



**Varazdin Development and Entrepreneurship Agency**

in cooperation with

**Megatrend University, Serbia**

**University North, Croatia**

**Faculty of Management University of Warsaw, Poland**

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



## **Economic and Social Development**

30th International Scientific Conference on Economic and Social Development

Editors:

**Khalid Hammes, Igor Klopotan, Milica Nestorovic**

**Book of Abstracts**

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# **GLOBALISATION AND CHALLENGES OF THE MODERN WORLD: EDUCATION AND KNOWLEDGE MANAGEMENT**

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## **ABSTRACT**

*Nowdays we may observe two concept of societies as well as economies, in relation to the knowledge and its usage: industrial concept of economy and post-industrial concept of economy. Industrial concept of economy relies on the legal frame of OUN Conventions about protected rights of schooling and education, improved by human resources strategies of the organisations. Those strategies are focused to enable continuous investing in employee knowledge and skills to maintain and increase employee performance. The other concept is focused on the market position and profit as well, but due to everyday technology improvements which have been changing both the science and knowledge as well, this concept put in center higer level of their usage, which includes creativity, innovations, joint work, collaboration resulted with collective inteligenge, verification in proffessional practice etc. But, this approach do not ends there – the final aim is to improve decision making. This aim for many organisations stays a little bit hidden, it is not properly detected, as those organisations rely on high and expencive technology, expecting that business results will appear automatically upon investment in it. This does not necessarily happen. Therefore, the activity of managing knowledge is not only highly appreciated, but necessary, in fact. Such activity is professional occupation of the Knowledge management. The certain part of the Knowledge management is Education management, with its specific goal – to improve student learning. But, organisations must know what to ask and what could be expected by engagement of Knowledge*

*management, internally and externally, so their business analysis and plans could be stir properly*

**Keywords:** *knowledge, creativity, innovation, information, decision making*

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## **CULTURE, ART AND BUSINESS - POSSIBILITIES FOR INFRINGEMENT AND INVESTMENT PROFITS**

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### **ABSTRACT**

*There is a trend in the world of increasing interest in investing in culture and art, and it is predicted that this market will be one of the most important segments of investment of potential investors in the future. Human nature is rarely guided only by human motives, so investment in culture and art has always had a business component in itself, with the goal of making profits through such an investment. Those who own capital (money) tend to diversify their property by investing in culture and art, believing that the value of their investment will increase over time.*

*Cultural and artistic resources become interesting to investors by design and they become products through the process of presentation and interpretation. In order to increase the interest of investors, these products must be maintained, shaped and prominent. It is important to ensure their effective marketing management, and at the same time provide investors with an incentive legal framework, different benefits, attractiveness and potential benefit. Starting from the above, this paper focuses on analyzing the possibilities and key problems of investing in culture and art. It ends with a brief analysis of the opportunities for improving investment in this field in the Republic of Serbia and recommendations that, in practice, can lead to the improvement.*

**Keywords:** *investment, cultural and artistic resources, market, cultural and artistic attraction*

\*\*\*\*\*

## **RELATIONAL LEADERSHIP COMPETENCIES AND EMPLOYEES' WORK OUTCOMES – INSIGHT INTO PRACTICE**

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### **ABSTRACT**

*Relational leadership and emotional intelligence are cornerstones of contemporary approaches to leadership and management. As suggested by leader-member exchange (LMX) theory, the relationships between leaders and followers are crucial in providing motivating working environment and thus may have significant effects on work outcomes on all levels of organization. The aim of this paper is to shed further light on the relationship between leader's relational competencies and*

*followers' (employees') work outcomes. Number of factors have potential to moderate presumed relationship, especially work context related factors, such as organizational hierarchy, which is in the background of mentioned relationship. Therefore, potential moderating effects of organizational hierarchy are also examined in the paper. For this to be accomplished, based on the most important contributions from the literature, a conceptual model has been designed and empirical research was conducted. Collected data from 125 managers and other employees, related to relational leadership competencies being demonstrated by their superiors, and work outcomes achieved, were processed via SPSS 23.0 and Microsoft Excel. Obtained results, based on descriptive statistics and bivariate analysis, offered interesting results and confirmation of majority of proposed theoretical propositions. Namely, results confirm the existence of moderate to strong positive causal relationship between relational leadership competencies (independent variable) and employees' work outcomes (dependent variable). On the other hand, several relations being tested produced surprising and puzzling results, and therefore indicated propositions for future researches.*

**Keywords:** *Competencies, Emotional intelligence, Relational leadership, Work outcomes*

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## **THE ANALAYSIS OF IMPELEMENTATION ASPECTS OF EFQM BUSINESS EXCELLENCE MODEL**

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### **ABSTRACT**

*The EFQM Excellence Model was introduced at the beginning of 1992 as the framework for assessing applications for The European Quality Award. It is a widely used organisational*

*framework in Europe and has become the basis for a series of national and regional Quality Awards. The EFQM Excellence Model is a practical tool to help enterprises to do this by measuring where they are on the path to Excellence; helping them understand the gaps; and stimulating solutions. It is applicable to organisation irrespective of size and structure, and sector. The aim of paper is to find out what kind of factors impacts the EFQM Business Excellence Model implementation. The tasks: 1) to describe the EFQM model, 2) on the basis of theoretical knowledge, to develop a questionnaire on the factors and their impacts on the EFQM Business Excellence Model use of enterprises, 3) based on the survey results, to draw conclusions and make proposals to reduce the barriers to the model implementation in Latvian enterprises. The methodology consists of a descriptive analysis in order to determine the importance factors. In the research were also used interviews with experts and organized focus groups. In the focus groups participated 20 representants of various areas of enterprises. The experts were from the Quality area. The survey results show that the most important positive factors that drive Latvian enterprises to implement the EFQM are internal motivations, and that the most important barriers are related to the lack of the lack of time , lack resources – financial and human. The structure of barriers is made up of 3 groups: behavioral and cultural barriers, resource barriers, and organizational barriers. In the research was noticeable the coincidence of both expert and focus group results, pointing out the fundamental importance of the support of top management to EFQM use in the enterprises. Referring to possible delaying factors, the opinions did differ.*

**Keywords:** enterprises, excellence, implementation

\*\*\*\*\*

# **THE CO-CREATING OF SUSTAINABILITY-ORIENTED VALUE IN SUPPLY CHAIN MANAGEMENT**

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## **ABSTRACT**

*The co-creating of value in the supply chain plays an important role for sustainability. Focal firms, voluntarily and/or under the pressure coming from consumers, the public and other stakeholders, have embedded sustainability in their value chains, supply chains and, more broadly observed, their business as a whole. The focal firm cannot create a value on its own, so that, in the paper, an analysis is conducted of the co-creating of the value in the context of sustainability. The main purpose of the paper is to present an integrated framework for embedding sustainability in the supply chain.*

**Keywords:** *Co-creating of value, Supply chain management, Sustainability-oriented value*

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# CHALLENGES OF THE GLOBALIZATION PROCESS AND ITS IMPACT ON THE MODERN ECONOMY

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## **ABSTRACT**

*It seems that almost everything related to globalization starts, rests and ends on the market as an economic institute and a competition, as its core lever. Essentially, everything is done in order to control the monopoly market, to reduce the competition using adequate competencies, and to affirm power of the supranational elites as a new orientation of world development. Economic globalization is programmed and directed by the most developed countries, the largest transnational corporations and powerful world financial centers, with a view to securing business continuity. However, many authors think that it does not extend to all countries but circumvent areas which do not represent value to it. It produces immeasurable advantages to ones and inflicts damage on other economic subjects. There is an irrefutable outsourcing of unfavorable operation costs, crises, difficulties and problems. Globalization and economic globalization have led to the possibility that the economic crisis will deteriorate all over the world. In small economies, there has been a decline in exports, large layoffs, a reduction in salaries and pensions. Individuals give in under this pressure and the rate of mental illnesses increases. This paper suggests that perhaps the one of the priorities should have the research of the negative consequences of the process of globalization in general, and the economic crisis as one of its repercussions. New generations are being shaped in the conditions of globalization and economic crisis, and it is very difficult to predict what consequences they will have in the future.*

**Keywords:** *competition, economy, globalization, market, transnational corporations*

## **INFLUENCE OF INNOVATION ACTIVITY ON CAMPANY PERFORMANCE**

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### **ABSTRACT**

*Market globalization increases the level of competition between businesses that is increasing the interest in innovations, which are at present a necessary factor in increasing the competitiveness of the business. To ensure the effectiveness of investments in individual innovation activities, these activities need to be managed and, in particular, we need to measure their performance. Businesses face difficulties when establishing a clear relationship between business innovation and its performance. When measuring innovation performance, there is a serious problem with a significant delay of the benefits of innovation and the complexity of the isolation of the role of innovation from other business activities with respect to the overall performance. Measuring innovative business performance can be achieved by financial indicators such as ROE, ROI and by non-financial indicators such as the number of*

*new ideas, products, and so on. The paper aims to compare the development of innovation in the selected sector and the development of the sector's financial indicators for the identification of indicators whose development most closely corresponds to the development of innovation.*

**Keywords:** *Competitiveness, Evaluation, Innovation, Performance*

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## **EDUCATION FOR SUSTAINABLE NATIONAL ECONOMIC SYSTEM AS A VITAL INTEREST**

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### **ABSTRACT**

*In this article, we observe the functionality of conceptual determination of sustainability from the aspect of an organised political society. Today, countries face a challenge to adapt to the contemporary trends of internationalisation (globalisation) of national economic systems, and due to this inability to establish an optimal relation between the basic elements of sustainable development. The complex relationships of today require a new dimension of decision-making capability, which in turn requires a more comprehensive approach to education. In this article, we seek to establish deficiencies in consciousness which limit sustainable development, in terms of environmental, social and economic responsibility, at the national level. The findings indicate that without the national economic system it is impossible to expect the states to engage in international or*

*global commitments with full capacities. Therefore, we conclude that, since political communities are a reality, the education system should include awareness for the economic totality of such communities and develop the consciousness for a national economic system compatible with environmental and social dimensions of sustainable development.*

**Keywords:** *creating consciousness, sustainable society, education for international business, environmental education, global citizen, lifelong learning*

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## **GREEN FINANCING IN THE FUNCTION OF RISK MANAGEMENT ENVIRONMENT AND SUSTAINABLE ECONOMIC GROWTH**

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### **ABSTRACT**

*„Green financing“ is a new area of financing, that has application in the process of integration of environmental protection and economic profit. The term includes a wide range of environmentally friendly technologies, projects, industries and also verify whether it is a viable concept for balancing ecological depreciation in the process of assimilation of carbon in the atmosphere. Essentially, green financing is part of the green carbon because it connect financial industry, environmental improvement and economic growth, which is essential form for*

*long-term Sustainable Development. As this is an innovative concept, the paper pays special attention to the development of market mechanisms and policy formulation of green financing. By revealing the internal contradictions between the green financing and Environmental Protection, in achieving ecological balance and sustainable economic growth, the paper proposes the some options for the mobilization of private capital for green investments that can be applied in Serbia.*

**Keywords:** *Green financing, market mechanism, development policy, sustainable economic growth*

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## **MARKETING MANAGEMENT AND SOCIAL ENTREPRENEURSHIP**

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### **ABSTRACT**

*Marketing consists of the activities of individuals and organizations that enable and accelerate the exchange in a dynamic environment by creating, distributing, promoting and determining the price of goods, services and ideas. Marketing management can be defined as one form of knowledge and skills that selects target markets as well as builds profitable relationships with them. The marketing concept of governance includes research and endeavor to make the best adaptation (use) of your own resources and goals of your business for the sake of making a better use of existing and future business opportunities.*

*Also, marketing management involves obtaining, retaining, and developing the consumer through the creation, delivery and information of premium value for the consumer. Demand management, i.e. Managing customer relationships involves marketing management. In the development of the marketing strategy, special attention needs to be paid on identifying and evaluating future opportunities that appear in the marketing environment of the company, the analysis of market segments and the selection of target markets in which the company will face competition and the planning and development of marketing strategies that will meet the needs of consumers and at the same time fulfill the company's goals for profit. Social Entrepreneurship is a new way of doing business on the market. The difference between a regular company and a social one is that the profit of the social enterprise is not the main business goal, although it is almost a crucial factor for the survival of the company. Also, one of the main differences between a social and regular company is that the social enterprise tends to social impact. For the solution of social problems, the most important way is social entrepreneurship. Although the main purpose of the existence of a social enterprise is social good and benefit to the community, social enterprises must first of all have quality services and products to survive on the market. In other words, the purpose of their existence, which is different from classic companies, is not guaranteed to customers by itself, profit/success and survival on the market, nor in their case they must strive for the excellence of their products and fully and in the best way use marketing.*

**Keywords:** *Marketing management, Social entrepreneurship, Dynamic environment, Demand management, Social impact, Market*

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# **A KNOWLEDGE MANAGEMENT MODEL BASED ON EMOTIONAL AND CULTURAL INTELLIGENCE: A COMPARATIVE STUDY BETWEEN TAIWAN AND VIETNAM**

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## **ABSTRACT**

*There is no consensus in the academic community on the definitions of Emotional and Cultural Intelligence (EQ & CQ) and also few understanding of their impact on Knowledge Management - KM, leading to missed opportunities to develop new strategies to an effective collaboration between University and Industry, the future of education. This study explores the development and implementation of a KM model based on EQ and CQ (KMECI) and empirically tests three hypotheses:*

- *H1: EQ is positively influenced by CQ*
- *H2: CQ influences intention to contribute knowledge and experience in one KM program positively*
- *H3: EI influences intention to contribute knowledge and experience in one KM program positively*

*Based on the results of 35 interviews in four Taiwanese and two Vietnamese Universities, the article shows that experience can be*

*more important than knowledge to foster development. Even though Taiwanese President refusal to accept Beijing's policy that the island is part of 'One China', Oxford Economics produced a survey that made the dire prediction that by 2021, Taiwan would have the biggest talent deficit in the world. This study demonstrate that the perception of professors from Taiwan, who consider the ability to develop and transfer knowledge in Taiwan to apply around the globe as the most vital requirement for success, is not the most reasonable one. The KMECI model is useful to identify how patience, motivation, self-awareness, prediction, and resilience improve the process of sharing and creation of knowledge (KM), which raises the discussion of the importance to find balance between knowledge and experience, integrating GDP and happiness. The findings, such as the lack of experience of the "genius kids" reinforces the results of the ROC government's strategy in advocating investment in some countries in Southeast Asia since 1900s, the first wave of Taiwanese to Vietnam to apply their knowledge.*

**Keywords:** *learn by comparison, knowledge management, motivation, patience, resilience*

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## **MONEY LAUNDERING AS AN OBSTACLE TO LEGAL BUSINESS DEVELOPMENT**

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### **ABSTRACT**

*The paper is focused on money laundering and the problems, abuse and complications that consequently arise in the society, law and economy. The first part of the paper deals with the definition of the money laundering concept, its origin and the meanings of some terms. The history of money laundering and its negative impacts on the development of legal business worldwide and in Serbia are the subject of the second part of the paper. This part of the paper explains in detail the stages of legalisation of illicit proceeds. The third part of the paper describes Serbian legislation that governs this field and its latest amendments that are yet to be implemented and yield efficient results in combating money laundering. In addition, the fourth part of the paper describes legislative coverage of this occurrence in the EU law, as well as in the legislative systems of the Federal Republic of Germany and Austria. The last, fifth part encompasses the research on money laundering on the territory of the Republic of Serbia over a ten-year period 2007-2016. This part is focused on examining the number of the accused, indicted and sentenced for this criminal offence.*

**Keywords:** *business, money, money laundering, criminal offence*

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## **LEARNING ORGANIZATION – EXPLORING THE BENEFITS IN THE CONTEXT OF TRANSITION ECONOMY**

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### **ABSTRACT**

*In today's business environment, characterized with hyper competition and more frequent and radical changes, the requisite for continuous learning and innovating in all areas of doing business is becoming larger and larger with every new day. The concept of learning organization presents the ideal type of organization for contemporary business environment – an organization being able, by facilitating learning of its members, to continuously learn, transform and adapt to complex and fast changing business environment. Mentioned requisite for continuous learning and innovating is all the more present in transition economies in which companies are trying to catch-up with the competition coming from developed economies. Despite the increasing demand for a new knowledge, the concept of learning organization, the ideal organizational context for acquiring, distributing, interpreting and memorizing (new) knowledge, is still to take a full swing in majority of transition economies' companies. This paper investigates the nature and the level of presence of learning organization characteristics. Furthermore, the benefits of learning organization characteristics present in the transition economy's companies are being explored in terms of organizational effectiveness. For this to be accomplished, collected data from 36 transition economy's companies were processed via SPSS 23.0 and Microsoft Excel.*

*Obtained results, based on descriptive statistics and bivariate analysis, offered confirmation of proposed theoretical propositions, while also emphasizing number of interesting relations and findings.*

**Keywords:** *Knowledge, Learning organization, Organizational effectiveness, Transition economy*

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## **WRITTEN COMMUNICATION OF A LARGE ORGANIZATION WITH YOUNG CONSUMERS**

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### **ABSTRACT**

*Communication of a large organization in a written form should be treated as an element of building the company's image and creating relationships with clients. The purpose of the article is*

*to identify key elements of written communication and to adapt them to the preferences of young clients (up to 40 years of age). Young consumers have different expectations than mature people, they feel the lack of time resulting from the beginning of their professional career and setting up their own households, they have different habits, they skip through long letters, they want to have everything straight and first of all shortly explained. The article reviews the available literature on the subject of written correspondence, it contains the results of qualitative research and indicates the universal principles of constructing written messages addressed to young consumers.*

**Keywords:** *Communication, Company image, Young consumers, principles of constructing written messages*

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## **DYSFUNCTIONAL ORGANISATIONAL GAMES: ORIGINS AND DEVELOPMENT MECHANISMS**

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### **ABSTRACT**

*Organisational games are a common, although difficult to identify, phenomenon. Most frequently they identified as a competition for some stakes that are not always clearly defined, and sometimes one that the players may not even be aware of. An organisational game may be initiated for different reasons, and the game itself may have various consequences. Games are a natural social process, and therefore it is natural that they also appear within organisations. A majority of those games are neutral or positive for the organisation in which they take place. However, there are also dysfunctional games that reduce the organisation's effectiveness.*

*As a result of dysfunctional games organisational systems are subject to stresses and change in undesirable ways. Long-term dysfunctional games may lead an organisational system to pathological condition. Dysfunction generated by a game leads to interruptions in the organisation's effective operation and makes it difficult, and sometimes even impossible, to correctly manage the given organisational system. Dysfunctional games are zero-sum games where the victory of one player means the loss of another (or others) on a similar scale. The purpose of this paper is to present the sources and selected mechanisms of emergence and development of dysfunctional organisational games. Phenomena discussed herein will include such things as externalisation, coalition-building, confrontations, or entrapment. Organisational games are a phenomenon that is characterised by strong subjectivity, and at the same time they are a very delicate subject-matter both from the point of view of the researcher and the study participants. The basis for the deliberations presented below comprise the author's qualitative studies carried out among entrepreneurs, managers, and specialists in organisations of various sizes.*

**Keywords:** *Dysfunction, Organizational game, Pathology*

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## **THE IMPACT OF MONETARY AND FISCAL POLICY ON THE ECONOMY IN POLAND**

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### **ABSTRACT**

*Decisions taken by the economic authorities within the monetary and fiscal policy influence each other and thus affect the economy of a given country. The literature on the subject indicates that it is essential for the economy that the monetary and fiscal*

*authorities cooperate with each other. However, such coordination of actions of economic authorities is not easy to achieve because the central bank seeks to ensure price stability, while the government strives to maintain high economic growth and a low unemployment rate. In addition, it should be emphasized that the decisions of economic authorities are made at various stages of the business cycle, which may also affect a degree of coordination of monetary and fiscal policy (policy mix). The aim of the article is to identify the relationship between economic variables in the monetary and fiscal policy and thus variables describing the economy in Poland in 2000 - 2016. Particular attention is paid to the following economic variables: economic growth, unemployment rate, General Government debt and deficit, the main interest rate of the central bank or inflation. The article verifies the hypothesis that variables from the monetary and fiscal policy statistically significantly interact with each other and thus influence the economic variables in Poland. The research methods were based on statistical analyzes. The contribution of this article consists in presenting a role of monetary and fiscal policy in influencing the Polish economy in the years 2000 - 2016.*

**Keywords:** *economy, fiscal policy, monetary policy, policy mix*

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# **THE IMPACT OF THE OIL PRICES SHOCKS ON THE INTERACTION BETWEEN THE LIBYAN ECONOMY AND THE ECONOMIES OF IT'S MAIN TRADING PARTNERS**

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## **ABSTRACT**

*The authors in the paper analyze the impact of the oil prices shocks on the interaction between the Libyan economy and the economies of it's main trading partners, such as: Italy, Germany, Spain, France, Greece, Great Britain and Tunisia. Using statistical methods of available data, the autors in paper study the trade relationship between Libya and its major trading partners, as well as the rest of the world. The time series used in the paper focuses on the period from 1970 to 2008.*

**Keywords:** *Oil price, Economy, Export, Import and Trade*

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## **CHINESE SOES VS CHINESE PRIVATE COMPANIES IN INTERNATIONAL MARKET**

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### **ABSTRACT**

*The opening of China to the world began in 1979 under the leadership of the Chinese leader Deng Xiaoping and, in a way, that was the beginning of the international development for Chinese companies, slowly but surely it became a significant competitor in international market. The process of internationalization started in the 1990s through various infrastructure projects that were conducted by Chinese state-owned enterprises in Africa and Asia. After their expansion abroad, Chinese private companies started to work overseas at the beginning of a new millennium. Their first investments were in IT industry in the United States of America and they purchased some of the world's most recognizable brands. Nowadays, Chinese companies are among the leading investors globally. On prestigious business lists, such as Forbes and Fortune 500, they occupy high positions in all categories. Slowly but steadily, they are leaving behind big global players from the US and the EU. Primarily, the progress has been achieved because the Chinese companies enjoy great support from the Chinese Government, which provides support to them both on financial and diplomatic level. The aim of this paper is to show how Chinese private and state-owned enterprises behave in the international market and point out the similarities and differences of their strategic approach (both through individual cases and through a comparative analysis of two case studies).*



*The authors will elaborate on the dominant areas and investment branches for both types of companies, and also what problems those companies encounter in international business market.*

**Keywords:** *China, private companies, state-owned enterprises, international market, strategy*

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## **RISK ASSESSMENT BASED ON INTEGRATED FUZZY MEP METHODOLOGY**

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### **ABSTRACT**

*In the effort to overcome the limitations of some mathematical models to deal with real-world problems, evolutionary algorithms were developed as alternative optimization technique. Genetic Programming (GP) represents a branch of evolutionary programming, where encoding is performed by using an evolutionary algorithm and resulting in solutions that consist of computer programs. So far, genetic programming has been successfully implemented in various optimization, search and*

*model approximation problems. As a subset of machine learning paradigm, GP, developed by Koza, uses genetic algorithms (GA) to automatically generate computer programs. Multi Expression Programming (MEP), a Genetic Programming variant, is used in developing models for characterization of system behavior by directly extracting knowledge from data. MEP is considered an efficient technique for solving complex problems, having a distinctive feature to store multiple solutions in a single chromosome. However, the decoding process remains at the same complexity level. MEP has a potentially wide range of applications. Real systems that exist in socio-economic environment are characterized by dynamic structure, reflected in nonlinearity, uncertainty and other inherent aspects. Thus, standard mathematical approach, relying on precise mathematical relations, has certain limitations in modeling complex systems. As an alternative, fuzzy mathematics is applied when modelling vague and complex relations and systems. The application of fuzzy systems theory is recommended in situations where data values and relations are uncertain and imprecise and their estimation relies on incomplete expert judgment. The principles of fuzzy mathematics have been extensively used in risk assessment. This paper proposes an integrated methodology for risk assessment that combines MEP and fuzzy mathematics.*

**Keywords:** *Credit scoring model, Genetic Programming, Risk Assessment*

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## **MULTIDISCIPLINARY APPROACH TO SUSTAINABILITY OF NATURAL RESOURCE MANAGEMENT IN LIBYA**

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### **ABSTRACT**

*Development of environmental protection technologies, scientific monitoring of ecosystems, integrated environmental management and biodiversity protection, environmental hazards and ecosystem risk assessment, climate change research and their impact on the environment, all of these contributions sustainability and sustainable exploitation of natural resources. This working paper analyzes issues of sustainable environmental development in the sense of conserving nature and its resources in Libya. Ecological safety, sustainable development and environmental issues are part of regional initiatives and should be a factor in the internal stability and economic development of each country, including Libya. Over the past decades, it has become clear that the global environment under serious threat is the consequence of human activities that lead to comprehensive water and air pollution, exhaustion of natural resources such as forest and fish stock, destruction of plant and animal species and their habitats and growing threats to the global warming up. High pollution of natural resources, primarily water, land and air, and the fact that climate change is happening much faster than anticipated indicates the need to place this area in the priorities of the scientific and technological development strategy. The field of environmental protection covers almost all segments of the society, and for these reasons, a multidisciplinary approach to research is needed. An increasing number of multidisciplinary studies and teams simultaneously engage in natural-mathematical, technological, but also social and humanistic disciplines. Issues like protecting the environment, food safety, energy efficiency, and biomedicine cannot be solved without a comprehensive approach and the contribution of science and*

*scientific institutions. The application of research results can improve the state of the environment is of utmost importance for the future economic development of Libya. In order to achieve this, it is extremely important to establish stronger cooperation between scientific research organizations and users of research results.*

**Keywords:** *Economic development, Environmental issues, Libya, Multidisciplinary approach*

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## **CORPORATE GOVERNANCE – PITFALLS BEST PRACTICE IN ATLANTIC**

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### **ABSTRACT**

*To have a business idea and a strong belief in its growth is certainly a primal step to establish a company. But the second step should surely be a decision on how you want to run your business. This is where the topic of the corporate governance shows its importance. There are numerous resources for the establishment of the good corporate governance, from regulatory frameworks to good business practices around.*

*They all share variations of preconditions that need to be met in order to reach a unique goal, which is to provide protection to company's existing shareholders and the other stakeholders, as well as to attract the interest of new ones. But somehow, corporate scandals still fill the news. The corporate scandal with one of the biggest food producer and retailer in the region, Agrokor company, which was made public in April, 2017, shook the Croatian economy to the extent that it resulted in emergently adopted law unofficially named "lex Agrokor," in order to prevent the company's bankruptcy and its domino impact on the national economy. One could say that the history with Parmalat, WorldCom, Lehman Brothers or Enron corporate scandals hasn't learned us much. Analyzing their mismanagement practices lead us, coincidentally or not, to common corporate governance pitfalls. In this paper, the authors intend to summon the most important pillars of the good corporate governance and accentuate its importance through the most common corporate governance pitfalls of the world known scandals on one hand, as well as, on the other hand through the example of the implementation of the good corporate governance practices on the example of Atlantic Grupa – the company which, in recent years, became successively awarded and well known for its quality in the corporate management and transparency.*

**Keywords:** *corporate governance, good business practices, pitfalls*

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## **WOMAN IN ARMED CONFLICT: LEGALLY PROTECTED OR GENDERLY DISENFRANCHISED?**

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### **ABSTRACT**

*Introduction: For centuries, women fighting for the protection of their fundamental human rights, endangering of these rights is escalating especially at the outbreak of armed conflict. Although that status of women in the 21st century is globally greatly improved, social structures and prejudices still hinder, full and immediate implementation of the human rights of women throughout the world. Armed conflicts are taking place everywhere in the world and women are exposed to continuous attacks on life and body, to personal dignity. Fighting is still going on.*

*Objective: Regardless of which reason wars going on, whether international or civil conflict women are victims. They are victims in all forms of war, whether on the front line or behind it, they make a overwhelming majority of civilian victims of modern forms of warfare. They are multiple victims of violence that often remain socially invisible. In this paper we present the basic provisions of legislation that emphasizes legal protection of women.*

*Literature review: besides raping, which, unfortunately continues all war conflicts, women suffer other forms of sexual violence, fear, physical violence by members of other nationalities or returned from the battlefield.*

*The adoption of the Geneva Convention of the Treatment of Prisoners of War of 1929, women enjoy special protection under international humanitarian law. The provisions of Article 14, paragraph 4. I of Geneva Convention, which states: "the women must be treated with all considerations that owe their sex" is most important. The principle of equality between men and women is a fundamental principle underlying the protection of women in international humanitarian law and is contained in all the clauses of the Convention which prohibiting discrimination.*

*Conclusion: International Humanitarian Law by its regulations made enormous efforts to provide broad protection for women. All four Geneva Conventions, the two Additional Protocols, the Statute of the International Criminal Court and the Rome statute of the International Criminal Court devotes a whole chapter, a number of provisions relating to women and their rights and protection, as well as the status of the armed conflict. Despite all the legal regulations, women in armed conflict are fully unprotected and exposed to violence.*

**Keywords:** *women, protection, armed conflicts*

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## **EXPORT OF GOODS FROM POLAND TO GERMANY AND SLOVAKIA IN THE LIGHT OF SELECTED INDICES**

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### **ABSTRACT**

*Traditions of economic and political relations between Poland and Germany reach far into the past. Undoubtedly, the most interesting is their development in the 20th century, specifically*

*after the end of World War One, when Poland regained its independence after having been wiped off the political and economic stage for more than a hundred years. 1990 was an exceptional year for the German economy with regards to German reunification; however, it was also significant for Poland and Slovakia, especially for its foreign trade, since certain changes in external relations have occurred. On account of dynamically developing trade relations between Poland and Germany, the author conducted a scrupulous analysis of the export of Polish goods through the use of three popular indices: the trade coverage index (TC), the revealed comparative advantages index (RCA) and the Grubel-Lloyd index (G-L) for measuring the intra-industry trade intensity.*

**Keywords:** *export, Grubel-Lloyd index, intra-industry trade, revealed comparative advantage*

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## **MACHINE ECONOMY**

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### **ABSTRACT**

*Economy development is in a direct correlation with determinant of society development. At the same time socio-economic development was rising based on industrial revolutions and the human neglecting has been higher. Every industrial revolution*



*was leading to more neglectation and the new economics form. First industrial revolution with invention of steam machine, created the surpluses value and economy of individuals became the economy of scope. Additional contribution to that was provided by second industrial revolution and invention of electricity and the economies were facing the mass production. So, the national markets were small for all that surplus values. Third industrial revolution presented in information technologies brought at the beginning the economy of information and technology, but at the end the brain economy, considering the acceleration of innovation development. In all this economies, from first to third industrial revolution we are facing an ever-increasing replacement of a man by a machine, so we can conclude that the last three centuries there was the development of the machine economy. The fourth industrial revolution brought the processes of digitalization in every sphere of society also the communications between machines. So, machine to machine economy is new form of economy. Is this mean that we can assume that economy is in era of creative destruction, accelerating technology and disappearing jobs.*

**Keywords:** *economy development, machine economy, society, industrial revolution, technology*

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## **CONSTRUCTION OF DIGITAL SECURITY FOR INDIVIDUAL, SOCIETY AND THE STATE IN DIGITAL ECONOMY**

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### **ABSTRACT**

*Digital economic security is understood as an information model of synthetic knowledge, whose individual judgments, while within the boundaries of economic and information security, lose their former autonomy and, integrating with social security, become elements of a new system. In this system, the phenomenon of the appearance of new products, new markets (digital platforms), new ways of conducting economic activity (digital algorithms) begins to play a big role, while the commodity itself becomes free, but monetized in other markets. A key role is played by the phenomenon of acquiring "big data" properties of capital that form market power. A special place is taken by "traps", in which economic subjects fall, responding to suggestions of timeliness, convenience and comfort of providing goods or services in the digital economy. Originality value - as far as the authors are aware, this study is the first one, which explores not only the benefits of the digital economy, but it also addresses the threats to economic security of the subjects of the digital economy.*

**Keywords:** *digital economy, economic security, personality, society, state, risks, challenges, threats*

## **ESTIMATION OF THE VARIANCE OF PROJECT RETURNS THROUGH A CASH FLOW BETA APPROACH**

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### **ABSTRACT**

*The variance of the return on a project is a necessary input parameter for several financial calculations that have high potential in decision-making practice, such as real options analysis and project portfolio selection. To proper estimation of this variance, an obvious obstacle is the lack of stock price data regarding projects. However, historical project cash flow data may better be available. Building on the theoretical framework published in previous studies, we propose an approach how the variance of project return can be estimated in the context of the Capital Asset Pricing Model (CAPM) if historical cash flow data are available. We show how the return on the project's hypothetical stock can be decomposed into a normal return dictated by the CAPM and an abnormal return stemming from the revision of expectations regarding the project's cash flows. The part of variance attributable to the abnormal component can be estimated from a series of expectations generated from historical data regarding the project's cash flows. The part attributable to the normal component can be determined by estimating a cash flow beta from the same series via regression on market portfolio returns.*

*By the help of the formulas developed for the total variance determination, we also express the idiosyncratic and the systemic variance of the project return as functions of the cash flow beta and the abnormal component. We point out that the framework we propose is applicable not only to projects but privately held companies as well, since the lack of stock price data is similarly an issue in their case. Furthermore, our findings also make it possible to extend the application of the Treynor – Black portfolio model, for which the idiosyncratic variance is a key input parameter.*

**Keywords:** CAPM, cash flow beta, idiosyncratic, project return, variance

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# **INNOVATIVE AND CREATIVE COMMUNICATION CAPACITY OF BUSINESS ORGANISATIONS IN COMPLIANCE WITH GLOBALISATION TRENDS**

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## **ABSTRACT**

*Globalisation is defined as an increasingly integrated world economy and has the main potential to bring up synergy among management skills, communication potential to fit into the new trends of how to be competitive in the global market. The research was conducted in leading business organizations in the Republic of Croatia and has thus shown that the success of business organizations and the acquisition of market games lays in clearly set objectives, resources, factors and innovative capabilities of business organizations in order to follow the modern trends and benefits in global management.*

**Keywords:** *communication, creativity, globalisation, innovation, innovative communication, management*

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## **MODEL OF SMALL BUSINESS MONITORING**

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### **ABSTRACT**

*Business management includes a numerous processes and activities. One of the most important process is the business planning. That planning implies monitoring changes in the environment, anticipating the impact of these changes on business and planning future business activities. Thus, business planning is a complex process, as well as business management, and requires engagement of an expert team to manage the company. However, small business has no the capacity to engage such an expert team, and small business owners manage the company themselves. In that sense, they need help to manage the enterprise. Taking into account the needs of small business owners and results of previous researches, model of small business monitoring has been created and described in this paper. The proposed model enables monitoring key business performances, understanding of the environment, and perceiving development opportunities. Small business owners can see current state values of performances, environment and*

*opportunities, as well as their future expected trends on one simple view – dashboard. Likewise, the proposed model is simple to use and can be a kind of early warning toll of small business failure, because it enables spotting potential threats to business and activities that should implement to prevent business failure. The proposed model is created for small profit companies, but it is flexible, and can be adjusted and used in small non-profit companies, as well as in big companies.*

**Keywords:** *anticipating, small business, early warning, model, planning, system, tool*

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## **CHALLENGES OF ECONOMIC GLOBALISATION IN HEALTHCARE CONSIDERING HEALTHCARE COOPERATIVES AS RESPONSE**

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### **ABSTRACT**

*This paper deals with actual economic globalizations trends and its influence on healthcare systems, with specific intention on elaborating several issues in respect of Serbian healthcare system and its economic implications, but also its implications for other stakeholders (e.g. patients). Economical globalization is widely growing, mainly through process of liberalization of markets with eminence support of international financial and non financial organizations. Implication of neoliberalism and globalization on healthcare requires further restructuring of healthcare system and its inevitable model change. The health system in Serbia has not been set up so that the patient is in the focus of interest. On the one hand, the state does not invest in health care as much as is necessary to meet the needs of the insured, while on the other hand, the funds invested are not used in the optimal way.*

*This paper discuss issues potential responses that could be saw in Healthcare cooperatives as a private ownership model.*

**Keywords:** *Economic globalization, healthcare issues in globalization, healthcare system in Serbia*

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## **FUZZY LOGIC INFERENCE SYSTEM MODEL FOR RISK ASSESSMENT IN INFORMATION TECHNOLOGY AND SERVICES ENVIRONMENT**

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### **ABSTRACT**

*Achieving security in ITS environment is a difficult task, one that is constantly evolving. With the development of technology over the last decades, risk assessments have become increasingly more complex. Availability of information for numerous risk parameters, affects the reliability of the risk assessment in information security processes. Due to that reason there is a need to develop a model that can contribute to increase of reliability of risk evaluation and reduction of subjectivity of the decision-maker regarding the risk level. In the paper, the authors proposed a concept to model the risk of specific processes in the system applying fuzzy logic and by using a procedure of expert*



*valuation of weights of previously defined risk elements, their interrelation and relative importance compared to the total risk. ITS security process data for a specific company are incorporated into proposed model and validated with an example case.*

**Keywords:** *fuzzy logic, ITS, modelling, risk assessments*

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## **POWER RELATIONSHIPS OF SUSTAINABILITY-ORIENTED ACTORS IN THE SUPPLY CHAIN: THE ANTECEDENTS AND OUTCOMES OF THE POWER OF ACTORS**

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### **ABSTRACT**

*The sustainability orientation influences the evolving of the power of actors in the supply chain (SC). Most studies on the use of power in supply-chain relationships have investigated one actor, such as the focal firm. Actors have different power in transforming the SC into the sustainability-oriented supply chain (SO-SC). This study researches into the causes and consequences of the power of the key sustainability-oriented (SO) actors in the SC. Few studies have examined power relationships in the SC. In compliance with the marketing concept and the mantra that “the consumer is the king”, this study deemphasizes that the SO end consumers have the power.*

*The most important drivers of embedding and achieving sustainability in the SC are powerful consumers. The SO lifestyle and the sustainable behavior of end consumers are “the foundation of sustainability”.*

**Keywords:** *Consumer, Sustainability-oriented actors, Sustainability-oriented supply chain, Power relationships*

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## **GLOBALIZATION AND CHALLENGES OF THE MODERN WORLD - CONSTRUCTIVE DISMISSAL**

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### **ABSTRACT**

*There are two usual types of termination of employment relationship- the dismissal at the employer’s initiative and the resignation at the employee’s initiative. However, there is another type, the employee’s resignation due to the unbearable working conditions at the employer’s (most frequently due to mobbing). In the described situations, the employer issues a dismissal decision. The most frequent lawsuits are for the annulment of the dismissal decision at the employer’s initiative. Little it is said and written about the annulment of the dismissal decision that the employer issued on the basis of employee’s resignation statement. The paper before us is going to demonstrate to what extent the law and judicial practice recognize that type of termination of employment relationship and what is more, it is going to inform the employees that they are entitled to that legal remedy. In addition, the cases from judicial practice in which this type of termination of employment has been recognized and the employee has been protected will be analyzed.*

*The most frequent employer's conduct that brings about this type of termination of employment will be described as well as the fact that the employee must prove that such behavior was the cause (motive) for their resignation.*

**Keywords:** *dismissal, constructive dismissal, mobbing, litigation, annulment of the dismissal decision*

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## **MEDIA EDUCATION AS COUNTERPOINT TO THE DEVASTATION OF PUBLIC INFORMATION IN SERBIA**

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### **ABSTRACT**

*In modern information and IT society, creativity is elevated to a pedestal, as a condition for market success, but also survival. In other words, in post-industrial production, or the entire economy, and certainly media companies, which of course operate according to market principles and are based on information, creativity is the most wanted commodity. In the modern knowledge society, there has been a strong affirmation of the phenomenon of cultural, that is, creative industries that have great importance for the economic, social, political and general development of society. At the same time, changes in the economic, technological and cultural spheres have strongly influenced changes in the media, as an important creative, but nevertheless an industry. This means that media products (information, videos, pics) and the media are industry, not only*

*because of the rating criteria which dictate the direction of business, but also because it is about mass production and consumers. Creativity is an important strategic resource for increasing competitiveness in a knowledge-based economy. However, media policy does not encourage systematic promotion of creativity. Consumerist entertainment industry suppresses and marginalizes authentic, creative cultural practices, replacing them with pseudo-cultural contests. The integration of theoretical knowledge and education into the Serbian media sphere is practically at the zero point with recurrences that seriously undermine the overall development, application of knowledge, modern technological achievements, and the affirmation of democracy and freedom as the basic precondition for the overall prosperity of society.*

**Keywords:** *Creativity, Competition, Media Education, Media Industry, Public Information*

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## **MEASURING ECONOMIC & COMPETITIVENESS INDICATORS OF EUROPEAN COUNTRIES AFTER ECONOMIC CRISIS OF 2008: THE CASE OF GREECE AND GERMANY**

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### **ABSTRACT**

*In the present paper we present and analyze on a time basis key data on the economy and competitiveness of two European countries, Greece and Germany, for the period 2008-2015. The purpose is to capture and assess the general situation in the two economies after the international economic crisis and*

*the possible impact on them. Next, a comparative analysis of fiscal policy and competitiveness in the two economies is carried out to study policies to improve fiscal and competitiveness on a case-by-case basis. On the basis of the above, the work is completed with conclusions on the effectiveness of the adopted policies for improving the budget and enhancing competitiveness.*

**Keywords:** *economy, GDP, competitiveness, impact*

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## **RISKS AND GLOBALIZATION**

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### **ABSTRACT**

*All decisions are more or less risky, containing a positive side (chance) and negative side (loss). Unfortunately, people generally have the tendency to underestimate the likelihood of a negative events due to misperceptions of the risk. Every possible change entails new risks. Future risks arise in the present and there is no future without risk. Risks are dynamic by their nature - they can and change over time, so do risk probabilities. We live in an integrated globalized world characterized by interdependence, convergence, and divergence. Global integration and new technologies mean rapid progress, but also new and higher risks. Globalization brings also global uncertainty, instability and fragility. In the age of globalization and complexity we need to move further from linear concept of risk to understand complex systemic risk. The permutation of two or more risks is often too much for the normal human mind to comprehend and to react properly. At a global level humanity is facing with a growing number of global risks, including fractions*

*and failures affecting the social, economic, environmental, technological and industrial systems. These global risks are increasingly complex, systemic and cascading. Growing complexity of our world, in itself, is the risk. Growing complexity of global risks is also a profound and acute challenge for effective risk management process on local, national and international level. Globalization requires more cooperation in global risk management, because global risks are not isolated and it is important to assess their interconnections and multiplicity effects.*  
**Keywords:** *Globalization, Global risks, Risk, Risk management, Risk society, Uncertainty*

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## **THE ROLE OF THE INTERNET IN HIRING EMPLOYEES IN A MODERN BUSINESS ENVIRONMENT**

**Osama Shiba**

**Zlatko Langovic**

### **ABSTRACT**

*Employment seeking has always been one of the most vital jobs. This fact can be seen in two ways: as an individual looking for a job and as a company looking for workers. Characteristic in both cases is that communication is one of the basic prerequisites for the employer and employee to find, establish contact and arrange cooperation. The modern business environment has brought significant changes in the way and methods for finding potential candidates for employment, as well as vice versa new methods for finding suitable employment. The emergence of the Internet and associated technologies has enabled, for the first time, full, two-way communication between the employer and the job seeker. Individuals looking for a job do not have to go around the company and ask themselves enough to go to the site and to*

*review job offers, they can leave their CV to the company and wait for an answer or to offer their services to interested ones via social networks. On the other hand, companies are able to advertise on their site the need for human resources, to view through the social networks the labor supply or to send their link to work on specialized agency sites. Companies can hire workers located at the other end of the country (or the world) and through Internet can recruit them. In this working paper were analyzed different variants of the use of modern communication technologies in the recruitment and operation of companies from the point of employment of personnel. The topic of “freelance” employment has been especially addressed because this is the opportunity for mass engagement of cadres via the Internet. In this paper was proposed a model of an organization's online job search order system suitable for developing countries.*

**Keywords:** *Communications, Employment, Freelancing, Internet*

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## **THE EXCHANGE RATE POLICY IN AZERBAIJAN DURING THE GLOBAL FINANCIAL CRISIS**

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### **ABSTRACT**

*The goal of this paper is analyze of the impact of exchange rate policy on the national currency of Azerbaijan during the recent global financial crisis. Azerbaijan is an oil exporting country which is on the coastal of Caspian Sea. That's why literature*

*review will be based on the oil exporting countries' monetary policy which is very important for these countries especially during the low oil prices. The 2008 global financial crisis influenced the oil price, as well. In the result of that crisis, the oil prices decreased sharply from 147 USD to 52 USD. This process was challenging for the oil exporting countries' economies in the field of the national currency as well as for Azerbaijan. Due to intervention costs by the central bank, it could not manage the balance of value of national currency against the foreign currencies. It was acceptable for the short-term period but when it comes to the long-term period it had a negative impact on the foreign exchange reserves especially in the low oil price period in 2015.*

**Keywords:** *exchange rate policy, global financial crisis, manat, oil exporting country, oil price*

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## **WORKING CAPITAL MANAGEMENT AND FIRM FINANCIAL PERFORMANCE - EMPIRICAL STUDY ON AMMAN STOCK EXCHANGE LISTED COMPANIES FOR THE PERIOD OF 2010-2014**

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### **ABSTRACT**

*This paper discusses about working capital management which is studied on Amman stock exchange. Nowadays working capital organization is fundamental in business in perspective of its impact on an affiliation's productivity and possibility, and thusly its regard (Sonia and Pedro, 2010). Capable organization of*



*working capital is crucial to the advancement and survival of company's Working capital organization needs to do with using the store that is required to run the ordinary operations of an affiliation gainfully remembering the true objective to finish the focuses and goals of the affiliation (Nwankwo and Osho, 2010). The dispute that working capital organization impacts firm regard seems to acknowledge wide affirmation. Regardless, there are diverse elucidations for the inspiring strengths of firm to hold positive working capital. In addition, this study sought to determine the effect on profitability of manufacturing firms in Jordan. This study employed panel data methodology. The data for the study was derived mainly from secondary data sources including Capital Markets Authority Library and Amman Securities Exchange Library. The results from regression analysis indicated that only 26% of variations on financial performance of manufacturing firms could be attributed to working capital management and the remaining portion being influenced by other factors. This study further revealed that working capital variables accounts collection period, average liabilities period and inventory conversion period were inversely related to financial performance, as measured by Return on Assets.*

**Keywords:** *Capital management, Financial performance, Stock exchange*

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## **IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY AND MARKETING OF UNIQA IN THE REPUBLIC OF SERBIA**

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### **ABSTRACT**

*The concept of corporate social responsibility is becoming popular at the beginning of the new millennium, during economic crises which have shown that there is a need to change the way business company. This concept emerged as a potential solution to the problems faced by companies as it seeks to reconcile the needs of the business world with the needs of the community. Corporate social responsibility is a voluntary decision of the company to contribute to the quality of life of society and the preservation of the environment, and it is a logical step for companies seeking the right to participate in the functioning of the local community. Due to the extremely rapid and constant development of technology, a socially responsible company operations directed at the broader social interests, which concern not only to make profit. Marketing, on the other hand, represents a very important part of this way of doing business, because it also changes and progresses, and expands its area in line with new technologies. Thus arises the concept of socially responsible marketing that involves harmonizing priorities of the company with the needs and desires of consumers. Therefore, in this paper focus will be on marketing activities that promote socially responsible business Uniq company, and therefore its participation in the social environment.*

**Keywords:** *business, marketing, corporate social responsibility, socially responsible marketing, Uniq*

## **VARIETY ANALYSIS OF INTERCULTURAL COMMUNICATION IN INTERNATIONAL NEGOTIATION**

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### **ABSTRACT**

*Negotiation is always present in our lives, and according to some it is one of the skills necessary for survival in the business world. Today's managers spend half of their working time communicating with others. This paper analyzes the international negotiations and its importance in the development of international relations with other companies, managers, and customers. The work is dedicated to intercultural communication in multinational companies. The paper starts from the influence of culture on intercultural communication (importance values, the impact of needs, attitudes and norms, as well as differences in the cultures of East and West, cultures of high and low context). Cultural differences and subculture which have crucial importance to intercultural communication are analyzed in particular. Then we look at the importance, process and obstacles of intercultural communication in the example case studies which show up in this area of work. In this section, we approach of verbal and nonverbal communication and intercultural competence necessary for this type of communication. Barriers in intercultural communication exist in multinational companies and are possible causes of why there are difficulties in intercultural communication or inability to achieve the same. This work can help to develop the mentioned area by showing intercultural communication in multinational companies through*

*theory and practice. In addition, there are presented the ideas that can improve this form of communication. Multinational companies are present in our country, so this work does not deal with future trends, but real working conditions. It can be an important resource for all interested in this field. This indicates that this area has the potential to progress and that this work can be the basis for future studies of intercultural communication.*

**Keywords:** *international negotiation, intercultural communication, multinational companies, the impact of culture*

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## **THE INVISIBLE AND UNDERESTIMATED CONTRIBUTIONS TO CREATIVE ACHIEVEMENTS**

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### **ABSTRACT**

*Creativity is a highly estimated value and an increasingly present topic in contemporary educational, economic, political and media discourses. It is not only considered as a valuable individual quality, but as an important companies and states competitive asset too. Nowadays, special attention is accorded to creative industries, as they boost national economies. In short, we are surrounded by references to creativity. However, emphasizing and promoting creativity and praising creative talents may conceal from us all the “non-creative” human, material and immaterial factors and resources which support and make possible creative accomplishments.*

*In others words, behind each individual or group creative achievement there are those who provide logistic, organizational, financial, research, social, psychological and other kinds of support. Individuals or teams would not be able to develop and realize their innovative ideas and projects without some or more collaborators whose various talents, skills, competencies and work are embedded in the creative processes and results. The purpose of this paper is not to diminish the outstanding importance of creativeness as an inner special quality, but to present a more comprehensive approach to its manifestation, realization and outcomes. We want to bring to light and acknowledge the invisible and underestimated contributions to creative activities. Although it is good to encourage and promote creativity with all available means, we should avoid turning it into a new imperative, a pressure on each and everyone to demonstrate their creative aptitudes, especially in the educational field. This attitude could provoke feelings of frustration, deficiency and self-depreciation in persons who are not particularly creative, but possess other valuable and useful qualities and skills, such as analytical, logical, practical, organizational, administrative, managerial, and others. Creative achievements as results of highly collaborative processes will be illustrated with the example of creative industries.*

**Keywords:** *Creativity, Collaborative Process, Diverse Contributions, Education, Creative industries*

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## **LIDL'S MODERN BUSINESS OPERATIONS IN THE DOMESTIC AND INTERNATIONAL MARKETS**

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### **ABSTRACT**

*Modern companies are increasingly adapting their business to the trends of the global market. The operations of large corporations, that lead to the maximization of the market value, are their top priority. To come to the maximization of the market value, it is necessary to continually adjust global trends and standards, with special emphasis on meeting the needs of consumers and employees in the organization. For this reason, the company attempts to achieve harmony within all business processes. In a free market, where companies are struggling for their position, it is very difficult to win the position of the most desirable employer. Special attention will be paid to business behavior within large organizations, as well as the formation of strategies in the global and regional market. The paper will analyze the operations of Lidl, both in the global market and in the territory of the Republic of Serbia. Lidl company is in the global market known as an employer who specially treats their employees. The company's performance on the global market will be analyzed, as well as comparison between the market of the Republic of Serbia and countries in the region (Croatia, Greece, Bulgaria). Also of great importance will be the treatment of employees within the territory of the Republic of Serbia, as well*

*as what are the similarities (differences) in relation to the operations in other countries.*

**Keywords:** *economics, modern business, management, Lidl, Republic of Serbia*

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## **MICROORGANISMS, PATHOGENS OF INFECTIOUS DISEASES, AS A FORM OF ENDANGERING GLOBAL SECURITY**

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### **ABSTRACT**

*Despite development of both the medicine and the pharmaceutical industry, it is not a rare case that news occur in the media about some infectious disease that has reached the level of an epidemic or even a pandemic. Historically, outbreaks of communicable diseases have taken millions of lives on nearly all continents on the Earth. Microorganisms, in combination with the climate or the way of life of the affected population groups, are causing the occurrence and the spread of infectious diseases. Some of the thus caused communicable diseases, have almost been eradicated with the development of medicine and by finding the appropriate medications, however many are still present. With the continuous progress and development of science in the field of microbiology, genetics and other sciences, conditions were created for the development and breeding microorganisms in laboratory conditions. At the same time, this has also created conditions for the spread of infectious diseases in some areas, either intentionally or unintentionally, by the misuse of scientific achievements and research results. As the examples of using microorganisms as biological weapons in the attacks on people are known, and bearing in mind the possibility of easy spreading*

*disease and causing an epidemic, it can be concluded that microorganisms as a biological weapon, can become a very serious factor in compromising security in any country in the world and even on a global scale.*

**Keywords:** security, terrorism, viruses, bacteria, microorganisms, biological weapons

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## **SOME SOCIAL AND CULTURAL PROBLEMS OF VIRTUAL COMMUNITIES AND THEIR RELATIONSHIP TO THE ARCHITECTURE OF SOCIAL NETWORKING SERVICES**

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### **ABSTRACT**

*The paper discusses some issues of social network service building. A number of social network services' fundamental problems contradicting the declared mission has been identified and described; besides, it is shown that these problems are unavoidable under the traditional ways of building such services.*



*Possible ways to organize the systems and environments implementing similar functionality, but free from these problems, are considered. A fundamentally new scheme for building social network services is proposed based on the intelligent agents' interaction. It is demonstrated that this approach can be used to solve a number of other tasks including, for example, knowledge management system organization.*

**Keywords:** *multi-agent systems, social networking services and solutions, virtual communities*

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## **THE CUSTOMER CHOICE MODEL (LOGIT) AND ITS APPLICATION ON SELECTED SLOVAK AUTOMOTIVE INDUSTRY COMPANIES**

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### **ABSTRACT**

*The automotive industry represents a key sector of the Slovak economy. With more than 400 companies operating in this sector, it is a significant contributor to Slovak GDP. This industry is not only about producers and suppliers, but important role play also resellers of cars. All these automotive companies account for almost one third of total Slovak industry production. This suggestion underlines the importance of automotive industry for Slovak economy. In this paper, we will focus on car brands which are part of Slovak market. We will process the analysis of customer perception in the car market, which will result in the determination of the elasticity of car brand preferences*

*depending on the assessed level of perceived attributes. For this purpose, we will use the Customer Choice Model (Logit) that evaluates the dependence between preferences and perceived attributes and then quantifies their elasticity. The Customer Choice Model (Logit) is an individual-level response model that helps analyze and explain the choices individual customers make in a market. The customer choice model helps to understand the extent to which factors such as the price of a brand or its ease of installation influence a customer's choice. A brand's purchase probability at the individual level can be aggregated to determine the brand's market share at the market level. There is also the possibility to use customer choice analysis in order to develop marketing programs tailored to specific market segments, or even to individual customers.*

**Keywords:** *automotive industry, car brands, customer choice model, customer perception*

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## **LANDMARKS OF EFFECTIVE MANAGEMENT DECISIONS IN THE RUSSIAN RAW MATERIAL SECTOR**

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### **ABSTRACT**

*To make effective managerial decisions, business needs development guidelines. It is shown, on the example of the Russian raw material sector, that traditional approaches to performance indicators have shortcomings. Part of the proposed models does not reach the set goals in practice. The issues of evolving management on the basis of the criterion of development and the validity of investors' choice*

*remain unresolved. Business needs a system that allows obtaining objective data (both resultant and advanced) about the object as a whole and the risks for individual sites. The specifics of doing business in the raw material sector require correction of valuation methods. Based on the practice of using the cost concept by Russian raw materials companies, the author gives recommendations for developing an effective business management system, building a decision making system with the respect to the company's corporate strategy and strategies for competing business units. Analysis of the experience of raw materials companies allows us to state that the success of the activity can be achieved not only by the use of effective technology and new technologies, but also by the adoption of managerial decisions:*

- *the company's strategy is decomposed into a system of long-term and short-term target standards;*
- *the main criterion is detailed, responsibility for achieving its components is distributed;*
- *the strategy is translated into the language of concrete measures through plans and budgets;*
- *target indicators as a means of expressing the intentions of the company are based on key factors and correspond to the level of management, short-term target standards are tied to long-term ones.*

*The importance of taking into account the specific features of doing business in the raw materials sector (the company's security in proven reserves, etc.) is demonstrated. Analysis of independent rating agencies, which reduces information asymmetry, is needed while assessing the attractiveness of an asset. The investment attractiveness of the raw material assets is largely determined by the fundamental factors of growth (the level of reserves, volumes of extraction and transportation, operating efficiency, the amount of capital expenditure). Their significance varies over time, but the role as a foundation remains.*

**Keywords:** *Strategy, development guidelines, information asymmetry, features of raw materials business*

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## **INTERNAL MARKETING CONCEPT - THE CHALLENGE OF MANAGEMENT IN THE NEW MILLENIUM**

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### **ABSTRACT**

*Successful management was and remains the goal of every company. What changed over time are the ways in which it was accomplished. Technology was once a key, former mode of operation, but today it is the skill and management ability to attract employees for their own idea, vision, strategy. Processes of modernization of business and management, abandoning traditional, obsolete and introducing new, modern management styles – are transition processes as well. Many people are forgetting them, but without them any other transformation can hardly be successful. Therefore, the transformation and training of a company for a high-quality market entry must incorporate management transformation (change in the understanding of the role of management) and introduction of a modern management concept. It is necessary to enter new knowledge in this area into companies and extend them all the way to the operational levels. This paper seeks to emphasize the importance of a good internal marketing and communication in the company and to point out that employees who perform their business are the most valuable assets of each enterprise, that the strength of the enterprise is in*

*the capacity of all employees, and that employees are those who make the enterprise what it is. They are the ones that give life to the enterprise and enable it to function. The purpose of the application is to apply the modern techniques and knowledge of internal marketing and advance the business performance of the company.*

**Keywords:** *internal marketing, communication, motivation, integration, collaboration, teamwork*

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## **AN ANALYSIS OF THE IMPACT OF STRATEGIC NETWORKS ON MAKING DECISIONS IN SMALL AND MEDIUM HOSPITALITY ENTERPRISES**

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### **ABSTRACT**

*The purpose of this paper is to study how form of strategic networks impact on making decision in Croatian small and medium hospitality enterprises. The paper presents the results of the impact on making decision on management of human resources, operational affairs and sale of accommodation capacities. The special focus is given to impact of strategic networking on autonomy of managers in decision-making. The methodology of research includes a literature search of strategic networks in hospitality enterprises, collection of data directly from managers of SMHEs, analysis managerial attitudes about*

*the forms of strategic networks and their impact on decision-making. The research takes a longitudinal approach, examining opinion of 107 managers in SMHEs that are networking in period of March till October 2016. The research has shown that the form of strategic networking is significant for sale of accommodation capacities and management of human resources and not significant for operational affairs. The originality of this research is based on the fact that it refers to an area that has not been explored enough in the Republic of Croatia.*

**Keywords:** *small and medium hospitality enterprises, strategic networking, decision-making*

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## **MARKETING ASPECT OF CORPORATE SOCIAL RESPONSIBILITY OF COMMERCIAL BANKS IN CROATIA**

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### **ABSTRACT**

*This paper deals with relation between corporate social responsibility (CSR), SM (social marketing) and CRM (cause related marketing) in the commercial banking sector in Croatia. Research includes analysis how implementation of this two marketing concepts as a external dimensions of CSR concept affects on bank employee's and consumers perception. The survey seeks to explore are these two marketing concepts used as an extension*

*of CSR in order to establish better communication and enhance interaction with internal and external stakeholders.*

**Keywords:** *corporate social responsibility, banks, social marketing, cause related marketing*

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## **ANALYSIS OF THE CORRELATION BETWEEN OILS AND FATS CONSUPTION AND GENERAL HEALTH STATUS ACROSS EUROPEAN COUNTRIES**

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### **ABSTRACT**

*Health is a basic variable that allows people to live their lives to the fullest. Despite this logical fact, consumer behaviour in some European countries is being driven by unhealthy habits. Based on this fact, we assume that there has to be a dependency between health indicators measured and reported in these countries and the general tendency to consume unhealthy food. This paper presents partial result of our research, based on correlation and regression analysis, showing how the consumption of specified food products can influence the general level of human health. During our research we were testing the dependency between oils and fats consumption and the general health status reported in European countries and other specific health indicators. The oils and fats consumption were not the only factor considered. We also took in account diverse links between this indicator and other items included in the whole European final consumption basket reported in COICOP (The Classification of individual consumption by purpose) structure. To achieve our goals, we needed to apply standardized statistical methods, with a special emphasis on correlation and linear regression.*

*Health indicators considered in the research study were especially average life expectancy, average mortality; the frequency of diabetes, hypertension and obesity. Of course, we took in consideration also other risk factors such as health service coverage, unsafe water and the lack of sanitation, use of solid fuels in households, harmful consumption of alcohol, use of tobacco, and unsafe sex, etc.*

**Keywords:** *consumer behaviour, consumption, fats, health, oils*

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## **INNOVATION AS A DETERMINANT OF ECONOMIC GROWTH AND COMPETITIVENESS OF COUNTRIES**

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### **ABSTRACT**

*In the modern and turbulent world, every country aims to achieve high quality and stable economic growth, because only such economic growth can be sustainable and can have a positive impact on the prosperity and competitiveness of the economy.*



*The creation of a highly competitive economy is a complex and continuing task for each country that wishes to develop. In this paper, we analyze the importance of innovation for economic growth, starting from the consideration of various factors that could improve economic growth, such as the physical environment, institutions, social organizations, business environment, sophistication of company operations and strategies etc. Higher investments in innovation capacity development will create a safe way to increase productivity and raise the awareness of the importance of innovation for the overall advancement of the economy and society.*

**Keywords:** *competitiveness, economic growth, innovation*

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## **INVESTIGATING THE ROLE OF E-SERVICE QUALITY AND BRAND IMAGE IN INTERNET BANKING ACCEPTANCE CONTEXT WITH STRUCTURAL EQUATION MODELING (SEM-PLS)**

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### **ABSTRACT**

*Internet Banking is receiving growing attention globally. The rapid growth in internet technology and electronic business has stimulated the banking sectors to encourage customers towards*

*acceptance of online banking system. This study aims to identify the main determinants of internet banking acceptance and customer loyalty. Thus a research framework is outlined with factors such as website design, assurance, customer service and brand image in order to identify which factors drives customer's intention towards acceptance of internet banking and enhance the customer loyalty. The research model was empirically tested using 500 responses from internet banking users. Data was analyzed using the structural equation modeling (SEM). Findings revealed that website design, customer service, assurance and brand image have significant influence on user's intention to accept internet banking. These findings may helpful for policy makers to understand critical factors that influence on user's intention to accept internet banking. For researchers this study provides a basis for further refinement of individual technology acceptance model in banking setting.*

**Keywords:** *Internet banking acceptance, Website design, Customer Service, Brand Image, Customer Loyalty*

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## **PROCESSOR SYSTEMS SECURITY IMPACT ON BUSINESS SYSTEMS**

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### **ABSTRACT**

*The intensive industry development, telecommunications services of the financial sector and other aspects of the economic system is generated by the parallel development of information communication technologies, ie the development of processors, artificial intelligence, cloud computing, mobile systems, IoT, 5G networks, robotic systems. The importance of the processors is large-scale because they represent the basic building element of all layers of the modern information system. Processor systems security is very important because it enables the optimal operation of all structures that rely on a given processor platform. Meltdown and Spectre are gaps that have been discovered recently, representing a challenge to the information system security. Given weaknesses are related to certain techniques that enable the CPU performance acceleration. Due to increasing data processing speed processor system manufacturers use the speculative execution and the cache technique. The speculative execution technique encompasses the phase of prediction of data flow branching and analysis, then the speculative execution of instructions in advance and keeping the processing results in the temporary memomoric locations. The caching method increases the speed of CPU access to logical data*

*integrations in the memory systems, hence the processing speed of the computer system. The incompetence of the given methods allows important data access to malicious software. Processes are generally not allowed to read data from other processes, however, malicious programs can exploit this feature. Meltdown and Spectre use these failures to get data such as passwords, emails, instant messages, and business documents stored in memory that belong to other running programs, as well as they can also violate the safety of customers. The observed weaknesses of the CPU can threaten the IS optimal work. Examining the weaknesses of modern processors and analyzing the solutions that make it possible to overcome these failures, facilitate the productive and efficient work of the IS, and therefore the business system as a whole.*

**Keywords:** *business system, computer system architecture, information system, Meltdown, processor architecture, Spectre*

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## **ORGANIZING COOPERATION OF CROWDSOURCING PLATFORM CONTRIBUTORS IN OPEN INNOVATIONS**

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### **ABSTRACT**

*The goal of the crowdsourcing platform (CP) is to engage the crowd (the Internet's community members) that use own and/or developed with collaborators in teams - knowledge, and also have both the willingness and ability in solving problems, creating open innovations also new products for innovative companies. Managers of CPs organize and develop cooperation between creators (the crowd members) and innovative organizations, people - client of open innovations on the Internet.*

*Managers are workers of: (1) the innovative company that is the owner of CP or (2) independent firm-owner of the platform, that offers effects of cooperation with the crowd to organization, people (clients, user of innovative solutions). The purpose of the paper is to propose the model of organizing mutual cooperation among the crowd members - as providers, organizations and people - as seekers of innovative solutions and managers of the platforms during development of open innovations on CPs, and also present possibilities its application in the economic practice on the base of the research results of existing CPs on the Internet. The paper characterizes contributors of CPs, that is (1) the crowd, (2) innovative organizations and people as clients of CPs, and also (3) the platform managers. It describes mutual cooperation of the analyzed kinds of contributors and services which are provided by them during development of open innovations on CPs. The author proposes the model of organizing mutual cooperation of CPs' contributors during accomplishment of open innovation processes. Own research results which was conducted for 38 websites of existing CPs on the Internet in 2018 enable to verify application of the elaborated model in the economic practice.*

**Keywords:** Crowdsourcing platform, Kinds of contributors, Open innovation, Organizing cooperation

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## **SELECTED FACTORS OF POPULATION AND SOCIAL INDICATORS ANALYSIS ON OILS AND FATS CONSUMPTIONS ACROSS EUROPEAN COUNTRIES**

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### **ABSTRACT**

*This paper presents partial result of our research, based on identifying of factors, which can affect the consumption of specified food products, which can influence the general level of human health and quality of living. In this part of our research we mostly focus on population and social conditions indicators. Our research is based on correlation and regression analysis between oil and fats consumption, selected population and social indicators and some health indicators. We assume, that in the countries with better living standards their inhabitants try to live healthier and they will consume less unhealthy food products based on oils and fats. From population and social indicators we select for example physical activity of inhabitants measured through employment in sport, education according education level, unemployment rate, etc. From health indicators we selected for example consumption of alcohol, consumption of nonalcoholic beverages and different mortality reason in EU countries. This paper presents partial results of the research project VEGA No. 1/0876/17 'Research of cognitive and behavioural determinants of products innovation diffusion across European markets', being solved at the University of Economics in Bratislava, Faculty of Business Management, Department of Business Administration.*

**Keywords:** *consumer behavior, consumption, fats, health indicators, oils, social indicators*

## **ROLE AND PLACE OF INNOVATION AND CREATIVITY IN QUALITY MANAGEMENT IN LIBYAN COMPANIES**

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### **ABSTRACT**

*Creativity drives the generation of ideas, innovation is a necessary step to turn ideas into useful products and services, something that allows companies to gain added value, while quality is the way in which companies recognize themselves with customers. The quality system helps companies to meet customers' needs and expectations, and how to satisfy these needs and exceed their expectations. The quality system helps companies to continually improve products and services while reducing costs. The role of innovation and creativity is also very important for the technological and industrial development of companies. The ability of companies to adapt to the modern market and to become competitive has become a basic necessity, which is now considered crucial for the growth and development of companies. All this requires the preservation of human resources that are most responsible and meritorious for innovation in companies. Their preservation and further development can be achieved through the provision of a creative environment suitable for innovation, environment where human creativity can come to light. In this context, this research deals with the possibilities for creating such an environment in companies in Libya. Based on the research, recommendations are given on how companies in Libya can support and achieve greater innovation with their employees. It is certainly the motivation of employees, but it does not necessarily have to be material in nature. This paper also contributes to the understanding of the place and role of innovation in Libyan companies as a factor of success for technological development of Libya's economy. The main reason for studying the aspects of innovation and creativity in Libya was to show that innovation*

*and creativity are one of the drivers of economic growth. This would not be possible without good business organization, which can best be achieved through a good quality management system.*

**Keywords:** *Companies, Creativity, Development, Innovation, QMS*

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## **ON UNDETERMINED AND UNDETERMINABLE CONTRACTUAL RATE OF INTEREST**

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### **ABSTRACT**

*This paper aims to analyse some solutions for the problems arising from the contracts that stipulate paying of certain interest, while its rate remains both undetermined and undeterminable. The paper presents and analyses respective dogmatic and legislative definitions and solutions under the laws of the Republic of Croatia and under the comparative law. Analysed legislations, in general, provide a substitution for the said deficient contractual stipulations, sometimes also allowing a distinction between different types of contracts (e.g. commercial, non-commercial, public etc.). Deficient non-commercial contracts entered into under the laws of the Republic of Croatia have been particularly taken into consideration due to their numbers. The paper also analyses the recent Croatian legal practice in regard the criteria required to consider a certain interest rate as undetermined and undeterminable, as well as respective solutions in practice. The findings of the abovementioned analyses indicate considerable inconsistency in legal practice. Recent efforts of the Croatian regulators have provided stronger legal frame that imposes further requirements*



*expected to diminish the number of such deficient contracts. Nevertheless, many doubts remain in regard such contracts entered into before enactment of the said legal frame. The author proposes a consistent approach to this problem, primarily in order to achieve and maintain an appropriate measure of predictability in this matter. Such predictability is a necessary element of the legal certainty, itself being a central requirement for the rule of law. Therefore, above presented issues and proposed solutions may be considered to be of wider social interest.*

**Keywords:** *undetermined rate of interest, undeterminable rate of interest, contractual rate of interest*

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