

Varazdin Development and Entrepreneurship Agency

in cooperation with:

Facultad de Ciencias Economicas, Universidad de Buenos Aires

University North

Faculty of Management University of Warsaw

Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat



Economic and Social Development

40th International Scientific Conference on Economic and Social Development

Book of Abstracts

Editors:

Victor Beker, Ana Lackovic, Goran Pavelin



Universidad de Buenos Aires
Facultad de Ciencias Economicas



كلية العلوم القانونية والاقتصادية والاجتماعية - سلا
Fakultet i Hukukbilo, Ekonomika i Hukukbilo A - Gledani Ova
Faculté des sciences juridiques
économiques et sociales - sale

ISSN 1849-7543



9 771849 754003 >

Buenos Aires, 10-11 May 2019

Varazdin Development and Entrepreneurship Agency
in cooperation with
Facultad de Ciencias Economicas, Universidad de Buenos Aires
University North
Faculty of Management University of Warsaw
Faculty of Law, Economics and Social Sciences Sale – Mohammed V University in Rabat

Editors:
Victor Beker, Ana Lackovic, Goran Pavelin

Economic and Social Development
40th International Scientific Conference on Economic and Social Development

Book of Abstracts

Buenos Aires, 10-11 May 2019

Title ■ Economic and Social Development (Book of Abstracts), 40th International Scientific Conference on Economic and Social Development

Editors ■ Victor Beker, Ana Lackovic, Goran Pavelin

Scientific Committee / Programski Odbor ■ Marijan Cingula, University of Zagreb, Croatia (President); Sandra Raquel Alves - University of Aveiro, Portugal; Ayuba A. Aminu, University of Maiduguri, Maiduguri, Nigeria; Anona Armstrong, Victoria University, Australia; Gouri Sankar Bandyopadhyay, The University of Burdwan, Rajbati Bardhaman, India; Haimanti Banerji, Indian Institute of Technology, Kharagpur, India; Victor A. Beker, University of Buenos Aires; Elisabeth de Jesus Oliveira Brito - University of Aveiro, Portugal; Alla Bobyleva, The Lomonosov Moscow State University, Russia; Leonid K. Bobrov, State University of Economics and Management, Novosibirsk, Russia; Rado Bohinc, University of Ljubljana, Slovenia; Zeki Atil Bulut, Dokuz Eylul University, Turkey; Adnan Celik, Selcuk University - Konya, Turkey; Alexey Chernov, RUDN University, Russian Federation; Przemyslaw Chmielecki, Higher Baptist Theological Seminary in Warsaw, Poland; Angelo Maia Cister, Federal University of Rio de Janeiro, Brazil; Mirela Cristea, University of Craiova, Romania; Sreten Cuzovic, University of Nis, Serbia; Oguz Demir, Istanbul Commerce University, Turkey; T.S. Devaraja, University of Mysore, India; Onur Dogan, Dokuz Eylul University, Turkey; Darko Dukic, University of Osijek, Croatia; Gordana Dukic, University of Osijek, Croatia; Claudia Miranda Veloso - University of Aveiro, Portugal; Alba Dumi, Vlorë University, Vlorë, Albania; Ksenija Dumcic, University of Zagreb, Croatia; Galina Pavlovna Gagarinskaya, Samara State University, Russia; Fran Galetic, Zagreb University, Croatia; Mirjana Gligoric, Faculty of Economics, Belgrade University, Serbia; Mehmet Emre Gorgulu, Afyon Kocatepe University, Turkey; Aleksandra Grobelna, Gdynia Maritime University, Poland; Liudmila Guzikova, Peter the Great Saint-Petersburg Polytechnic University, Russia; Daniel Heymann, University of Buenos Aires, Argentina; Anica Hunjet, University North, Koprivnica, Croatia; Oxana Ivanova, Ulyanovsk State University, Ulyanovsk, Russia; Irena Jankovic, Faculty of Economics, Belgrade University, Serbia; Lara Jelenc, University of Rijeka, Croatia; Myrl Jones, Radford University, USA; Gorazd Justinek, Graduate School of Government and European Studies, Slovenia; Hacer Simay Karaalp, Pamukkale University, Turkey; Grzegorz Karasiewicz, University of Warsaw, Poland; Dafna Kariv, The College of Management Academic Studies, Rishon Le Zion, Israel; Salih Katircioglu, Eastern Mediterranean University, Northern Cyprus, Turkey; Hilal Yildirim Keser, Uludag University, Bursa, Turkey; Martina Dragija Kostic, Sophia Khalimova, Institute of Economics and Industrial Engineering of Siberian Branch of Russian Academy of Science, Novosibirsk, Russia; Marina Klacmer Calopa, University of Zagreb, Croatia; Vladimir Kovsca, University of Zagreb, Croatia; Goran Kozina, University North, Koprivnica, Croatia; Dzenan Kulovic, University of Zenica, Bosnia and Herzegovina; Robert Lewis, Les Roches Gruyere University of Applied Sciences, Bulle, Switzerland; Andres Lopez, University of Buenos Aires, Argentina; Ladislav Lukas, Univ. of West Bohemia, Faculty of Economics, Czech Republic; Pascal Marty, University of La Rochelle, France; Vaidotas Matutis, Vilnius University, Lithuania; Marjana Merkak Skok, GEA College of Entrepreneurship, Ljubljana, Slovenia; Daniel Francois Meyer, North West University, South Africa; Gabriela Mezeiova, Slovak Centre of Scientific and Technical Information, Slovak Republic; Marin Milkovic, Rector, University North, Koprivnica, Croatia; Zlatko Nedelko, University of Maribor, Slovenia; Gratiela Georgiana Noja, West University of Timisoara, Romania; Zsuzsanna Novak, Corvinus University of Budapest, Hungary; Alojzy Z. Nowak, University of Warsaw, Poland; Tomasz Ochowski, University of Warsaw, Poland; Mislav Ante Omazic, University of Zagreb, Croatia; Barbara Herceg Paksic, University of Osijek, Croatia; Vera Palea, Universita degli Studi di Torino, Italy; Dusko Pavlovic, Libertas International University, Zagreb, Croatia; Igor Pihir - University of Zagreb, Croatia; Dinko Primorac, University North, Koprivnica, Croatia; Zeljka Primorac, University of Split, Croatia; Mirosław Przygoda, University of Warsaw, Poland; Karlis Purnalis, University of Latvia, Latvia; Nicholas Recker, Metropolitan State University of Denver, USA; Kerry Redican, Virginia Tech, Blacksburg, USA; Humberto Ribeiro, University of Aveiro, Portugal; Robert Rybnicek, University of Graz, Austria; Elzbieta Szymanska, Bialystok University of Technology, Poland; Katarzyna Szymanska, The State Higher School of Vocational Education in Ciechanow, Poland; Jan Turyna, University of Warsaw, Poland; Ilaria Tutore, University of Naples Parthenope, Italy; Rebeka Danijela Vlahov, University of Zagreb; Ilko Vrankic, University of Zagreb, Croatia; Stanislaw Walukiewicz, Bialystok University of Technology, Poland; Thomas Will, Agnes Scott College, USA; Li Yongqiang, Victoria University, Australia; Peter Zabielskis, University of Macau, China; Tao Zeng, Wilfrid Laurier University, Waterloo, Canada; Grzegorz Zimon, Rzeszow University of Technology, Poland; Snezana Zivkovic, University of Nis, Serbia.

Review Committee / Recenzentski Odbor ■ Marina Klacmer Calopa (President); Ricardo Pahlen Acuna; Ana Aleksic; Sandra Raquel Alves; Ayuba Aminu; Mihovil Andjeljinovic; Josip Americ; Lidija Bagaric; Tomislav Bakovic; Luis Beccaria; Sanja Blazevic; Leonid Bobrov; Ruzica Brečić; Anita Ceh Casni; Iryna Chernysh; Mirela Cristea; Oguz Demir; Jasmina Dvorski; Stjepan Dvorski; Robert Fabac; Ivica Filipovic; Sinisa Franjic; Fran Galetic; Mirjana Gligoric; Tomislav Globan; Anita Goltnik Urnaut; Tomislav Herceg; Irena Jankovic; Emina Jerkovic; Dafna Kariv; Oliver Kesar; Hilal Yildirim Keser; Tatjana Kovac; Vladimir Kovsca; Angelo Maia Cister; Katarina Marosevic; Vaidotas Matutis; Marjana Merkak Skok; Josip Mikulic; Ljubica Milanovic Glavan; Daniel Francois Meyer; Natanya Meyer; Guenter Mueller; Ivana Nacinovic Braje; Zlatko Nedelko; Gratiela Georgiana Noja; Zsuzsanna Novak; Alka Obadic; Claudia Ogreen; Igor Pihir; Najla Podrug; Vojko Potocan; Dinko Primorac; Zeljka Primorac; Adrian Ramos; Sanda Renko; Humberto Ribeiro; Vlasta Roska; Souhaila Said; Armando Javier Sanchez Diaz; Tomislav Sekur; Lorena Skulic; Mirko Smoljic; Petar Soric; Mario Spremic; Joanna Stawska, University of Lodz, Poland; Matjaz Stor; Tomasz Studzieniec; Lejla Tijan; Daniel Tomic; Boris Tusek; Rebeka Daniela Vlahov; Ilko Vrankic; Thomas Will; Zoran Wittine; Tao Zeng; Grzegorz Zimon; Snezana Zivkovic; Berislav Zmuk.

Organizing Committee / Organizacijski Odbor ■ Domagoj Cingula (President); Victor A. Beker; Walter Berardo; Marina Klacmer Calopa; Spomenko Kesina; Erlino Koscak; Silvia Portnoy; Mirosław Przygoda; Adrian Ramos; Michael Stefulj; Rebeka Danijela Vlahov; Sime Vucetic.

Publishing Editor ■ Domagoj Cingula

Publisher ■ **Design** ■ **Print** ■ Varazdin Development and Entrepreneurship Agency, Varazdin, Croatia / Facultad de Ciencias Economicas, Universidad de Buenos Aires, Buenos Aires, Argentina / University North, Koprivnica, Croatia / Faculty of Management University of Warsaw, Warsaw, Poland / Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat, Morocco

Printing ■ Online Edition

ISSN 1849-7543

The Book is open access and double-blind peer reviewed.

Our past Books are indexed and abstracted by ProQuest, EconBIZ, CPCI (Web of Science) and EconLit databases and available for download in a PDF format from the Economic and Social Development Conference website: <http://www.esd-conference.com>

© 2019 Varazdin Development and Entrepreneurship Agency, Varazdin, Croatia; Facultad de Ciencias Economicas, Universidad de Buenos Aires, Buenos Aires, Argentina; University North, Koprivnica, Croatia; Faculty of Management University of Warsaw, Warsaw, Poland; Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat, Morocco. All rights reserved. Authors are responsible for the linguistic and technical accuracy of their contributions. Authors keep their copyrights for further publishing.

CONTENTS

A MULTIFACED ANALYSIS OF FOREIGN TRADE IN VARIOUS TIME TREND.....	1
Monika Hadas-Dyduch	
THE IMPACT OF BRANDING ON CONSUMER SATISFACTION IN MOBILE TELECOMMUNICATIONS SERVICES.....	2
Milan Dzupina, Zuzana Schlosserova, Michaela Culikova	
GLOBALIZATION OF THE WORLD ECONOMY: FEATURES OF THE CURRENT STAGE.....	3
Victor S. Efremov, Irina G. Vladimirova	
COMPROMISE OR ELSE: MANAGING CONFLICTS IN THE NEGOTIATION PROCESS.....	5
Katija Vojvodic, Marija Martinovic, Ana Pusic	
DETERMINATION OF DOMINATING PROJECT COMPETENCES AIMING TO ENHANCE ORGANIZATIONAL COMPETITIVE ADVANTAGE.....	6
Zlatko Barilovic, Kristina Kobrehel Preskar, Ernest Vlacic	
AN EMPIRICAL EVALUATION OF LABOUR TRENDS AMONG THE CROTIAN YOUTH.....	8
Filip Kokotovic, Marina Kontic, Petar Kurecic	
MANAGING ORGANIZATION OF KARTEL PETROLEUM EXPORTING COUNTRIES.....	9
Martina Sopta, Paulina Palic	
FRAMEWORK FOR ASSESSING THE COMPANY'S MATURITY OF DIGITAL BUSINESS TRANSFORMATION.....	10
Melita Kozina	
OPPOSING VIEWS AND TRADE-OFFS IN CORPORATE SUSTAINABILITY (A LITERATURE REVIEW).....	11
Nancy Diana Panta	
IS THE FINANCIAL SYSTEM PREPARED FOR A NEW FINANCIAL CRISIS?.....	12
Victor A. Beker	

RESTRUCTURING THE NIGERIA OIL INDUSTRY AND THE REASSESSMENT OF SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA'S COMPLIANCE WITH CORPORATE SOCIAL RESPONSIBILITY IN DELTA STATE 2010-2017 13

Idama Oghenerobo Supreme

THE ACCESS TO SERVICES OF GENERAL ECONOMIC INTEREST AS HUMAN RIGHT..... 14

Maria do Rosario Anjos, Maria Joao Mimoso

FORECASTING EXCHANGE RATES IN THE PROCESS OF THE ASSESSMENT OF CONSUMER RISK BANKRUPTCY IN CENTRAL EUROPE..... 15

Tomasz Korol

UNIDROIT PRINCIPLES IN INTERNATIONAL TRADE CONTRACTS' REGULATION..... 16

Maria Joao Mimoso, Maria do Rosario Anjos, Carla Sousa, Sara Silva

STRATEGIC MANAGEMENT AS A WAY TO CONTROL ORGANISATIONAL COMPLEXITY 18

Victor S. Efremov, Irina G. Vladimirova, Dmitry V. Kamenschik

COMPETENCES AND METHODS OF USING INFORMATION AND COMMUNICATION TECHNOLOGY AMONGST PRE-SCHOOL AND PRIMARY SCHOOL TEACHERS 20

Violeta Vidacek Hains, Andreja Sedlar, Katarina Cerepinko

THE ANALYSIS OF AIR TRAVEL BEHAVIOUR: A SOCIO-DEMOGRAPHIC PERSPECTIVE..... 22

Dora Naletina, Kristina Petljak, Kristina Talan

IMPROVEMENT POSSIBILITIES OF THE EUROPEAN BUSINESS EXCELLENCE MODEL 23

Andzela Veselova

CORRELATION BETWEEN EXPOSURE TO WORKPLACE MOBBING IN CROATIA AND WORK PRODUCTIVITY AND JOB PREOCCUPATION..... 24

Gabrijela Budimir Sosko, Kresimir Buntak, Davor Grgurevic

THE REVIEW OF SOCIAL MEDIA AND ITS RELEVANCE IN BUSINESS	25
Ivana Martincevic, Goran Kozina	
ADOLESCENTS PERCEPTION OF THE COMMERCIAL ADVERTISING IN SLOVAKIA.....	26
Jaroslav Svetlik, Ivana Bulanda	
IMPLEMENTATION OF LEARNING BY DOING IN ASSESSING COMPETITIVENESS OF FIRM'S OFFERS - A CASE STUDY.....	27
Slawomir Juszczyk, Rafal Balina, Jerzy Tyminski	
ONLINE MARKETING COMMUNICATION FOR PURPOSE OF BRANDING OF TOURISM ORGANISATIONS AND DESTINATIONS WITH SPECIAL FOCUS ON SOCIAL NETWORKS	29
Diana Plantic Tadic, Hrvoje Ratkic, Branka Suput	
FINANCIAL ASPECTS OF SUPPORTING COMMUNITY SERVICES BY COOPERATIVE BANKS - EMPIRICAL EVIDENCE FROM POLAND.....	30
Rafal Balina, Marta Idasz-Balina	
SUSTAINABILITY IN BUSINESS: HOW ESG CAN PROTECT AND IMPROVE FINACIAL PERFORMANCE	32
Andrea Valente, David Atkinson	
IS THERE A WAY OUT FOR THE TURKISH ECONOMY?	34
Ziya Can	
STUDY ON NATIONAL CULTURE AND INNOVATION IN EASTERN EUROPE.....	35
Mate Damic, Ivana Stulec, Dora Naletina	
DIGITAL ORGANIZATIONS AND DIGITAL TRANSFORMATION	36
Aleksandar Boskovic, Dinko Primorac, Goran Kozina	

A MULTIFACED ANALYSIS OF FOREIGN TRADE IN VARIOUS TIME TREND

Monika Hadas-Dyduch

*University of Economics in Katowice, Faculty of Economics,
Department of Statistical and Mathematical Methods in
Economics,
40-287 Katowice, ul. 1 Maja 50, Poland
monika.dyduch@ue.katowice.pl*

ABSTRACT

The aim of the article is to analyze term in Europe in different time perspectives. In addition the aim of the article is indication using the appropriate tools and models of factors having the greatest and least impact on the development of this phenomenon in different time horizons. Trend analysis and long and short period dependencies in trade globalisation are based non-linear ordering and wavelet analysis. A discrete wavelet was used for wavelet analysis of the time series studied. In the process of discrete wavelet transformation, the received signal is divided into so-called approximation and detail. Approximation is then subjected to a subsequent division into further approximation and detail, while details are not subject to further divisions. In this way, the signal is presented as the sum of the approximation of the last level and the details from all levels.

Keywords: *foreign direct investment, globalization, trade, wavelet*

THE IMPACT OF BRANDING ON CONSUMER SATISFACTION IN MOBILE TELECOMUNICATIONS SERVICES

Milan Dzupina

*Constantine the Philosopher University in Nitra, Slovakia
mdzupina@ukf.sk*

Zuzana Schlosserova

*Constantine the Philosopher University in Nitra, Slovakia
zuzana.schlosserova@ukf.sk*

Michaela Culikova

*Constantine the Philosopher University in Nitra, Slovakia
m.culikova72@gmail.com*

ABSTRACT

Current research suggests that consumers are looking for brands that provide them with a unique, experiential and memorable experience. The companies are making significant efforts to build brands that can attract customers, create mutual trust, satisfy customer needs and subsequently induce the purchase. The efforts of the companies are focused on building the relationships based on satisfaction and trust, resulting in customer loyalty. The ability to maintain the customers is key in terms of the future survival of the companies. Satisfied customers generate higher profits from a long term perspective with regard to their lifetime value, and they increase the volume of their purchases over time. Our research focuses on the brands marketed by mobile service providers. The aim of our research was to analyze the relationship between the brand experience, satisfaction, trust and loyalty to the brand. When drafting the aim of our research, we used the existing theoretical knowledge on the issue. Our research was based on the existing research conducted abroad, which we applied to our conditions. To do a thorough analysis of the relations, we have created a statistical model in IBM AMOS 23.0, in which we included a number of variables and analyzed

their estimated impact. Our findings allow for a certain degree of generalization, which allows us to formulate the conclusions. Despite the above, we are aware of the need to deepen our research and extend the sample size in the future.

Keywords: *Brand, Branding, Brand trust, Brand experience, Brand loyalty, Brand satisfaction*

GLOBALIZATION OF THE WORLD ECONOMY: FEATURES OF THE CURRENT STAGE

Victor S. Efremov

*Peoples' Friendship University of Russia (RUDN University),
Russia
efremov_vs@pfur.ru*

Irina G. Vladimirova

*Peoples' Friendship University of Russia (RUDN University),
Russia
vladimirova_ig@pfur.ru*

ABSTRACT

The last few decades, if not a century, globalization has been one of the key processes and the main feature of the development of the world economy, and it is here that all the fundamental changes in the economic policies of the leading world powers are significantly reflected. The current stage of globalization is characterized by such a policy of several countries, which leads to the destruction of established economic ties, increased protectionism, sanctions wars, increased economic instability, and a general slowdown in GDP growth rates. There is an increasing opinion expressed more often about the impasse of the globalization process and the advent of the de-globalization of the world economy.

The authors set out to confirm or refute this point of view. At the beginning, it was analyzed the dynamics of the index of the globalization level of countries of the world (using the KOF Index of Globalization), reflecting the scale of integration of a country into the global political, economic and socio-cultural space according to its different components. Then there was an analysis of the distribution of benefits from globalization between countries. It was revealed that the largest companies today relate differently to their foreign direct investment, since the digital economy allows them to operate on a global scale and act on foreign markets with virtually no physical presence there, so the need for foreign assets to do business abroad is significantly reduced. New technologies lead to changes in the content of international business transactions, and completely new multinational business models are emerging. The authors come to a conclusion that nowadays there is an obvious slowdown in globalization processes. However, it is temporary in nature and primarily concerns traditional assets, while transnational flows of new assets, caused by the 4th industrial revolution, are fundamentally strengthened. It can be assumed that there is a new stage of globalization, where the driver is digital technology that fundamentally change the ideas and approaches to the placement of production forces in the world, seriously reformat the existing value chains, change the model and strategy of business development.

Keywords: *de-globalization, globalization, globalization 4.0, KOF Index of Globalization*

COMPROMISE OR ELSE: MANAGING CONFLICTS IN THE NEGOTIATION PROCESS

Katija Vojvodic

*University of Dubrovnik, Department of Economics and
Business Economics, Croatia
katija.vojvodic@unidu.hr*

Marija Martinovic

*University of Dubrovnik, Department of Economics and
Business Economics, Croatia
marija.martinovic@unidu.hr*

Ana Pusic

*University of Dubrovnik, Department of Economics and
Business Economics, Croatia
apusic@unidu.hr*

ABSTRACT

Business negotiations form an integral part of daily business operations for managers at all hierarchical levels. In this context, negotiators are often faced with dealing with different types of conflicts with the opposite party. The main aim of this paper is to identify the ways managers solve the conflicts that emerge during the negotiating process. An additional aim of the paper is to identify the factors that influence the choice of conflict management strategy. For that purpose, the survey has been conducted among 256 Croatian managers. The results of the study reveal five factors that affect the manner in which conflicts are resolved. Those factors consist of company size, hierarchical level of the manager, aims of the negotiating process, negotiator's autonomy and the importance of teamwork.
Keywords: *compromise, conflict management, negotiation*

DETERMINATION OF DOMINATING PROJECT COMPETENCES AIMING TO ENHANCE ORGANIZATIONAL COMPETITIVE ADVANTAGE

Zlatko Barilovic

*Senior Lecturer, University of Applied Sciences Baltazar
Zaprešić, Croatia
zlatko.barilovic@bak.hr*

Kristina Kobrehel Preskar

*Lecturer, University of Applied Sciences Baltazar Zaprešić,
Croatia
Ph.D. student, University of Novo Mesto, Faculty of Economics
and Informatics, Slovenia
kristina.kobrehel@bak.hr*

Ernest Vlacic

*Professor, University of Applied Sciences ALGEBRA, Croatia
NOVAMINA Innovative Technology Center, Croatia
ernest.vlacic@algebra.hr*

ABSTRACT

The competitiveness of organisations depends among others on the efficient deployment of continuous and one-time processes, whereby a one-time process usually represents a project. Regardless of the organization type, which may compete as project-oriented structure that delivers to the market by performing commercial projects, or where project-oriented processes are internally performed aiming to increase its competitiveness, each one operates through project-based activities. To answer each organizations' operational challenge, which is to increase project-based organization efficiency, it is of key importance to enhance their project management process. It usually encompasses the entry strategy or project orders, project preparation, project implementation management, and all other linked activities that are aiming to achieve planned direct or

indirect economic effects deriving from project implementation deliverables. Since all kinds of management are dependent of human potential and its quality, it is of ultimate importance for project-based business to develop the specific individuals' competences optimized for any project stage. This primarily refers to development of project competences, whereby their importance has been recognized by numerous scholars that are researching the project management field. Aligned with previously said, the aim of this paper is to determine dominating project competences composite derived from leading project management standards by use of multiple criteria comparative analysis. As research delivery deriving from this paper, organizations are provided with key project competences assortment which should optimally sought to be developed at employees aiming to increase the efficiency of performing project-based activities. This may ultimately result in achieving higher level of their competitive advantage.

Keywords: *competitive advantage, project management, project competences, project-based business success, competitive advantage*

AN EMPIRICAL EVALUATION OF LABOUR TRENDS AMONG THE CROTIAN YOUTH

Filip Kokotovic

*Logos, Sole Proprietorship
Zagreb, Sandora Brescenskoga 11, Croatia
filip.kokotovic@hotmail.com*

Marina Kontic

*Ministry of Defense of the Republic of Croatia
Zagreb, Trg kralja Petra Kresimira IV, Croatia
mare.kontic@gmail.com*

Petar Kurecic

*University North, Department of Economics
Varaždin, 104. brigade 3, Croatia
petar.kurecic@unin.hr*

ABSTRACT

This paper analyses the case of the youth unemployment rate in the Republic of Croatia. The paper does so by using an empirical framework that is largely based on conducting a survey of 200 individuals aged up to 30 years of age who are preparing to enter or have entered the Croatian labour force. Through the following survey and by conducting a literature review of the existing research, this paper aims to consider relevant factors that have impacted the lack of satisfaction that has led to several negative phenomena on the labour market. These phenomena include brain-drain, a small participation rate that threatens the long-term sustainability of the Croatian pension system, and no incentives for employees for meeting specific goals. Based on the results of the conducted survey and performed literature review, this paper recommends that employers ensure more specific measurable goals for employees, solicit feedback from employees, provide incentives for specific work-related education and implement other measures that may help employees be incorporated in conducting relevant business processes.

Keywords: *Croatia, youth unemployment, labour market, structural imbalances, survey*

MANAGING ORGANIZATION OF KARTEL PETROLEUM EXPORTING COUNTRIES

Martina Sopta

*Faculty of Economics and Business, University of Zagreb
msopta@efzg.hr*

Paulina Palic

paulinapalic@gmail.com

ABSTRACT

This paper analyzes the activities of the oil exporting organization. At the beginning of the paper, the aim of the research is to determine the reason for setting up the organization, its organizational structure and the organization's aim to show how the organization contributes to the positioning of members on the international oil market. In accordance with the set objective and the subject of the research, the paper found that the reason for the establishment of OPEC was initially limited to oil products due to geographical and natural characteristics, and the second reason was the possibility of oil exploration as good of a state. The oil market as such a market simply does not suffer a great deal of competitiveness. But the economy and society are subjects to change, so market domination and global relations are changing. The global focus is increasingly on climate change. Although, according to all analyzes, the OPEC cartel does not have any need for offline integration, new trends in the economic and technological processes would in the future make the merger a new challenge for OPEC, whereby renewable and non-renewable energy sources could be connected.

Keywords: *international market, oil, Organization of Exporters of Oil Producers*

FRAMEWORK FOR ASSESSING THE COMPANY'S MATURITY OF DIGITAL BUSINESS TRANSFORMATION

Melita Kozina

*Faculty of Organization and Informatics, Croatia
melita.kozina@foi.hr*

ABSTRACT

Digital business transformation refers to the continuous application of digital technologies focused on the design of innovative business strategies and business models, new ways of management to provide customers with better products, services and especially experience of their use. There is a different methodology for assessing the company's maturity of digital business transformation. The purpose of the paper is to describe how to manage digital business transformation and apply one of the framework for assessing the company's digital capabilities within Croatian business practice.

Keywords: *Digital Business Transformation, Framework for Assessing the Digital Business Transformation, Transformation Capability*

OPPOSING VIEWS AND TRADE-OFFS IN CORPORATE SUSTAINABILITY (A LITERATURE REVIEW)

Nancy Diana Panta

*Lucian Blaga University of Sibiu, Romania
nancy.panta@ulbsibiu.ro*

ABSTRACT

Over the past few decades, there have been growing concerns at global level related to climate change and environmental issues, among others, which have placed a significant importance on sustainability and sustainable development. Whereas sustainability is becoming more and more acknowledged in the research field, but also in business practices, companies are showing increasing interest for managing sustainably. Owing to its multi-dimensionality but not only, sustainability is undoubtedly a complex concept. In recent years, multiple actors such as businesses, policy makers and researchers got more involved in finding solutions to sustainability challenges. Although various discourses in literature mainstream sustainability as leading to win-win situations and positive outcomes, little attention has been paid to the potential conflicts caused by managing in a sustainable manner. Often, these conflicts arise in multi-actor networks, leading to tensions, which highlights the need that they ought to be anticipated and managed. Therefore, the present paper aims to shed a light on the paradoxical tensions encountered by firms in managing sustainability through a review of relevant literature. Moreover, the paper addresses managers with a series of insights referring to balancing potential clashes in corporate sustainability and intends to provide a means for encompassing these in decision-making processes. In considering the interplay between management and sustainability, the paper will also focus on providing a clear meaning of sustainability in business. Besides contributing to current literature by underlining the need for more systematic analysis in the emerging perspective of tensions

in corporate sustainability, the paper emphasizes the role played by managers in implementing integrated approaches in their sustainability business practices.

Keywords: *Corporate Sustainability, Management, Sustainability*

IS THE FINANCIAL SYSTEM PREPARED FOR A NEW FINANCIAL CRISIS?

Victor A. Beker

*University of Buenos Aires and University of Belgrano-
Argentina*

victor.beker@ub.edu.ar

ABSTRACT

The main issue addressed in this paper is whether a new financial crisis can be avoided. For this purpose, the causes of the 2007/2008 financial crisis are recalled; in particular, the role played by bank runs in the crisis. The need for measurement of aggregate run vulnerability and its composition is stressed as a critical component in evaluating and regulating systemic risk. It is underlined that to prevent a future crisis the critical issue is to avoid excessive concentration of loans in any one sector of the economy. For this purpose, the central bank should impose limits to the exposure of the financial system as a whole to any particular industry or kind of assets. Central bank authorities as well as regulators need to have at their disposal better information than their counterparts had in 2007. In particular, the measurement of systemic risk should be improved as well as the design of stress tests. With reference to the shadow banking system, although some steps have been taken in the right direction there is still a long road ahead in bringing it within the regulatory and supervisory perimeter. Executive compensation policies by financial institutions have to be revised.

A well-designed compensation structure can help favorably tip the balance between maximizing benefits and risk-taking.

Keywords: *crisis, bank runs, systemic risk, shadow banking, compensation policies*

**RESTRUCTURING THE NIGERIA OIL
INDUSTRY AND THE REASSESSMENT OF
SHELL PETROLEUM DEVELOPMENT
COMPANY OF NIGERIA'S COMPLIANCE
WITH CORPORATE SOCIAL
RESPONSIBILITY IN DELTA STATE 2010-2017**

Idama Oghenerobo Supreme
Department of Political Science
University of Nigeria Nsukka
Supremei@ymail.com

ABSTRACT

The discovery of oil was initially a source of joy to most oil bearing communities in the Niger Delta region, with high expectation for rapid social-economic development of their communities. This expectation was short lived, as their farm land and other sources of livelihood were often polluted with crude oil, a situation health experts identified as a source of health hazard. Despite the monumental damages done to the environment and the people, there was no policy or structure to address these challenges, a situation that has attracted local and international outcry on Shell and other Transnational Companies to act responsibly in their area of operations. Therefore this study is to determine whether the pressure by local and international organization has influenced restructuring of the oil industry in Nigeria and Shell compliance with Corporate Social Responsibility in Delta State.

The study deployed survey research with data from primary and secondary sources. Chi-squeal and simple percentage were use for the analysis. The study observed that initially Shell anchored its Community Relation Policy on philanthropic gesture but with pressure and restructure in the oil industry, Shell has complied significantly with Corporate Social Responsibility. We recommend the speedy passage of the second phase of Petroleum Industry Bill that further addresses the responsibilities and sanctions for non compliance with Corporate Social Responsibility.

Keywords: *Corporate Social Responsibility, Environmental degradation, Philanthropic, Compensation and Development*

THE ACCESS TO SERVICES OF GENERAL ECONOMIC INTEREST AS HUMAN RIGHT

Maria do Rosario Anjos

*ISMAI - University Institute of Maia, ULP – Faculty of Law,
Portugalense Institute for Legal Research, Portugal
rosario.anjos@socadvog.com*

Maria Joao Mimoso

*Portugalense University,
Portugalense Institute for Legal Research, Portugal
mjmarbitragem@gmail.com*

ABSTRACT

The concept of services of general economic interest (SGEI) was enshrined in the Treaty of Rome in Article 90 (2) of its original version. It remained unchanged until the current version introduced by the Treaty of Lisbon. The services that public authorities of the EU member countries classify as being of general interest are, therefore, subject to specific public service obligations. They can be provided either by the state or by the private sector. The article 106 (2) TUE shows the importance of SGEI's by preserving the possibility of subtracting them from the

principle of free competition which underlies the entire economic law of the EU. These are very profitable, monopolistic or oligopolistic economic activities, with all the resulting risks. We are talking about electricity, gas, water, telecommunications, transport, postal services, among others. The importance of access to these SGEI's led to the concept of universal service, it means that the goods and services they produce are essential to citizens life and social welfare (general interest), and, therefore, they are very important to the accomplishment of human rights and safeguard the survival and dignity of citizens. It is in this context that the principle of banning social setbacks is particularly important. This study intends to reflect about the fundamental right of access to the services of general economic interest as an effective human right.

Keywords: *accessibility principle, human right, SGEI, social setbacks, universal service*

FORECASTING EXCHANGE RATES IN THE PROCESS OF THE ASSESSMENT OF CONSUMER RISK BANKRUPTCY IN CENTRAL EUROPE

Tomasz Korol

*Associate professor at Gdansk University of Technology,
Faculty of Management and Economics, Poland
80-233 Gdansk, str. Narutowicza 11/12
tomasz.korol@zie.pg.gda.pl*

ABSTRACT

This paper focuses on the issue of forecasting the fluctuation of exchange rates as part of the early warning system against the risk of consumer bankruptcy. The author identified the main macroeconomic factors affecting the level of bankruptcies for households in Poland. The fluctuation of exchange rates, which

directly affects the deterioration of the economic situation of borrowers who have opened credit accounts in a foreign currency and indirectly affects the cost of living of all consumers in the country, is one of the significant macroeconomic factors. That is why the main objective of the presented research is to investigate the effectiveness of fuzzy sets in predicting the volatility of two currency pairs (PLN/CHF and PLN/USD). The models created will be part of a system of models aimed at forecasting the risk of consumer bankruptcy in Poland. The results demonstrate the high predictive properties of fuzzy sets in forecasting the volatility of analyzed currency pairs.

Keywords: *consumer bankruptcy, early warning system, exchange rates, forecasting, fuzzy sets*

UNIDROIT PRINCIPLES IN INTERNATIONAL TRADE CONTRACTS' REGULATION

Maria Joao Mimoso

*Associate Professor at Portucalense University Oporto
mjmarbitragem@gmail.com*

Maria do Rosario Anjos

*Auxiliar Professor at Lusófona University Oporto
rosario.anjos@socadvog.com*

Carla Sousa

*Portucalense University Oporto
carlasofiasousa9@hotmail.com*

Sara Silva

*Portucalense University Oporto
s_oliveira24@hotmail.com*

ABSTRACT

International trade has been facing a globalization process, which caused the inoperativeness of state laws in the field of

business's dynamics. It soon became necessary to create a range of rules to regulate these kind of relations. Firstly, merchants began to regulate them through habits and practices, that took roots over the years, in each market sector (lex mercatoria). After the first world war, there were several attempts to create a harmonized normative system, which would control international trade contracts. One of the main institutions that has widely contributed to the harmonization and unification of the commercial law is, undoubtedly, the UNIDROIT Institute, through its principles, which had been improved and completed throughout time, applying its rules to several legal systems. This research intends not only to describe the importance of these principles but also to demonstrate its contribution to international trade and explain the reason for its success. Moreover, the upgrades introduced in the last version (2016) will be mentioned. At last, we will focus on the legal nature of these principles.

Keywords: *globalization, International Trade, Lex mercatoria, uses and customs, UNIDROIT*

STRATEGIC MANAGEMENT AS A WAY TO CONTROL ORGANISATIONAL COMPLEXITY

Victor S. Efremov

*Peoples' Friendship University of Russia (RUDN University),
Russia
efremov_vs@pfur.ru*

Irina G. Vladimirova

*Peoples' Friendship University of Russia (RUDN University),
Russia
vladimirova_ig@pfur.ru*

Dmitry V. Kamenschik

*DME, Russia
dvk@dme.ru*

ABSTRACT

Most nowadays organisations build and implement their strategies, focusing on capitalisation their strengths, regarding them as a source of their competitive advantages. However, very often, the very determinants of organisations' success are also the ingredients of their failure. At the same time, the most sustainable organisations in current conditions appear those mediocre ones whose management is merely aimed at survival. Such a phenomenon is known as a strategy paradox. Maintaining by the organization its distinctiveness as a source or creator of exclusive value for customers in modern complex business environment leads to an increase in its organizational complexity. The growth of organizational complexity sooner or later causes an uncontrollability of the organization and becomes the driver of its failure. In order to avoid the collapse, such an organization begins to struggle for survival, saving on costs, simplifying the structure, limiting its development plans. This is the way to organizational mediocrity. It seems to be obvious, that to be successful an organization needs to be an excellent one. In search of excellence it has to struggle against its mediocrity.

However, a struggle against mediocrity leads to such a level of complexity which causes uncontrollability of the organization. So, we face with a vicious circle: search of excellence is a way to failure, avoiding a failure is the way to mediocrity. At the same time, an organization that does not strive for excellence, does not set goals and does not try to achieve them, exists insofar as its environment needs it. That is why strategic management should be viewed not only as a means of establishing and achieving an organization's goals, but also as a way to control the complexity of an organization. This article discusses issues of strategic management in the context of theories of organizational evolution and management complexity.

Keywords: *adaptation, complexity, evolution, mediocrity, organization, strategy*

COMPETENCES AND METHODS OF USING INFORMATION AND COMMUNICATION TECHNOLOGY AMONGST PRE-SCHOOL AND PRIMARY SCHOOL TEACHERS

Violeta Vidacek Hains

*University of Zagreb, Faculty of Organization and Informatics,
Varaždin, Croatia
vvidacek@foi.hr*

Andreja Sedlar

*'Varaždin' Kindergarten, Croatia
sedlar.andreja@gmail.com*

Katarina Cerepinko

*University of Zagreb, Faculty of Organization and Informatics,
Varaždin, Croatia
katarina.cerepinko@gmail.com*

ABSTRACT

Usage of information and communication technology amongst pre-school and primary school teachers is increasing and requires digital competences and knowledge. The overall objective of this research is to compare usage competences for information and communication technology (ICT) amongst pre-school teachers (for children 3-6 years old) and primary school teachers (for pupils 7-10 years old). These specific goals have been oriented to measure the frequency of ICT and Internet usage for professional development and free time, determine any independency in ICT usage and measure if there are any differences in knowledge updating between preschool and primary school teachers. An ICTC Questionnaire with 27 items has been created for the purpose of this research. The respondents were 394 preschool teachers and 200 primary school teachers. The survey was conducted anonymously and on a voluntary basis between 2016 and 2017. Results showed that preschool and primary school teachers use ICT and Internet

nearly every day. Both groups need additional support and help. Preschool teachers mostly use digital technology for communication, information searches and reading news, while primary school teachers use digital technology predominantly to search for general information, rather than information linked to their profession, as well as for communication. Primary school teachers developed more digital competences comparing to their preschool counterparts. These results could be used to create workshops and life-long educational opportunities for both groups of teachers, with a focus to using digital technology and the Internet for preschool teachers. Follow up activities could be created in the form of focus groups or group discussion which could provide additional information linked to specific knowledge or skills that require development.

Keywords: *Digital competences, Information communication technology, Primary school teachers, Preschool teachers*

THE ANALYSIS OF AIR TRAVEL BEHAVIOUR: A SOCIO-DEMOGRAPHIC PERSPECTIVE

Dora Naletina

*University of Zagreb, Faculty of Economics and Business,
Croatia
dora.naletina@efzg.hr*

Kristina Petljak

*University of Zagreb, Faculty of Economics and Business,
Croatia
kpetljak@efzg.hr*

Kristina Talan

*M San Grupa Plc, Croatia
k.talan89@gmail.com*

ABSTRACT

Although being the youngest traffic branch, air traffic plays the important role in tourist traffic flows all over the world. With respect to this, the aim of this paper is to analyse air traffic, with the special focus on the socio-demographic analysis (age, gender and level of education) of air travel behaviour in the Republic of Croatia. For this purpose, empirical research was conducted on the sample of 194 respondents who gave insights about the most common reasons for travelling inside Croatia, most often used means of transport and airports which respondents have used so far. Research results confirmed that there is a statistically significant difference among the respondents in reasons for travelling on holiday regarding the gender. Male respondents travel more for work reasons, while women on the other hand, travel more for social reasons and to visit their relatives and friends.

Keywords: *traffic, air traffic, air travel behaviour, Republic of Croatia*

IMPROVEMENT POSSIBILITIES OF THE EUROPEAN BUSINESS EXCELLENCE MODEL

Andzela Veselova

University of Latvia, Latvia
andzela.veselova@lu.lv

ABSTRACT

Companies striving for better business performance and efficiency may use definite quality improvement methods that guarantee the improvement of business results. Business excellence models is one of the instruments used by the companies with the aim to succeed. European Foundation for Quality Management defined the benchmarking guidelines of EFQM business excellence model in early 90-ies of the 20th century, and keep them updating periodically. The excellence model is a structure envisaged for the interpretation of excellence guidelines in performance. In order to facilitate the benefits from the EFQM adoption in the company, the management shall initially ensure the compliance of the business activities to the aforementioned excellence benchmarking guidelines. If the company fails to understand and accept the guidelines entirely, the mastering of the model can be complicated and even pointless for any type of the business. EFQM guidelines serve to analyse the performance of the company and justify the adoption of the model in the level of top management. The aim of paper is to explore the improvement possibilities of the performance quality assessment in Latvian enterprises, basing on EFQM business excellence model. The hypothesis is: improving the EFQM business excellence model used in the performance quality assessment in Latvian companies by including important topical criteria and integrating them into conventional criteria of the model could to drive it to higher level of excellence. The tasks: to study the principles of European business excellence model; to assess and verify by Latvian and foreign business excellence and quality experts the assumptions included in the EFQM business

excellence model with author's improvements; to draw the conclusions and make proposals.

Keywords: *Business excellence, EFQM, model*

CORRELATION BETWEEN EXPOSURE TO WORKPLACE MOBBING IN CROATIA AND WORK PRODUCTIVITY AND JOB PREOCCUPATION

Gabrijela Budimir Sosko

*Znanstvena riječ d.o.o., Zagreb, Croatia
gabrijela.budimir.sosko@gmail.com*

Kresimir Buntak

*Sveučilište Sjever, Varaždin, Croatia
krbuntak@unin.hr*

Davor Grgurevic

*Ministarstvo unutarnjih poslova RH, Zagreb, Croatia
davor.grgurevic@gmail.com*

ABSTRACT

Workplace mobing is a widespread phenomenon. It is a specific form of behavior that poses multiple risk to business. The consequences are very serious and can be manifested by reducing work productivity and job preoccupation and other undesirable consequences. A quantitative research was carried out to determine the exposure to workplace mobbing in Croatia and by using correlation and regression analysis to establish the correlation and the type of connection between exposure to workplace mobbing and work productivity and job preoccupation. In the analysis of the results the correlation method and method of regression analysis, descriptive statistics and methods of analysis and synthesis, descriptive, compilation,

induction and deduction, proofing and comparing were used. The aim of this paper was to empirically investigate and identify the state of workplace mobbing exposure in Croatia and to offer an actual solution and to contribute to early prevention and mitigation of workplace mobbing as well as contributing to a general increase of understanding and awareness of this problem.

Keywords: *job preoccupation, workplace mobbing, work productivity*

THE REVIEW OF SOCIAL MEDIA AND ITS RELEVANCE IN BUSINESS

Ivana Martincevic

*University North, Croatia
ivana.martincevic@unin.hr*

Goran Kozina

*University North, Croatia
goran.kozina@unin.hr*

ABSTRACT

Trends in globalization change market rules every day so that companies face daily, sudden, unexpected and overwhelmingly unpredictable changes where they expect timely and accurate responses and business decision making to achieve market competitiveness. With the development of digitization and the development and expansion of the Internet, new opportunities for business operations have opened up. Technological innovations and digitalization open new opportunities for expanding into international markets and are just social networks, a very convenient channel for business promotion, product advertising, as well as a product sales channel, and hence may have an impact on increasing business performance. Through social networks,

consumers can reliably and quickly find out all information about a product as well as information about a business's business.

Keywords: *Business, Digitalization, Social media, Technology*

ADOLESCENTS PERCEPTION OF THE COMMERCIAL ADVERTISING IN SLOVAKIA

Jaroslav Svetlik

*University of Entrepreneurship and Law in Prague
Vltavská 585/14, 150 00 Prague 5, Czech Republic
jaroslav.svetlik@vspp.cz*

Ivana Bulanda

*University of Entrepreneurship and Law in Prague
Vltavská 585/14, 150 00 Prague 5, Czech Republic
ivana.bulanda@vspp.cz; bulanda.ivana@gmail.com*

ABSTRACT

Marketing communication sector has, in recent decades, experienced dynamic qualitative development, while its current form in the intentions of customer orientation has acquired the character of a targeted stimulation of more closely differentiated segment. The current period, characterized by increased communications has created the possibility for a more dominant application of advertising in public. Thus advertising penetrates into all aspects of life and its setting-up has been confirmed in both commercial as well as land non-commercial spheres. The paper deals with the perception of the term, “commercial advertising,” in the segment of generation Z in Slovakia, represented by university students. The research method of data collection was an online questionnaire with the implementation of semantic differential. The data processing was conducted by means of descriptive and inferential statistics.

The resulting findings refer to the perception of the term, “commercial advertising,” by a research group of adolescents in their semantic space.

Keywords: *Commercial advertising, Generation Z, Adolescents, Perception, Questionnaire, semantic differential*

IMPLEMENTATION OF LEARNING BY DOING IN ASSESSING COMPETITIVENESS OF FIRM'S OFFERS - A CASE STUDY

Slawomir Juszczuk

*Warsaw University of Life Sciences, Poland
slawomir_juszczuk@sggw.pl*

Rafal Balina

*Warsaw University of Life Sciences, Poland
rafal_balina@sggw.pl*

Jerzy Tyminski

*University of National Economy in Kutno, Poland
tymmar@poczta.onet.pl*

ABSTRACT

The article presents the problem of the use of IT tools supporting the decision-making process in the area of auctions. The simulation research included the development of production potential expressed by the increase in the profit of companies participating in the auction. The indicated conditions lead to the analysis of learning processes. Computer simulation was carried out during the research. The basic criterion for deciding on the tender is usually the price or time or both. In the presented example, simplified to two companies, these are companies with similar production technology. However, their internal conditions are diversified, which manifests itself in the

diversification of production costs. Accepting an additional order results in various changes in the profit and economic efficiency of these companies. The different level of effectiveness of companies, both those who won the tender and those that have been passively preserved may result from the implementation period T set by the investor. A company that in given market conditions estimates that it has worse conditions should rather be passive. The proprietary numerical model used in the article is based on the Scilab package. It enables flexible implementation of many different variants both as to the distribution of investment costs and the distribution of other variables, eg price, demand growth, costs, etc. The example presented concerns two companies, but there is the possibility of analyzing any number of them, as well as the possibility to take into account heterogeneous environment of public institutions as investors.

Keywords: *Investment projects, Tender, Bid optimization, Numerical procedures*

ONLINE MARKETING COMMUNICATION FOR PURPOSE OF BRANDING OF TOURISM ORGANISATIONS AND DESTINATIONS WITH SPECIAL FOCUS ON SOCIAL NETWORKS

Diana Plantic Tadic

*University of Applied Sciences VERN'
Trg bana J. Jelačića 3, Zagreb, Croatia
diana.plantic-tadic@vern.hr*

Hrvoje Ratkic

*University of Applied Sciences VERN'
Trg bana J. Jelačića 3, Zagreb, Croatia
hrvoje.ratkic@gmail.com*

Branka Suput

*University of Applied Sciences VERN'
Trg bana J. Jelačića 3, Zagreb, Croatia
branka.suput@vern.hr*

ABSTRACT

In the past years due to the development of the Internet and technology new trends in marketing communication in all industries as well as tourism have been set. The development of web 2.0 concept caused exponential development. However, this brought on a high level of turbulence in online marketing communication so all new channels of communication which nowadays make up an integral part of integrated marketing communication should be in the function of branding tourism organisations and destinations. The fundamental aim of this research was to establish to which extent selected Croatian tourism organisations and destinations use online marketing communication channels, social networks in particular, and for what purposes is online marketing communication primarily used on social networks on the Croatian tourism market. In the research an in-depth interview was conducted with experts, representatives of eight selected tourism organisations and

destinations i.e. tourism boards, hotels, restaurants, and travel agencies. Based on the obtained results it has been concluded that selected tourism organisations and destinations for the purpose of branding use digital channels of marketing communication in cases where the brand power and size does not affect the success of digital communication but the key is well defined digital marketing strategy directed towards the target group of tourism organisation or destination. Furthermore, if taken into consideration the speed with which global trends in digital marketing communication are developing, the obtained results imply that Croatian tourism organisations and destinations still have significant space to additionally exploit the potential of digital channels of marketing communication, social networks especially.

Keywords: *branding, online marketing communication, social networks, tourism*

FINANCIAL ASPECTS OF SUPPORTING COMMUNITY SERVICES BY COOPERATIVE BANKS - EMPIRICAL EVIDENCE FROM POLAND

Rafal Balina

*Warsaw University of Life Sciences, Poland
rafal_balina@sggw.pl*

Marta Idasz-Balina

*Warsaw University of Life Sciences, Poland
marta_idasz_balina@sggw.pl*

ABSTRACT

The main objective of the study was to determine the influence of internal factors on initiated support to the community within the framework defining the activities pertaining to a business' social

responsibility as seen for Poland's co-op banks. The study took advantage of balanced data panels sourced from 56 co-op banks from 2011-2017 reflecting 11 independent variables: net profits (thousands PLN), ROA (%), ROE (%), C/I, NPL (%), TRC (%), balance totals (thousands PLN), total own funds (thousands PLN), total deposits (thousands PLN), total credits (thousands PLN), number of accounts, and bank membership, on the one hand, and on the second, total sum contributed by a bank for pro-social activities (thousands PLN), the number of bank supported pro-social initiatives, and participating funds contributed to pro-social activities from the bank's net profits (%). Results indicate that larger banks contributed proportionally less funds earmarked for community initiatives directed towards the benefit of local markets and community, and smaller banks, more frequently located in rural areas, earmarked larger portions of profits for local communities; however, this does not mean that the contributions were larger comparatively than those of larger co-op banks. The co-op banks decide the sums of contributions for community initiatives on the basis of their current condition – according to current profits, current credit volume and total accounts, and considering financial security as expressed by the solvency coefficient level of the previous year.

Keywords: *cooperative bank, corporate social responsibility, community service*

SUSTAINABILITY IN BUSINESS: HOW ESG CAN PROTECT AND IMPROVE FINANCIAL PERFORMANCE

Andrea Valente

Pearson Business School

*190 High Holborn, London, WC1V 7BH, United Kingdom
av150@pearsoncollege.com*

David Atkinson

*Keele Management School, Keele University
Keele, Staffordshire, ST5 5BG, United Kingdom
d.g.atkinson@keele.ac.uk*

ABSTRACT

Due to the ecological, economic, and social consequences of business (Mebratu, 1998) it has never been more important for society to lean towards sustainable practices (Brune, 2016). As new challenges emerge, new concepts of how to deal with them evolve, including the concept of 'sustainable development' as a foundation to management thinking and decision making. Private businesses are a key component in achieving the UN's desired sustainable view, as they can help to fill the \$3tn annual investment gap expected to be needed across the next 15 years (Earley, 2016). It is possible for business to change and grow sustainably. Various multinational companies paved the way to active sustainable practices setting the example for other companies to follow. Considering the UN's sustainable development goals (SDGs), this study investigated how environmental, social and governance factors (ESG) could contribute to a better financial performance for multinational companies. In order to investigate the effects of sustainable practices on performance, various sources of academic research and quantitative data was necessary. A holistic approach was adopted, permitting the discovery of internal and external factors critical for the topic investigated. Six multinational firms with a market cap of over 500 million were analysed on their publicly

reported financials, half of which from the lowest position in the sustainability ranks. The study takes into consideration ESG performance measurement to assess the level of correlation with positive or negative financial results. The research conveys data of Ikea, Unilever, Starbucks, LG, Fast Retailing and ConAgra stock price, revenue, market capitalisation and the year-on-year fluctuation of those variables in the last decade. The three key findings strongly align with the developing theory of 'sustainable development' as a strategic approach to grow business value over time. (Brune, 2016) The first finding suggests that unsustainable companies are subject to higher volatility in their growth- rate. As per Hemert (2014), this can be for a number of reasons, the main one being their resilience in case of unexpected macro events. The second finding is the lack of stock price re-appreciation for unsustainable companies when those events are negative for the business growth. It is however a combination of variables that driver stocks prices, sustainability being just one of them. (Yadav et al., 2015) Lastly, on the negative stock price year on year percentage change, the third finding emerged: the unsustainable practices analysed experienced steeper and more frequent share price change compared to sustainable ones (over the same decade). No market has ever taken off when fundamentals don't make sense to investors hence an analysis of companies' financial performance (within and outside ESG) was completed to measure sustainability advantages/disadvantages, supporting an array of applicable recommendations for companies to tackle the strategic short and long term sustainability development.

Keywords: *ESG Factors, Sustainability, Finance*

IS THERE A WAY OUT FOR THE TURKISH ECONOMY?

Ziya Can

Başkent University, Turkey
ziyajan@gmail.com

ABSTRACT

International trade is one of the most important issues of macroeconomics. Almost all international trade theories have tried to determine which country produces what, for which price it sells its products to whom. In a number of theories, these inequalities are based on the differences between factor endowment, while in some others they result from technological development or capital accumulation. However, very few theories have revealed that these differences bear the traces of colonial period. Financial liberalization and the spread of international capital movements by the end of colonialism were major developments in the second half of the 20th century. It is no coincidence that these developments occurred simultaneously. The financial revolution has led to a new kind of relationship between capital owner countries and the others. This is a sort of centre-periphery relationship. Those peripheral countries are the ones that have been affected by the hitches of last slowdown of the world economy. Just like Argentina, Turkey has encountered problems such as the higher inflation rate and the inevitable rise in interest rates, following the melting down in currencies in 2018. Again, in the same period, in contrast with the conventional economic views, current account deficit shrank depending not on the increase in exports, but the dramatic decline in imports instead. As a result of all these occurrences, there was a great loss of prosperity in the country. This study investigates whether it is possible for countries depending on the foreign capital like Turkey and Argentina to follow an independent policy from the fluctuations in the economic conjuncture or not. Is it possible to develop permanent policies that will eliminate dependency on foreign capital, instead of familiar ones such as targeting in

inflation, exchange rate or current account deficit? Which has a higher cost? To develop and implement these policies, or to sway in every wind?

Keywords: *balance of payment, exchange rate, international trade, trade wars*

STUDY ON NATIONAL CULTURE AND INNOVATION IN EASTERN EUROPE

Mate Damic

*University of Zagreb,
Faculty of Economics and Business, Croatia
mdamic @efzg.hr*

Ivana Stulec

*University of Zagreb,
Faculty of Economics and Business, Croatia
istulec@efzg.hr*

Dora Naletina

*University of Zagreb,
Faculty of Economics and Business, Croatia
dora.naletina@efzg.hr*

ABSTRACT

The relationship between national culture and innovation at the national level is well established in the literature. However, ambiguity regarding the relationship still exists. The influence of different national culture dimensions in different empirical settings seems to provide contradicting results, especially when comparing countries with significant differences in national culture, such as Western European and Far Asian countries. In order to shed light on the understudied relationship between national culture and innovation in Eastern European countries

we conducted an analysis of the relationship between Hofstede's national culture dimensions and the Global Innovation Index in selected countries to find out if the proposed relationships that can be found in the literature hold true for the countries of the former Eastern Block. In this way we hope to contribute to the literature studying this interesting phenomenon.

Keywords: *Hofstede, national culture dimensions, innovation, global innovation index*

DIGITAL ORGANIZATIONS AND DIGITAL TRANSFORMATION

Aleksandar Boskovic

*Faculty of Organizational Sciences,
University of Belgrade, Serbia
boskovic04@gmail.com*

Dinko Primorac

*University North, Croatia
dinko.primorac@unin.hr*

Goran Kozina

*University North, Croatia
goran.kozina@unin.hr*

ABSTRACT

It is evident that companies are spending more of their budgets on digital services, as most consumers and stakeholders are spending time online. Social media platforms and web 2.0 services have been praised as the most attractive marketing playground, where organizations can have an all-time presence, reach a wide range of audiences and more specifically - have two-way communication with their targeted groups. However, managers remain focused on digital strategies, whereas they

should be focused on building digital organizations. As digital has a strong presence into the very core of the organization, this means it can transform companies from the inside, not only influencing their business performances but also their organizational structure, the communication inside and outside of the company, how decisions are made and the company culture itself. In this paper, we examine the case study of Eneco, how digitalization has improved the company's business model, and we compare their results with provided digital organization models.

Keywords: *Digital organizations, Digitalization, Digital transformation, Organizational structure*



Universidad de Buenos Aires
Facultad de Ciencias Económicas



كلية العلوم القانونية والاقتصادية والاجتماعية - سلا
Fakultet pravnih, ekonomskih i društvenih nauka
Faculté des sciences juridiques
économiques et sociales-salé