



**Varazdin Development and Entrepreneurship Agency**  
in cooperation with  
**Victoria University, Melbourne Australia**  
**University North, Croatia**  
**Faculty of Management University of Warsaw, Poland**



## **Economic and Social Development**

19<sup>th</sup> International Scientific Conference on Economic and Social Development



Editors:  
**Goran Kozina, Laura Juznik Rotar, Daniel Tomic**

**Book of Abstracts**

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Melbourne, 9-10 February 2017

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## **CONTENTS**

Ajit Upadhyaya, Rajeev K Shukla, Anadi Upadhyaya ■ GENDER EFFECT ON CONSUMER SUSCEPTIBILITY TO REFERENCE GROUP INFLUENCE.....	1
Fawad Khan ■ GLOBAL LEADERSHIP STUDY IN EMERGING MARKET - SURVEY OF BUSINESS LEADERS OF PAKISTAN.....	2
Robert Svetlacic, Dinko Primorac, Goran Kozina ■ SUSTAINABLE DEVELOPMENT - NEW RESOURCE FOR ENTREPRENEURSHIP IN THE GLOBAL MARKET.....	3
Fransiskus X. Lara Aba ■ EFFECT OF INCOME, POPULATION, GOVERNMENT SPENDING, EXPORT GOODS AND SERVICES OF REGIONAL ECONOMIC SECTOR IN INDONESIA.....	4
Ines Medic ■ SIGNIFICANCE OF MANDATORY RULES IN INTERNATIONAL COMMERCIAL ARBITRATION .....	5
Koorosh Gharehbaghi, Christina Scott-Young, Amrit Sagoo ■ INVENTIVE HIGHER EDUCATION: A BLENDING PASSAGE .....	6
Mirosław Przygoda ■ THE ROLE AND IMPORTANCE OF AUSTRALIA IN THE SOUTH PACIFIC REGION .....	8
Samson Davoyan, Ashot Davoyan, Arpine Sargsyan ■ THE CONCEPT OF THE RULE OF LAW AND ITS ASSESSMENT THROUGH INTEGRAL INDEX .....	9
Martina Sopta, Anamaria Komin ■ OPERATIONAL ANALYSIS OF COMPANY COSTS .....	11
Oto Hudec ■ SMART COMMUNITIES AND SOCIAL INNOVATORS .....	12
Anona F. Armstrong, Ronald D. Francis, Heath S. Grow ■ ETHICAL ISSUES IN THE EMPLOYMENT OF EXPATRIATE LEADERS IN CORPORATIONS .....	13

Natasa Urbancikova ■ CROSS BORDER CLUSTER INITIATIVES FOR ECONOMIC DEVELOPMENT SUPPORT .....	14
Baburam Niraula ■ EFFECT OF EMIGRATION ON WAGE EARNINGS IN NEPAL .....	15
Bitra Suyatno, Anona F. Armstrong, Keith Thomas ■ BARRIERS TO WHISTLEBLOWING INTENTIONS AND REPORTING CHANNEL PREFERENCES .....	16
Petar Kurecic, Goran Kozina, Filip Kokotovic ■ REVISITING THE DEFINITION OF SMALL STATE THROUGH THE USE OF RELATIONAL AND QUANTITATIVE CRITERIA .....	17
Martina Sopta, Ivana Tonkovic ■ MANAGEMENT APPROACH TO THE ANALYSIS AND THE FORECASTING OF DEMAND IN THE HOME SAVINGS.....	18
Zahra Khodae ■ THE IMPACT OF INFORMATION TECHNOLOGY (IT) IN HUMAN RESOURCE MANAGEMENT .....	19
Hong-Bae Kim ■ THE PORTFOLIO MANAGEMENT WITH ISLAM EQUITY IN KOREA STOCK MARKET.....	20
Alexandra Mittelman, Boris Mucha, Tomas Peracek ■ SECURITIES AND ITS THEORETIC – LEGAL FORMULATION NOT ONLY IN THE CONDITIONS OF THE SLOVAK REPUBLIC .....	21
Matija Blace, Anita Grubisic ■ CROWDFUNDING IN CHINA – DEVELOPMENT PERSPECTIVES .....	22
Bodo Herzog ■ MODELLING OF THE POLITICAL BUDGET CYCLE AND THE IMPACT OF TRANSPARENCY .....	24
Martina Sopta, Ante Slavica ■ IMPORTANCE OF COST FUNCTION IN BUSINESS DECISION MAKING .....	25

Ogbuagu Matthew Ikechukwu ■ BOUND-TESTING ANALYSIS OF THE TRADE-OFF BETWEEN UNEMPLOYMENT AND ECONOMIC GROWTH IN NIGERIA (1970-2014) .....	26
Melita Kozina ■ QUALITY IMPROVEMENT IN PRACTICE OF IT SERVICE MANAGEMENT .....	27
Christy Ann Jose ■ EFFECT OF INTRODUCTION OF <i>RELIANCE JIO</i> ON THE COMPETITION ENVIRONMENT IN THE TELECOMMUNICATION BUSINESS IN INDIA.....	28
Dora Naletina, Eva Perkov ■ THE ECONOMIC IMPORTANCE OF MARITIME SHIPPING WITH SPECIAL REFERENCE ON CROATIA .....	29
Violeta Vidacek-Hains, Ana Marija Staba ■ EDUCATION AND EMPLOYMENT FOR STUDENTS FROM UNDER-REPRESENTED GROUPS SUPPORTED WITH INFORMATION AND COMMUNICATION TECHNOLOGY .....	30
Natalia Nehrebecka, Aneta Dzik-Walczak ■ COLLATERAL AND BANK CREDIT – A PUZZLE .....	32
Blanka Simundic ■ THE SOCIO-ECONOMIC DETERMINANTS OF TOURISM DEMAND: THE CASE OF PUSH FACTORS IN AN EMITIVE REGION .....	33
Tihana Poljak, Ruben Picek ■ MANAGING EMPLOYEES WORK EFFICIENCY WITHIN ERP SYSTEM IN CROATIAN COMPANIES .....	34
Dimity Peter, Gillian Macnaughton ■ SOCIAL INCLUSION: A KEY TO EFFECTIVE AND EQUITABLE SOCIAL DEVELOPMENT .....	35
Meghna Thapar, Arjun Sharma ■ CORPORATE GOVERNANCE IN INDIA: AN ANALYSIS.....	36
Ching-Yuan Huang, Rhay-Hung Weng ■ NEGATIVE MENTORING EXPERIENCE QUESTIONNAIRE DESIGN AND TESTING .....	37

Doureige Jurdi, Hayat Khan, Rabie Said ■ FINANCIAL LIBERALIZATION AND STOCK MARKET DEVELOPMENT IN THE MENA REGION .....	39
Vlatka Bilas, Mile Bosnjak, Ivan Novak ■ MERCHANDISE EXPORTS AND RELATIVE LABOUR PRODUCTIVITY IN THE REPUBLIC OF CROATIA .....	40
Kumudini Heenetigala, Anona F. Armstrong ■ CREDIBILITY OF SUSTAINABILITY REPORTS OF MINING SECTOR COMPANIES IN AUSTRALIA: AN INVESTIGATION OF EXTERNAL ASSURANCE.....	41
Karim Mh (Karim Koshteh), Karim Mohammad Elyas, Shakeri Fakher Samira, Arabi Hossein (Adib) ■ STRATEGIC PLANNING FOR SUSTAINABLE TOURISM DEVELOPMENT IN CENTRAL ZAGROS MOUNTAINS.....	43
Petar Kurecic, Marin Milkovic, Filip Kokotovic ■ AN INTRODUCTION TO EMPIRIC APPROACH TO THE RESOURCE CURSE PHENOMENON IN SMALL ISLAND DEVELOPING STATES (SIDS).....	45
Tomasz Ochowski ■ CHARACTER STRENGTHS AS A TOOL OF RESILIENCE-ORIENTED VOCATIONAL TRAINING FOR MANAGERIAL STAFF IN A LIFE-LONG LEARNING PERSPECTIVE.....	46
Chittawan Chanagul ■ FACTORS DETERMINING SUICIDE RATES IN THAILAND.....	47
Mohd Syuhaidi Bin Abu Bakar, Jusang Bin Bolong ■ MEDIATING ROLES OF GRATIFICATION TOWARDS RELATIONSHIPS BETWEEN EXPECTATION AND CONTINUANCE INTENTION TO USE YOUTUBE TO WATCH MOVIES.....	48
Alexandra Mittelman, Boris Mucha, Tomas Peracek ■ SECURITIES AND ITS CHARACTERS AS THE PART OF THE CAPITAL MARKET OF THE SLOVAK REPUBLIC .....	49

Jasmina Grzinic, Zdravko Sergio, Tamara Floricic ■ MODELLING WEALTH EFFECT AND DEMAND FOR TOURISM DEPARTURE IN EUROPE: A PANEL DATA APPROACH.....	50
Hoda Zobeiri, Narges Akbarpour Roshan, Milad Shahrazi ■ CAPITAL FLIGHT AND ECONOMIC GROWTH IN IRAN.....	51
Vivek Panwar, Ganesh Kumar Nidugala ■ INDIAN STOCK MARKET REACTION TO INTEREST RATE AND INFLATION ANNOUNCEMENTS.....	52
Randa I. Sharafeddine ■ GOOD GOVERNANCE AND ECONOMIC REFORMS FOR ENTREPRENEURIAL ACTIVITY .....	53



## **GENDER EFFECT ON CONSUMER SUSCEPTIBILITY TO REFERENCE GROUP INFLUENCE**

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### **ABSTRACT**

*Male and female working professional consumers significantly differ in their responses as far as information influence is considered in their susceptibility to reference groups. But they were of similar opinion on that they seek information from an association of professional or independent group of experts. Male and female working professionals' consumers were not significantly different in their responses as far as utilitarian influence was considered in their susceptibility to reference groups. Only significant difference of opinion found in whether brand purchase influenced by fellow work associate preferences. Male and female working professionals' consumers were significantly different in their responses as far as Value Expressive Influence was considered.*

**Keywords:** *Consumer Susceptibility, Reference Group, Information Influence, Utility Influence and Value Expressive Influence*

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## **GLOBAL LEADERSHIP STUDY IN EMERGING MARKET - SURVEY OF BUSINESS LEADERS OF PAKISTAN**

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### ***Abstract***

*The purpose of this exploratory research is to survey senior executives to explore the strategic issues and leadership challenges facing international organizations. This topic has rarely been addressed by the academicians and researchers in Pakistan. Detailed open ended interview were conducted with several business leaders and multinational companies' senior managers in Karachi, Pakistan. The aim of this research was to present challenges faced by leaders and also to share advice they would give to other regional leaders in the world. The result suggested that successful leadership qualities are vision, change and recognition identified by leaders in Pakistan.*

**Keywords:** *Vision, Mindset, Global Leadership, Change Management*

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## **SUSTAINABLE DEVELOPMENT - NEW RESOURCE FOR ENTREPRENEURSHIP IN THE GLOBAL MARKET**

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### **ABSTRACT**

*Pollution and environmental neglect have become fundamental problems and threats in today's society and sustainable development is very important in all aspects of life. Nature has left a lot of useful resources in heritage to previous and current generations, but people exploit these resources, because of their greed and desire for the highest possible profit ignoring and not thinking of the future generations. But as it always happens in life, the reckless desire to maximize profits has backfired, and it was and numerous social and economic problems have occurred. More than ever before there are climate changes, and there has never been so much disparity between rich and poor. Throughout history there were always three classes: lower, middle and higher and today the middle class is getting smaller and smaller because the unequal distribution of natural resources has led to the situation where today we distinguish only between rich and poor, and the difference between them is enormous.*

**Keywords:** *Sustainable development, Tourism, Business*

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## **EFFECT OF INCOME, POPULATION, GOVERNMENT SPENDING, EXPORT GOODS AND SERVICES OF REGIONAL ECONOMIC SECTOR IN INDONESIA**

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### **ABSTRACT**

*The results of data analysis for 25 years from 1991 to 2015 using regression models) showed that the value added of each economic sector in the State of East Indonesia was determined to be individually or by changes in per capita income. Thus according to the title Effect income, population, government spending, exports of goods and services to the primary sector of regional economic in East Nusa Tenggara Indonesia, a study was done to see the impact of per capita income, population, production empire and exports of goods and services to a core sector growth in East Nusa Tenggara Indonesia for development planning in the region? The objective of this study was to review and analyze the growth sectors of economy East Nusa Tenggara Indonesia to national economic growth, and effect of income per capita GDP, the total population of the government spending, exports of goods and services to growth in the primary sector, East Nusa Tenggara Indonesia. Analysis of growth and elasticity the display size of a correlation value added output of economic sectors due to changes in population and per capita income in region. The results of this analysis can be used to develop projections of economic growth rates and changes or shifts in economic structure in East Nusa Tenggara Indonesia. Emphasizes that GDP grew in the 1950s and 1960s Rostow (1960) and Karlan et al, (2013) theory of economic growth can be achieved through capital investment or investment in large quantities in the industrial sector.*

**Keywords:** *Growth, Regional Economic, Elasticity, Planning, Economic Base*

## SIGNIFICANCE OF MANDATORY RULES IN INTERNATIONAL COMMERCIAL ARBITRATION

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### **ABSTRACT**

*One of the main features of the modern world is the „unprecedented transnational mobility “of people and businesses. Besides its obvious advantages from the point of view of economic growth, clash of cultures, legal and societal, it often leads to conflicts.*

*Generally speaking, there are two different groups of conflicts. First is dominated by state interests and the state itself has an interest in the outcome of such cases. Traditionally, they were within the exclusive domain of courts. However, it is beyond doubt that some of them are arbitral today.*

*The other group is dominated by private interests so, consequently, private parties are allowed to decide who is going to resolve their conflict and how. With regard to „who“, arbitration has undoubtedly become the preferred dispute settlement method.*

*There are some indications that almost 90% of international commercial contracts include an arbitration clause. With regard to „how“, party autonomy represents a cornerstone in cross-border commercial transactions. Thus, parties are also allowed to designate the applicable law in the case of a dispute. Sometimes, the parties will even opt for a tandem (combination of choice of law and choice of (arbitral) forum).*

*Since the incentive for opting for arbitration may be, and sometimes is, the parties' interest to avoid the application of certain mandatory rules, question is to whom should the arbitrator give priority, to the state and its interests or the parties*

*and their expectations? Is it an arbitrator's duty to apply mandatory rules? What are the consequences of their ignorance? The intention of this paper is to present the complexity of arguments and offer some conclusions.*

**Keywords:** *arbitration, party autonomy, mandatory rules, internationally (overriding) mandatory rules*

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## **INVENTIVE HIGHER EDUCATION: A BLENDING PASSAGE**

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### **ABSTRACT**

*The massification of education has led to the perception in some disciplines that an undergraduate degree no longer provides sufficient competitive advantage in employment. While undergraduate degrees deliver sufficient professional and expertise substance for entry level positions, ultimately it is the postgraduate qualification which sets students apart and in turn assists with rapid career advancement. In ensuring that graduate students exceed the desired entry level of professional skills, the education institution needs to provide a linking passage between undergraduate and postgraduates studies. This blending passage offers a significant opportunity for students to further develop*

*their overall expertise and skill set. Moreover, this blending passage needs to closely align with the specific professional requirements together with the potential for the graduate to seek possible career progression and advancements. Accordingly, postgraduate studies need to align with these specific professional requirements. The blending passage is an innovative approach which maximizes non-traditional learning and provides incentives to further augment the student's career. This rapprochement will be aligned with the relevant professional bodies that will also carefully consider the students' professional competencies. This paper will investigate three prominent Australian universities and their Engineering undergraduates' belief in the importance of further education and their desire to further develop their specialist expertise through postgraduate study. Minitab will be utilized as a statistical tool to analyze survey data and the findings and their implications for the provision of a blended passage to postgraduate study will be discussed.*

**Keywords:** *Career Advancements, Engineering degrees, Postgraduate studies, Professional and Expertise substance*

\*\*\*\*\*

## THE ROLE AND IMPORTANCE OF AUSTRALIA IN THE SOUTH PACIFIC REGION

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### **ABSTRACT**

*Australia is a country comprising the mainland of the Australian continent and the island of Tasmania. The country also includes numerous smaller islands in the Pacific and Indian Ocean. Australia is the sixth-largest country in the world by total area. It also has the world's 12th-largest economy and fifth-highest per capita income.*

*On 1 January 1901, a federation of six separate British self-governing states was formed after a decade of planning, consultation and voting. This established the Commonwealth of Australia as a dominion of the British Empire. In 1931 the status of the dominions was made equal to that of Great Britain, which is considered the symbolic date of Australia gaining full independence.*

*Before World War II and in the course of it, the Commonwealth of Australia was closely tied to the government in London. However, the fall of the British Empire in the Asia Pacific made Australian authorities rethink their existence in the new reality. In the late 80s, Australia's formal ties with London were further loosened, as planned. Since that time the role and significance of the continent has been growing.*

*A vibrant economy and favourable location drive the country's growing importance, which the government in Canberra strongly focuses on. Economic success and effective policies have made Australia become one of the crucial elements of sustainable balance in the South Pacific region.*

*However, the country's political and economic influence goes far beyond its borders. Australia's importance to and influence on neighbouring countries is clearly visible across East and Southeast Asia, the Indian Ocean basin, and the Antarctic.*



*Therefore it is worth to take a closer look at the drivers of the huge success of this unique country and its inhabitants.*

**Keywords:** *Asia, Australia, Pacific, region, success*

\*\*\*\*\*

## **THE CONCEPT OF THE RULE OF LAW AND ITS ASSESSMENT THROUGH INTEGRAL INDEX**

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### **ABSTRACT**

*The principle of Rule of law is considered to be one of the fundamentals of a modern legal state, taking into account this importance of the adoption and practical implementation of vital human needs by the relevant normative-legal system of the state, which, in turn, is due to the level of the constitutionality. The rule of law is one of the most important factors necessary for sustained economic development, the protection of human rights, implementation of legitimacy and democracy, etc. Due to the acquisition of this importance of the rule of law, various national and international organizations, individual researchers and*

*research centers are trying to analyze the rule of law and its basis. These approaches aim to reveal factors positively influencing on the rule of law, or to identify all the factors, which can undermine its basis. The final goal of our research is to define basic elements of maintaining the level of constitutionality and the rule of law, that can be applied in the social and economic policy of the state.*

*The main objective of this research is to develop new methodology that will include as many areas and indicators of the rule of law in a particular country as possible. For this purpose, we have used the method of Factor analysis. The basis of this new methodology is the development of the new integral index, which will represent the levels of the rule of law in observed countries, as well as its change over time.*

*As a result, the integral index of the Rule of law was calculated for 141 countries for 2011-2015. Then we have extended the scope of our research by comparing index's results for Armenia, Azerbaijan and Georgia, that helps to conclude in which directions these countries have policies, that are more effective compared to others and in which directions they have failed.*

*Our research results can be applied in the process of policymaking. One of the most distinguishing features of our new methodology is that it allows us to add more indicators to existing ones and make our research broader - depending on the purposes and given circumstances.*

**Keywords:** *Rule of law, method, pillar, rank, comparative, index, weighted average, policy*

\*\*\*\*\*

## OPERATIONAL ANALYSIS OF COMPANY COSTS

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### **ABSTRACT**

*One of the biggest challenges that companies are exposed to are managing its costs. The main aim of this thesis is to briefly explain the term of company, how it functions and which its main goals are. One of the main concerns that will be dealt with in this thesis is profit. The question is whether profit is the main aim of most enterprises or are there also other aims which are also important as profit. Further on we will show the importance of human resources as individuals who are in charge of success with its knowledge and additional efforts that they bring into company. In the first part of the thesis we will be dealing with operational analysis of company costs and its methods. Operational analysis is focused on present and current work, production and business process. These processes are regulated on the operational decision-making level, so it is evident that this analysis is ment to operational decision making. As we know, Croatia is still in a period of crisis, so we are going to show its effects on the company costs. Furthermore, we are going to deal with fixed, variable and opportunity costs and costs of employees - how their costs can effect business results of companies. Also, this is why we are going to describe how we can measure results and contibution of individuals and how their work is supposed to be rewarded and to establish such a compensation system that will make them stay in their organization and encourage them to try even more.*

**Keywords:** *company, costs, operational anaysis, fixed, variable costs, crisis*

## SMART COMMUNITIES AND SOCIAL INNOVATORS

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### **ABSTRACT**

*Smart cities are debated intensively and even ranked according to different indicators. There is no consensual definition of the notion yet, but surely the concept consists of smart communities and networks as related to human and social capital, innovative solutions in combining traditional transport/energy/social infrastructure with modern ICT communication tools, and social network and open data approaches supporting participatory governance. The interaction of three factors is believed to boost economic growth and to provide a high quality of life. New ideas require innovative technological solutions, but this is not possible without enablers and facilitators in the city society - social innovators. In the paper, the networks of social innovators are analyzed in the cities of Slovakia and particularly one the important smart communities within the cities – start-up ecosystems and their relationship to local universities. The main research question is which city factors are significant in process of creation, evolution and operation of start-up ecosystem and what attributes are specific for start-up ecosystems in post-communistic countries. The ecosystems are identified as firm-, institution- or personalities/networks-centric.*

**Keywords:** *Social innovation, social innovator networks, start-up, spin-off, knowledge spill-overs*

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## **ETHICAL ISSUES IN THE EMPLOYMENT OF EXPATRIATE LEADERS IN CORPORATIONS**

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### ***ABSTRACT***

*This paper draws upon theories of leadership and ethics to add to the understanding of ethical and cultural factors that impact on expatriates' experiences. The paper discusses issues for expatriates, particularly relevant for those who are appointed as leaders of corporations in other countries. The paper addresses a wide range of cultural issues and how expatriates might manage the conflicts and risks emerging from different cultural values, attitudes and practices. Examples of the difficulties faced are given, as are consequences. The article concludes with some general observations, particularly relevant to those people employed as corporate expatriate managers.*

***Keywords:*** *ethical leadership, ethics, expatriates.*

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## CROSS BORDER CLUSTER INITIATIVES FOR ECONOMIC DEVELOPMENT SUPPORT

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### **ABSTRACT**

*The growth of competitiveness of regions depends on their capacity to innovate. With increasing degree of understanding of clusters, clusters are becoming an important component of national and regional economic program. Peripheral regions are disadvantaged and because of their localization they have only few links with international networks in science, technology and innovation. Innovations are increasingly based upon a “Triple Helix” of university-industry-government interactions. The Triple helix approach depends on the building of partnerships between various regional, local governments, universities, private sector and NGOs and is a key issue at both national and regional level, although it is not easy to manage the process. There are the difficulties during the triple helix approach implementation in the former post-communist countries, including Slovakia and Ukraine. The paper is focused on two cross border peripheral regions (Košice Region in Slovakia and Zakarpatska region of Ukraine). These regions need to seek opportunities for economic development which are not based only on the foreign capital attraction. The innovative potential of two converging and cross-border regions is examined and possibilities of cross-border clusters and cluster initiatives creation discussed. The paper presents key factors for cross border cluster s and cluster initiatives enhancement and is based on the primary research undertaken for ICT and Food Industry sector in both targeted regions. The role of social capital for cluster initiatives support is discussed as well.*

**Keywords:** *cluster, regional development, social capital*

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## EFFECT OF EMIGRATION ON WAGE EARNINGS IN NEPAL

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### **ABSTRACT**

*This paper examines the effect of emigration on wages of stayers (non-emigrants) in Nepal. For the last two decades, mass emigration from Nepal to other countries has only been growing. Despite the fact that a number of researches have been dedicated on the effects of immigration on native wages, a very few researches have attempted to investigate the impact emigration on the wage of source countries. Using migration network as an instrument, this research finds an overall positive effect of emigration on the wages of remaining workers at least in the short run. Sector wise, wages in non-agricultural saw a significant rise while the wages agriculture sector remains unaffected suggesting that the emigration rate for more skilled labors, generally employed in non-agriculture sector are emigrating from the country.*

**Keywords:** *Emigration, Migration Network, Wages*

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## **BARRIERS TO WHISTLEBLOWING INTENTIONS AND REPORTING CHANNEL PREFERENCES**

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### **ABSTRACT**

*This study examines cultural and structural barriers to disclosure in alleged bribery cases in the Indonesian Directorate General of Taxation (DGT) from an employees' perspective. Using primary data extracted from survey, open-ended questionnaires and online interviews, factors that discouraged DGT employees to disclose alleged bribery in their workplace are explored. This study focuses on the respondents who identified as not intending to report. It appears that this group, which comprises around 20% of the responses (total 131), reveals the influence of structural and cultural barriers to any intention to disclose alleged bribery in their workplace. Planned Behaviour Theory, especially subjective norms and Hofstede's cultural dimensions were used to analyse the findings. As a common understanding, an organization includes structure and culture. However, many Indonesian public institutions' strategies and policies improvement are focused at the organizational structure, without considering the culture embedded in the organization. This study identifies elements of the Indonesian national culture - "ewuh-pakewuh", "asal bapak senang", "jalan tengah" and "gotong royong". The effect of these cultural norms on individuals'*



*intention to disclose alleged bribery is investigated. Findings also indicate that fear of retaliation and disbelief in the existing system are important structural barriers to individuals' intention to report alleged bribery, especially if the reporting channel does not assure anonymity. Overall, respondents value maintaining harmony and relationship over the task. Deeper explanations on the influence of subjective norms rooted in Indonesian culture are also elaborated.*

**Keywords:** *Bribery, Barriers to Reporting, Cultural Dimensions, Planned Behaviour Theory, Schein's Six Mechanisms*

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## **REVISITING THE DEFINITION OF SMALL STATE THROUGH THE USE OF RELATIONAL AND QUANTITATIVE CRITERIA**

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### **ABSTRACT**

*Small states make up the vast majority of the international system. However, their absolute power and relative "weight" in that same international system are reversely proportional to their number. A sheer number of small states therefore tells us little about their specific characteristics and the means to pursue their*

*own survival and progress. Nevertheless, the scientists have for decades not been able to agree on the number of small states in the world, so most of them have simply decided to omit this problem from their research, focusing mainly on strategies and specificities of small states, that either derive from their smallness or not. Most classifications usually agree that the number of small states in the world is between a half and two-thirds of all states. The purpose of this paper lies in an attempt to re-initiate a debate among the scholars in order to try to answer the “eternal” question of how many small states actually exist in the world, and what criteria should be primarily used to define i.e. classify them.*

**Keywords:** *small states; regional position; classifications of small states; quantitative, qualitative, and relational criteria; small state definition*

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## **MANAGEMENT APPROACH TO THE ANALYSIS AND THE FORECASTING OF DEMAND IN THE HOME SAVINGS**

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### **ABSTRACT**

*In paper "The management approach to the analysis and the forecasting of demand in home savings XY" goal is to demonstrate and define the techniques and methods used in the analysis and forecasting of demand in business home savings XY, and the way in which the information are implemented into business development strategy of the building society. Quality analysis of the current market demand and prediction of future*

*demand is of great importance for the business sustainability. The paper will present analysis techniques that are used in the home savings XY business, the way home savings assesses and predicts demand, and problems that arise in the assessment. In order for management to develop a successful business strategy of home savings XY, market trends and macroeconomic indicators of country (with a focus on demographic trends) must be monitored; also various business analysis reports must be created which is analyzed in this paper.*

**Keywords:** *demand analysis, demand forecasting, home savings, management approach*

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## **THE IMPACT OF INFORMATION TECHNOLOGY (IT) IN HUMAN RESOURCE MANAGEMENT**

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### **ABSTRACT**

*This paper attempts to clarify the impacts of information technology (IT) on Human Resource Management. Managed information technology all science can influence and establish a relationship with the complex among the important role has played in all scientific fields. Information technology has caused today no boundaries and distance world, for circulation there is no information and all aspects of human societies. Like how to live, work and Human Resource Management in organizations, offices and unexpected extent. The subject has been these changes will be effective when the domain ICT activities identified and the creation of these activities will be provided. In this paper, a brief*

*review the impact of technology information the Human Resource Management the business objectives of the organization and satisfaction of employees has been set.here.*

**Keywords:** “Information Technology”, “Human Resources Management”, “Organization Structure”, “human resource”.

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## **THE PORTFOLIO MANAGEMENT WITH ISLAM EQUITY IN KOREA STOCK MARKET**

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### **ABSTRACT**

*This paper investigated the volatility spillover effects between Islamic stock markets and Korean stock market using the AR-DCC-GARCH models. First, we found bi-directional volatility transmissions between the Islamic and Korean financial markets. Second, we compared the correlation of KOSPI-DJIM portfolio and that of KOSPI-SHX portfolio. It shows the correlation of KOSPI-DJIM portfolio has stronger linkage than that of KOSPI-SHX portfolio. In the portfolio perspective, the S&P 500 Sharia stock Index(SHX) acts as a better hedge asset than DJIM against the risk of stock market. Last, the hedge ratio between two Islamic stock market and Korean stock market pairs is generally low, indicating that the Korean stock risk can be effectively hedged by taking a short position in the Islamic stock markets. In comparison with two pairs, the pair of KOSPI-SHX relatively shows a cheaper hedging cost than that of KOSP-DJIM pair. This evidence indicates that S&P 500 Sharia index serve more effective hedging role against the risk of Korean stock market.*

**Keywords:** *Islamic market, hedge ratio, AR-DCC-GARCH model*

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## **SECURITIES AND ITS THEORETIC – LEGAL FORMULATION NOT ONLY IN THE CONDITIONS OF THE SLOVAK REPUBLIC**

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### **ABSTRACT**

*In the most general meaning of the word, security is an instrument that embodies certain right of the owner against the drawer of this document. The long historical development contributed to this generalization, beginning with the era of the reign of Alexander the Great in the 4th century BC, while some authors speak even about the eras of the Babel Empire. In the majority of European states with the exception of Switzerland, floatation of securities or contracts is not amended not even in one Act. The same situation was also in the era of the first Czechoslovak Republic, where from the reason of excessive fractionalism of the particular adjustments of securities and further, with regard to the financial market needs, the intention to create legal enactment arose after 1989 in the form of codex, that would eliminate this defect. Theoretic – legal research of the issue of securities not only in the conditions of the Slovak Republic presents the main aim of this paper, that with its content focus interferes in the area of financial management, however it leads to the area of financial law and it offers significant overlaps into commercial and*

*constitutional law. The paper has effects of multidisciplinary and international research of the issue of securities whose concept and legal enactment remains in the legal environment to a large extent unfinished after years of professional and amateur discussions.*

**Keywords:** *Act on securities, financial management, security*

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## **CROWDFUNDING IN CHINA – DEVELOPMENT PERSPECTIVES**

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### **ABSTRACT**

*China is the world biggest economy with a still present rapid growth rate. Yet, relying on direct foreign investments for a long time, the financial market in China is still in the development phase. The crowdfunding financing model, which is rapidly increasing in value in the world for the last couple of years, made a relatively recent appearance, with the first crowdfunding platform appearing in China in 2011. The starting delay was quickly caught up by the galloping growth, as today China is third biggest crowdfunding market in the world, after USA and EU, with incredible potential for growth. The sudden greater access to and wider acceptance of internet technologies, online financial services and especially smartphones combined with the rise of GDP per capita of the numerous Chinese population created a perfect economic environment for the explosive development of crowdfunding. Yet, the government regulation did not follow the*

*economic developments so readily. The first moves by the government to regulate the market came in 2014, thus benefitting from experiences from other countries. At the end of that year the Securities Association of China released the Measures for Administration of Private Equity Crowdfunding. In March 2015, the General Office of the State Council released the Guiding Opinions on Expanding Maker Space to Promote Innovation and Business Startups by General Public, of which an important part is to conduct the pilot program of Internet-based equity crowdfunding and to promote crowdfunding to better serve innovation and business startups by general public. In December 2015, the China Banking Regulatory Commission (CBRC) issued the first draft for online lending, and in August 2016, announced the first official rules. Chinese crowdfunding market today has a perspective to become the largest one in the world, but there are still many challenges to overcome. This paper will analyse the status quo in China and highlight important aspects of this market including comparative analysis with the USA and UK market, and propose regulatory solutions, taking note of the unique aspects of Chinese economy.*

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

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## MODELLING OF THE POLITICAL BUDGET CYCLE AND THE IMPACT OF TRANSPARENCY

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### **ABSTRACT**

*This paper models the political budget cycle with stochastic differential equations. The paper highlights the development of future volatility of the budget cycle. In fact, I confirm the proposition of a less volatile budget cycle in future. Moreover, I show that this trend is even amplified due to higher transparency. These findings are new evidence in the literature on electoral cycles. I calibrate a rigorous stochastic model on public deficit-to-GDP data for several countries from 1970 to 2012.*

**Keywords:** *Stochastic Modelling, Political Budget Cycle, Transparency*

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## IMPORTANCE OF COST FUNCTION IN BUSINESS DECISION MAKING

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### **ABSTRACT**

*Decision making is complex and time limited process that begins with insight of problem and it ends with making a decision. Significance of decision making in today business world is growing, especially because of market situation, what is in primary caused by global financial crisis.*

*Furthermore, it is important to accent that because of opening towards european and world market, where competition is extremely big, encirclement is dynamic and quickly adaptable, it is impossible to survive if management is not prepared to make decision rapidly, with no space for mistakes, because wrong decision can destroy the whole business.*

*In order to make good business decisions, management must be in dispose of correct and well – timed information and data. Key information for management are correct information about costs that are related to certain decision. Because of that, in this paper are analyzed key terms that are related to costs and importance of cost function in business decision making.*

*Furthermore, the hardest and most responsible thing in managing is making decision. Making decision, i.e. capability and readiness for taking responsibility is a characteristic that is typical for only small number of people. Without reliable information about costs and their influence on the price, revenues and quality of products or services, it is not possible to make quality decision.*

*Because of importance of costs in business decision making, so as different possibilites of appliance, depending on activities,*

*there are many number of models of cost management that are developed, and in sequel of this paper there will be more word about them. According to that, in this paper are analyzed basic determinants of costs and importance of cost function in business decision making. Basic framework of this paper is presentation of cost management based on activities that is in function of enlargement of profitability, so as presentation of costs of providing services to buyer and analysis of profitability.*

**Keywords:** managerial economics, cost managemen

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## **BOUND-TESTING ANALYSIS OF THE TRADE-OFF BETWEEN UNEMPLOYMENT AND ECONOMIC GROWTH IN NIGERIA (1970-2014)**

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### **ABSTRACT**

*The increasing presence of agitations resulting from economic hardships and recession around the globe calls for a reassessment of the impact of unemployment on economic growth in Nigeria. This paper attempts to measure the long-run effect of unemployment on economic growth. Using data from 1970-2014, we established that the variables were cointegrated with an Autoregressive Distributed Lagged (ARDL 1, 1) Model or “Bound Testing Approach” to cointegration.*

*The parsimonious model shows that unemployment has a negative short-run effect on economic growth. This finding validates the Okun`s Law. The Error Correction Model (ECM) shows that it will take over 3years for the unemployment gap to be cleared. Also, the “Block Exogeneity Wald Test” shows a uni-*

*directional causality originating from economic growth to unemployment.*

*The authors recommend that government should partner with the private sector to close the infrastructural gaps particularly electricity and roads. This will make economic growth more inclusive.*

**Keyword:** *Bound Test Economic Growth Nigeria Unemployment Wald Test*

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## **QUALITY IMPROVEMENT IN PRACTICE OF IT SERVICE MANAGEMENT**

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### **ABSTRACT**

*The practice of IT service management is increasingly implemented within the modern business companies. Based on the information and communication technology (ICT), IT services have a great influence on the performance potential of the business processes and provide the business outcomes within the business company. There are different standards to implement IT service management practice such as ITIL (IT Infrastructure Library) and ISO/IEC 20000. Furthermore, there are different models for the assessment the actual level of the quality of the IT service management practice as well as the guidelines for increasing its quality. The purpose of the paper is to analyze the practice of IT service management according to existing ITIL standard as well as to assess the existing level of IT service management quality within the concrete business company using the Capability Maturity Model Integration for Services (CMMI-SVC).*

*The obtained results of the research will be an useful contribution to managers in the decision making processes related to the implementation of IT service management practice.*

**Keywords:** *IT Service Management practice, ITIL, Assessment of the quality level of IT Service Management practice, CMMI-SVC.*

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## **EFFECT OF INTRODUCTION OF *RELIANCE JIO* ON THE COMPETITION ENVIRONMENT IN THE TELECOMMUNICATION BUSINESS IN INDIA**

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### **ABSTRACT**

*The introduction of 4G or fourth generation telecommunication technology in both voice and data services in India by Reliance Jio Infocomm (RJio) is widely celebrated in the country. Apart from this, the company has also made provision for a very lucrative trial period from 1<sup>st</sup> September 2016 to 31<sup>st</sup> December, 2016 where the subscribers are allowed to use both the voice and data services of the operator for free. However, a little is known or understood about its effect on competition in the telecommunication business in India. Many allegations had come up regarding the company resorting to predatory pricing to acquire larger market share. However, this was countered immediately as according to the competition law provisions in India, predatory pricing is a kind of 'abuse of dominance' and since the operator in question did not enjoy a dominant position, it could not have deployed predatory pricing in the eyes of law. This paper analyses how the introduction of a seemingly customer-friendly service, although not per se anti-competitive*

*according to the provisions of the Competition Act, 2000, disrupt the competition in the telecom business in India. The modus operandi deployed by RJio in acquiring the 4G spectrum in 2010 along with the retrospective amendment in 2013 to permit the use of the spectrum for both data as well as voice services and the TRAI recommendation in 2016 to quash the IUC makes the author wonder if it is actually 'being at the right place at the right time' that worked in case of RJio.*

**Keywords:** *Competition, Internet Protocol, Predatory pricing, RJio, Telecom business, 4G spectrum*

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## **THE ECONOMIC IMPORTANCE OF MARITIME SHIPPING WITH SPECIAL REFERENCE ON CROATIA**

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### **ABSTRACT**

*The aim of this paper was to accentuate the importance of maritime shipping and present its role in the international commercial transport. Under today's market conditions, where there is high competition, economic transport by sea is becoming more and more prominent. The focus of this paper is the role of maritime shipping as an independent activity in the maritime transport and commerce. Maritime transport in Croatia also has long history, so, it is fair to say that this branch is Croatian tradition. The role of shipping in the general progress of mankind is significant. It connects producers and suppliers i.e. sellers and*

*buyers. Maritime shipping is therefore seen as one of the most important transport activities. The aim of this paper is to look into the current state of maritime shipping in Croatia in relation to the rest of the world, as well as detect the factors crucial for success in this industry.*

**Keywords:** *Croatia, globalization, maritime shipping, merchant fleet*

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## **EDUCATION AND EMPLOYMENT FOR STUDENTS FROM UNDER-REPRESENTED GROUPS SUPPORTED WITH INFORMATION AND COMMUNICATION TECHNOLOGY**

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### **ABSTRACT**

*The tertiary education system is developing the way it includes widening participation for students from under-represented groups. These under-represented student groups include students with disabilities, mature students, students from low income families, students from national minorities groups, international students, etc. The teaching and learning system supported by information and communication technology enables access for students with disabilities as well as other under-represented groups, such as gender in science.*

*The general objective of this research is to explore student knowledge of possible methods of increasing the quality of inclusion for students from under-represented groups in academic environments. The specific objective is to explore their attitudes and knowledge about usage of information and communication technology (ICT) during education and subsequent employment. Respondents are asked to estimate the importance of equal opportunities in studies.*

*Results show that there are governmental and institutional strategies and policies that enable students in the process of gathering academic competences, academic achievement and employment. The results are interpreted within the scope of Croatian national politics. Gender equality could be implemented in the education, career planning and employment procedures. Working experience is an important factor in gathering professional competences and can be done not only through formal working experience, but also through volunteering opportunities. The different types of institutional support for students with disabilities is explained and discussed.*

*These results could be used to enhance the quality of inclusion for students from under-represented groups within the educational system by usage of ICT, peer assistant support and collaborations between educational institutions at all levels of education and labour market.*

**Keywords:** *Students with Disabilities, Gender Issues, ICT, Learning and Employment*

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## COLLATERAL AND BANK CREDIT – A PUZZLE

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### **ABSTRACT**

*The impact of firms characteristics on bank debt financing has always been a field of conflicts among economists (e.g. trade-off theory vs. pecking order theory). The pecking order theory predicts that firms holding more tangible assets are less prone to asymmetric information problems and reduce the agency cost. Generally the supply of bank loans is expected to be higher for firms with higher collateral. In the empirical literature, this relationship is not always confirmed. We analyse this phenomenon from three points of view: meta-analysis of literature, country level data and case of Poland. This study provides a systematic analysis of the empirical literature on the usage of bank debt by conducting a meta-analysis. In particular the problem of publication selection bias is discussed. We explore the sources of heterogeneity among studies including moderator variables in random- and fixed effects regressions. Our results indicate that there is an evidence of publication selection. Based on country level data we conclude that the impact of collateral on bank credit is negative. For Polish case we find that the impact of collateral on debt is positive, except for the subsample of large enterprises.*

**Keywords:** *bank credit, collateral, meta-regression analysis, Polish firms, publication selection bias*



## THE SOCIO-ECONOMIC DETERMINANTS OF TOURISM DEMAND: THE CASE OF PUSH FACTORS IN AN EMITIVE REGION

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### **ABSTRACT**

*This paper analyses the socio-economic determinants of outbound tourism demand. The relative and absolute importance of tourism in people's expenditure budgets has risen dramatically over past few decades. International tourists' expenditure has consequences not only on the welfare of tourists themselves but also for the residents of the areas they visit. The significant level and repercussions of international tourism demand provide a strong case for better understanding of tourists' decision-making process. The purpose of this paper is to analyse tourism demand determinants using panel data approach and to ascertain whether variables of social as well as an economic nature are important in determination of international tourism for emitive region. The novelty of the paper is in the acknowledgement of the tourists' social environment to be an important driver of demand for outbound tourism besides the well teoretically and empirically acknowledged economic determinants. Furthermore, the paper departs from the existing empirical literature emphasis on the push and pull determinants of international tourism demand taken together, showing the need to use push and pull factors separately in specific cases. Finally, the paper provides the basis for the formulation of panel data models for estimating tourism demand, and hence, for more accurate results and more appropriate policy implications.*

**Keywords:** *emitive tourism demand, international tourism, panel data, push factors*

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## MANAGING EMPLOYEES WORK EFFICIENCY WITHIN ERP SYSTEM IN CROATIAN COMPANIES

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### **ABSTRACT**

*In the past, main focus of businesses was a satisfied user of the product or service. Needs and wishes of employees were not considered because it was thought that an employee works only in order to receive his salary. Today, employee became very important factor for the success of the company. If the employee is satisfied, then he will be motivated and more productive doing his assignments. The goal of this research is to reveal the situation in Croatian companies about managing employees work efficiency. The questions that paper cover are: Do companies monitor their human resources? Are they using separate application or ERP system for that purpose? Do they have reward system for their employees and which functionalities they use for tracking their employees? The study is based on 86 responses that were received for this research. After analyzing the survey results, it is found that most company in Croatia monitor their human resources in some way and that a lot of companies have a reward system for their employees. To reveal which ERP system would be the best fit for Croatian companies, regarding to module for human resources management, this paper also includes an analysis of 5 leading on-premise ERP solutions and one Cloud ERP solution. The goal of this analysis is to reveal which functionalities for monitoring human resources offer these solutions.*

**Keywords:** *Employee efficiency, ERP systems, Human Resources, Performance management, Reward system, Setting goals for employees*

## **SOCIAL INCLUSION: A KEY TO EFFECTIVE AND EQUITABLE SOCIAL DEVELOPMENT**

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### **ABSTRACT**

*In response to the criticism that many marginalized populations were overlooked in the Millennium Development Goals, the 2030 Development Agenda specifically states the objective of a 'just, equitable, tolerant, open and socially inclusive world in which the needs of the most vulnerable are met'.*

*In fact, six of the seventeen Sustainable Development Goals (SDGs) aim for "inclusion" or "inclusive" progress in development. The SDGs aim to promote inclusive and equitable quality education; inclusive and sustainable economic growth; inclusive and sustainable industrialization; inclusive, safe, resilient and sustainable cities and human settlements; peaceful and inclusive societies; accountable and inclusive institutions at all levels; and the social, economic and political inclusion of all. What precisely is social inclusion and what is an inclusive society?*

*This paper explores the concept of social inclusion as both a principle and an outcome that can promote more just and equitable communities. It will explore multiple definitions of social inclusion adopted by a number of organizations from developed and developing countries.*

*The identity of the marginalized populations will vary from nation to nation, but may for example include persons from minority ethnic, racial or cultural groups, women and girls, persons with a disability, the elderly, the poor or delinquent youth.*

*Using persons with a disability as a case study this paper explores the inclusive SDG goals and strategies for ensuring that everyone, including the most marginalized benefits from 2030 Development Agenda.*

**Keywords:** *Marginalized populations, Social Inclusion, Sustainable Development Goals*

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## **CORPORATE GOVERNANCE IN INDIA: AN ANALYSIS**

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### **ABSTRACT**

*Corporate governance is a process, relation and mechanism set up for the corporations and firms based on certain guidelines and principles by which a company is controlled and directed. The principles provided in the system ensure that the company is governed in a way that it is able to set and achieve its goals and objectives in the context of the social, regulatory and market environment, and is able to maximize profits and also benefit those whose interest is involved in it, in the long run. The division and distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and inclusion of the rules and procedures for making decisions in corporate affairs are identified with the help of Corporate Governance mechanism and guidelines.*

*The need to make corporate governance in India transparent was felt after the high profile corporate governance failure scams like the stock market scam, the UTI scam, Ketan Parikh scam, Satyam*

*scam, which were severely criticized by the shareholders. Thus, Corporate Governance is not just company administration but more than that and includes monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders thereby ensuring fair, efficient and transparent functioning of the corporate management system.*

*By this paper, the authors intend to examine the concept of corporate governance in India with regard to the provisions of corporate governance under the Companies Act 2013. The paper will highlight the importance and need of corporate governance in India. We will also discuss the important case laws which contributed immensely in the emergence of corporate governance in India.*

**Keywords:** *Corporate governance Mechanism, Companies, Firms, Companies Act 2013*

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## **NEGATIVE MENTORING EXPERIENCE QUESTIONNAIRE DESIGN AND TESTING**

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### **ABSTRACT**

*To adapt new staff nurses to their work, most hospitals have implemented mentoring programs. However, many new nurses encountered negative mentoring experience during their mentorship. This study aimed to establish and test a theory-based negative mentoring experience questionnaire (NMEQ) for management. This study adopted questionnaire-survey method with new staff nurses of hospitals. The overall research was*

*divided into two stages. In the first stage, 30 valid pre-trial questionnaires were collected. In the second stage, 255 valid questionnaires were gathered. The first stage involved the drafting of preliminary items and expert validity analysis. The second phase included a reliability, construct validity and criterion-related validity analysis. After proposing 48 preliminary items, an expert validity test was carried out by requesting five senior nursing managers with mentoring experience. After the expert validity test, a content validity index (CVI) was constructed, with an average of 0.82. Items with a CVI of less than 0.8 were removed, leading to the deletion of 15 items. The remaining 33 items were then subjected to a reliability test; four items found to have an item-to-total correlation of less than 0.5 were deleted. A total of 29 items of NMEQ were proposed: four nursing manager items, four institutional items, three other medical staff items, twelve mentor items, and six mentee it. Exploratory factor analysis, confirmatory factor analysis and correlation analysis proved that this questionnaire had good construct validity and criterion-related validity. NMEQ was composed of five elements of institutional dimension, mentor dimension, nursing manager dimension, other medical staff dimension, and mentee dimension with a total of 29 items. Managers could use NMEQ to understand the effectiveness of mentoring program and provide the directions for improving it. Additionally, managers should provide interpersonal skills training to improve mentor- mentee interaction.*

**Keywords:** *Mentorship, Negative Mentoring Experience, Human Resource, Nurse*

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## FINANCIAL LIBERALIZATION AND STOCK MARKET DEVELOPMENT IN THE MENA REGION

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### **ABSTRACT**

*We investigate the impact of financial liberalization on stock market development in the MENA region using data over the period from 1979 to 2014. We report a positive relationship between financial liberalization and stock market development. The size effect of this relationship tends to increase over time following the liberalization policy decision. We also find that a variation in the impact of financial liberalization on stock market development across countries in the MENA region. The effect of financial liberalization on stock market development is significantly larger in countries with common law origins, higher level of democracy, earlier liberalization policy date and smaller government sector.*

**Keywords:** *Financial Liberalization policy; MENA, Stock market development.*

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## MERCHANDISE EXPORTS AND RELATIVE LABOUR PRODUCTIVITY IN THE REPUBLIC OF CROATIA

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### **ABSTRACT**

*This paper explores causality between Croatian merchandise exports and its relative labour productivity. The empirical results confirm positive effect of increase in merchandise exports on relative labour productivity but not positive effect of increase in relative labour productivity on merchandise exports. Such established direction of the effect, from merchandise exports to relative labour productivity may potentially be due to labour law rigidity in the Republic of Croatia. Therefore, direct stimulation of exports can potentially provide better effects than the economic measures which are directed toward productivity growth.*

**Keywords:** *commodity export, labour productivity, Republic of Croatia, European Union*

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## **CREDIBILITY OF SUSTAINABILITY REPORTS OF MINING SECTOR COMPANIES IN AUSTRALIA: AN INVESTIGATION OF EXTERNAL ASSURANCE**

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*The recent trend towards company's responsibility for social, environmental and economic performance has resulted in sustainability reporting in varying levels. Even though there is a growing trend towards sustainability reporting which is of voluntary nature, not much attention is given to the credibility of such information through external assurance. The paper investigates the extent of sustainability reporting in the mining sector companies in Australia and their assurance practices. The annual reports were examined for top 100 ASX listed companies in the mining sector in Australia for 2013-2014. This study identified 18% of companies had a sustainability report, however, only 44% of the sustainability reports were audited either by accountants or independent assurance providers. However, majority of the companies (62.5%) were assured by accountants. Criteria used for assurance varied resulting in providing limited assurance by majority of the assurance providers. This study showed that there is variability in assurance practices for sustainability reports. Companies also used various assurance standards, as there were no universally accepted assurance standards for non-financial reporting. One of the major limitations for this variability is the lack of standardized indicators. This study shows that there is a need to develop*

*generally acceptable criteria for assurance of non-financial information in sustainability reports. The criteria that can be applied by assurance providers would be a significant contribution for auditing profession and independent providers as well as standard setters, which will provide credible information for users of such information. This paper identified the importance of acceptable criteria for assurance of non-financial information in sustainability reports for companies in the mining sector which are considered to have greater environmental and social impact.*

**Keywords:** *Sustainability Reporting, Assurance, Assurance Criteria, Corporate Responsibility*

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## **STRATEGIC PLANNING FOR SUSTAINABLE TOURISM DEVELOPMENT IN CENTRAL ZAGROS MOUNTAINS**

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### **ABSTRACT**

*The Central Zagros Mountains Region in Iran with unique natural attractions has high ability to attract domestic and foreign tourists and improve the economy of local community in the area. However, these great capabilities are not properly utilized due to various reasons; therefore, region could not achieve its proper position in tourism industry either among Iranians or among foreign countries tourists. In this study as a part of United Nation Development Program and Iran Environment Organization joint research project in 2014-15, with regard to extensiveness of the region about 10 sample villages were selected by cluster random sampling for required data collection through standard questionnaires and open interview with local inhabitants and authorities. Description analytic method and Strength Weakness Opportunity Threat model were used for data analyses with SPSS software. Results*

*imply that there is no adequate coordination among local and regional dignities for tourism industry development in the region and also adoption of aggressive strategy is not appropriate for this purpose at the present situation. So conservative approach can be designed and wt<sub>1</sub> strategy that is protective-defensive plan may be given first priority for tourism development in the region. This strategy must be followed by an expert working group from various related local and national offices to apply an integrated and coordinated program for sustainable and improved tourism industry. The nature of this strategy will decrease many current problems such as the lack of private sector investment, low performance of tourism development enterprises, stockpile of trashes in the area, informal settlement of tourists, low knowledge of related individuals, therefore attraction and income of tourisms industry will be solved or ameliorated. Finally, on the bases of research findings and outcomes some applicable strategies will be suggested.*

**Keyword:** *Central Zagros, Eco-tourism, Strategic planning, sustainable development, SWOT*

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## **AN INTRODUCTION TO EMPIRIC APPROACH TO THE RESOURCE CURSE PHENOMENON IN SMALL ISLAND DEVELOPING STATES (SIDS)**

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### **ABSTRACT**

*The dependence on natural resources exports and its effects on economic growth represent one of the fields of study in political economy. This paper represents an empiric analysis of sets of macroeconomic data for several Small Island Developing States (SIDS). Data was analysed for Bahrain, Barbados, and the Dominican Republic. This paper searches for the potential mechanism of transmission of the resource curse. The countries which were selected are dependent upon either tourism as a source of revenue, natural resources or are to a degree dependent upon both. In order to avoid potential problems from using cross-section data, individual time series analysis methods were used. By using a Vector Autoregressive framework, this paper concludes that there is evidence of both direct transmission from natural capital towards economic growth, as well as indirect transmission through political instability and increased level of corruption. These finding are overall conclusive with the previous works discussing the research curse hypothesis.*

*The key policy recommendation is ensuring that funds obtained from the exploiting of resources or tourism are used to develop a more stable and long-term sustainable economy.*

**Keywords:** *resource curse, GDP growth, SIDS, political instability, natural capital*

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## **CHARACTER STRENGTHS AS A TOOL OF RESILIENCE-ORIENTED VOCATIONAL TRAINING FOR MANAGERIAL STAFF IN A LIFE-LONG LEARNING PERSPECTIVE**

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### **ABSTRACT**

*The main purpose of this paper is to contribute to building Resilient Organization issues. The author discusses a psychological approach to resilience, from Robert Jay Lifton's to Martin Seligman's conceptual perspectives. The main objective of the paper is to discuss the chance of using so called character strengths as a useful tool in resilience- oriented training courses dedicated to managers of various types of organizations. The author has conducted a workshop on "character strengths in the workplace". The empirical basis for the mentioned workshop is a qualitative, narrative research which was carried out a few years back. This initial result of the study reveals some of the examples of collective categories in which two groups of managers (from public administration and sales industry) foresee a possibility of using character strengths in the optimization of managerial work tasks.*

**Keywords:** *resilience, character strengths, training course, managerial vocational training*

## FACTORS DETERMINING SUICIDE RATES IN THAILAND

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### **ABSTRACT**

*This study seeks to find out whether or not economic background, as well as alcohol, contributes largely to the suicide rates in Thailand. In addition, this paper attempts an empirical exploration of the factors leading to suicide rates in Thailand. The statistics provided in this study derived from the 2011 collection from the National Statistics Bureau of Thailand, the Ministry of Public Health, and the Center of Alcohol Problem Research. To start, the descriptive analysis is presented in order to see all information of suicide rates in Thailand with various aspects. Then, the regression results are provided.*

*The results drawn from this study suggest that both alcohol and household income do statistically have a more positive impact on suicide rates in Thailand whereas household debt is shown to have a negative impact on suicide rates. Other social factors which contribute to the higher suicide rates are divorce rates, age of individuals (60+), as well as the type of employment; such as corporate firms and government-related sectors. On the other hands, the population density and the percentage of woman that are counted as the head of the family are negatively related to suicide rates in Thailand.*

**Keywords:** *Alcohol, Economic Status, Suicide Rates*

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## **MEDIATING ROLES OF GRATIFICATION TOWARDS RELATIONSHIPS BETWEEN EXPECTATION AND CONTINUANCE INTENTION TO USE YOUTUBE TO WATCH MOVIES**

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*This study aims to identify the relationships between expectations, gratification and continuance intention of using YouTube to watch movies among Malaysians; and has hypothesized that gratification mediates the relationship between expectations (towards content, process, social; and technology) provided by YouTube for movie watching experience; with continuance intention of using YouTube to watch movies. With such, this study uses Uses and Gratifications Theory (UGT) and Expectation Disconfirmation Theory (EDT) for model development. The minimum sample size was determined by Israel Glenn sampling table. An online questionnaire using Google Forms were distributed to 400 YouTube users in Malaysia, selected through purposive sampling techniques. All variables and items were extracted from reviews of literatures and were checked for convergent and discriminant validity using Confirmatory Factor Analysis (CFA). Structural Equation Modelling (SEM) under AMOS software was used in the analysis. Results of the SEM indicated that the model fits the data. Based on the Three-Variable Nonrecursive Causal Model By Baron and Kenny's (1986), it was found that gratification acts as a mediator for 2 (two) variables as there were positive and significant relationships between expectation towards social and technology gratification with gratification from the use of YouTube for movie*



*watching experience among Malaysians. Findings from this study will be able to guide movie content providers in Malaysia to work hand in hand with Google in regards to online platform distribution for movies and to shed some light towards the potential of YouTube as a new movie watching platform in Malaysia.*

**Keywords:** *Movie, YouTube, Expectation, Gratification, Continuance Intention*

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## **SECURITIES AND ITS CHARACTERS AS THE PART OF THE CAPITAL MARKET OF THE SLOVAK REPUBLIC**

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### **ABSTRACT**

*Capital market as the complex of institutions, transactions and mechanism of offer and demand for medium-term and long-term financial capital presents that part of financial market where the movement of securities is realized and at the same time, it is the part of every efficient market economy. After 1989, securities have become the significant tool in the companies' economies*

*whose main aim was to deposit and assess free financial resources and invest them to securities. It is not possible to reach success without the knowledge of the issue of legal enactment of securities on the securities market. The aim of the authors of this paper is the scientific research of the particular characters of securities. The main legal enactments are the Constitution of the Slovak Republic, Act on Securities and Investment Services, Commercial Code and Civil Code. The paper with its content presents multidisciplinary, i.e. economic – legal research of this issue.*

**Keywords:** *aspect, form, security, security floatation*

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## **MODELLING WEALTH EFFECT AND DEMAND FOR TOURISM DEPARTURE IN EUROPE: A PANEL DATA APPROACH**

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### **ABSTRACT**

*When stock prices go down, households have more reason to save, and will reduce tourism spending because they feel less wealthy. This paper analyses the tourism departure determinants in selected European countries and quantifies their influences concerning wealth effects on tourism consumption. Given the*

*importance of tourism trips for well-being, this paper investigates the wealth factors affecting tourism departure intensity in Europe using panel data by regression from thirty-one countries, from 1995 to 2014. We consider that departure is a function of income, saving, stock trading, real effective exchange rate, fuel price, and recession dummy variable.*

**Keywords:** *wealth effect, tourist departure, panel data model, European countries*

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## **CAPITAL FLIGHT AND ECONOMIC GROWTH IN IRAN**

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### **ABSTRACT**

*Beginning in the mid-1980s, the phenomenon of capital flight from developing countries received considerable attention in the economics literature. Capital flight destroys the domestic macroeconomic environment and decreases transparency and accountability. It restricts financial resources when a country is looking for economic growth and development. The purpose of this article is to measure the amount of capital flight in Iran during 1981-2012, and to investigate the long-run effects of*

*estimated capital flight on the Iranian economic growth in this period. To do so, the amount of capital flight in Iran has been measured using World Bank (1985) and Erbe (1985) approach. Then, the Auto-Regressive Distributed Lag (ARDL) procedure has been applied in order to estimate a growth equation. Results show that capital flight has a negative impact on economic growth in Iran.*

**Keywords:** *Capital flight, Economic growth, ARDL, Iran*

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## **INDIAN STOCK MARKET REACTION TO INTEREST RATE AND INFLATION ANNOUNCEMENTS**

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### **ABSTRACT**

*Events related to monetary policy and Inflation are keenly awaited by stock market participants and other economic agents. Past studies have observed that these events announcements first transmit to the stock market and then to the real sector. In the current research work we have used data from Indian economy but unlike the previous studies we have used broader market index CNX500, consisting of 500 stocks covering 97.3% of market capitalization. Further, we have also considered the impact on key sectoral indices such as, IT, Financial Services, Consumer goods and Energy. We employ event study methodology and calculate AAR and CAAR around the announcement date of the events.*

*In some cases, the results show difference in magnitude and direction depending on whether we use narrower index Nifty, index of 50 stocks, or broader CNX 500. We have also observed differences in impact of the events on sectoral indices.*

**Keywords:** *Stock Market, Market index, Nifty, CNX500, Monetary policy, Inflation*

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## **GOOD GOVERNANCE AND ECONOMIC REFORMS FOR ENTREPRENEURIAL ACTIVITY**

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### **ABSTRACT**

*Good governance is central to creating and sustaining an environment which fosters strong and equitable development, and it is an essential complement to sound economic policies. It is also defined as the manner in which power is exercised in the management of a country's economic and social resources for development and growth.*

*This article would present a critical review of the conventional classification of factors of production and reformulate a new classification for the allocation of resources and the distribution of income (Rent, Wages, Interest, Profits) that would be considered more rational even for the conventional theoretical framework to review and develop the theories of production and distribution. The conventional theory of production discusses the choice between different non-entrepreneurial resources (Land, Labor, and Capital). Why these resources choose to be so and not to become entrepreneurial resource is rather untouched in economic theory. Also, should owners of land, labor and capital decide to work for others on rent, wages and interest respectively or should they take entrepreneurial risk to earn profit? This is a*

*choice often made in reality but has never been explicitly explained in economic theory. The conventional theory does not recognize money capital as an explicit factor of production but recognizes interest as a reward of capital. Interest rate is the price of money capital but it is treated as representing the price of physical capital too.*

*This article would consider Money as an Entrepreneurial Factor of Production-EFP and this classification would create entrepreneurial factors of production when combined together would enhance growth and allow more equity in the distribution of wealth in the economy. Only entrepreneurial resources can participate with each other and there can be no other form of participation.*

**Keywords:** *Entrepreneurial Activity, Economic Reforms, Governance*

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