollected claims are, at the same time, the cause and the consequence of economic crisis and stagnation. Uncollected claims issues exist in every country, in all economic systems and at any given time. The only variable is their extent and intensity. In Bosnia and Herzegovina, these problems are more visible than in other countries for many reasons and circumstances because there are no appropriate mechanisms for their removal. Moreover, the government authorities are not making an effort to implement certain measures to change and improve the present situation. The most obvious example of this are companies that exist, function and do business although they have not paid notes payable for months (or

years); they are illiquid and because of them creditors cannot collect their claims. In this way, banking is also threatened. In some cases even instruments for ensuring collection of claims are of no use, and what is more, the legal system does not function properly so uncollected claims cannot even be collected by court proceedings. The reasons why banks in B&H cannot collect past due receivables are not only the consequence of economic crisis but are also caused by other reasons and different circumstances. The basic problem is that uncollected claims are not managed efficiently, that the legal state does not function, that the laws are not enforced, that legal regulations are not appropriate and that there are illiquid companies on the market as well as those which otherwise would not operate in a developed economy.

Key words: risks of claims collection, instruments for collection of claims and instruments for ensuring collection of claims, risk management of claims collection.

BUSSINESS ETHICS

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BUSINESS ETHICS AND ECONOMIC GROWTH: AN EMPIRICAL ANALYSIS FOR TURKISH ECONOMY

JEL classification: O47

Abstract

The roots of the science of modern economics are originated from the ideas of Adam Smith who is not a pure economist but a moralist-philosopher. Basic concepts in the Wealth of Nations which is perceived as the hand book of economics depend on the arguments that Adam Smith suggests in his Theory of Moral Sentiments. In this theory, business ethics as a part of the Law of Sympathy appears as one of the factors that provide the invisible hand to operate properly. In light of this property, it is possible to assume business ethics as one of the components of the market mechanism. In this context, this study aims to analyze the link between business ethics and economic growth in the Turkish economy for the period 1988-2013. To this end, the study employs bounced cheques and protested bonds for representing the degradation of business ethics and tries to show how this degradation affects economic growth. Either illustrative or empirical results show that business ethics is an important determinant of economic growth in the Turkish economy and damaging it negatively effects the growth rate of the economy.

Key words: Business ethics, Economic growth, Turkish economy

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BUSINESS AND ENGINEERING ETHICS – SIMILARITIES, DIFFERENCES AND CHALLENGES

JEL classification: M19

Abstract

Issues of applied ethics and its influence on the behaviour of people in the wider social context have been investigated from many different aspects. The aim of this paper is to clarify the fundamental differences and similarities between business and engineering ethics, determine the areas which represent potential source of conflict and explore specific ethical dilemmas that occur with individuals who are engaged in the engineering profession in the business surroundings. Previous research lacks agreement. Practice has proved that the ethical dilemmas are integral part of engineering work due to various challenges such as: relationship between quality and safety, quality and costs, safety and costs; intellectual property issues, etc. Considering that in most cases engineers are employed by business subjects who adopt economic principles, engineering and business aspects of engineering decisions are inseparable. The empirical part of the paper will consist of research of the engineer's attitudes referring to: different domains of engineering in which ethical issues arise, conditions at work associated with ethical issues; common difficulties encountered and the level of support ensured by firm in dealing with ethical dilemmas, and the attitude toward engineering ethics as professional ethics. Theoretical and empirical research are expected to give an evaluation of key areas that determine the ethical challenges faced by engineers and open questions about *guidelines that will assist in solving specific engineering ethical dilemmas.*

Key words: business ethics, engineering ethics, ethical dilemma

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BUSINESS ETHICS - CHALLENGE FOR MANAGEMENT AND EDUCATION

JEL classification: A230

Abstract

In today's globalization process and economic crisis, the realisation of ethical principles is of utmost importance, since ethics may appear as the crucial factor in terms of comparative advantages. Paper will show changes in long-term period by comparing results from researches conducted in 1996, 2007 and 2015. Survey is conducted among students of Faculty of Business and Economics at University at Zagreb, as future active participants in Croatian economy. Research results could indicate changes in business behaviour ethics with respect to possible business situation under consideration among students. We must not neglect ethical principles in specific areas where it would be desirable even to exceed the existing formal standards (like, for instance, in the area of environmental protection), thinking of life conditions for future generations. On long term basis, results could influence treatment of ethical issues through the process of management education.

Key words: business ethics, management, education

CORPORATE SOCIAL RESPONSIBILITY

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ONLINE REPORTING OF CORPORATE SOCIAL RESPONSIBILITY OF THE HOTELS IN BULGARIA: CURRENT SITUATION AND MARKETING IMPLICATIONS

JEL classification: M3

Abstract

Social responsibility of hotel and tourism industries becomes a significant issue during the last decade. Observations within the hospitality sector during the last 10 years confirm that hoteliers have already started to incorporate CSR and the online reporting in their businesses. The international hotel chains with strong brands like Marriott, Hilton, Radisson, Hyatt etc. have special CSR sections on their websites where they report all activities and initiatives related to their policy in this area. But how are the hotels in Bulgaria situated with regard to this important issue? The objectives of the paper are: 1. To conduct a review of the studies about CSR reporting in the hotel sector; 2.To analyse the differences in the online reporting policies with regard to their star category and city- or resort profile; 3.To draw conclusions and suggestions for better use of CSR online reporting as an instrument for Internet marketing and hotel brand strengthening; After literature review a websites' content analysis of the hotels in Bulgaria was conducted based on a check list of 6 indicators for CSR reporting. The random sample of hotels includes 130 properties of various profiles. The analysis of the visualized CSR reporting is conducted on a comparative basic depending on the profile characteristics. The paper contains conclusions about the differences in the online reporting of the hotels in Bulgaria and some marketing implications of better usage of CSR online reporting as a marketing tool.

Key words: CSR, online reporting, marketing implications

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CORPORATE SOCIAL RESPONSIBILITY AND SPORT

JEL classification: L83, M14

"One of the things I learned when I negotiated the termination of apartheid was that until the change itself will not be able to change other"
Nelson Mandela

"You cannot escape the responsibility of tomorrow by avoiding today"
Abraham Lincoln

Abstract

Strategic orientation of world famous companies to actively contribute to the development of society, supporting projects and initiatives of national importance that are consistent with the values for which it stands. Thus, the countries of the Balkan region, including Serbia, to accept corporate social responsibility as a system that makes their business more successful. Adhering to the principle that „there is something above profit,“ the company continuously support collectives, projects and talented individuals in the fields of science, technology, education, health, sports, culture and arts. Charity support to socially vulnerable groups and initiating socially responsible activities is an important factor in future investment and an integral part of the corporate culture of the company. In addition to pay great attention to the collective popular sports, such as football or basketball, significant support is directed towards stimulating development of sports associations related to sports which the state pays less attention, such as judo, wrestling, karate, biking, skiing, gymnastics *and others, but also those that bring together young people with disabilities. This paper is an attempt to review the development of Corporative Social Responsibility in companies and enterprises in Serbia, especially in the function of sport and comparative overview of the situation in the region.*

Key words: corporate social responsibility, sports, humanitarian activities

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CORPORATE SOCIAL RESPONSIBILITY: THE ROLE OF CODES OF CONDUCT IN FOSTERING ENVIRONMENTAL SUSTAINABILITY IN LATIN AMERICA[1]

JEL classification: K32, M14

Abstract

Spanish multinational enterprises (MNEs) are a prime example of how companies benefit from globalization and expand their activities worldwide through foreign direct investment. This paper has a legal perspective, focusing on the environmental performance of Spanish MNEs in Latin America and their corporate social responsibility (CSR) through the adoption of codes of conduct. As a result of a set of factors, Spanish MNEs have implemented voluntary CSR initiatives, strategies and standards in their day-to-day operations. This paper analyses the scope of codes of conduct that are aimed at achieving environmental sustainability in Latin America. The guiding question is whether these codes of conduct are able to influence the environmental performance of Spanish MNEs operating in the region.

Key words: codes of conduct, environment, sustainable development

[1] This article is based on research conducted in the context of the project "*Del desarrollo sostenible a la justicia ambiental: Hacia una matriz conceptual para la gobernanza global*" (DER2013-44009-P) funded by the Spanish Ministry of Economy and Competitiveness.

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CONSUMER BEHAVIOUR AND ITS IMPACT ON THE COMPANY'S MARKET POSITION IN TERMS OF CORPORATE SOCIAL RESPONSIBILITY

JEL classification: M14, D1

Abstract

For many years in developing countries, including Poland, there was an argument that the economy is not mature enough to take the social and environmental issues into account, and companies must first of all fight for survival. However, economic situation stabilizing after the crisis (started in 2007) suggests that companies that want to gain a high position in the market should invest in innovative solutions and rethink the economic model to a more socially responsible one. In this situation, more common criticism of unethical behaviour, in particular criticism of destructive greed and short-sightedness of entrepreneurs should be considered as a positive phenomenon. An example of how far social norms lost their significance can be observed in the cases of Enron, Lehman Brothers, WorldCom and Arthur Andersen, and, in Poland, Amber Gold. These events led to a broad public discussion about moral issues, in particular about the qualifications of market actors' behaviour and consequences of these behaviours for consumers. Many entrepreneurs have recognized these principles, especially those embedded in consumer behaviour. This metamorphosis involves consumers considering other attributes of a product than just hedonistic ones. All benefits associated with the use of goods are no longer the main value for many consumers. Quite a few consumers are willing to pay more for goods, which are, for example, produced with respect for the environment. They pay more *attention to production which is harmless to the environment than to the one which creates a threat to human society. These avant-garde requirements combine the care for the environment with social sensitivity, and the lack of their respect may result in ostracism from consumers. These expectations caused that, over recent years, there has been an increased interest in the concept of socially responsible business. Therefore, effective communication is the key to overcoming a gap between openness of consumers to information on corporate social responsibility on the one hand, and their actual purchasing behaviour, on the other. The aim of this paper is to show that the future of any business depends on its customers who are increasingly interested in finding out how it behaves. This is a clear signal for conducting business activities that only socially responsible companies inspire consumer confidence. Therefore, it is vital to develop appropriate relations between consumers and business and to share the common values and norms which favour the formation of trust between them.*

Key words: corporate social responsibility, consumer, consumer behaviour

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CORPORATE SOCIAL RESPONSIBILITY IN POLAND – THEORY AND PRACTICE

JEL classification: M14

Abstract

In the last decade Corporate Social Responsibility (CSR) has become an idea playing an increasingly important role in the activity of various enterprises. To an extent the concept is a response to new requirements faced by the enterprises. They consist mostly of a close cooperation between the enterprise and its environment as well as complying with commonly accepted norms and rules. The aim of the article is to establish a multidirectional evaluation of various CSR solutions in Poland. The intention of the authors is to point out the importance of complying with the CSR premises as well as many benefits coming from non-particularistic and non-individualist approach to the issues of social responsibility. Along with necessary theoretical introduction indispensable in case of a research paper the text also presents these issues basing on economic practice.

Key words: business ethics, CSR, social economics

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SOCIAL ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

JEL classification: L31

Abstract

The time in which we currently live and will continue to live is a time of changes, which are comprehensive, deep and quick. They occur in almost all spheres and areas of human activity and life. Regardless of their causes, they are all structural changes whose consequences are primarily economic in their nature. The last three decades have been characterized by a rather significant increase in entrepreneurial activities, which is why they are often referred to as "the age of entrepreneurship", "entrepreneurial revolution" and "entrepreneurial renaissance". Enthusiasm towards the role of entrepreneurship in the economic development has had an impact on the development of social entrepreneurship in the last few decades. Thus, the new entrepreneurial culture has also spread to the social sector. Increasingly higher expectations are being set on social entrepreneurship in terms of addressing the needs in the social sector and achieving socio-economic security. Social entrepreneurship implies innovative and financially sustainable activities targeted at social problems. However, its commercial activities do not necessarily need to coincide with the social mission; rather, their purpose is to create financial resources to implement social objectives. Thus, social entrepreneurship can encompass a rather broad range of organizations and businesses – ranging from those which generate their own profit to those which obtain resources for *other organizations that fulfill the social mission. This paper will explain the importance of the social entrepreneurship concept, entrepreneurship with moral and ethical integrity, criteria for its classification, as well as criticism of this concept. In the end, an overview of development of social entrepreneurship in the Republic of Croatia and in the world.*

Key words: social entrepreneurship, social objectives, entrepreneurial culture, ethics, morality

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OPPORTUNITIES AND CHALLENGES IN PROMOTING YOUTH ENTREPRENEURSHIP IN MONTENEGRO

JEL classification: M13

Abstract

The support for youth entrepreneurship in Montenegro is strong. The focus of the entrepreneurship programme at the faculty of economics at University of Montenegro is mostly on youth. There are several other organisations such as The Montenegrin American Youth Alumni Association (MAYAA), and The United Nations Development Programme (UNDP), which also organize a variety of presentations and workshops for students to pursue entrepreneurship. Recently one Montenegrin student's business plan, a proposal for the establishment of the Centre for Professional Rehabilitation and Employment of Persons with Disabilities, won the national competition in Montenegro, and was ultimately named the winner of the overall Europe-wide competition. However, the analysis shows that although in the areas of youth participation, significant progress has been made in the last several years, youth entrepreneurship programme in Montenegro is still in its early phase of development and needs strong sustainable commitment, assuring the development and efficient functioning of various youth participation mechanisms at the local, regional and national level. It is also essential to *continue to standardize and support youth work, youth information and non-formal business education of young people. Surveys show that young people in Montenegro believe they have much to offer and can significantly contribute to all areas of the society's development. However, their potential remains greatly unused due to the certain obstacles that they face. There are needs for encouragement of the youth informing them about how to participate in all aspects of society. This study is focused on investigation of the analysis of the opportunities and challenges that youth entrepreneurs face in contributing to all areas of the development in Montenegro. A quality research of several successful young entrepreneurs will be presented.*

Key words: entrepreneurship, youth, Montenegro

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FACTORS DETERMINING EARLY INTERNATIONALIZATION OF ENTREPRENEURIAL SMES: THEORETICAL APPROACH

JEL classification: F23, M16, L26

Abstract

The management literature has recently given the increased attention to the topic of entrepreneurial activity and internationalization of small and medium sized enterprises. The rapid internationalization of SMEs activities since their establishment becomes one of the features of international new ventures. This paper presents different factors, which determine early internationalization of international new ventures. These factors are divided to entrepreneurial, organizational and contextual factors. We argue that early internationalization of international new ventures is defined by entrepreneurial characteristics and previous experience of the entrepreneur, opportunities recognition and exploitation, risk tolerance, specific of the organization, involvement into networks and contextual factors. This paper conceptualizes a framework which links different factors. Benefits of early internationalization are provided too. The conceptual framework is built on the analysis and synthesis of scientific literature. Based on theoretical results further research directions are presented.

Key words: early internationalization, international new ventures, entrepreneurial, organizational and contextual factors.

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COMPARATIVE ANALYSIS OF ENTREPRENEURIAL ORIENTATION OF CROATIAN AND SWEDEN STUDENTS

JEL classification: M16

Abstract

Entrepreneurial orientation is manifested through the dimensions of innovation, proactivity, risk-taking, competitiveness and autonomy. Numerous factors are responsible for its formation, and along with one's personality, one of the factors could as well be the influence of culture and education. Different cultures specify diverse expectations of an entrepreneurial career. The focus of this paper was the comparison of entrepreneurial orientation of Croatian and Swedish students. Croatian students show significantly lower entrepreneurial intention than Swedish students, and positive attitudes are more frequent with Swedish students. Swedish students consider the entrepreneurial climate to be more evident in their schools than Croatian students. Confidence in their own entrepreneurial skills for Croatian students is dependent on the support of the environment, which is not the case with Swedish students whose confidence depends solely on how individually entrepreneurial they are.

Key words: entrepreneurial orientation, Croatia, Sweden

INFORMATION TECHNOLOGY

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E-INVOICING AND E-GOVERNMENT – IMPACT ON BUSINESS PROCESSES

JEL classification: H 11

Abstract

Electronic invoicing (eINV) presents a possibility to use information communication technology for both the automating and redesigning business processes. Therefore, several initiatives at European level have been raised in order to facilitate the eINV environment. From the 1st of January 2015, eINV has become compulsory for the Slovenian public sector and companies with a registered office in Slovenia providing public services. However, since not every "e-initiative" is successful, the paper examines the effect of using eINV on business process performance. The paper therefore analyses whether eINV is streamlining administrative procedures, enhancing security and cutting costs. Moreover, it also analyses whether business processes were merely automated or also redesigned. Even though at the moment the regulation only concerns public sector, it may also present a large incentive to eINV in the private sector and therefore it is important to outline both its advantages and its pitfalls.

Key words: e-Government, e-Invoicing, business processes

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E-BUSINESS AND ITS APPLICATION IN KOSOVO

JEL classification: L15, L63, L86

Abstract

The development of Internet Technology has enabled the development of economic branches that use the Internet to realize a successful business. So the internet has influenced in the creation of a market which is growing so quickly as by doing business but also in the communication between consumers and business partners. Nowadays, almost all companies have access to the Internet and most of them use the internet to sell their products or provide their services across the world. This way of doing business is called "e-business" and refers to all forms of business that are conducted online. While for Kosovo, which is my case of study e-business is a new field and almost unknown to a large part of its residents. The Kosovars are known as very large users of the Internet, but they have not yet gained the culture and the trust to begin with purchases and sales through internet. Best known model of e-business in Kosovo is the e-banking, although we can see some small movement towards the development of other models despite the lack of market for this area of business.

Key words: electronic business, information technology, e-business models

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THE MAP OR THE REALITY? HOW LEVERAGE EFFECTS OF TIME LEAKAGES DISTORT KEY RATIOS IN INFORMATION ECONOMY

JEL classification: C 300

Abstract

This paper addresses specifically leverage effects based on the irreversible nature of time and the Cognitive Time Distortion in economy. In service - and information society, time has received an ever increasing importance, not from the perspective of faster production, but due to the fact that the major part of the economic value of Total Revenues and Total Costs is based on time. In this paper, we demonstrate new mathematical mechanisms in economy due to the irreversible nature of time and Cognitive Time Distortion, and we explore their lever effects. It is presented that the lever effect on return on capital employed may rise to many hundred percent of budgeted outcome. It is concluded that even moderate cognitive time distortions cause substantial deviation in budgeted profit as well as it proves to be a mechanism to large delays. The lever effect due to the time perception is an ever present distortion of a true economic outcome.

Key words: leverage effect, time perception, information economy

INNOVATION

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INNOVATORS' VS. NON-INOVATORS' PERCEPTIONS OF CORRUPTION IN EUROPEAN POST-TRANSITION ECONOMIES

JEL classification: O30, D73

Abstract

Post-transition countries struggle with their attempt to catch-up more advanced market economies with more or less success. Innovation activities have been emphasized as one of the most important factors for achieving sustainable growth. At the same time, innovation indicators in post-transition countries significantly lag behind the desired levels. According to the Innovation Union Scoreboard 2014, post-transition EU countries are mainly modest and moderate innovators. Only Estonia and Slovenia are classified among innovation followers. Various measurements of shadow economy usually reveal that its size is more pronounced in the catching-up countries. Since shadow economy and corruption can be perceived as major obstacle for doing business, we analyse whether innovators perceive this impediment to be systematically more important than non-innovators across different post-transition EU countries. We expect that perception of corruption as an obstacle to business operations among innovators will be lower in post-transition countries that perform better in terms of innovation. The results imply that there is a link between innovation activity of the firms, perceptions of corruption and the evaluation of innovation enabling specificities in the analysed countries. Thus, in order to boost innovation, not only traditional innovation-supporting policy measures should be considered, but also wider spectrum of activities oriented towards business climate improvement.

Key words: innovation, corruption, post-transition countries

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THE IMPACTS OF OPEN INNOVATION STRATEGIES ON INNOVATIVE PERFORMANCE: THE CASE OF COLOMBIAN FOOD AND BEVERAGE FIRMS

JEL classification: O31, L25

Abstract

The Open Innovation theory has received great attention in the international literature, but their study is non-existent in Colombia´s academic spectrum. In this sense, the aim of this paper is to fulfil such academic gap by the identification of the open innovation strategies effects on firm´s innovative performance, measured by the share of innovative sales. The partners and objectives of cooperation were the main open innovation strategy used for the estimations. The analysis was made taking into account three different novelty levels of innovations. We conducted the analysis with a sample of 1404 Colombian agrifood industries, finding that in early stages of the innovation process the main strategy of open innovation to impact firm´s performance is to cooperate with suppliers. Meanwhile, at a radical level, cooperation with the objective of R&D is the key OI strategy to improve the innovative performance.

Key words: open innovation, cooperation agreements, innovative performance

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INNOVATION IN LATIN AMERICA: THE CASE OF MEXICO

JEL classification: O3, H5

Abstract

Governments and business leaders are increasingly aware of the role that innovation plays in economic growth, development and competitiveness. There are imperative challenges for Latin American countries, among them, poverty, social inclusion, sustainable development, climate change, natural disasters, productivity, improve the quality of education and health. Innovations are essential to drive economic growth and prosperity in the region. According to the Global Innovation Index (2014), Mexico is ranked 66th. Most of the research on innovation performance is mostly focused on technological innovation. Therefore, the main variables used, such as patents and number of scientific publications, do not always reflect the other types of innovations (i.e. business model, organizational, etc.) that are developing in emerging markets. The aim of this paper is to analyze the Mexican innovation system using a broad concept with a focus on other types of innovation including cultural aspects to identify the main characteristics that distinguish and determine how innovation in Mexico is formed.

Key words: innovation, Mexico, innovation policy

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INNOVATION AND ECONOMIC GROWTH IN LATIN AMERICAN EMERGING COUNTRIES: THE CASE OF MEXICO, BRAZIL AND CHILE

JEL classification: O43, O54

Abstract

Over recent years several theoretical and empirical research (from developed countries) have studied the innovation as a complex process involving participation, interaction and interrelationship of actors (organizations, individuals, businesses) and institutions (government, education, research centres) as elements of a collective system that contribute and influence the innovation process. In addition, such research shows how that innovation has impacted positively on economic growth of nations. In order to understand the functioning of the National Systems of Innovation in emerging countries (Mexico, Brazil and Chile), we perform a critical analysis of the approach, examining their application limitations and recognizing the characteristics and interests of Latin American countries. Furthermore, we analyse the impact of innovation on economic growth in these countries. The aim of this paper is to analyse whether the differences in economic growth among Mexico, Chile and Brazil, are explained by gaps in levels of innovation.

Key words: innovation, economic growth, Latin-American

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MANAGEMENT OF INNOVATION PROCESS IN SERVICES: MICRO AND SMALL ENTERPRISES OF THE METROPOLITAN REGION OF CAMPINAS

JEL classification: L22, L26

Abstract

This study aims to explore the management of the innovation process in a context for small services businesses. Innovation is not a new concept, but its perception as a process, detached from randomness, it is. Understand innovation as a process is what allows its management as a tool to improve results, competitiveness and to the perpetuation of the company. The study is a qualitative research that consists in the content analysis of structured interviews held with companies with services in their portfolio, using innovation-focused National Quality Foundation (FNQ) questions. The following categories were identified during interviews: Innovation Understanding, Innovative Ambience, Innovation Process Management and Learning during Process. Also, objective aspects of innovation, such as planning, goals and KPIs, and subjective aspects, such as creativity, learning environment and a support structure were explored, for the 02 aspects, when integrated and successfully managed with multidisciplinary tools, are the key to take a company to the next level.

Keywords: innovation, innovation process management, services

MACROECONOMICS

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BUSINESS ENVIRONMENT AND ECONOMIC GROWTH: IS THERE A LINK?

JEL classification: L26, O57

Abstract

What role does the business play in economic growth? What circumstances are necessary for the stable business development? Recent literature focuses on the factors of business environment promoting or constraining firm growth. Using the country aggregate values of the firm-level World Bank Enterprise Survey (WBES) data on the subjective estimates of the business obstacles 128 countries are classified into six clusters. Due to the fact that firms report many obstacles to growth the contributions of 13 obstacles to business environment are recalculated for understanding the major business constraints. Lastly, cross tables analysis finds that there is a correlation between the prevalence of the business obstacles and national income growth, export growth, high-technology export. The results have important implications for the priority of reforms. Corruption, electricity and tax rates are the main business constraints in the world. Moreover, access to finance and competition in the informal sector of economy are also the major obstacles for business in the part of the countries.

Key words: business environment, economic growth

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THE IMPACT OF THE BOLSA FAMÍLIA PROGRAM ON GDP OF MUNICIPALITIES OF THE STATE OF SERGIPE (BRAZIL): 2004-2012

JEL classification: H 53, I 38

Abstract

The objective of the present paper is to observe whether the Bolsa Familia Program (PBF) – a Brazilian conditioned cash transfer program had influence on GDP growth of the municipalities of the state of Sergipe during the years 2004-2012. Its innovative feature lies in the investigation of the macroeconomic impacts of PBF in the state of Sergipe. In this sense, the work is structured in four sections, besides the introduction: in the first one the origins, the contemporary design and the PBF macroeconomic as well as consumption impacts are presented. The second section briefly describes the focused region: the state of Sergipe, which is the smallest Brazilian state, meanwhile the third section presents the data and methodology employed as well as analyses the results of the experiment which does not prove the PBF influence on GDP of the investigated municipalities. Finally, the main conclusions are summarized.

Key words: State of Sergipe (Brazil), Bolsa Família Cash Transfer Program, local GDP

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HIERARCHICAL CAPITALISM IN LATIN AMERICA: COMPARATIVE ANALYSIS WITH OTHER ECONOMIES

JEL classification: O43, O54

Abstract

The Latin American capitalism is hierarchical (Schneider, 2009), due to the existence of monopolies and oligopolies and with high influence of multinationals and large national companies. That situation has an impact on several variables, both economic and social. The aim of this paper is to compare the three largest economies in Latin America (Brazil, Mexico and Argentina) with other economies that have another type of capitalism, in that way we can extract some effects of the hierarchical capitalism in Latin America. The comparison is based on the following variables: economic growth, innovation and democracy.

Key words: Latina America, hierarchical capitalism, comparative analysis

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FUNCTIONAL INCOME DISTRIBUTION, ECONOMIC GROWTH AND TRANSFORMATION IN CHINA

JEL classification: O11, O47, O53

Abstract

Based on the Bhaduri-Marglin model, this paper establishes an economic model concerning surplus labor supply and credit constraints in Chinese economy to analyze the relationship between the change of the functional income, the economic growth and the transformation in China. Credit constraints have a significant effect on the relationship of the functional income distribution and economic growth. When an economy grows with credit constraints, such as China, it could change from a wage-led growth regime in classical Bhaduri-Marglin models to a profit-led growth regime in our model, and vice versa. Empirical estimation shows that if labor share improves by 1 percent, private consumption will improve by 0.59 percent and it does not have negative effect on China's economic growth. As a result, if the government could control the opportunity and strength of the economic reform policies which concern functional income distribution, private consumption and investment effectively, China's economy could transfer to a consumption-led growth path smoothly.

Key words: functional income distribution, economic transformation, consumption-led growth

MANAGEMENT AND ORGANIZATION

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COLLABORATIVE RISK MANAGEMENT FRAMEWORK WITH MODIFIABLE RISK REGISTER STRUCTURE

JEL classification: G32

Abstract

Scarce successes in Enterprise Risk Management implementations are largely due to long process of risk register development, poor monitoring of emerging risks, lack of collaborative effort and lack of effective communication and training. A recent study published by Arthur J. Gallagher Think Tank, indicates that it takes the enterprise 18-26 month to develop a risk register, after which the effort gets stuck, as the risks are reviewed periodically by a single appointed Risk Officer or a Team. The enterprise, however, frequently faces emerging risks that have to be assessed and mitigated. They are addressed most efficiently by multidisciplinary, interdepartmental teams in a collaborative environment. This paper describes a framework for Collaborative Risk Management based on the model of Multidimensional Preemptive Coordination. The risk register modifiable structure allows for run time expansion, making mitigation a continuous process. Variable risk structure depth allows risk management at different hierarchical altitudes.

Key words: collaborative risk management, enterprise risk management, risk register

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INFLUENCE OF OUTSOURCING ON INNOVATIVENESS AND CHARACTERISTICS OF HOTEL ENTERPRISES IN THE DUBROVNIK-NERETVA COUNTY

JEL classification: L20

Abstract

Quick response to market changes and raising the level of competitiveness are considered to be key factors of business of hotel enterprises. Strategic management of hotel enterprises involves the use of different tools that help improve the business performance. Outsourcing of activities can be used as an option that facilitates the improvement of business operations. By using outsourcing, an enterprise tries to improve a variety of business segments that are included in the internal organization of the business, thereby trying to meet the needs of consumers. An important factor in business of an enterprise is innovation that results in creating comparative advantage over competitors. The paper aims to explore the application of outsourcing in hotel enterprises in the Dubrovnik-Neretva County. The purpose of the paper is to explore the correlation between outsourcing and innovativeness of hotel companies. The hypothesis is that an increase in the level of outsourcing is related to a higher degree of innovation of hotel enterprises. We will analyze innovations in the tourism sector related to the introduction of new products and services, technological equipment and software, new activities and organization of *business operations, as well as innovations in the field of marketing. The research will be focused on the application of outsourcing in hotel enterprises, where it is planned to investigate the activities that are separated the most and their importance for the company's business. Attention will also be focused on characteristics of hotel enterprises with regard to outsourcing.*

Key words: outsourcing, innovativeness, characteristics of hotel enterprises

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REGIONAL COMPETITIVENESS

JEL classification: R11

Abstract

Individual city and regional authorities in many countries have themselves taken up the issue of "competitiveness" as part of their own economic development agendas: competitiveness has come to be regarded as critical for understanding and promoting local economic performance. Like their national counterparts, regional and city policy-makers have become preoccupied with knowing the relative competitive standing of their local economies compared with others, not just other regions and cities within their own national jurisdiction, but with areas elsewhere across the globe. Devising local strategies to improve the competitiveness of their locality is now regarded as a primary task by many regional and city policy-makers.

Key words: competitiveness, clusters, comparative advantage

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THE CONCEPT OF LIFELONG LEARNING AND THE ROLE OF HIGHER EDUCATION ORGANIZATIONS

JEL classification: I20, I29

Abstract

In the past few years, it has been widely accepted that change is the only constant of modern world. In that sense, the process of globalization has had a significant impact on the contemporary society, as well as on the modern business world. A significant shift of core concepts in technological, social, political and economic subsystems has been the determinant of the 21st century accompanied with organizations transforming through the means of the lifelong learning (hereafter LLL) model. It is also a known fact that human capital is crucial for success in the global market competition, and thus it represents the main competitive advantage of propelling societies. The concept of learning organizations and LLL model are the key components of the new paradigm of the management development. The transformation of organizations, society and economy in the era of knowledge is closely tied to educational organizations as one of the pillars. Education is essential for every society and individual since it creates new and improves current value system in order to improve life of every member of society. All higher educational organizations are established to enable an individual to realize his/hers highest goals. The aforementioned changes are also mirrored in the field of education, and are especially true for higher education organizations, which due to their scope, activities, but also their missions, require a business oriented way of thinking and operating. In other words, concepts of strategy and business have to become a part of their modus operandi. Nowadays, the learning process never ends because it is progressive and dynamic as one's skills and potentials are constantly being improved through formal and informal education. The LLL model is bigger than formal education system; it is a concept of strategic thinking, tactic acting *and operational surviving. Paradoxically this paper shows both the complexity and simplicity of the LLL model and its application on higher education organizations. The emphasis of the paper is on the fact that today's higher education organizations have to create and implement a quality management system that follows, supports and improves the philosophy of knowledge management.*

Key words: knowledge transfer, knowledge society, lifelong learning model, higher education organizations

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THE ROLE OF NATIONAL CULTURE IN CONTEMPORARY BUSINESS ENVIRONMENT

JEL classification: M10, M16

Abstract

Together with the new millennium, the global economy that is "world without borders" has become an everyday way of modern business. In order to fulfil the task given to them, the employees of around the globe are working together. Modern technology, new ways of communication, technology and information transfer has enabled us that such a business is easy and affordable. The emerging trend of multinational corporations and their increasing power in global economy have led to the fact that we work and communicate globally each day - our business partners, suppliers and customers are located all over the world, and this became our reality. Given the large number of contacts, the successful use of cultural diversity has become an important area of management. Although this area is still emerging, it is an area of vital importance to the management of people and processes in the modern economy; of particular importance to the global managers who work for multinational corporations located in different countries. Not just managers, but all people doing business globally or just communicating globally, should take into account the culture as an aspect of business, and take advantage of all the resources that can international environment provide. The aim of this paper is to show that the understanding of cultural roots of human *behaviour is important not just for managers and management style - it goes beyond it, and reflects its impact on other organizational functions too.*

Key words: culture, diversity, management

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USING THE METHOD OF MULTI-CRITERIA DECISION MAKING TO DETERMINE THE COMPETENCY MODEL OF CRISIS MANAGER

JEL classification: M12, C10

Abstract

The article presents a model of crisis manager competencies. It was created in cooperation with the owners of small businesses. Based on brain writing the competencies required for a crisis manager were generated. Decision-making method AHP was used for competencies decomposition into two levels. On the first level three groups were placed. They are called managerial competence, interpersonal and technical. At the second level, these groups were further decomposed, e.g. on competencies like leadership, strategic thinking, time management, financial management, resilience, independence in solving problems, team work etc. The respondents performed quantitative pairwise comparisons by Saaty's method. Respondents evaluated competencies at both levels. After evaluating Saaty's matrices modified on the basis of comprehensive results of all respondents the competency model of crisis manager was created.

Key words: multi-criteria decision making, competency model

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WATER MANAGEMENT - AN IMPORTANT CHALLENGE FOR MODERN ECONOMICS

JEL classification: Q 25

Abstract

Water resources are one of the most important issues of our time. Representatives of the world's countries and experts of the region invest all their time and skills in devising the proper way of managing the integration of the concept of sustainable development. Also, the goal of every state in the management of these resources is to find the right ratio of the public and the private sector in the management of water supply, most of the reasons are to avoid any kind of conflict because of water resources. The same conflicts are very divisive in terms of physical confrontations, protests and the spread of various diseases in the area with contaminated water. For these reasons, it is crucial to recognize and correct implementation of the process of water resources management, to adjust it with the concept of sustainable development in the future.

Key words: water resource management, water supply, water resource liberalization, conflicts over water, water security

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SELF-LEADERSHIP IN PURPOSE-DRIVEN ORGANIZATIONS: ANALYZING HUMAN PERCEPTION FOR MORE INTEGRATED DECISION-MAKING

JEL classification: 120

Abstract

Productive decision-making requires appropriate perception of the facts relevant to the decision. It may be necessary to perceive and integrate diverse and conflicting perspectives appearing inside and outside of the decision-maker. Therefore I scrutinize theoretical and empirical findings on individual human perception as a basis for decision-making and behaviour. Special attention lies on the role of the unconscious (e.g. Bargh, 2006), dual-system approaches (e.g. Kahneman & Frederick, 2002), self-regulation (e.g. Muraven, Baumeister & Tice, 1999, Moffitt et al., 2011), and self-leadership (e.g. Manz, 2013). From this foundation I derive guiding self-leadership guidelines for more sustainable internal balancing and more comprehensive integration of external stimuli. Such self-leadership guidelines allow leaders and organizations to identify blind spots more easily and to improve the perception of the inside and the environment. In purpose-driven organizations with distributed authority, the power to decide is distributed among those employees who appear to be competent for the specific topic. Therefore especially within such organizations this self-leadership competency appears to be crucial for success.

Key words: leadership, self-leadership, perception, psychology

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ENTREPRENEURIAL LEADERSHIP AT A CROSSROADS

JEL classification: L29, M19

Abstract

There is confusion in the extant literature over the connection of entrepreneurial leadership and leadership. Is entrepreneurial leadership a theory or a style? Is its focus on setting direction, gaining commitment and achieving results? Or, is it focused on influencing others or recognizing and exploiting opportunities? This paper attempts to answer those questions and to position entrepreneurial leadership as an adaptable, creative, and innovative leadership style that matches the dynamism of today's organizational environments. The paper is structured as follows. First, we situate entrepreneurial leadership within the extant theoretical leadership literature. Then, we present the definitional confusion within the literature and describe two paths. One road leads to an independent style of leadership. The other leads to an integrated leadership theory that melds it with other forms of leadership. We end by suggestion that entrepreneurial leadership research return to its roots and refocus on the entrepreneur – someone who sees, recognizes, and exploits opportunities without regard to resources - as a leader of ideas, projects, individuals, teams, and perhaps organizations.

Key words: vertical and horizontal leadership, entrepreneurial leadership, entrepreneurship

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ORGANISATIONAL RESILIENCE: BUILDING BUSINESS VALUE IN A CHANGING WORLD

JEL classification: M10, M19

Abstract

As an indication of development ecological, economic and social frame conditions change due to global adjustments. More competition, open markets, changes in political frameworks, structural changes etc. form the challenges for economies as a whole, organisations and employees. On the whole, however, the discussion about challenges often forgets the consequences for 'organisational' resilience, i.e. an organisation's capacity to anticipate disturbance, adapt to events, and create lasting value and thrive in a changing world. The notion of a resilient organisation is an emerging concept to clarify and cope with the modern day pace of change. By linking resilience theory with the sustainable transition process of organisations, this contribution has attempted to explore opportunities for and barriers to the diffusion, institutionalisation and implementation of resilience concepts from an integrative perspective. Furthermore, this contribution works toward a unified theory of resilience to help embrace and manage organisational change effectively when considering the concept of a sustainable future. Recommendations are provided for continued research to achieve progress in the modelling of organisational resilience.

Key words: organisational resilience, theory of resilience, building resilience

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EDUCATIONAL INDICATORS BASED ON THE PNAD DATABASE FROM 2001 AND 2011

JEL classification: I2, O21

Abstract

This study aims to introduce some aspects of home databases of the National Sample Household Surveys (PNAD), provided by the Brazilian Institute of Geography and Statistics (IBGE), analyzing their advantages and disadvantages. The PNADs are important for the study of education as they enabled the calculation of various educational indicators that can be broken down into several levels of geographic units and various demographic and socioeconomic groups, such as income level, age, sex, educational group of parents etc. and would permit the study of historical series. Secondly, we present the calculation methodology for a set of educational indicators derived from the home bases, such as illiteracy rates, average years of schooling, schooling rate and others. With these indicators built up a picture of the evolution of Brazilian education, the Northeast and the Sergipe state for the years 2001 and 2011.The results show that the Brazilian education, despite recent advances, is still very precarious, even when compared to income countries per capita equal to or similar to ours.

Key words: education, PNAD, policies

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SPECIFICATION AND CHARACTERISTIC OF GENERATION Y IN THE SPHERE OF WORK ATTITUDE

JEL classification: M12

Abstract

The Generation Y, grown in the age of economic prosperity, preferring work – life balance instead of high level of remuneration, is not only the first global generation, but also the first generation widely accessing to the information and communication technologies has entered current labor market. The paper focuses to the specification and characteristic of Czech and French generation Y in workplace, compares and determines the similarity or dissimilarity of young workers in their demands, values and expectations about the workplace and labor market. The research questions prove hypothesis of the generation Y satisfaction with working conditions and sufficiency of job opportunities in in their country. The research based on the primary source data was carried on questionnaire survey of 170 secondary and tertiary schools graduates, age between 18 and 30 years, nationality of Czech Republic and France. The research was carried throughout the years 2013 and 2014. Data from the questionnaires were processed by the statistical method of contingency *tables for comparison of two distinct target groups and chi-square test. Findings were dedicated to the recommendation of diversity management methods implementation in the sphere of human resource management.*

Key words: generation Y, work attitude, labor market

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STRATEGIC DIRECTION OF MULTINATIONAL CORPORATIONS IN HYPERCOMPETITIVE ENVIRONMENT[1]

JEL classification: M16

Abstract

The paper brings together current knowledge on multinational corporations' strategic orientations displayed in hypercompetitive environment. Competitive dynamics is a phenomenon that is becoming more evident in many industries, even in those which were considered relatively stable until recently. There has been an alternation in the competitive conditions in various industries, visible through a sudden increase in competitive activity, greater variability in the profitability of the industry, as well as in noticeable changes in market shares. The main point of this paper is to highlight that even the largest and most successful MNCs experience different internationalization paths and paces. The complexity of MNCs regarding the multiple geographical markets and the dispersed activities within the firm often renders centralized management models ineffective and inefficient. The acknowledgement of the increased relevance of foreign subsidiaries and the observation that some subsidiaries take over strategic roles within the MNC led to a

[1] This work is done by aid of Croatian Science Foundation grant O-1861-2014 – Building competitiveness of Croatian manufacturing.

conceptualization of the MNC as a network in hypercompetitive environment.

Key words: multinational corporations, strategic orientation, hypercompetitive environment

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THE ROLE OF LEADERSHIP IN ORGANIZATIONAL ADAPTATION PROCESS

JEL classification: M21

Abstract

In this paper, we intend to theorize how leadership affects organizational adaptation to its external environment by applying the concepts of learning organizations. We contend that the adaptation success is positively related with the dimensions of learning organization such as; continuous learning, inquiry and dialogue, team learning, empowerment, embedded system, system connection and strategic leadership. In addition, we identify the executive leadership role in fostering the desired corporate culture conducive to organizational adaptation process. The theoretical contributions and managerial implication of this study are discussed.

Key words: leadership, organizational adaptation, learning organization

MARKETING

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ATTITUDES TOWARDS FOOD PRODUCTS FOR CHILDREN: A PARENTAL VIEWPOINT

JEL classification: M3

Abstract

During the last decades sociological changes have modified the role of children within families: participatory models have become more widespread, to the detriment of more authoritative ones: this change has had consequences also in reference to families'purchases. In scientific literature some scholars show that this influence is real and marketers try to take advantage of this through a communication style which attempts to "teach" children how top ester their parents: this is so-called nag factor. This is a quantitative research. In order to understand which are the parental attitude towards kids food products, a questionnaire has been administered both in some schools (nursery and primary) to a random sample of parents, representative of a larger sample of kids (200 in all). Findings showed that pestering is a real attitude, in particular among the littlest children. Moreover these findings reflect in part the reality described by marketing literature: children influence the purchasing decisions of their parents, but this influence decreases when mothers and fathers are more aware of the importance of a quality based diet.

Key words: food marketing, children, quantitative research

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DESIGN AND COMMUNICATION OF ECOLOGICAL CONTENT ON SUSTAINABLE PACKAGING IN THE YOUNG CONSUMERS' OPINIONS

JEL classification: D03, D47, M39, Q56, Q59

Abstract

Many companies today have noticed the growing sensitivity of consumers to social problems, reflected by their interest in environmental concerns, e.g. the usage of sustainable packaging materials that are eco-friendly and safe for consumers and the environment. Producers seek, often based on intuition rather than knowledge, eco-arguments for their packaging in order to affect the perceptions of buyers and influence their behaviour. Creating an effective design and content for environmental messaging on sustainable packaging may be a significant element in building a competitive advantage for both product and brand. Therefore, the main objective of this paper will be to answer the following questions: What content do consumers expect for ecological messages on packaging? Which attributes of sustainable packaging have a positive impact on consumer behaviour? In what ways are consumers' purchasing intentions based on sustainable packaging? To answer these questions the results of research conducted among Polish and French students will be presented.

Key words: design, sustainable packaging, marketing communication

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THE CUSTOMER – ORIENTED APPROACH: THE CONCEPT AND KEY INDICATORS OF THE CUSTOMER DRIVEN COMPANY

JEL classification: M31

Abstract

The theoretical background of the customer - oriented approach is considered. The author's understanding of this concept for nowadays is to pay much attention to indicators of customer focus, dividing them into external, such as customer satisfaction and loyalty index; and internal, which are based on the performance of staff involvement. The concept of customer focus today - is the basis of competitiveness, sustainable development of the company through effective alignment of business processes of the organization of client relations.

Key words: customer-oriented approach, customer-centric company, customer focus, business processes, the key indicators of the customer driven company, the employee engagement

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ANALYSIS OF ORGANISATIONAL ARCHITECTURE OF SMALL ORGANISATIONS - DOES IT ALLOW BUILDING STRONG LOCAL BRANDS OR PRODUCTS ONLY?

JEL classification: M31, L2

Abstract

Globalization of modern economy leads to many challenges for small local organizations, such as building and maintaining strong local brands, in a complicated environment where global competitors dominate the local markets. This scientific paper will be focused on analysis of organizational structure and architecture of local organizations and its level of development, as one of major preconditions for implementation of advanced marketing managerial concepts that would enable building strong brands, as well as maintaining the customer loyalty and brand equity in a long run. Using the methods of survey and a case study, a sample of Macedonian organizations will be analyzed, and conclusions will be presented in terms of identifying the level of development of their organizational structure and architecture. Does it enable or impede the implementation of effective long term brand strategies? What is the actual level of readiness of local organizations for implementation of advanced marketing concepts and innovation in this context? What are major adjustments that local organizations should undertake in order to build strong brands instead of products only? Furthermore, customer perspective will be presented as well, by using methods of survey and focus groups, in order to identify major determinants of customer loyalty for strong global brands vs. local products and/or brands.

Key words: local brands, organizational architecture, customer loyalty, global brands

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THE INFORMATION ACTIVITY OF THE BIOACTIVE FOOD CONSUMERS

JEL classification: M31

Abstract

The main objective of this paper is to analyse communication activity of consumers and potential consumers of bio-active food in comparison to non-consumers of such food. The above-mentioned analysis is based on quantitative research, which was carried out within the project New Bioactive Food with Designed Functional Properties POIG 01.01.02-00-061/09. 500 structured interviews with people responsible for food purchases in households, were conducted between March and April 2015 in towns of Wielkopolskie voivodeship. The quota sampling was used with age, gender and size of the respondent's city of living as quotas. The sources of information used by bioactive food consumers were presented, as well as the way that they share information with others. Moreover, the similarities and differences in information activity, between people interested in pro-health food and those uninterested, were indicated.

Key words: consumers' information activity, bioactive food

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THE ROLE AND IMPORTANCE OF MOBILE MARKETING IN THE SYSTEM OF MARKETING MANAGEMENT

JEL classification: M31, M37

Abstract

Mobile marketing is a relatively new branch of marketing, referring to the two-way marketing communication between company and customers that takes place via mobile devices. The effectiveness of marketing campaigns has been greatly increased when mobile devices have been used in conjunction with traditional media and in that case potential customers show more intention to purchase. Implementation of mobile marketing strategy in marketing management is a complex and demanding process. To make the implementation possible, companies should first examine the socio-cultural and technological factors which dominate on the market. Mobile marketing has a great impact on all elements of the marketing mix and allows companies to develop products with the shape and characteristics which are desirable with existing and potential clients. Besides, mobile marketing offers complete control over pricing and distribution and provides great promotional activities through mobile devices such as advertising, sales promotion and direct marketing. It has been a significant role and importance of mobile marketing in the system of marketing management where stands out the importance of multi-platform advertising (tv+iPhone+iPad).

Key words: mobile marketing, mobile devices, advertising

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PRODUCT PLACEMENT

JEL classification: M39

Abstract

Despite the risk of losing current and potential customers due to socially irresponsible behavior, a lot of companies decide to improve their marketing mix with product placement. Besides the danger of losing customers, this form of advertising brings along the danger of penalty, usually followed by big fines. Nevertheless, the reason for such a dangerous behavior of the producer i.e. advertiser can be found in high returns of investment in product placement in case when customers are not even aware of the presence of advertisement, and a very low probability of punishment. On the other hand, this form of advertising harms the customers who receive rather distorted information from the media that are expected to provide truthful information. The purpose of this paper is to define the concept of product placement and its types, i.e. the differences between different types of media in which product placement is used, and also to determine customer awareness of product placements they come across on a daily basis and to what extent they are threatened by them. The results of the conducted research show the customer's inability to perceive a product placement. Despite the aforementioned facts, 58% of respondents believe they are not threatened by this type of advertising. When it comes to the legislation, the results point out that only 9% of respondents think that prevention of the above *mentioned form of advertising in the Republic of Croatia is well organized, and insufficient public awareness is identified as the main cause that leads to the absence of their reaction. This contradicts the hypothesis stating that the difficulty of proving guilt is the main cause for it. From the above, it can be concluded that product placement is extremely neglected and, moreover, it is also an omnipresent punishable offense which affects the judgment of many, especially when it implies advertising in the news media. Many causes can be found for this particular problem, one of them being the public's lack of knowledge and their carelessness regarding the issues involved.*

Key words: product placement, truth in journalism, legislation

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TOWARDS A NEW PARADIGM OF INTEGRATED MARKETING COMMUNICATION?

JEL classification: M300, M310

Abstract

Marketing communication has been undergoing dynamic transformations in recent years. The main factors influencing those changes are: globalization, technological progress and the digitisation of life. Moreover, customers' needs and expectations related to the communication are evolving as well. Because of those changes, there is a need to adjust the concept of integrated marketing communication to the new reality. Therefore, the purpose of this paper is twofold. First, to analyse the consequences of above-mentioned transformations for the concept of integrated marketing communication. Second, to discuss the need of elaborating a new marketing communication paradigm and to indicate the directions and areas that ought to be adjusted. These deliberations will be based both on critical literature analysis and results of research carried out by the author.

Key words: integrated marketing communication, transformations, image

MICROECONOMICS

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ANALYSIS OF THE BUSINESS CYCLE – THE MARKOV-SWITCHING APPROACH

JEL classification: C63, C82, E37

Abstract

One of the most effective methods of modeling the current and prediction of the future economic situation is the analysis of the business cycles. Some of the analysis are based on the business tendency surveys. Respondents' answers to the questions from the surveys are found to be correlated with the official assessment of the economic situation and some of them seem to be completely inaccurate. Nonetheless the gathered data could be used to identify turning points of the business cycle in Poland. In the article Markov-switching models and their usefulness to the analysis of the macroeconomic time series are explored. Turning points from the presented algorithm were compared with the dating given by the OECD. Time delay between the reference and the calculated time series varied depending on the considered historical time interval. It is however sometimes possible to determine the parameters that allow getting the leading indicator. This knowledge could be used by policy-makers to react upon the upcoming crisis on time.

Key words: business cycle turning point detection, Markov-switching model, Viterbi path

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ANALYSIS OF PRIVATIZATION IN STACKELBERG MIXED OLIGOPOLY

JEL classification: L13, H42

Abstract

Mixed oligopoly with one welfare-maximizing public and several profit-maximizing private firms exists in many economies. De Fraja and Delbono (1989) have analysed mixed oligopoly taking into account how the public firm behaves vis-à-vis the private firms on the basis of a linear market demand function and symmetric firms. They have found that the social welfare is greater in Stackelberg mixed oligopoly where the public firm acts as a leader than in Cournot mixed oligopoly where all firms simultaneously determine their outputs. A partial public firm tries to maximize the weighted average of the social welfare and its profits. Under some conditions, partial privatization of a public firm leads to greater social welfare than Cournot mixed oligopoly where the public firm is fully public (see Matsumura (1998) for duopoly and Okuguchi (2012) for oligopoly). In this paper we will prove that neither partial nor full privatization of a public firm is optimal in a general Stackelberg mixed oligopoly where the public firm acts as a leader and all private firms as followers.

Key words: public firm, Stackelberg mixed oligopoly, privatization

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FOUR CURRENCIES OUTSIDE THE EUROZONE

JEL classification: F31

Abstract

In the European Union only a few countries have remained outside the eurozone. Among these countries with independent monetary policies few pursue a floating exchange regime: the Czech Republic, Hungary, Poland and Romania (IMF, 2013). It is worth examining whether there is a cointegrating relationship between underlying economic fundamentals and the real and nominal exchange rate of these countries against the euro. The paper points out that it is difficult to prove the existence of any such relationship: on the basis of data between 2001-2014 making forecasts of the paths of equilibrium exchange rates is hampered by the lack of an adequate model, the short time series and the strong volatility of these currencies, especially the Hungarian forint and the Romanian leu. An alternative approach to estimate equilibrium exchange rates is the unobserved components model proposed by Chen and MacDonald (2010) which does not necessitate the existence of a cointegrating relationship for defining permanent equilibrium exchange rates. As Dick et al. (2015) reveals good exchange rate estimates rely on the forecaster's ability to understand the relation between fundamentals and the exchange rates mostly in times when exchange rate more strongly deviate from their PPP value. Therefore, applying more approaches for exchange rate analysis helps us better observe this relationship.

Key words: exchange estimates, cointegration, eurozone membership

PROJECT MANAGEMENT

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INVESTMENTS IN GREEN ECONOMY AS A POTENTIAL SOURCE OF VALUE ADDED

JEL classification: F21, D24

Abstract

The aim of this paper is to assess the possibilities of increasing domestic value added created by exports by investments in green economy. It can be argued that a large portion of „green economy“ is knowledge intensive with respect to regular sectors of economy, and if knowledge based economy (KBC) plays a significant role in determining the domestic value added created by exports, economies with a larger stock of KBC should have a larger difference in VAX between knowledge-intensive industries and less knowledge-intensive industries. In Croatia it has already been shown that sectors of economy with larger stock of intellectual capital measured by Intellectual Capital Efficiency (ICE) index attracted more FDI, which can also serve as a predictor for larger value added in exports due to higher productivity. Knowledge intensity of 18 industries in the US as the benchmark economy shows that „Electrical and optical equipment“ has above average knowledge intensity of 0,53, measured as share of labour compensation of personnel with tertiary education, just as financial intermediation any business services sectors (0,62), whereas construction (0,17), agriculture, hunting, forestry and fishing with (0,21) and basic metals and fabricated metal products (0,21) are under average sectors with respect to knowledge intensity. This is important, as in the developed economies only specific products, processes and functions that outperform emerging economies in Global Value Chains are able to profit from the larger share of value added, and in this respect Croatia with its stock of intellectual capital, higher wages (especially in workers with tertiary education) and should behave more like a developed than emerging economy. This hypothesis is tested on a sample of Croatian firms and sectors in different counties/regions, in order to assess the *importance of knowledge based capital for their competitiveness and domestic value added embodied in exports, which can be provide by attracted FDI. As an extension, the potential role of financial development could be included, and the measure of the economy's financial development is the amount of credit by banks and other financial intermediaries to the private sector as a share of GDP.*

Key words: value added, global value chains, electronics, green economy, competitiveness

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CHARACTERISTICS OF TRANSACTIONS: A NEW APPROACH

JEL classification: D02, D23, D92

Abstract

Transaction is the main concept of the New Institutional Theory (NIT). According to specialists (R. Coase, O. Williamson etc.), transactions can be described by the following characteristics: asset specificity, uncertainty, frequency, transformation costs and transaction costs. Obviously, these characteristics can be divided into two groups: internal characteristics (asset specificity, uncertainty and frequency) and cost characteristics (transformation costs and transaction costs). In my opinion, this approach has three problems: there is no place for investments (of course, they may be perceived as a part of transformation costs, but it seems to be over simplistic), there is no direct correspondence between internal characteristics and cost characteristics (one may say that there is no need for such a correspondence, but it would be logical to expect that this correspondence does exist) and these characteristics are not used as a measure of integration. I propose to consider investments as an independent cost characteristic of transaction and to establish the following correspondence between internal characteristics and cost characteristics: Asset specificity depends on investments; Uncertainty is reduced by transaction costs; Frequency is linked to transformation cost as transformation cost is based on scaling effect. Therefore, I propose to include investments into cost characteristics of transactions as a separate characteristic. Uncertainty and frequency can be used as indicators of integration of economic agents. An ordinal measure of uncertainty can be constructed on the basis of pricing mechanism used by two companies – the bigger is the share of free market factors within this mechanism, the higher is the level of uncertainty (and the lower the degree of integration).

Key words: transactions, New Institutional Theory, investments, uncertainty, degree of integration

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BOSNIA AND HERZEGOVINA MANAGEMENT COMPETENCIES FOR ACCEPTING EU FUNDS

CAN EU FUNDS HELP IN DEVELOPING BOSNIA AND HERZEGOVINA ECONOMY, AND HOW TO MAKE THEM AVAILABLE TO BUSINESS ENTITIES

JEL classification: F02

Abstract

The main question the paper wants to answer is can EU funds help in developing B&H economy, and how to make them available to business entities. Bosnia and Herzegovina is one of the least developed countries in Europe, and it is a country that has not progressed when it comes to transition process and the EU accession. The conducted research on management in companies (corporate management), on officials in government bodies and parliamentary parties (state management), and also on students, point to possible solutions; how to stop the negative trends in business, employment and poverty, as well as how to speed up the process of the Euro Atlantic integration of B&H. One of the basic results of this research concludes that B&H presence in Europe is not a problem, but the fact that Europe (its value, social and economic systems) is not present in Bosnia and Herzegovina. Structural reforms and faster transition can create conditions for a faster economic development, and using EU funds for those purposes and (especially) for economic *development can simultaneously be a motivation for a faster social and economic transition and the accession of B&H to the EU. Management in private companies are undoubtedly oriented in that direction, they expect the right preconditions and environment in order to be able to apply for EU funds. Those possibilities will mostly depend on the capability and efficiency of the state management[1]. Therefore, there must be a persistent program for increasing the efficiency of the state management in B&H and for speeding up the EU accession process.*

Key words: Stabilisation and Association Agreement, EU funds, IPA, EU programs 2014-2020 (Cosme, Europe for Citizens, Horizon 2020, Erasmus plus), state management and corporate management

[1] The management of public institutions

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THE SOCIAL ASPECT OF THE INVESTMENT EFFECTIVENESS ANALYSIS

JEL classification: B4, D61, E22, O22

Abstract

The aim of this paper is to highlight and to point out the importance of the evaluation of the investment project regarding the social aspect. The authors explore aspects of social cost-effectiveness assessment of the investment project, i.e. the impact of the investment on the overall economy, which depends heavily on the size and nature of the project and the amount of funds involved. This is why it is necessary to create economic and financial evaluation of investment projects from the viewpoint of society, or total economy, with special emphasis on the analysis and evaluation of the contribution of investment to regional development. Methodological planning and evaluation of return on investment, with special emphasis on the socio-economic dimension of investment, in the paper and associated with that considers the problems of divergence of private and social costs. The paper also points to the importance of a clear definition of the overall investment project in the very beginning of its economic and financial analysis, which is crucial for a proper assessment of the social effectiveness due to "cover up" social benefits and costs that may not be subject of direct trade off. The basic hypothesis of the paper stems from the stated and can be explicated as: adequate analysis and assessment of the social aspect of the effectiveness *of the investment project significantly contributes to the regional economic development.*

Key words: social and private costs, investments, regional development

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THE ACCESSION OF THE REPUBLIC OF CROATIA TO THE EU THE PAST, THE PRESENT, THE FUTURE

JEL classification: F02

Abstract

The contemporary European integration processes are accompanied by numerous theories and activities, confrontations or approvals that can conditionally be divided into two groups, depending on the starting point of examination of each aspect of integration. The principal differences are reflected in the approach to examination of the very phenomenon, regardless of whether it is analysed from an economic or political viewpoint and the extent of the obligatorily transferred part of national sovereignty to EU authorities. In the latest development of integration processes in the European Union and other European integrations, political, economic, social and cultural significance of the particularities of individual European countries has largely been taken into account; however, the activities were directed to transferring a part of economic and political sovereignty to joint EU bodies in order to function more effectively. It is important for future economic and social development of the Republic of Croatia to form economic and political connections with European and other world integrations, especially economic ones. Until the democratically oriented government of the Republic of Croatia came into power, many mistakes had been made by the earlier political system, which had been fully insulated from the European integration processes. On its way to Europe, Croatia did not receive adequate assistance and support of more developed Western countries until January 3rd, 2000, and *this especially relates to the EU integrations that had jointly defined the guidelines Croatia needed to follow in order to access the social and economic system of the Western world and accept its values. The subject of this paper are the effects of EU accession and the consequences reflected on the economic situation in the country, as well as the good and bad sides of integration processes.*

Key words: European integrations, the European Union, pre-accession funds, structural and cohesion funds, economic and political conditionality

PUBLIC FINANCE

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PUBLIC DEBT IN THE CEECS: IS THE SOVEREIGN DEBT CRISIS OVER?

JEL classification: H63

Abstract

The paper investigates how the global financial and the ensuing European sovereign crisis affected the public debt dynamics of the EU member countries of Central and Eastern Europe, which countries are generally facing difficulties in keeping fiscal discipline as a negative consequence of global and regional financial turbulences. It reveals how economic factors (real GDP growth, interest rates, primary deficit) affected the trend of public debt in the period after 2008 among new EU members on the basis of Eurostat and European Economy statistics. After the briefing of some relevant government debt theories (among others Marcet and Scott, 2003, Díaz-Giménez and Giovanetti, 2007, Garcia et al., 2011, Broner et al., 2014), the paper provides a descriptive analysis of the debt structure of eight Central and Eastern European countries in recent years. It compares the currency composition of the governments' liabilities, discusses the role the domestic public sector plays in financing public debt, and whether there is evidence of domestic financing crowding out private investment in these countries. In the light of CDS premia and reference yields financing costs are contrasted and the way debt management strategies are formulated and government debt instruments are chosen in order to mitigate the financial burden caused by government indebtedness are compared. Finally, the paper summarises the lessons of the Hungarian self-financing programme launched in April 2014 by the Magyar Nemzeti Bank (Central Bank of Hungary).

Key words: public debt structure and dynamics, CDS premia

TOURISM

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DESTINATION DEVELOPMENT FOR CRUISING TOURISM

JEL classification: Z39

Abstract

Cruising tourism is the largest growing tourism sub-system. The importance of cruising tourism should be viewed in a far wider context than tourism itself. Namely, cruising tourism is maintained by numerous shareholders whose interests need to be reassured for the purpose of sustainable destination development. Tourism's sub-system, cruise ships, in comparison to the sub-system of coastal tourism, has its own specifics which may easily prove contradictory in itself and thus compromise sustainability. Due to the specificity of cruising tourism, it is necessary to identify factors relating to potential cruising controversy among the local population; namely, to destination development. Thus, this paper will show and analyse the system of shareholder relations which may yield good results, but also poor and so compromise destination development. The goal is to valorise these factors in relation to the shareholders who maintain this system efficient and/or inefficient. The basic hypothesis of this study indicates the system of relations among the shareholders which should be governed through management represented by all major shareholders. Namely, without sustainable management destination programs, large cruiser ports and, of course, cruise companies would encounter sustainability significantly compromised. Given we live in times *of constantly growing cruising tourism, on the one hand, and also the interest of elite destinations to achieve favourable results; this phenomenon should be explored in terms of creating effective partnership managements. Numerous questions arise to which this study shall present relevant answers.*

Key words: cruising tourism, destination management, sustainability, partnership management, shareholders

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WELLNESS TOURISM – COMPETITIVE BASIS OF EUROPEAN HEALTH TOURISM DESTINATION

JEL classification: L83, I00

Abstract

Wellness tourism, as global phenomenon of the 21st century, has become an imperative for the successful development of health tourism destinations. Millions of tourists travel to destinations all over the world every day, with one goal - to preserve and improve their mental and physical health. Tourism market is characterised by intensive changes, so the task of the health tourism destinations' management is to follow those changes vigilantly, in order to be able to adjust their offer to the current trends. In that way, the creation of integral health tourism product is achieved, which will meet the needs of the contemporary customers, who are becoming more demanding and sophisticated. The aim of this paper is to present the importance of wellness tourism in the contemporary offer of health tourism destinations.

Key words: wellness tourism, health tourism destinations, Europe

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THE HUMAN LIBRARY INITIATIVE AS AN EXPERIENCE-BASED TOURISM PRODUCT

JEL classification: Z39

Make the world talk and it is only the beginning of journey!

Abstract

The desire to get to know new cultures and their way of living has always inspired people to travel. Human library initiative provides precisely that - an opportunity to get to know different people from first-hand. It is a one of a kind of library where instead of borrowing books, one “rents” people who tell their stories. This is initiative is easily applicable in tourism: both in promotion of destinations and as experience-based products, which are increasing in demand. The goal of this paper is to introduce human library as a new experience based tourism amenity that will disclose interesting stories about the destination and its residents in different languages. The development of the initiative for tourism purposes and the comparison of living books and other in-destination information provision services are provided.

Key words: human library, living books, experience tourism

TRADE

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TRADE PERFORMANCE IN THE AUTOMOTIVE INDUSTRY OF THE EUROPEAN OECD MEMBER COUNTRIES

JEL classification: F10, F14, L62

Abstract

The paper addresses the question of international trade performance of automotive sector of 21 European OECD Member countries within the period from 2000 to 2009. The methodology of this research is based on the implementation of different trade performance indicators like intra-trade balance, industry trade, composition of manufacturing exports import penetration indicator and other important indicators. During year 2014 and 2015, international competitiveness of automotive European OECD industry showed positive signs. An increasing demand for vehicles boosted the supply that leads to better trade performance. The basic aim is to measure international trade performance in the automotive industry of OECD Member countries. The main results of paper indicate international competitiveness detected by measuring, evaluation of the automotive industry particularly on foreign markets, recommendations and proposals in order to reach a higher level of international trade.

Key words: automotive sector, EU countries, OECD member countries

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DEVELOPMENT OF LOGISTICS CENTRES BY NETWORK THEORY

JEL classification: L14

Abstract

Logistics centres with huge product-stopping capacity and having the ability to create added value have emerged in recent decades. These centres have become network nodes between the co-operating organizations which accomplish the management of supply chains (networks) by connecting different modalities and networks with their infrastructure and informatics background. The effective operation of logistics centres appearing in business networks are usually managed by logistics supplier businesses (3PL/4PL). Defining the supply net as a complex network, logistics centres may be called hubs, the routes and relationships connecting the centres, or – by borrowing the term used in network theory – may be called edges. Taken into consideration the earlier results of network research, the present paper aims to find the correlations between the principles proved by Barabási and the growth possibilities of the centres (hubs) operated by logistics service providers. The conclusions drawn by Csermely concerning cellular networks provide further opportunities for the application of the results of theoretical network science to logistics systems. Considering the references above and the results of empirical research and experience gained among domestic logistics companies, the best responses to the challenges posed by business networks can be recommended to domestic logistics service providers. Furthermore, the results of network research can be set in parallel with the research conducted by Reszegi - Juhász on performance enhancement involving 4,600 Hungarian businesses. At the end of the *paper, an attempt is made to describe a system of correlation between network phenomena and the activities employed in implementing the strategies of logistics service providers.*

Key words: networks, corporate performance, alternatives for supporting growth

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PERCEIVED SERVICE QUALITY THROUGH PRISM OF DEMOGRAPHIC AND SOCIO-ECONOMIC CHARACTERISTICS OF CUSTOMERS: HYPERMARKET STORES' MARKET IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

JEL classification: L81, M31

Abstract

There are dynamic changes occurring at the retail sale market. There is less emphasized manoeuvring space for differentiation. The retailers offer similar assortment of the products with similar prices and quality. This opens more space for differentiation based on providing excellent services. Service quality in retail can be important in creation and maintenance of relationship with customers, strengthening those relations and creating the loyal customers' basis. Influence of demographic and socio-economic characteristics on perceived service quality (gender, age, income, and education) has been confirmed by reviewing previous researches. Therefore, there are differences between the customers in service quality perception in relation to gender, age, income, and education. The purpose of this paper is to research the influence of demographic and socio-economic characteristics on service quality perception in retail on hypermarket stores' market in the Federation of Bosnia and Herzegovina. The research has been conducted on the sample of 861 examinees. According to its characteristics the applied questionnaire is quota sample with control variables: city, shop, gender, and age. The obtained research results will disclose the role of demographic and socio-economic characteristics in perception of service quality, and give guidelines to vendors on hypermarket stores' market for successful segmentation, market targeting, and creation of successful marketing strategies.

Key words: retail, hypermarket, service quality, socio-demographic characteristic, Federation of Bosnia and Herzegovina

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ANALYSIS AND ESTIMATION ON KOREA-SAARC PARTNERSHIP SEMINAR

JEL classification: F0, F1, O2, O5

Abstract

SAARC was formed in 1985 with the objective of exploiting "accelerated economic growth, social progress and cultural development in the region" for the welfare of the peoples of South Asia. In 1995, its corresponding RTA (SAPTA) came into force. South Asian Free Trade Agreement (SAFTA) has been ratified and entered into force in mid-2006. As its importance echoes around the world over the time, there has been a growing interest among many countries and organizations to be associated with SAARC as Observers and to engage with SAARC in collaborative endeavours. Especially, Korea, as an observer, has opened "Korea –SAARC Partnership Seminar" in Seoul, Korea every year since 2010. For preparing 6th Seminar agenda to be opened on December this year, the authors analyzed its activity during last 5 years and estimated to draw the concrete strategies for co-prospects mutually. As a result, the authors proposed to conclude "Korea-SAARC FTA" linking Korea's ODA, KSP and FTA.

Key words: SAARC, SAPTA, SAFTA, ODA, DAC, FTA

TRANSPORT

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AIR TRAVEL BANKS: A VIABLE PUBLIC-PRIVATE PARTNERSHIP APPROACH TO AIRPORT ROUTE DEVELOPMENT?

JEL classification: L93, O18

Abstract

Financial incentives to develop air services at smaller airports are scrutinized by regulatory authorities. This is especially true within the European Union with its new guidelines on state aid and consequent rulings on the repayment of subsidies provided by airports to airlines that violate state aid rules. Private funds used to develop air services are not state aid. For this reason, air travel banks (ATBs) might be a promising route development tool for smaller airports. This concept builds on the idea of binding monetary pledges from air transport users that constitute a revenue guarantee for new or expanded air services. This paper describes the ATB public-private partnership approach and offers advice to airport authorities and regional development agencies considering this approach to airport route development without public financing.

Key words: airport route development, air travel bank, public-private partnership

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THE RECOMMENDATIONS FOR OPEN HARBOR INITIATIVE

JEL classification: H54

Abstract

The efficiency of harbor management plays a significant economic role to a nation in various aspects, including trading business, logistics and the manufacturing. The visibility of harbor activities and management determines the performance of the whole logistic chain. The harbor agencies continuously strive to provide better operation models to the stakeholders by collecting and analyzing these data populated from the activities. To expedite this improvement, an Open Innovation Model is called to encourage more special interest groups to contribute their works; the harbor agencies disclose the datasets derived from those servicing activities through the government Open Data platforms. Since there is no clear picture of how these contributors would utilize the datasets for their researches, there is a considerable requirement gap between the dataset provider - the harbor agencies and the consumers - the interest groups. This paper surveyed the open datasets provided by the advanced harbors using the textual analysis and the text mining approaches to emerge the potential requirements for the Open Harbor initiative followers such as Taiwan. By taking the example of Taiwan Open Harbor initiative, it reexamined the potential meaning against the already opened datasets and tangibly identified where they could be further enhanced to bring more value to the interest groups. Based on these findings, this paper presents the initiative realization models through the Enterprise Architecture - a methodology of defining the information systems from the strategic planning to the realization - processes as the recommendations to those pursuing operation eminence harbor agencies.

Key words: open data, enterprise architecture, open innovation model, harbor management

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A MULTIPLE-CRITERIA ANALYSIS APPLICATION FOR VERTICAL COORDINATION IN THE TRANSPORTATION OF AGRICULTURAL COMMODITIES IN BRAZIL

JEL classification: L1, R4, C8, Q1

Abstract

The strategies to perform the transportation of agricultural commodities by truck in Brazil are a challenge to decision making. This paper brings together widely held theories that are vertical coordination and decision analysis, to present a discussion of decision making in organizations. From a model capable to process main objectives, multiple criteria and variables found in transport verticalization problems, the results showed worse performance than hybrid or outsourced alternatives. This result supports that in environments with high dependence on low costs and asset specificity are no more likely to meet hybrid structures or market coordinated. However, the descriptive survey of road transport with agricultural shippers and the results of the multicriterial model indicated a highly outsourced transport market, which would be fostered by the current uncertainty and low professionalism of haulers. As the price difference between the outsourced model and vertical decreases there is a preference for hierarchical structure given his best performances in the benefits offered. Given the changes in the institutional environment, such as the transport regulation, competitive arrangements may change. This type of preference by decision makers would compose the vertical structures with more scale strategies by shippers.

Key words: truck transport, vertical coordination, decision analysis, logistics, transport regulations

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ASSESSMENT OF THE ACTIVITY TO STOP A DECLINE IN THE NUMBER OF SEAFARERS IN THE EUROPEAN UNION - THE CASE OF POLAND

JEL classification: F61, F16, L52, Q38

Abstract

Shipping is, unquestionably, one of the most important determinants of efficient functioning of the contemporary world economy. It is the basis of maritime economy, the significance of which increases with the development of technology. New methods of exploring maritime resources and new opportunities of their use have caused that the European Union, inter alia, in the maritime economy has discovered possibilities to realise the Europe 2020 strategy. It has been confirmed by numerous initiatives on the levels of: union, macro region (i.e. Baltic Sea Region etc.), national. It turned out that the greatest weakness and threat in the achievement of the defined objectives is a decreasing number of European seafarers (especially officers). In this article the roots and the dimensions of that issue were described. The desk-research method as well as the pools method were used to find out the reasons which governed students' choice study at Gdynia Maritime University. The results of investigation constituted the basis to evaluate the effectiveness of the actions aiming to increase interest in work at sea.

Key words: blue economy, shortage of seafarers, maritime policy

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Sveučilište u Dubrovniku

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ANTICA RAGUSA
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NOTES

DUBROVNIK
INTERNATIONAL
ECONOMIC
MEETING

SVEUČILIŠTE U DUBROVNIKU
UNIVERSITAS STUDIORUM RAGUSINA

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DUBROVNIK
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SVEUČILIŠTE U DUBROVNIKU
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DUBROVNIK
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