



Varazdin Development and Entrepreneurship Agency
in cooperation with
Faculty of Management University of Warsaw
and **University North**



Economic and Social Development

17th International Scientific Conference on Economic and Social Development –
“Managerial Issues in Modern Business”



Editors:
Miroslaw Przygoda, Mihaela Mikic and Petar Kurecic

Book of Abstracts

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Warsaw, 20-21 October 2016

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THE CRITICAL ROLE OF ORGANIZATIONAL SUPPORT FOR SERVICE RECOVERY PERFORMANCE: THE EVIDENCE FROM HOTEL EMPLOYEES IN POLAND

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ABSTRACT

In the times of high global competition exceptional service quality is perceived as one of the main conditions to attract and retain loyal and profitable customers (Karatepe 2006, p. 70). Although service organizations do their best to provide high quality services, a high degree of interactions between employees and hotel guests triggers an inevitable risk of failures (Lewis and McCann, 2004 p. 6). However, successful service recovery may provide hotels with a variety of significant benefits increasing their competitiveness and overall business success. In this process service employees play a critical role, as they are the first ones who interact directly with customers, and their performance in handling customers' complaints may influence the perceived quality (Ling, Hussain, Sambasivan, 2014). Thus this study attempts to answer the key question of how hotel organizations may improve employees' recovery performance. The aim of the paper is to identify the critical role of organizational support in the service recovery context and its impact on selected employees' attitudinal outcomes and behavioral intentions in the hospitality industry. More specifically, this study develops and tests a research model that examines the effect of perceived organizational support in terms of service recovery (OS_RECOVERY) on employee service recovery performance (SRP). Additionally, the relationships between SRP and employees' satisfaction with hotel guests (SAT_with_GUESTS) and with their intention to leave (ItL) were tested. The study was

conducted among contact employees of hotels located in the Pomeranian Voivodeship, located in Northern Poland. A survey instrument was used to collect the data. The study findings indicate that perceived organizational support in the service recovery context may increase employees' service recovery performance, which, in turn, enhances their satisfaction with customers and decreases leaving intentions. The research value of this study may result from the fact that it attempts to provide more holistic pictures to the study over potential antecedents and consequences of service recovery performance by using data from hotel employees in Poland. Implications of the results for both the theory and practice are also provided.

Keywords: *hospitality; organizational support; service recovery performance; service failures*

FREE MOVEMENT OF GOODS (PHARMACEUTICALS) IN THE EUROPEAN UNION VERSUS PROTECTION OF HEALTH OF POPULATION

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ABSTRACT

The topic of the paper belongs into the area of management, however, it also offers overlaps into the area of constitutional and administrative law and it directs to the multidisciplinary research of problematics of reexport of chosen products, mainly pharmaceuticals. The concept and legal regulation of reexport remains to a large extent unfinished, after years of professional discussions (not only) in the slovak legal environment. The restriction of reexport of chosen products and the protection of consumer against the inappropriate impacts of this performance should represent the main aim of legal regulation in this area of law. The essential legal enactments except the Constitution of the Slovak Republic are mainly law no. 362/2011 of Journal of Laws on pharmaceuticals and medical aids and on the change and completion of some laws subsequently amended (herein after referred to as „Law on pharmaceuticals) and law no. 363/2011 of Journal of Laws about the range and conditions of payment of

pharmaceuticals, medical aids and dietetic groceries on the basis of public health insurance and on the change and completion of some laws subsequently amended. The aim of this paper is to analyze this issue whose legislative solution is necessary for the protection of life and health of population in near future.

Keywords: *freedom of trade, management, movement of goods, protection of life and health, reexport*

ENERGY R&D INVESTMENT DIRECTION FOR NATIONAL GREEN GROWTH ECONOMY IN KOREA

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ABSTRACT

Climate change due to global warming is a global issue and a top priority in the international community. Recently, we try to find new growth engine to overcome the continuous decline of Korea's economic growth rate and world's top Korean-exporting items. In order to respond proactively to the global issue of climate

change and find national growth engine, the Korean government continues to pursue strengthening the national economy by green growth. In this paper, we introduce the change of energy technology policy which is the core of green growth and new growth engine, and the investment direction of national R&D. In 2014, approximately 1.6 billion USD has been invested in energy-related R&D in the order of renewable energy (36.8%), nuclear energy (26.3%), and electric power(14.1%). Following the shift of energy policy paradigm from supply-side to demand-side management, the government plans to focused support on innovative technology such as ICT-based distributed power & energy-demand management, to secure tech-competitiveness of future energy. Green growth and creative economy, which is the national vision of the current government in Korea, both aims for national economic growth. Therefore, in order to continue green growth through creative economy and lead global green growth, currently stagnant energy R&D need to be increased continuously. Especially, to improve investment efficiency with limited resources, strategic selection and concentration is required in greenhouse gas reduction and industrialization technologies

Keywords: *energy, green economy, green growth, R&D*

IDENTIFICATION OF ESSENTIAL EMPLOYEES BY SOCIAL NETWORK ANALYSIS

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ABSTRACT

Aim of this article is to show how social network analysis could help companies overcome process or organizational changes, splitting or merging of companies. Creation and use of sociogram before an organizational change and evaluation of possible or probable effects of planned changes could ease and reduce its costs. During the organizational change one should consider how and when should be sub clusters within the network connected. Goal of this mapping is to provide all employees of the company information sources and connections which they need to work, making decisions or act efficiently.

Keywords: *change, employee, organization, process, social network analysis, structure*

A LOOK AT THE IMPLICATIONS OF REGULATORY REFORMS FOR OTC DERIVATIVES MARKETS

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ABSTRACT

In September 2009, the G20 leaders made a commitment to regulate the OTC (over-the-counter) derivatives market to enhance transparency and reduce risk. Within the European Union, these objectives have been implemented through the European Market Infrastructure Regulation (EMIR) and the revised Markets in Financial Instruments Directive (MiFID II). EMIR entered into force on 16 August 2012. Although EMIR is already in force, some of the definitions in EMIR cross refer to definitions under MiFID so the ongoing changes in MiFID II have a significant impact on derivatives. Most of the provisions in MiFID II were intended to become effective on 3 January, 2017. However, the European Commission has proposed that MiFID II should be delayed by up to a year (that is, until 3 January, 2018). Reforms in the U.S. were being carried out under the Dodd-Frank Wall Street Reforms and Consumer Protection Act (Dodd-Frank Act) and on July 21, 2010, the Dodd-Frank Act was signed into law by President Obama. Regulatory reforms have already had

an impact on OTC derivatives market structures and volumes. In this paper we take a look at the current state of the OTC derivatives market reforms and analyse their potential impact. In particular, we focus on the trends in market volumes -gross market value of OTC derivatives contracts - before and after regulatory reforms were introduced and also on their correlations with GDP growth rates, EUR/USD exchange rates and trade compression.

Keywords: *Hypothesis testing, OTC derivatives, OTC market changes, regulatory reforms*

EMPLOYEE MOTIVATION IN PUBLIC ADMINISTRATION

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ABSTRACT

Employee motivation is an important factor affecting employee performance and thus one of the major concerns of today's management. It is imperative that a person in charge of motivating employees considers motivation from the point of view of the individual that needs to be motivated rather than from his

or her own perspective. Motivational factors, i.e. the needs, desires and goals of employees must be identified and satisfied to motivate top performance. The paper seeks to identify and examine the motivational factors and give an overview of significant content and process theories of motivation for the purpose of exploring the motivation of civil servants. The paper starts with the theoretical background which is followed by the empirical section exploring the motivation of civil servants in the Customs Administration. The research results relating to the proposed hypotheses are intended to increase awareness of the importance of motivation and to inform of motivation techniques for the attainment of organisational goals in an effective and efficient manner.

Keywords: *public administration, motivation, theories of motivation, motivators*

FAIR VALUE OF THE BANKING SECTOR COMPANIES QUOTED ON THE WARSAW STOCK EXCHANGE IN POLAND WITHIN 2007- 2016 AND THEIR FINANCIAL ANALYSIS

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ABSTRACT

This paper examines share price of the companies listed on the WIG-BANKI and their fair value between 2007-2016. Data from 2007 to 2016 were collected from the Stooq.pl (Polish portal of shares). Two hypotheses are tested: (1) value of the shares based

on the market price; (2) value of the shares as the fair value of shares. Moreover, the financial condition of several companies with respect to the sector was examined with the selected financial ratios. In addition, the author expressed his view on the opportunities of the property companies' market's WIG-BANKI in 2016-2017.

Keywords: bank, company, market value of shares, profit

THE SUSTAINABLE HOUSING AND STRATEGY 2030

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ABSTRACT

Same as the emerging economies achieve the living standards of the advanced industrial world, grows a global energy consumption. It is estimated that by 2030, world energy demand will increase from currently by 50 percent, while fossil fuels will account for 80 percent of the stock. It will increase dependence on imports, while the EU will import almost two-thirds of its energy. In addition, the availability of energy and other essential resources likely to be adversely affected by climate change and, according to many forecasts, by 2030 will encounter some serious power shortage. Price volatility and supply uncertainties will also be exacerbated by political volatility in energy-rich countries. Although the growth in renewable energy will be faster than in traditional sources, in 2030 renewable energy will continue to represent only a small part of global energy supplies. This trend

exacerbates our inability to reduce the loss of biodiversity, with serious implications for long-term economic sustainability. In the paper we devote sustainability to tackling sustainable housing.

Keywords: *Energy efficiency, Housing, Housing policy, Climate change, Sustainable Development*

THE COMMON AGRICULTURAL POLICY OF THE EUROPEAN UNION WITH A SPECIAL FOCUS ON AGRICULTURE IN THE NEW EU MEMBER STATES

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ABSTRACT

This paper represents a product of professor (mentor) and student (graduate) cooperation. It analyses the the Common Agricultural Policy of the European Union (CAP), which is trying to preserve agriculture that guarantees food safety and to ensure sustainable and balanced development of all European rural areas, including areas with difficult production conditions. This agriculture policy should respond to citizens' concerns in terms of food, but at the same time, it is necessary to preserve rural communities and landscapes, as they are a precious part of European heritage. Rural areas cover more than 77% of the area of the European

Union, and in them lives approximately half of the EU population. By entering of Central and Eastern European countries in the EU's agricultural diversity of Europe has increased even more. The CAP allows the farmers from the EU to meet the needs of about 500 million people whose main goals are to provide a decent living for farmers and to guarantee well-established and safe food supply at a price affordable for consumers. Since its inception in 1962, the CAP has developed significantly. It is developing continuously, and the basic priorities of CAP are to guarantee sustainable food production, to ensure the sustainable management of natural resources and promote the balanced development of rural areas of the EU. Poland, which is the most successful new EU member state when it comes to the CAP, utilizes all the benefits of this policy. Poland can be considered as a model country, which consistently applies and takes advantage of the agricultural policy. The paper analyzes the implementation of CAP on the overall growth of the Polish economy and GDP.

Keywords: *The Common Agricultural Policy of the EU (CAP), the European Agricultural Fund for Rural Development, the rate of subsidy, the amount of the aid, Poland*

THE TERRITORIALIZED PRODUCTION ORGANIZATIONS: FROM THE MARSHALLIAN SCHOOL TO THE GRENOBLE SCHOOL, CONTINUITIES OR DISCONTINUITIES

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ABSTRACT

This article provides a quick scan of the literature that treats the subject of the localized production organizations. This analysis allows us to understand how the theoretical concepts developed by A. Marshall had great success as they were exhumed by the Italians in a series of works on the Third Italy. The localized production system developed (LPS) by Courlet (1994) helps circumscribe the organization that binds the enterprises together in a territory and highlight the nature of the benefits (positive externalities, reduced transaction costs, better coordination between the actors of a territory) yielded by proximity. Indeed, the LPS is far from being a concept in the true sense of the word because it is interpreted in several ways. The LPS can be attached first to a broader interpretation of the economic phenomena: either it is the new techno-organizational paradigm of reference resulting from the swing of the global mode of production or it is a component or even a transition state of the new industrial organizations that are being set up. The LPS can also be attached to a more specific interpretation referring to the history of economic development according to which any local reality would be, at some point, more or less an LPS. It is but a unit of analysis, which, as the organization, sees its theoretical foundations vary according to approaches and authors. This means that the literature only analyzes the forms of organization

in local systems, without explaining their foundations nor their evolution. However, the industrial district and the LPS concepts are each specific features of the "standard-categories" of the industrial territories. Thus, the continuity between the two schools stems only from the benefits of belonging to a territory in the broad sense of the word.

Keywords: *externalities, industrial districts, LPS, proximity, territory*

RANKING OF USER EXPECTATIONS WHICH INFLUENCE THE LEVEL OF ADOPTION AND USE OF INTERNET BANKING SERVICE

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ABSTRACT

There is a growing awareness of the importance of internet banking in banks all over the world accompanied by their client's growing interest in using online banking services. In practice, it

is often not enough to merely identify the expectations of users, but is necessary to determine the difference in the importance of the identified needs. In this way, employees in marketing and IT sectors can define priorities when designing and implementing strategies for successful online presentation. For the purposes of this study, in the process of identifying customer expectations, the authors used a combination of the two theoretical models: the Technology Acceptance model (TAM) and the Theory of Planned Behaviour model (TPB). The Analytic Hierarchy Process (AHP) was applied to determine the weights of the identified user requirements. The results showed that the perception of the security and financial risks, the perceived benefits, social norms and subjective attitudes, the ease of use, self-organization and the intention to manage one's own accounts do not bear the same importance when deciding on adoption of internet banking and when making decisions on future behavior. In practice, the results obtained can be used as guidelines and recommendations on how to define priorities when creating online banking offers. In theory, the presented systematization of user expectations may prove useful for future research on adoption and diffusion of online banking

Keywords: *AHP, internet banking, priorities, user expectations*

HOW DOES INFORMATION TECHNOLOGY CAPABILITY SHAPE THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND INNOVATION CAPABILITY IN MANUFACTURING SECTORS?

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Abstract

The complexity and turbulent business environment nowadays forced organizations to enhance their capabilities to be able to respond to all the environmental changes. As a sign of response manufactures, among other sector, tried to acquire unique resources and capabilities, develop innovation capability. This argument has been justified by the increasing attention given by many researchers to examine the interaction between the Organizational Culture (OC) and information technology capability (ITC). Moreover, a great deal of attention has been paid to the Innovation capability implication of this interaction. This paper reviewed the literature related to the interaction between Organizational Culture (OC) and information technology capability (ITC) and Innovation capability (IC) of manufactures.

Keywords: *Information technology capability (ITC), Innovation capability (IC), manufactures sector and Organizational Culture (OC)*

THE INFLUENCE OF MOTIVATORS ON BLOOD DONORS' ATTITUDES

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ABSTRACT

Modern business conditions and expressed hyper competition impose a new strategic approach that focuses on beneficiaries/donors and development of long-term good business relationships. The quality of customer relationships is important for institutional survival, growth and prosperity of the organization, both in profit as well as the non-profit sector. The activities of non-profit organizations express the need for intensification of strategic marketing approach directed towards achieving better relations with donors, although, in practice two approaches are used, transactional approach and approach of establishing long-term relationships with donors. Traditional or transactional approach is based on attracting a large number of new beneficiaries. Unlike transactional approach, approach of establishing long-term relationships is based on a detailed analysis of the behavior of donors, a key indicator of quality of implementation of the strategy is the time value of each individual beneficiary. Transfusion centers are focused on a strategy of attracting new blood donors and retention of existing ones

therefore the satisfaction and motivation of loyal blood donors is an important component in achieving strategic objectives. The focus of this paper is directed towards the analysis of the interrelationship between motivators and loyalty of blood donors, which make up a specific segment of donors. Key questions from which the problem of this research originated is: how strong is the influence of motivators on the attitudes of disloyal blood donors? The main instrument for the implementation of this study was a questionnaire composed of closed questions with multiple choice answers in which used Likert scale with five degrees of intensity. Data were collected by the method of personal examination of the organized actions of collecting blood and blood components and in the Croatian Institute for Transfusion Medicine in Zagreb. The research sample was intentional commemorative. A total of 2,000 questionnaires were collected.

Keywords: *blood donors, non-profit organizations, marketing strategy, motivators*

IMPACT BONDS IN THE LATIN-AMERICAN CONTEXT: POLICY TRANSFER ANALYSIS FOR MEXICO, CHILE AND COLOMBIA

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ABSTRACT

Impact bonds are a recent mechanism to address social issues by involving the private sector, government, and nongovernmental organizations. Among the first candidate countries in Latin-America to implement such mechanisms are Mexico, Chile and Colombia. However, notwithstanding the several proposals and projects designed in these countries to alleviate internal social problems, no impact bonds have been implemented yet. This research attempts to identify the unique constraints within each country that hinders the implementation of impact bonds through the policy transfer approach. The findings show that the constraints are related to the politicization by interest groups in some areas (Mexico), the political cycles (Colombia), and the level of centralization (Chile).

Keywords: *Development Impact Bonds, Pay for Success Contracts, Public Policy, Policy Transfer, Social Impact Bonds*

ePRIVACY AND NEW EUROPEAN DATA PROTECTION REGIME

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ABSTRACT

The new EU General Data Protection Regulation (GDPR) ensures that personal data can only be gathered under strict conditions and for legitimate purposes. Organisations that collect and manage personal data must also protect it from misuse and respect certain rights.

From this point of view, the GDPR presents an essential step to strengthen citizens' fundamental rights in the digital age and facilitate business by simplifying rules for companies in the Digital Single Market in European union. In order to establish the digital single market, one of the important steps to develop the strategy, is the review of the ePrivacy Directive in order to provide the legal framework to ensure digital privacy for EU citizens.

The ePrivacy Directive builds on the EU telecoms and data protection frameworks to ensure that all communications over public networks maintain respect for fundamental rights, in particular a high level of privacy, regardless of the technology used. At this moment, digital privacy of citizens is protected with the ePrivacy Directive (Directive on Privacy and Electronic communications) which was last updated in 2009 to provide clearer rules on customers' rights to privacy.

A revision of the Directive is currently under in the process, in particular, according to the new requirements which were introduced on data such as "cookies" and on personal data breaches. In accordance with that, the author of this paper will give an overview of actualities in the challenges of ePrivacy in surrounding of new data protection regime as well as recommendations for a model of information data governance in

order to comply the businesses to new legislation regulations set to May 2018 in global market surroundings.

Keywords: *digital privacy, data governance, data protection, digital single market, directive, ePrivacy, General data protection regulation*

TOURISM MODELING: A NEW APPROACH TO TOURISM

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ABSTRACT

Tourism brings obvious economic benefits. Therefore, it is no surprise that tourism is an important economic activity in many parts of the world. Given the importance of the industry, the aim of the paper is the tourism modeling. The paper is divided into four parts. The first part of the paper outlines the evolution of the tourism industry, while the second part outlines the model with pure and mix strategies and in each part discusses the results obtained from those models by example, the third part outlines the relationship between the GDP of Armenia and the incomes of tourism for annual data and quarterly data and the fourth part outlines the evaluation of the effectiveness of tours by using DEA (Data envelopment analysis).

Keywords: *Armenia, economy, game model, GDP, tourism modeling*

CROSS-BORDER TRANSFER OF COMPANY'S SEAT AND EXIT TAXATION IN THE EUROPEAN UNION

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ABSTRACT

Company's cross-border transfer of seat represents a controversial issue in the EU because of the differences in Member States' national legislation on conflict-of-laws and substantive issues. Therefore, the ECJ has dealt with the problem of company's cross-border transfer of real seat in its judgments. ECJ's case law distinguishes cases of immigration from the cases of companies' emigration. EU secondary legislation regulates cross-border transfer of registered seat of supranational companies and cross-border mergers of companies. Further obstacle to corporate mobility originates from the application of exit taxes in some Member States, which induces significant costs for cross-border mobility of companies. While exit taxation is regarded as a tool for protection of fiscal sovereignty of home Member States, a question arises as to whether exit taxes are compatible with the freedom of establishment in EU internal market. The ECJ dealt with this problem in the famous National Grid Indus case (C-371/10). It held that the imposition of the exit tax was justified by the overriding reasons of public policy (preservation of the allocation of taxing powers between Member States). On the other hand, it also held that a Member State

should offer corporate taxpayers a choice between immediate taxation and tax deferral, whereby it is necessary to take into account subsequent decreases in value. Main aim of this paper is to analyse the limitations that primary and secondary EU legislation place upon Member States' domestic provisions regulating cross-border transfer of seat, including relevant tax provisions. Particular attention is also given to the legal framework in the Republic of Croatia, newest EU Member State.
Keywords: *company law, cross-border transfer of seat, EU law, exit taxes*

THE LEGAL ASPECTS OF ADVERTISING IN THE SLOVAK REPUBLIC WITH THE SPECIAL FOCUS ON THE PROMOTION OF CHOSEN PRODUCTS

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ABSTRACT

The topic of the paper that is anchored in the area of marketing offers the outstanding overlaps into the area of constitutional and administrative law. It directs to multidisciplinary research of the issue whose concept and legal regulation remains to a large extent, after years of professional and amateur discussions (not only) in the slovak legal environment unfinished. Advertising as a part of products' marketing, promotion of pharmaceuticals and protection of consumer against inappropriate influences of this advertising should represent the main aim of legal regulation in this area of law. The essential legal enactments except the Constitution of the Slovak Republic are mainly Law no. 167/2001 of Journal of Laws about advertising subsequently amended, Law no. 308/2000 of Journal of Laws about broadcasting and retransmission and about the change of Law no. 195/2000 of Journal of Laws subsequently amended.

The aim of this paper is to analyze the chosen issues with the help of scientific methods, that society has to deal with when it regulates the acceptance of information in connection with products' advertising and promotion.

Keywords: *advertising freedom of speech, marketing, protection of consumer, right to information*

THEORETICAL OVERVIEW OF SOCIAL MEDIA-VALUE (CO)CREATION BOND

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ABSTRACT

The ultimate purpose of this paper is to inquire on eventual role of social media in value co-creation relationships in a marketing. Lately we have been witnessing the importance of social media in achieving general marketing goals. Moreover, concept of value co-creation implies management initiative to develop closer and mutually beneficial interactive relationships between company and customers in order to further jointly co-create acceptable outcome for parties involved. Hereby theoretical overview of potential portrayal of social media as a communicational channel/tool and its eventual footprint on value co-creation is

going to be given. What are the social media marketing and management elements useful to shape and influence the process of value co-creation? How did the academic public approach and elaborate this consanguinity? The research performed is theoretical, secondary-desk analysis. Publicly available sources of literature have been utilized. As a general conclusion, academia shares contrasting attitudes when it comes to potential roles of social media in value co-creation. A group of analyzed authors strongly supports this statement, whilst we have another cluster of authors who are severely opposing and claim that no solid findings are possible until more primary researches are performed.

Keywords: *social media, S-D logic, relation, interaction, value co-creation*

EXPLORING INTERNATIONAL TOURISM TRENDS IN THE MEDITERRANEAN: CONVERGENCE OR BIG DIVERGENCE

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ABSTRACT

Triggered by the phenomenon of globalisation and unrest on both sides of Mediterranean, during recent decades there has been a process of tourism travelling re-switching in the tourism expenditure domain; hence the debate over convergence or

divergence of the international tourism flows, caused by abruptly fall out of vogue of some destinations due to negative shocks produced by unrest in that volatile region, has never ended. Following on the extensive multidisciplinary literature on this issue, the purpose of this paper is two-fold 1) to apply a traditional analysis of convergence (sigma and beta convergence) in tourism demand flows and Principal Component and Cluster Analyses to investigate on the existence of different international tourism models, 2) to analyse tourism receipts expressed as a share of total and derive a possible classification of the countries and its profiles by means of a multivariate approach. This paper tries to test the hypothesis of convergence of tourism demand in Mediterranean area. We considered a sample of 20 Mediterranean countries, and used data from the World Indicator Database 1995-2015, keeping all relevant variables that interfere with international tourism demand in that region. The expected results of this paper can be interpreted as a further contribution to the literature on contemporary positive economics in the international tourism domain.

Keywords: *Tourism demand, receipts, arrivals, convergence, Principal Component Analysis, Cluster Analysis*

THE CASE OF BREXIT: AN ANALYSIS OF THE POLITICAL AND ECONOMIC FACTORS

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ABSTRACT

This paper analyses the short-term economic, as well as the long-term political consequences of Brexit. In order to analyse the short-term economic impact, we implement Chow's test for a structural break on the main stock exchange indexes. Another significant part of this paper is an analysis of the factors that have an impact on the exports of the United Kingdom and whether the potential decrease of the exchange rate will be more relevant than the anticipated decrease of FDI and GDP. This paper concludes that there is significant evidence that there was a negative short-term economic impact caused by Brexit, as well that it might have a detrimental impact on the long-term exports of the United Kingdom. This paper further concludes that Brexit was a unnecessary and avoidable event that might not have happened had there been an accountable political class that fairly and objectively presented the potential consequences of Brexit.

Keywords: *Brexit, EU, VAR analysis, trade deficit, Chow structural brake test*

MANAGING REAL ESTATE EXPOSURE: AN EMPIRICAL ANALYSIS ON INTEREST RATE RISK

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ABSTRACT

Real estate is an illiquid investment with cyclical returns so risk management techniques should be used for sustainable returns. The risk management techniques include asset based, portfolio, insurance and derivatives solutions. Asset based solutions include the risk character of the real estate, based on where it's located and how well it is developed.

Some property such as foreclosure and those require maintenance is riskier than others. Portfolio solutions allow real estate companies to include real estate with different location and segments such as office and retail. Using this, the risk is limited to the systematic component, where asset based – idiosyncratic risk is tried to be reduced when included enough number of assets to the basket. The management should be capable of determining which risks taking and which to transfer. Some risks such as earthquake, fire, vehicle crush, terrorist activities are rare in nature but can cause severe damage when it takes place.

The insurance policies can cover these events which most of the time are reinsured. In addition, derivatives are available to hedge some of the risks. These can be traded on the market or over-the-counter. By using derivatives, it is possible to hedge interest rate risk, inflation, currency risks, and property price changes. To hedge interest rate risk which is also studied in this paper, instruments such as cap, swap, and collar are available.

The research is investigating the role of interest rate risk in the performance of real estate management companies. The variables used in this research are 30 years' treasury yield, and exchange closing price for CBRE Group Inc., Colliers International Group, and Jones Lang LaSalle Incorporated.

The data is daily for the period 16. June.2004 and 19. June.2015. The methods used are Johansen Cointegration and Granger Causality. The results of the study indicate there is a short-run and long-run relationship between interest rate and real estate management firm stock performance. In other words, interest rate fluctuation is a critical risk in performance of real estate management companies. In the paper, it is also discussed risk mitigation ideas for controlling this and other risks that real estate management industry is exposed.

Keywords: *Real Estate, Risk Management, Derivative Contracts, Interest Rate Risk, Cointegration, Granger Causality*

COMPARATIVE ANALYSIS OF CROATIAN STOCK MARKET LIQUIDITY

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ABSTRACT

This paper analyses position of Zagreb stock exchange and formal Varazdin stock exchange in the period of 20 years in relation to stock exchanges of some selected countries with emerging markets and gives comparative analysis according to selected key indicators. Comparative analysis was conducted using a few key data, specifically total stock exchange turnover and market capitalization per GDP for each analyzed year (2006-2015) in each analyzed country.

Keywords: *capital market, comparative analysis, liquidity, stock exchanges*

THE MOST SIGNIFICANT FACTORS INFLUENCING THE PRICE OF GOLD: AN EMPIRICAL ANALYSIS OF THE US MARKET

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ABSTRACT

Gold is always a precious metal from many hundred years. Semi flexible gold demand and supply chain determines international gold prices in the long term. This study mainly aims to investigate the dynamic factors which affect the price of gold and determine the essential macro-economic variable that has the most important role during this process. The present study has used the monthly data between January, 2003 and June, 2016. Databases are provided by the Federal Reserve, the central bank of the United States and United States Energy Information Administration. Data analysis was performed with software package E-views 8. Through the time series, an analysis has been carried out on Dow Jones Index, the US exchange rate, silver price, interest rate, oil price and inflation rate which are thought to influence the price of gold in the most significant way. The data analysis includes the determination of the conditional heteroscedastic model to estimate volatility. Therefore, the best fitting model to the data set, which is the exponential GARCH model, is preferred. In accordance with the results of the empirical analyses in the USA, the highest negative correlation is found between gold prices and US exchange rate. Secondly, a positive correlation is found among gold prices, silver prices and oil prices. Another point which takes attention as a result of the study is that economic and political structural breaks weighed heavily, traders and hedgers from all over the world were able to drive prices up to incredible highs.

Keywords: *Economic Growth, Gold Prices, ARCH Model, GARCH Model*

ANKARA – MOSCOW: A DIFFICULT POLITICAL AND ECONOMICAL ALLIANCE

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ABSTRACT

History of relations between Russia and Turkey falls under the category of the most problematic bilateral international contacts. Relations between the two countries, dating back to the times of the Russian Empire and the Ottoman Empire, are teeming with disputes, conflicts and incessant urge to pursue conflicting interests. Efforts were made to solve those by way of diplomacy, but unfortunately force was also very often used as the tool of resolution. The mutual dislike of the two powers dates back to the sixteenth century, which is when the first Russo-Turkish war took place (1568-1570). From then on until the 21st century, no century passed without an armed conflict between the two countries. Also in this century, dangerous incidents blot the mutual relations that could ultimately lead to a military outburst - on a scale larger than the local one. The eternal desire to dominate pervading each of these countries, simultaneously in two regions: the Balkans and Central and Eastern Asia, often made also the Western powers engage in the emerging conflicts. It is just the same today. Middle East regions, including Transcaucasia, and South-eastern Europe are the proverbial “powder kegs.” For many years, the northern areas of Iraq and Syria are at war with the so-called “Islamic State.” Both Russia and Turkey are directly involved in this conflict. Also France, Britain and the United States have been implicated in the military intervention. After several years of mutual hostilities between Ankara and Moscow, a surprising ground-breaking shift took place in mutual relations. In August 2016, presidents of Turkey and Russia unexpectedly met in St. Petersburg. International media report that a new power structure is emerging in the

geopolitical context. The entire situation is all the more surprising as we are witnessing a difficult agreement between seemingly eternal rivals, if not enemies. So what prompted the two regional powers to develop closer ties and make efforts to bring their relations into line? It seems that the shift was prompted by pragmatic political and economic considerations, that may be identified, and then rationally analysed.

Keywords: *policy, region, Russia, situation, Turkey*

“DISABILITY IS NOT CONTAGIOUS, IGNORANCE IS”: A CRITICAL OVERVIEW ON THE VARIOUS SHADES OF DISABILITY

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ABSTRACT

The aim of this paper is to present pessimistic & complex demeanor of disability and also to explore atrocious affect on disabled people which further dampen their spirits. The life of cycle of a disabled person right from childhood, to education and employment phase, to family responsibilities and finally old age is exposed to various discriminating and conflicting reality. The fundamental criteria of this paper to discuss three important dimensions (a) religious & cultural beliefs; (b) impact of languages and complex terminology & phraseology; and (c) negative attitude, stereotyping, labeling, prejudice & stigma which influences the thinking and behavior of people towards the people with disabilities. The limitation experienced

while writing this article was the dearth of published literature covering all the different negative aspects of disability especially in relation to third world countries. People in the twenty first century believe that science & technology have control over everything but life is unpredictable and disability is here to stay forever. Therefore, disability, a socio-cultural constructed paradox, needs to be explored further in a righteous manner to encourage positive thinking which will eventually lead to better lifestyle and integration of disabled people at all level of the society. Further research can highlight relationship between disability and other minority communities as there is dearth of published literature in this context.

Keywords: *Cultural and religious beliefs, Disabled people, Gender, Handicap, Prejudice*

GEO-ECONOMICS AND ALTRUISM: THE CASE OF SUB-SAHARAN AND ASIAN COMMUNITIES

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ABSTRACT

The concept of altruism, first introduced by the sociologist Auguste Comte in the mid XIX th century, appeared in the theory of economics and social integration economics a centruy later, on Gary Becker’s initiative. In philosophy and economics,

altruism corresponds to extended rationality, expanding economic calculation to the relation an individual brings to their social environment. Since 1974, altruism has taken into account the role the other can have in ascendant or descendant intergenerational relations. Yet, the other's integration in economic calculation implies the introduction of moral standards and values, which amounts to modeling human behaviour, such as giving and taking or donations and counter donations. In our analysis, altruism refers to transfers, which have made it possible for the African continent to withstand all types of natural and economic disasters for generations, just as it has, in the meantime, enabled the Chinese community in Asia to build a real economic supremacy. We thus invoke a system of generalized, reciprocal solicarity (GRS) and ask if these different variants of altruism really enhance the reduction of poverty.

Keywords: *Altruism, donations and counter donations, extended rationality, generalized reciprocal solidarity*

MULTIMOORA AS SYSTEMS ENGINEERING FOR MODERN BUSINESS AND INDUSTRY

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ABSTRACT

Managerial Issues in Modern Business and Industry are to be based on Systems Engineering, meaning an objective minded approach. Mostly people are solution instead of objective minded. Cost-Benefit Analysis is an example of this way of thinking. For the researcher in multi-objective decision making the choice between many methods is not very easy. Indeed numerous theories were developed based on forerunners since the XVIIIth Century and followed by a mass of methods for Multi-objective Optimization. The authors of this article developed new methods, first MOORA composed of two methods: Ratio Analysis and Reference Point Method, each controlling each other. Even a third method was added namely the Full Multiplicative Method, arriving finally to three methods brought together under the name of MULTIMOORA. An Ordinal Dominance Theory summarizes the results of the three methods. Finally these methods are in general use in the Industry and Service Sectors.

Keywords: MOORA, MULTIMOORA, Systems Engineering

EFFECT OF CSR ON PRODUCT DIFFERENTIATION IN THE PRESENCE OF COST ADVANTAGE

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ABSTRACT

Corporate social responsibility (CSR), once thought of only a philanthropic activity of a firm, is now treated as a serious business strategy that can contribute to a firm's profitability. The seemingly altruistic activity helps build the firm's image with all the stakeholders including its customers so that it has the potential to increase the firm's profit. This fact is now well established in research literature. Product differentiation is another corporate strategy that is pursued by some companies in order to offer a distinctive product in the market to avoid competition, charge premium price, and increase profit. What is not known is that when two firms compete in a Hotelling type product differentiation line, how much this product differentiation is affected by the extent of the CSR activity of a firm. Our study is conducted in a game-theoretic setting where the CSR firm is competing with a non-CSR firm. The CSR firm maximizes a convex combination of its own profit and a form of social utility function, while the non-CSR firm maximizes its own profit only. The CSR firm is also assumed to have a technological

advantage that reduces its production cost. The interaction of the effects of both the extent of CSR and the extent of this production cost advantage is also considered. We also study a scenario of asymmetric information. Our main results include that the degree of product differentiation is reduced when CSR is practiced. On the other hand, product differentiation increases with the production cost advantage. The interaction between the two factors – CSR activity and cost advantage – is also studied.

Keywords: *Asymmetric information; Corporate social responsibility; Game theory; Product differentiation; Spatial price discrimination*

DIALECTICS OF HIGH-PERFORMANCE WORK SYSTEMS: DISENTANGLING EFFECTS OF HUMAN RESOURCE INVESTMENTS AND UTILIZATION ON OCCUPATIONAL HEALTH

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ABSTRACT

Extensive interdisciplinary research on high-performance work systems (HPWS) has studied the use of integrated sets or “bundles” of human resource management practices to improve organizational outcomes. Against this backdrop, the present study develops and tests a dual model of HPWS and their impact on worker well-being and health. HPWS were conceptualized as a combination of high-commitment management (HCM) and high-involvement management (HIM). HCM refers to employer investments in human resources through the provision of working conditions that support employee welfare, including occupational safety and health promotion, broad-based benefits, fair pay, and suitable work environment. HIM was operationalized as intensified utilization of employee potentials through intrinsically motivating and empowering, participatory, and autonomy-supportive work and leadership practices. Integrating

disciplinary perspectives on HPWS, these two dimensions were hypothesized to have parallel, converse, as well as interactive effects on two types of employee-oriented outcomes – positive cognitive-affective motivational states of job engagement and occupational health; the latter was operationalized with the concept of work ability. Hypotheses were tested in a latent-variable structural equation model, based on data from a large-scale survey of N = 14,372 municipal employees, including administrative and technical staff, teachers, and healthcare workers. Confirming theoretical assumptions, both HCM and HIM had positive indirect effects on work ability, mediated via employee engagement. Additionally, HCM had a positive direct effect, whereas the direct association between HIM and work ability was negative. Converse interactive effects of HCM and HIM on these two outcomes further corroborated the dialectic mechanisms of investments and utilization. Stimulating intrinsic work motivation, HIM also implies intensified expenditure of employees' work capacity. Processes through which HPWS impose new strains and tensions on employees are discussed, along with ways to buffer or offset these negative side-effects.

Keywords: *High-commitment Management, High-involvement Management, High-performance Work Systems, Human Resource Utilization, Employee Engagement, Occupational Health, Work Ability, Work Intensification*

AN APPROACH TO PLANNING AN ADVERTISING CAMPAIGN

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ABSTRACT

An operations research approach to planning an advertising campaign of goods is employed to demonstrate the expediency of the use and the power of applied mathematics tools in solving business and trade problems. In this work we propose a new approach to plan an advertising campaign using three models. It is shown that under certain natural assumptions, the considered planning problem can be formulated as an optimization one, namely, as an integer linear programming problem and nonlinear programming problem with linear constraints, in which the constraints represent the value of the advertising budget, total number of commercials and expected revenue., whereas the goal function is the GRPs of advertising. We also conducted comparative assessment of advertising campaign effectiveness to applying data envelopment analysis method to classify channels according to the level of efficiency.

Keywords: *advertising campaign, DEA method, expected revenue, Gross Rating Points, Nonlinear programming*

INCREASING THE MARKET SHARE BY IMPROVING THE QUALITY OF PRODUCTS OR SERVICES

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ABSTRACT

Companies that thoroughly know the quality of their products or services can effectively participate in determining the quality of an effective strategy. The objective analysis of the current state of quality is a starting point for the development and implementation of the defined strategy. When such an analysis is conducted, the company will be better prepared for productive work aimed at increasing its market share and its development into a leading company in terms of quality in its industry. The article was supported by the example of the authors' research.

Keywords: *analysis of the state of quality, influential factors, methods of analysis*

THE IMPACT OF MOTIVATING AND STIMULATING GENERATION Y EMPLOYEES ON COMPANY PERFORMANCE

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ABSTRACT

In today's global market, companies are faced with competition. Employees are a key factor in an enterprise's performance. Human resource management is the overall system of personnel techniques that results in an organization's prosperity. One of its elements is motivating and stimulating employees. Organizations need to determine the best way to motivate and stimulate their employees. Forms of motivation and stimulation have been changing with the advent of Generation Y. Members of Generation Y are often referred to as echo boomers, the internet generation, iGen, or the net generation. In comparison to Generation X, members of Generation Y are more technologically savvy due to growing up in the information age and are very good at using media in everyday life. Effectively motivating and stimulating these workers can help businesses develop innovation, contribute to increasing business performance, and provide a competitive advantage. This paper deals the specific needs of Generation Y on the labor market. The research questions focus, for example, on the most attractive financial advantages, benefits, and forms of job satisfaction – as well as on what Generation Y expects from a professional career. Furthermore, the paper also deals with the question of the extent motivation and stimulation affects business performance. The research methodology is based on a questionnaire conducted in the Czech Republic in 2016.

The research results show a correlation between the motivation and stimulation of employees and business performance. This paper concludes that Generations X and Y show certain differences in the intrinsic and extrinsic factors for their motivation.

Keywords: *Company Performance, Generation Y, Motivation, Stimulation*

SERVICE QUALITY AND CUSTOMER SATISFACTION: A STUDY IN THE PERCEPTION OF RETAIL BANKING CUSTOMERS IN OMAN

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ABSTRACT

The purpose of this paper is to examine the service quality from customers' perspective under five dominations of service quality (SERVQUAL) and the level of customer satisfaction in Omani retail banking market. This study is based on a questionnaire

survey conducted in Oman. The primary data was collected through a structured questionnaire from 152 respondents chosen on a ‘snowball’ method from the different banks. The SERVQUAL five dimensional model was used in this study to examine empirically the service quality gaps in banks between customers’ expectation and perception. The service quality dimensions on customer satisfaction was estimated using descriptive analysis. The results revealed the fact that the expectations of bank customers were not met under all five service quality dimensions. The highest gap was found in the dimension of empathy and dimension of tangibility had the least gap and consequently its effect on customer satisfaction. The findings of this study will help the Omani banks to understand customers’ perception of service quality and provide useful idea to focus upon relevant areas to improve service quality and customer satisfaction.

Keywords: Retail Banking, Service Quality, Customer Satisfaction, Customer Expectation, Customer Perception, Service quality gaps, SERVQUAL

HUMAN CAPITAL RISK IN IT ENTERPRISES REPORTING

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ABSTRACT

Qualified employees’ knowledge and experience are some of the key factors of success of IT enterprises. Listed companies should inform stakeholders on important risk factors and threats to the enterprise functioning. Purpose – The aim is to diagnose the

areas of human capital-related risk presented in the activity report of IT enterprises as well as to evaluate the activities of such enterprises in terms of their limitations. Methodology – The analysis of activity reports of IT companies listed on the Warsaw Stock Exchange – WIG-INFO. Results – The analysis of the contents of the reports for 2015 shows that within the operational risk areas, as many as 92% of the researched companies identify the human capital-related risk. The main threats reported to stakeholders regard the risk of key employees loss and the risk concerning hiring employees having required qualifications. The companies identify financial and extra-financial results of risk occurrence. Approximately 50% of the analyzed companies present the activities undertaken in order to reduce risk concerning employees. The information presented to the stakeholders is not sufficient to determine the companies' stand on the identified threats. Practical implications – On the basis of the proposed methodology of diagnosis and analysis of human risk capital, management staff may take action in order to eliminate it or minimize its negative effects.

Keywords: *activity report, human capital of an enterprise, human capital risk, IT companies*

CORPORATE REPUTATION INDEX – EMPIRICAL RESEARCH IN THE FOOD SECTOR

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ABSTRACT

This paper empirically investigates reputation of seven major Croatian companies in the food sector, largest in terms of total revenue. The survey was conducted in the Republic of Croatia on the working age population that uses the Internet. In this study, we tried to answer the question which of the six categories of the corporate reputation quotient stakeholders consider the most valuable, and whether this created value can become a source of competitive advantage.

Keywords: *corporate reputation, reputation quotient, stakeholders, management*

HUMAN CAPITAL IN MODERN LEADERSHIP (RETROSPECTIVE LOOK AT THE IDEA OF KARL MARX)

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ABSTRACT

The article discusses the features of the transformation of the concept of human capital in the context of modern ideas about the development of socio-economic relations. The attention is paid to significant changes in the nature of human capital, which are influenced its further intellectualization and creativity. It also analyses the problems of human capital from the position of further perspective of alienation overcoming what at one time wrote Karl Marx. It analyses the social ideas of Alvin Toffler in the context of opposition of three waves of civilization in modern Ukraine. Results of the study of the essence of human capital give reason to believe: the role of managing the process of its development is extremely important.

Keywords: *alienation, cognitariat, human capital, leader, leadership*

SUCCESS OF ACQUISITIONS IN CROATIAN CONFECTIONERY INDUSTRY

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ABSTRACT

The impact of acquisitions on company's business performance can be analyzed through comparison of company's financial statements before and after the transaction. Accounting approach is relevant when it comes to M&A research, and therefore it is used in this paper to examine the success of acquisition of company Karolina by company Kraš within Croatian confectionery industry. After the analysis of key business indicators it has been concluded that business performance of company Kraš was better after the successful acquisition of company Karolina.

Keywords: *acquisitions, confectionery industry, financial statement analysis*

APPLYING THE SIX SIGMA METHODOLOGY TO ACHIEVE BUSINESS EXCELLENCE IN SERVICE-PROVIDING BUSINESSES

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ABSTRACT

Six Sigma (6σ) is one of the most frequently used methodologies aimed at achieving business excellence in today's business world. Its great popularity and efficiency has led to an increasing number of 6σ -prefixed academies being opened all over the world, along with seminars held in majestic castles and other attractive venues. Also, an increasing number of articles on the topic of Six Sigma can be found in professional and scientific journals. It is hard to find a major business organisation that has not started implementing or thinking about the implementation of the above methodology in their business system. Considering this, a logical question arises: What is its secret?

The article provides theoretical information of the basics of the above methodology, its statistical foundations, experience from different places, and it particularly dwells on the possibilities for its application to small service-providing business systems through realisation of different projects. Special attention is given to the criteria for cost-benefit analysis, using the period of return, the average rate of return, net present value (NPV) and the internal rate of return (IRR).

Keywords: *Analysis of the state of quality, factors of influence, analysis methods, projects, cost-benefit analysis*

AN INVESTIGATION INTO THE SIGNIFICANT IMPACTS OF AUTOMATION IN ASSET MANAGEMENT

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ABSTRACT

This paper explores the implications of applying automation, a technological force in which computer systems can fulfill human tasks, into the asset management industry. The investigation explores a number of significant topics in which managers should begin contemplating, including workforce origination post automation, the primary skills necessary to facilitate augmentation, and how robo advisors could challenge an organization’s value proposition. The investigation was centered on Jupiter Asset Management (JAM) to support their preparations for automation, as well as to provide insight from the ‘grass roots’. Research centered on interviews with experienced individuals within automative and asset management. The findings identify that current entry level occupations with systematic, repetitive tasks in a fixed domain, will be automated. Placing a greater demand for analytical abilities in junior recruits as the cognitive understanding of what data represents is a weakness of artificial intelligence (AI) thus strengthening augmentation between employees and technology. Automated investment profilers known as robo advisors will challenge the value proposition of organizations, such as JAM, which in time will need to be onboard with the technology to remain competitive within a growing millennial market. The

paper concludes that there is an evident need for asset management firms to design training processes that blend enhanced senior level shadowing, with programmes focused on broadening juniors’ abilities to interpret and apply AI generated data through a series of newly identified skills.

Keywords: *Asset Management, JAM*

VENTURE CAPITAL FOR SME - A BIG CHANCE TO DEVELOP IDEAS

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ABSTRACT

As it told the ancient Greek philosopher Heraklit: "Pantha rhei" – everything flows. It is difficult to disagree with that the central element of business constitutes the change. There is no doubt, that our environment is also still changing. All enterprises have more or less experience of changes. But it hits hardest the smallest businesses which contend with problems of market by not sufficient amount of money. SME`s are mostly the businesses engaging people with great passion, enthusiasm and full of inspirations. Their self-motivation let them generate many projects, but the lack of capital stops them at the start with own business. Modern enterprises are based for a long time on debt and copartnership. Loans and credits existed yet from ancient times. The entrepreneurs in search of financing, are looking for many ways and combinations to get funds. But currently we can observe, that very often “the capital” is looking for the

entrepreneurs. Keen on support business ideas can be find between: beginning from European funds, by government institutions and even private persons. One of them are Venture Capitals as a type of private equity financed early-stage and emerging firms. Their actions make business easier not only by provided money but they also help to manage the firm.

Keywords: *enterprise, financing, SME, Venture Capital*

CROWDFUNDING IN THE EU – CHALLENGES OF THE INNOVATIVE SOURCE OF FINANCING

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ABSTRACT

Crowdfunding is a new, attractive and innovative source of financing for SME`s. Although there is no established international definition, it typically refers to open calls for financing, often over internet. Monetary investors are rewarded with a product, symbolic reward, investment or lending. Calls for investment, typically called crowdfunding campaigns, can be used for various types of projects – SME`s, start-ups, artistic project, creation of a specific product by an already established company, or other. It allows for an easy and quick fundraising option for investment seeker, and the same for investor, thus broadening the range of possible investors and greatly

simplifying the investment. The average amount of funds raised through crowdfunding is estimated to be at EUR 1.5 billion in 2014., thus reaching a 116% annual growth between 2013 and 2014. However, due to the recent prominence of such campaigns, they remain largely unregulated in most countries of the EU, and thus present certain risks for the investors. Starting with the European parliament resolution of 9 July 2015 on Building a Capital Markets Union (2015/2634(RSP) and continuing with the Action Plan on building a Capital Markets Union, EU has given special attention to the crowdfunding, with a view on regulating and promoting use of this innovative financial instrument. This paper will analyze risks inherent to crowdfunding, provide analysis of the regulating tools on crowdfunding currently in effect in the EU, challenges to the cross-border funding and use comparative analysis of the USA and EU market to predict possible future regulation and thus future for the crowdfunding.

Keywords: *crowdfunding, EU regulation, financing, innovation*

USING OF STRUCTURAL FUNDS BY SMES AND START-UPS IN THE SLOVAK REPUBLIC

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ABSTRACT

Business environment is connected with Slovak economy and according to the last decade of years are Small and Medium enterprises (SMEs) the biggest GDP creators. SMEs cover 99.5% of the enterprise population so they are considered as the indicator of economy. Start-ups belong to SMEs, but there are specific due to their scalable and repeatable business model. There is increasing rate of SMEs and Start-ups in recent years. It is clear that Slovak republic has a high innovation potential and a very significant development begins in the area of Start-ups. Financial resources including funding are usually inevitable for the development of Slovak SMEs. There are two main types of capital sources in companies: external and internal resources. External capital can be gain from multiple sources and there is an opportunity to use funding by government funds and European funds. A noticeable problem is the lack of knowledge about funding options for business projects by government and European Union. In the following paper, we will define the sources of financial support of SMEs in Slovak republic focusing on structural funds. We will analyse the knowledge of entrepreneurs about mentioned funds. We will summarise the knowledge of entrepreneurs about their options receive grants. The goal of publication is to identify percentage of using state and regional funds by Slovak SMEs and particular problems of this

issue. The theoretical part of publication will work with a literature review. The empirical part of the article will be based on the real case study.

Keywords: *start-up, venture fund, Slovak, operating program, SMEs*

IMPACT OF CREATIVITY AND INOVATION IN ORGANIZAZION

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ABSTRACT

We live in a world that is changing faster than ever and meet the challenges that are unpredictable. Changing the role and functioning of today's business systems, as well as basic subjects of economic activity is caused by the radical change of the role and importance of their employees. In this sense, new, modern managers are required who, in conditions of great economic uncertainty, rapid technological changes, dynamic transformation and changes in property relations, can provide an effective achievement of the goals of business and development policy. The organization cannot be innovative without leadership ready to change. Management needs to be emotionally intelligent in order to be able to identify, correctly communicate, motivate, reward and encourage the creative employees to realize their ideas, resulting in an innovative organization.

Keywords: *Creativity , leadership, managment, organization*

“ORGANIZATIONAL HISTORIOGRAPHY” AS AN INTELLECTUAL TOOL TO IMPROVE THE QUALITY OF ENTREPRENEURSHIP TODAY: CASE STUDY OF “THE NEW CULTURE OF WORK”

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ABSTRACT

This paper discusses a concept of “organizational historiography” as a way of critical “reading the business past” while avoiding both “organizational forgetting” and “presentism”. This relatively new sub-branch of business history is practically orientated and can serve reflective managers as a source of inspiration, warnings and – more generally – development of contextual intelligence. The author of this paper analyzes- as an example- the Polish model of sustainable entrepreneurship – “The New Culture of Work” – developed between 1945 and 1948. The paper assumes that similar models can be found in different cultures to enrich the global business.

Keywords: *new culture of work, organizational historiography, organizational memory studies*

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