



Varazdin Development and Entrepreneurship Agency  
*in cooperation with*  
University North and Megatrend University

## Economic and Social Development

5<sup>th</sup> Eastern European Economic and Social Development Conference  
on Social Responsibility



Editors:

**Ana Jovancai Stacic, Vladimir Kovsca and Jadranka Bendekovic**

**Book of Abstracts**

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Belgrade, 21-22 May 2015

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## CONTENTS

Michael Schwandt ■ RISK MANAGEMENT IN EASTERN EUROPE – DIFFERENCES BETWEEN THE APPROACH OF LOCALS AND EXPATRIATES.....	5
Snezana Stolic, Dinko Primorac ■ BIG DATA AS A NEW APPROACH FOR BETTER SOCIAL IMPACTS OF BUSSINESS DECISIONS.....	6
Dejan Romih, Valentas Zelyvs, Robertas Tulko, Klavdij Logozar ■ ANALYSIS OF ESTONIA’S TRADE IN GOODS WITH LATVIA, LITHUANIA AND SLOVENIA.....	7
Marijana Ljubic, Vladan Pavlovic, Srecko Milacic ■ THE IMPACT OF CREDIT RISK ASSESSMENT ON CREDIT ACTIVITY OF COMMERCIAL BANKS .....	8
Mocenco Daniela ■ SUPPLY CHAIN MANAGEMENT RISKS: THE A350 DEVELOPMENT PROGRAM.....	9
Vesna Miletic, Milica Gavrilovic Dusan Milosavljevic ■ CURRENT ISSUES OF LOCAL SELF-GOVERNMENT FINANCING IN THE REPUBLIC OF SERBIA IN THE PROCESS OF DECENTRALIZATION	10
Vojkan Bizic ■ IMPORTANCE OF MARKETING IN BANKING BUSINESS DURING ECONOMIC CRISIS.....	11
Yavuz Odabasi ■ RELATIONS OF BRAND AND POLITICS IN TURKEY: SUGGESTIONS FOR FUTURE STUDIES AND APPLICATIONS .....	12
Petar Kurecic, Anica Hunjet, Goran Kozina ■ THE STRONG ROLE OF NATURAL RESOURCES IN SECESSIONIST CONFLICTS: A COMPARATIVE ANALYSIS OF MAIN FEATURES .....	15

Predrag Kapor ■ PUBLIC FINANCIAL MANAGEMENT FOR THE SUSTAINABLE DEVELOPMENT.....	16
Rafal Parvi ■ VALUATION OF SHARES AND THEIR FAIR VALUE OF THE COMPANIES LISTED ON THE WIG-UKRAINE QUOTED ON THE WARSAW STOCK EXCHANGE IN POLAND WITHIN 2011-2015 .....	17
Davor Perkov, Dinko Primorac, Matej Perkov ■ POSITION OF FEMALE MANAGERS IN CROATIAN TOURISM.....	18
Karmen Dezmar Krainz ■ ENHANCING WELLBEING OF EMPLOYEES THROUGH CORPORATE SOCIAL RESPONSIBILITY CONTEXT .....	19
Daniela Ilieva-Koleva, Julia Dobрева ■ SOCIAL ENTREPRENEURSHIP AS A FORM OF SOCIAL RESPONSIBILITY IN BULGARIA.....	20
Ksenija Dumcic, Berislav Zmuk, Anita Ceh Casni ■ FORECASTING HOUSING AFFORDABILITY IN SELECTED POST-TRANSITION ECONOMIES .....	21
Miroslaw Przygoda ■ THE BRICS NATIONS AND THEIR PRIORITIES	22
Oleg Surkov ■ CHANGE MANAGEMENT DURING ERP IMPLEMENTATION.....	23
Ljiljana Pavlic ■ ADDRESSING RESPONSIBILITY OF OWNERS AND MANAGERS IN CARTEL AGREEMENTS: A COMPETITION LAW PERSPECTIVE .....	24
Caran Margareta, Noja Gratiela Georgiana ■ AN EMPIRICAL COMPARATIVE ANALYSIS OF EMPLOYEE BENEFITS PROVIDED BY MULTINATIONAL FIRMS: THE CASE OF ROMANIA AND SERBIA.....	25
Arpad Papp-Vary ■ PRODUCT PLACEMENT AND BRANDED ENTERTAINMENT: WHY IS IT MORE RELEVANT THAN EVER?.....	26

Biljana Ilic, Dragan Mihajlovic ■ DEVELOPMENT OF GAMZIGRAD SPA AND INCREASING OF ENERGY EFFICIENCY .....	27
Snezana Zivkovic, Dejan Petrovic ■ INTEGRATED PROTECTION MODEL - ISO 45001 AS A FUTURE OF SAFETY AND HEALTH STANDARDS .....	28
Tomislav Peric ■ THE IMPACT OF PRICE REDUCTION ON BEHAVIORAL RESPONSES OF CONSUMERS.....	29
Turker Susmus, Ozgur Babacan ■ RESEARCH ON THE DETERMINATION OF THE UNIVERSITY STUDENTS' ENVIRONMENTAL ACCOUNTING PERSPECTIVE: THE CASE OF EGE UNIVERSITY.....	31
Aleksandar Popovic, Marijana Ljubic, Dragana Trifunovic ■ THE IMPACT OF COMPANY RESTRUCTURING ON THE SITUATION IN THE ECONOMY .....	32
Dajana Cvrilje, Vlasta Bahovec, Irena Palic ■ EXPLORING THE EFFECTS OF FINANCIAL EDUCATION: ANALYSIS OF SAVING BEHAVIOR OF CROATIAN CONSUMERS .....	33
Saime Once, Akeel Almagtome ■ THE IMPACT OF NATIONAL CULTURAL VALUES ON ENVIRONMENTAL REPORTING: A COMPARATIVE STUDY.....	34
Stankovic Aleksandar, Kulic Strahinja, Dinko Primorac ■ THE IMPACT OF FOREIGN DIRECT INVESTMENT ON THE UNEMPLOYMENT RATE IN THE REPUBLIC OF SERBIA.....	36
Ivan Ivanovic, Ana-Marija Djuric, Suzana Randjelovic ■ TREATMENT OF ELECTRONIC AND ELECTRICAL WASTE – CASE STUDY .....	37

Mario Bogdanovic, Domagoj Cingula, Matko Marijan ■ **SOFT HUMAN RESOURCES RATIONALIZATION OF WORK IN ORGANIZATIONS** .38

Milivoj Teodorovic ■ **IMPACT OF SUSTAINABILITY ON BRAND POSITIONING AND VALUE**.....39

Jadranka Bendekovic, Dora Naletina, Aida Bojic ■ **THE ROLE OF INTERNATIONAL FREIGHT FORWARDERS IN THE REPORTING OF SHIPMENT AND DELIVERY OF GOODS IN THE EUROPEAN UNION OVER THE INTRASTAT** .....41

Josko Lozic, Ante Roncevic, Marin Milkovic ■ **GLOBAL MEDIA INDUSTRY IN POSTMODERNISM: DOMINATION OF BROADCASTING AND THE TRADITION OF PUBLISHING** .....42

Ana Jovancai Stakic, Jovana Stokanovic ■ **THE POSSIBILITY OF REACHING THE FULFILLMENT OF MAASTRICHT CONVERGENCE CRITERIA IN SERBIA** .....43

Ana Mulovic, Anica Hunjet, Goran Kozina ■ **TOWARD ECONOMIC REWARD: CORPORATE SOCIAL RESPONSIBILITY COMMUNICATION OF SMEs**.....44

Ivan Huljak ■ **TESTING OUT THE "QUIET-LIFE" HYPOTHESIS ON CROATIAN BANKING SECTOR** .....45

Dragana Petrovic, Jovana Kulic, Dinko Primorac ■ **SYSTEM OF REWARDING AND MOTIVATING THROUGH THE PROCESS OF EVALUATION AND DEVELOPMENT OF EMPLOYEES** .....46

**RISK MANAGEMENT IN EASTERN EUROPE –  
DIFFERENCES BETWEEN THE APPROACH OF LOCALS  
AND EXPATRIATES**

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**ABSTRACT**

*This research paper deals with the knowledge about risk management. In particular, it examines employee's knowledge about handling risks. As part of his Ph.D. studies, the author conducted a survey among personnel working in the construction business. In the survey, participants from two different Eastern European Countries took part and were compared to each other. Research methodology is based on a standardized questionnaire, which has been utilized to test participants' knowledge in terms of risk management. Respondents from Hungary and Romania have been compared in order to find out the influence of the variable "Country of work" on people's know-how and skills. In a second step data was analyzed with statistical methods, such as standard deviation or correlation of different variables. As the first main result there seems to exist a connection between the knowledge about risk management on the one hand and the country of work on the other hand. Results indicate that knowledge among Hungarian respondents is stronger than among Romanian participants. The second main result refers to the group of expatriates. The survey has shown that the expatriates are a group of employees who must be considered separately. They act very proactively and have a very high knowledge about risk management. After a short introduction, the paper describes the circumstances of the survey, the way of analyzing data and finally illuminates the results in particular.*

**Keywords:** *Risk, Risk Management, Knowledge, Statistical Data Analysis, Construction Industry*

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## **BIG DATA AS A NEW APPROACH FOR BETTER SOCIAL IMPACTS OF BUSSINESS DECISIONS**

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### **ABSTRACT**

*Big Data improves modern bussiness through new aspects of data colection, merging and analysis. Old techniques which treat data have a serious issues with big amounts of data. New approach delivered by Big Data will enable modern bussiness intelligence which deals with extremely large volumes of data, extremely high velocities of data and exteremely various sources of data. Core functions enable bussiness decisions based on real facts with decreasing percent of envolved assumptions. Bussiness decisions realized using the Big Data approach provides better positive feedback and good social impacts where a result of these decisions show positive tendencies with minimalization of negative ones. Bussiness decisions now have greater possibilities to make better and more human society instead of production of negative side effects.*

**Keywords:** *bussines decisions, bussiness intelligence, big data, feedback economy, internet of things, social networks*

\*\*\*\*\*

## **ANALYSIS OF ESTONIA'S TRADE IN GOODS WITH LATVIA, LITHUANIA AND SLOVENIA**

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### **ABSTRACT**

*This paper analyses Estonia's trade in goods with three Central and Eastern European countries: Latvia and Lithuania, two of Estonia's most important trading partners, and Slovenia, one of Estonia's less important trading partners. In 2013, the value of Estonia's trade in goods with Latvia and Lithuania amounted to €2,576.5 million (9.9 % of the value of Estonia's trade in goods with the world) and €1,942.2 million (7.4 % of the value of Estonia's trade in goods with the world) respectively, while the value of Estonia's trade in goods with Slovenia amounted to only €36.2 million (0.1 % of the value of Estonia's trade in goods with the world), which means that there is a considerable scope for increasing the value of Estonia's trade in goods with Slovenia.*

**Keywords:** *Estonia, Latvia, Lithuania, Slovenia, trade in goods and services, trading partner.*

\*\*\*\*\*

## **THE IMPACT OF CREDIT RISK ASSESSMENT ON CREDIT ACTIVITY OF COMMERCIAL BANKS**

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### **ABSTRACT**

*As banks have great social responsibility and are a subject to a specific and extensive regulations, one of the being Basel, the authors of this paper focus on the impact of credit risk assessment on credit activity of commercial banks. The authors of this paper provide a standard for risk management and an insight into directions on how to manage credit risk in the most efficient way and how to assess credit rating of a borrower.*

**Keywords:** *Basel II and III, Credit risk, Credit Activity of Commercial Banks and Risk Management.*

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## **SUPPLY CHAIN MANAGEMENT RISKS: THE A350 DEVELOPMENT PROGRAM**

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### **ABSTRACT**

*In order to respond to the market demands and create additional value for customers and airlines, Airbus decided to develop a new member of its wide-body Family, Airbus A350 XWB. The A350XWB's benefits of the new manufacturing and assembly techniques, applied on other aircraft of the Airbus Family, such as the A330 and the A380. It also utilizes a supply chain based on the lessons learned over the time from other programs. The paper analyzes the structure of A350 supply chain, describes Airbus's challenges for managing this supply chain, and highlights some key lessons that could be taken into consideration for the next supply chains of the new product development.*

**Keywords:** *Airbus, A350XWB, Management, Supply chain*

\*\*\*\*\*

## **CURRENT ISSUES OF LOCAL SELF-GOVERNMENT FINANCING IN THE REPUBLIC OF SERBIA IN THE PROCESS OF DECENTRALIZATION**

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### **ABSTRACT**

*Local self-government is an important component of contemporary democratic systems nowadays, as various economic and civil rights are secured within. A significant issue that arises from a fiscal reform process in modern states is to determine an optimal level of decentralization and financial instruments of local self-governments pursuant to the international standards and principles of clarity, justice, efficiency and transparency. In the complex reform process in the Republic of Serbia it is necessary to implement, like in developed countries, modern systems of financing new competences of local self-governments, i.e. to establish proper political, economic and fiscal balance between authorities at different levels. When amending rules and regulations and implementing efficient funding systems of local self-governments in Serbia it is necessary to observe the guidelines of European Charter of Local Self-Government in order to define and implement flexible, dynamic and effective models of managing and funding local self-government in the Republic of Serbia in the process of transition and accession to the EU. It is very important to reach political consensus in long-term on defining optimal reform strategies for local self-government in order to create conditions for developing entrepreneurship, strengthening cooperation with private sector and attracting foreign investments in local self-governments.*

**Key word:** *financing self-government, fiscal decentralization, own source and shared resources, transfers, European Charter of Local Self-Government and the Republic of Serbia.*

\*\*\*\*\*

## **IMPORTANCE OF MARKETING IN BANKING BUSINESS DURING ECONOMIC CRISIS**

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### **ABSTRACT**

*In this paper, we explain the concept of marketing in the banking industry. Specifics of bank marketing over traditional marketing approach that we encounter in companies. What are all the specifics school marketing in the banking industry in the world today with us. In particular, we try to explain all the specifics of marketing communications that are increasingly gaining in importance in communicating with clients both between banks and companies, and between banks and individuals (clients). How much is a marketing communication today important for modern banking management and how her character is given at the present time. Bank marketing can be defined as the set of all the bank's activities directed towards the study of financial markets with the aim of meeting the needs of existing and potential customers and achieve business goals with the other hand. In addition to the commercial orientation of banks in meeting the needs of clients, marketing involves the use of many istrumenata in achieving business policy (marketing mix), and systematic treatment of the business policy (control marketing). Following all these factors that lead to that if the bank wants to maintain its market position, profitability, the clients can wait for the client to come to the bank, we come to their clients should go to meet. Banks that want to succeed must accept the marketing concept and the absolute orientation of the consumers. The main objective of each bank should be satisfied customer. One satisfied customer will always remain a consumer. One unhappy customer brings along at least five of them. Banks that have until recently had a distinctly authoritarian attitude towards their*

*customers must reorient in kind bidders. All the more reason for this is the fact that in developed countries, there is a very large number of financial institutions that offer similar services, but often offer exceeds demand. Notwith standing this statement today, however there are a number of banks that hard to accept marketing concept. In countries in transition usually first develops the banking sector, and this is something that happened to us banking business. Thanks to the media, marketing and PR campaigns to inform citizens on a daily basis about the new banks and the various services offered by the banks. Of great importance is the adequate representation of the public banks, which must be done in the best possible way when it starts operating in foreign markets. Banks, of course, in the interest of the answers to all these questions and to present their financial institution in the best light possible because the first impression is certainly one of the most important factors of promotion. How would you occupied greater market share banks implement a series of promotional activities throughout the year.*

**Keywords:** bank, marketing, communication, management, modern business, market

\*\*\*\*\*

## **RELATIONS OF BRAND AND POLITICS IN TURKEY: SUGGESTIONS FOR FUTURE STUDIES AND APPLICATIONS**

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### **ABSTRACT**

*Turkey, including a municipal and a presidential election only in 2014, has went through 2 general elections, two municipal elections and two presidential elections in the last 10 years and counting down on another general elections in 2015. Tensions, fierce discussions and uncertainties in the political arena, prominent during vigorous and contentious election processes, divide the electorate between two main segments of Conservative Democrats and Secular Republicans with their own sub-groups. Those conditions obviously affect consumers*

*like anyone else. Today, a consumer is not only an individual who benefits from the products and services provided. As a consequence of sharpened political fault lines and social polarization, rising economical welfare due to the growth of the middle class and rise of the social media due to the proliferation of the Internet, consumers of today are transformed into a constituency who perceive the corporations as political players and desire to grab the power and to peruse the brands as a means to express their own identities.*

*In Turkey, under the circumstances described above, the brands have to determine their attitude and course of action very cautiously as soon as a new political *état des affaires* emerge. Since the consumers perceive the brands as a vehicle to reflect their identity and being, they tend to be driven into polarization, express radical reactions and their attitudes and criticisms could get rough easily towards the brand. Vast majority yearn for and award neutral and unbiased brands that could haul them to the new situation. These expectations have pressured most corporate and brand managers for their way of action under the existing political situation and forced them to find methods to remove that restraint.*

*Literature review show there are three possible approaches of attitudes and conducts the managers could adopt on "corporation/brand-politics": (1) "affirmation," (2) "neutrality" and (3) "opposition." Managerial responses and current attitudes of opposing corporate and brand managers in the face of the current events as a new political situation arise, were evaluated. Corporate and brand managers have to understand current and potential customers' political behavior, attitudes and tendencies correctly, and have to analyze well the positive and negative possible outcomes of any of those three methods above and develop appropriate marketing and reputation management strategies. Otherwise, they will not be able to prevent the potential risk and negative consequences.*

*In this context, the above-mentioned three executive responses are studied conceptually and theoretically. This study is an explanatory approach including the conceptual discussion on Brand-Politics. It aims to establish the subject matter and action path to prepare for future research, applications and comprehensive analyses and to provide further suggestions and a conceptual and theoretical scope. In an effort to establish within the conceptual scope, a) the conceptual foundations for brand-politics relationship; b) the methods for brand managers to tackle the problem; and finally c) the most possible*



*feasible path; suggestions were aimed to be clarified in this study (by utilizing the existing albeit limited research available in literature). In the section where the findings are discussed, it has been suggested that corporate and brand managers, when they face the consumer, should not act on their own political standing or bias to benefit their long-term relation with the customers and the “sustainable brand image” they would create. In the context of three general executive attitudes possible, neutrality would be the most appropriate. In the relation between corporation (brand) and politics (ideology), to remain neutral and impartial would be the most suitable approach. Instead of a risky discourse and action in brand communications, marketing management should be able to see that non-discriminatory, funny, merry, free and all-embracing language is the most favorable and should be able to establish a mutual, circular, uninterrupted and interactive communications strategy using open, honest, and assuring content. Accordingly, the main suggestion: “In a market where political polarization and tension is high and political bearings span a comparatively wide range, and where there is mass production and mass consumption like Turkey, corporate and brand managers should adopt a stance which would not allow the rise of current polarization” has been presented, supported by other sub-suggestions.*

**Keywords:** *Consumer Voters, Corporation/Brand-Politics Relationship, Managerial Solutions and Attitudes, Political Consumer*

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## **THE STRONG ROLE OF NATURAL RESOURCES IN SECESSIONIST CONFLICTS: A COMPARATIVE ANALYSIS OF MAIN FEATURES**

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### **ABSTRACT**

*The paper studies the secessionist conflicts that comprise the significant role of natural resources, which causes, prolongs or in rare cases even shortens the length of the secessionist conflict. Since oil is the most important natural resource of the present day, we have focused on studying the role of oil in secessionist conflicts. For a conflict to be designated as “secessionist”, certain prerequisites have to be fulfilled: a region that has certain uniqueness and an identity felt by the majority of its population, different in some way from the rest of the territory that makes up the state. The identity that is different from the identity of the space surrounding the region can be a product of a different nationality, religion, culture and/or history. If this particular region is abundant with resources, chances for a secessionist conflict with resources playing a strong role i.e. a resource conflict that involves an attempt or attempts for secession (or at least a politico-territorial and economic autonomy) from the state rise significantly. Theoretical perspectives consulted for the purpose of this paper are mostly socioeconomic by their character. They are focused on the socio-economic aspects of the resource conflicts, and mostly quantitative. Secessionist conflicts represent a constant reality of the contemporary world. Interests of developed states and emerging economies, which lie in insuring the continuous, undisturbed flow of natural resources (oil and strategic minerals particularly) from the*

*resource rich, albeit mostly poor and unstable countries represent an important factor of the prolongation of resource conflicts.*

**Keywords:** *natural resources, secession, conflicts, oil, rents, Sub-Saharan Africa, South-East Asia and Oceania.*

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## **PUBLIC FINANCIAL MANAGEMENT FOR THE SUSTAINABLE DEVELOPMENT**

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### **ABSTRACT**

*The key message of this paper is that without proper management of public finances there is no real sustainable development and that modern public financial management (PFM) requires much more than the classical approach limited to state budgeting. In this paper the main aspects of good and effective public financial management (PFM) are presented.*

**Keywords:** *public finance, public financial management, sustainable development*

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**VALUATION OF SHARES AND THEIR FAIR VALUE OF  
THE COMPANIES LISTED ON THE WIG-UKRAINE  
QUOTED ON THE WARSAW STOCK EXCHANGE IN  
POLAND WITHIN 2011-2015**

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**ABSTRACT**

*This paper examines share price of the companies listed on the WIG-Ukraine and their fair value between 2011-2015. Data from Q4 2013 to Q2 2014 was collected from the Stooq.pl (Polish portal of shares). Two hypotheses are tested: (1) value of the shares based on the market price; (2) value of the shares as the fair value of shares.*

*In this paper, the WIG-UKRAINA stock exchange sector companies, which oppose a bad economic situation in Ukraine caused by military actions on its territory, were analysed. These companies were subject to detailed research in order to demonstrate that they have the potential to act on the free market and that they do not lose their financial liquidity. In addition, their fair value was shown, because the current economic and market situation in Ukraine completely deprived it of this value.*

**Keywords:** *stock exchange, share valuation, fair value, companies*

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## **POSITION OF FEMALE MANAGERS IN CROATIAN TOURISM**

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### **ABSTRACT**

*Theories on leadership heretofore have excluded women and this exacerbated the problem of women not being seen as an appropriate fit in a management or leadership role. Therefore, a more positive outcome for women advancing to senior roles of management or leadership may be observed in the future. The first female executives, because they were breaking new ground, adhered to many of the „rules of conduct“ that spelled success for men. Modern tourism organizations understand that faster and enhanced inclusion of women in management structures helps them gain the necessary diversity of leadership styles and approaches to management. This is of high significance to modern tourism organizations if they wish to survive, grow and develop. The aim of this paper was to present some overall structural indicators of the gender inequality evidenced in the field of Croatian tourism. The objective is to determine specific personal and professional characteristics of women in managerial positions in Croatian tourism organisations and the differences relating to the same characteristics in men. The working hypothesis was that a female manager is increasingly aware of her position in society, her chances and qualities, and therefore asks for the relevant acknowledgements as well. The sample of fifty (N=50) leading female managers in Croatian tourism organizations took part in online survey. The findings indicated that women tend to use the supporting management style. Over one fifth of the leading female managers in*

*Croatian tourism point out that insufficient authority and ambition are the main obstacles to advancement of women to leadership positions. The biggest difference between male and female management styles is reflected in the following spheres: intimate-detached, indulgent-inflexible, solo player-team player, modest-always wants more, avoids the risk-accepts the risk.*

**Keywords:** leadership style, management, position, tourism organizations, women

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## **ENHANCING WELLBEING OF EMPLOYEES THROUGH CORPORATE SOCIAL RESPONSIBILITY CONTEXT**

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### **ABSTRACT**

*During last 25 years technological development has accelerated the globalisation process which has caused dramatic changes within and across organisation. Business performance is varying, complex, global and is changing faster than ever before. Over the time, society expectations have changed, changes have affected customers, partners and employees as well. In order to retain on the global market, organizations integrate corporate social responsibility into their business performance with the objective to reinforce their competitiveness. In the knowledge economy, where knowledge is a significant resource and the demand for more highly skilled workers has increased, employees became the most important and in fact the only remaining realistic challenge of competitive ability. Workplace wellbeing refers to mental, psychological or emotional aspect of employee's life. The awareness of management on the employees' wellbeing which takes into consideration the employees satisfaction, health and professional development is an effective approach in strengthening of an organizational performance. The aim of this paper is to analyse and assess how socially responsible orientation also incorporated in strategic human resource management can contribute to the achievement of wellbeing of employees. Strategic management*

*of human resources includes the necessary coordination between various employees' health and performance aspects. This contributes to the balance between private and working life. Social responsible activities coordinated through strategic human resource management significantly influence the employees' wellbeing as well as competitiveness of the organisation.*

**Keywords:** *corporate social responsibility, strategic human resource management, wellbeing, competitiveness*

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## **SOCIAL ENTREPRENEURSHIP AS A FORM OF SOCIAL RESPONSIBILITY IN BULGARIA**

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### **ABSTRACT**

*Social entrepreneurship is becoming a popular form of social responsibility and a way to solve a variety of urgent social problems. In order for a society to boost social entrepreneurship it needs a specific environment where such ideas can emerge and develop into an active business activity. This paper aims to provide a comprehensive literature review of the terms social responsibility and social entrepreneurship and to examine the current social entrepreneurship activities in Bulgaria. The analysis highlights the importance of social entrepreneurial ideas for improving the business climate in the country. A number of case studies are discussed to provide evidence of particular entrepreneurial activities which have successfully solved a number of social problems.*

**Keywords:** *corporate social responsibility, social entrepreneurship, social responsibility*

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## FORECASTING HOUSING AFFORDABILITY IN SELECTED POST-TRANSITION ECONOMIES

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*In this research housing affordability as a measure of population's ability to afford or to purchase a particular item, such as a house, indexed to the population's income is investigated. The main aim of this research was to forecast housing affordability in three selected post-transition economies: Croatia, Latvia and Serbia. Overall, five indicators of housing affordability are studied: Price to income ratio; Gross rental yield city centre; Gross rental yield outside of centre; Mortgage as a percentage of income and Affordability index. Due to data deficiency, the values of aforementioned indicators are analysed for the period from 2009 to 2015, based on yearly data, and only short-term forecasts are conducted. NUMBEO database was used as data source. In order to determine short-term future trends of change in these indicators, six forecasting models were applied, namely: naïve model I, naïve model II, naïve model IIa, geometric mean forecasting model, simple average forecasting model and single exponential smoothing model. The best forecasting model for each indicator and for each country is selected according to the Mean Absolute Percentage Error (MAPE) criterion. The forecasting model with the lowest MAPE value is used to determine the trend based forecast of housing affordability. According to the research results, housing affordability level, in general, is likely to rise in Croatia. Furthermore, there is high probability that housing affordability in Latvia is going to increase in the next years. In contrast, housing*



*affordability in Serbia is most likely to decrease in the following period.*

**Keywords:** *forecasting models, housing affordability, indicators, measures of forecasting accuracy, post-transition countries*

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## THE BRICS NATIONS AND THEIR PRIORITIES

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### ABSTRACT

*The so-called “BRICS nations” have recently proven to be the most fascinating group of worldwide economies that collaborate with each other. The name is an acronym for an association comprising Brazil, Russia, India, China, and South Africa. The BRICS members are all developing or newly industrialised countries, they are however distinguished by their large, rapidly growing economies and their significant impact on regional and global affairs. Before the inclusion of South Africa, the organisation was known as BRIC. On 13 April 2011, when South Africa joined the group, BRIC gained the letter “S”. The name “BRIC” itself was used for the first time by Jim O’Neill, a British economist of Goldman Sachs. Published in November 2001 and then widespread, O’Neill’s forecast predicted that by the half of the 21<sup>st</sup> century those countries would have become world powers. As of 2014, the BRICS countries represent almost 3 billion people – approximately 40% of the entire world population. The five nations have a combined nominal GDP of US\$ 16.039 trillion, equivalent to approximately 20% of the gross world product, and an estimated US\$ 4 trillion in combined foreign reserves. Since 2010, the representatives of the BRICS government have been meeting annually at formal summits. The nations within this group do not form a political alliance or an official trade association. The priorities of the members are as follows:*

- 1. Development of a new currency system*
- 2. Reforming the United Nations*

3. *Increasing the role of developing countries in the international monetary institutions.*

*Having regard to the emerging political and economic changes on a global scale, the BRICS nations have been undertaking new ventures and initiatives aimed to make them key players on the international arena. Today, it is really captivating to see to what extent those intentions are real and exercisable.*

**Keywords:** *BRICS, forecast, members, world power*

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## **CHANGE MANAGEMENT DURING ERP IMPLEMENTATION**

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### **ABSTRACT**

*For many companies around the world ERP implementation becomes the most significant process of creating highly-integrated, multifunctional and competitive business model. At this point a lot of work should be done in managing all the changes within the company to succeed. This management process called "change management" in most cases signals that the company is ready for changes and becomes the main key success factor in ERP implementation.*

*This paper discusses the most important factors of change management that effect on the whole company's business-processes. The research design represented here is qualitative because it attempts to describe the meaning and importance of using the key success factors of change management while implementing the ERP system.*

*Combinative usage of these factors may be highly-effective for the companies that implement ERP systems or change their business-processes.*

*The originality of this work lies in studying multiple aspects of ERP implementation techniques and statistics dedicated to the selected theme.*

**Keywords:** *change management, ERP implementation*

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## ADDRESSING RESPONSIBILITY OF OWNERS AND MANAGERS IN CARTEL AGREEMENTS: A COMPETITION LAW PERSPECTIVE

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### **ABSTRACT**

*Horizontal agreements between competitors with object/effect of reducing competition between them through market partitioning, bid rigging, production/distribution quantities limitation and price fixing are considered to be the infringements of competition law. Cartel is an agreement under which competitors agree not to compete with each other and presents the most serious form of anticompetitive behaviour. Such arrangements allow companies to exert market power they would not otherwise have by artificially restrict competition with deleterious effect on welfare. Competition authorities around the world continue to declare cartel detection and conviction in competition enforcement as their highest priority. Taking part in cartel can have severe consequences for managers as well for the undertaking. In some jurisdictions employees involved in the infringement of competition law are criminally prosecuted facing financial fines and possible imprisonment. The reason behind it is an acknowledgment by competition authorities that the mere threat of sanctions against managers and personal liability could be a more effective deterrent than the possibility of only undertaking-focused sanctions. The amount of fines imposed for antitrust infringements, and for hard core cartel violations in particular, has notably augmented over the last years. This paper will argue why managers are employed in harmful activities risking imposition of severe fines and adverse reputational impact for themselves and the owners of the undertakings they work for and what are the tools within undertaking that can reduce the risk of being involved in unlawful antitrust practices and minimize the negative impact if anticompetitive behaviour has occurred.*

**Keywords:** *cartel, competition law, sanctions, managers, owners*

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## **AN EMPIRICAL COMPARATIVE ANALYSIS OF EMPLOYEE BENEFITS PROVIDED BY MULTINATIONAL FIRMS: THE CASE OF ROMANIA AND SERBIA**

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### **ABSTRACT**

*The paper aims to analyse post-employment benefits provided by multinational firms, focusing on retirement advantages and pension systems in Romania and Serbia from a comparative empirical perspective. Economic literature highlights the essential role played by pension schemes in assuring a proper level of income after retirement, thus reducing poverty and increasing productivity, with significant positive implications upon overall economic activity. Our research is based on developing several double-log fixed and random effects models, as well as a dynamic and distributed lags model, using a panel structure over the 2005-2013 period and a complex set of indicators (national accounts – GDP total and per capita; labour market – employment, unemployment, productivity, earnings; secondary and tertiary education; pension specific data – general beneficiaries, old age and survivor pensioners, total and by gender, and pension expenses as percentage of GDP). The results show that pensions represent an incentive for employees leading to an increase in resource productivity. At the same time, old age pensions are positively shaping economic growth and employment for the two countries considered, significantly reducing the poverty rate for pensioners. Nevertheless, the two pensions systems are modelled by the economic activity, educational background of employees, as well as by the level of net earnings.*

**Keywords:** *Employee benefits, Economic growth, Earnings, Pension system, Productivity.*

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## **PRODUCT PLACEMENT AND BRANDED ENTERTAINMENT: WHY IS IT MORE RELEVANT THAN EVER?**

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### **ABSTRACT**

*Although product placement, that is, the display of a product in a movie or a TV programme, has a history of several decades, it became increasingly significant and inevitable in the United States and Europe in the past years.*

*According to research in America conducted by PQ Media, a company specialised in media research, while advertising spending for this purpose was only USD 190 million in 1974, it was USD 512 million in 1985, USD 1130 million in 1994, and USD 3458 million in 2004 (Lehu, 2009). It has since exceeded the magic threshold of USD 10 billion, too. (Onlinemba.com, 2011).*

*At the same time, if we examine the Top 40 list of Hollywood movies, we can see that the average number of product placements per movie was 17.8 in 2011. (Brandchannel.com, 2012).*

*However, brands do not only appear in movies but also in series, reality shows, talent shows, and so on.*

*This has several reasons:*

- changes in consumers' relationship to advertising*
- technological progress, mainly digitalization,*
- the reform of advertising,*
- the needs of film and TV show production companies, and*
- changes of the legal environment.*

*The study addresses all these issues.*

**Keywords:** *Advertising, branded entertainment, marketing communication, product placement*

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## DEVELOPMENT OF GAMZIGRAD SPA AND INCREASING OF ENERGY EFFICIENCY

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### ABSTRACT

*Due to the fact that man in the last few decades has significantly damaged the environment and eco-system in which he has been living and working, it is raised the question of possibility of further survival and development of the planet of Earth. As the human civilization had pitilessly spent unrenovable energy sources to achieve economic progress and development of economy, we have faced disappointing fact that there are less and less such sources, so that there is a great danger which could cause their complete exhaustion. Trying to find solution for the conditions in which he is, man has started to direct his attention to other, alternative sources of energy, so-called group of renewable sources, whose use does not endanger balance in the nature and does not damage the eco system. The Paper deals with one type of renewable energy, geothermal energy. It was calculated the energy efficiency of the geothermal well in the spa of Gamzigradska Banja if the well is used for heating the Special Hospital for Rehabilitation in Gamzigradska Banja.*

**Keywords:** *Damaged environment, ecosystem, Gamzigrad spa, energy efficiency, renewable energy*

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## **INTEGRATED PROTECTION MODEL - ISO 45001 AS A FUTURE OF SAFETY AND HEALTH STANDARDS**

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### **ABSTRACT**

*Along with the increase in awareness of the importance of human resources and their contribution to the value of the organization, there is a growing awareness of the need for their management. The fact that modern society prescribes by the law that organizations must identify dangers and hazards, risk level that may arise, as well as their management and implementation of consistent measures to reduce their impact, shows the importance that is attributed to this issue.*

*For the effective implementation of laws in the field of health and safety at work and other necessary protective measures, there has been a need for a systematic approach to management in this area. Systematic approach to management in the field of health and safety at work ensures the implementation of all measures necessary for the safe operation thus protecting both employees and organization. This systematic approach is reflected in the current standard OHSAS 18001, which aims to establish control over the risks that carry harmful potentials, and thus ensuring the continuity of operation of the organization.*

*The focus of the scientific community which is actively working on improving the existing standards in the field of safety and health of employees is focused on the upcoming standard that will replace OHSAS 18001. The upcoming standard places a greater emphasis on the risk management and the ongoing assessment of risks and opportunities to prevent or reduce side effects. The innovations in this standard are reflected in the strengthening of the role of top management and top management as well as in the context of the "organization" itself. ISO 45001 provides for active participation of management in all processes of health and safety at work and tends to reduce the usage of process of delegated responsibility to one*

*manager, while, on the other hand, the organization looks at the broader, i.e., the requirements of the wider community are taken into account.*

**Keywords:** *ISO 45001, OHSAS 18001, Risk management, Top management*

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## **THE IMPACT OF PRICE REDUCTION ON BEHAVIORAL RESPONSES OF CONSUMERS**

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### **ABSTRACT**

*The objective of this paper is to determine a course and intensity of the impact of price reduction of food products onto behavioral responses of consumers. The following responses such as brand loyalty, brand switching, purchase acceleration, stockpiling and product trial have been analyzed in this paper. The recession in economy that has been present over the course of several years now has had a significant impact on the behavior of consumers in a way that consumers are buying more products at sales, thus according to the research results of certain authors, retailers have used price sales as the most popular and the most often stimulating instrument of short term demand, and it has seen an increase ever since.*

*Following the analysis of scientific literature that has covered this particular subject matter, three hypothesis about the impact of socio-demographic characteristics of examinees onto their attitudes regarding the impact of price reduction onto behavioral responses of consumers, have been defined. An empirical research has been carried out aimed at testing hypotheses set over the sample of 100 consumers. Data and figures have been collected through a survey at a point of sale i.e. applying MALL-INTERCEPT concept.*



*It has been determined that attitudes of examinees regarding the impact of price reduction onto behavioral responses of consumers – brand switching, brand loyalty, purchase acceleration, stockpiling and product trial - do not significantly depend on the gender of examinees. Attitudes of examinees regarding the impact of price reduction onto behavioral responses of consumers - brand loyalty, brand switching, purchase acceleration and stock piling - depend on the age of examinees, but that is not the case with product trial. Further, attitudes of examinees regarding the impact of price reduction onto behavioral responses of consumers - brand switching and brand loyalty - depend on the income of examinees, but at the same time mentioned attitudes of examinees regarding the impact of price reduction onto behavioral responses of consumers - purchase acceleration, stockpiling and product trial- do not depend on the income of examinees.*

*These findings may be of certain use to scientists, managers working in either sales, sale promotion or market research, etc..*

**Keywords:** *behavioral responses, consumers, price reduction, purchase*

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**RESEARCH ON THE DETERMINATION OF THE  
UNIVERSITY STUDENTS' ENVIRONMENTAL  
ACCOUNTING PERSPECTIVE: THE CASE OF EGE  
UNIVERSITY**

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**ABSTRACT**

*Today's global economic system and sophisticated production technologies have been causing negative impacts between human and nature relationships. Humankind is depleting natural sources increasingly more while doing efforts to diversify their needs, with the help of the technology. Industrialization and tendency of increase of the population led to the emergence of inevitable consequences about sustainability. Increasing pressures on unrenovable sources and growing environmental awareness have generated the need to account for interactions between businesses and the environment.*

*Our study aims to focus on concept of environmental accounting awareness and to evaluate the perception of young generation about social responsibilities for the environmental issues. Research will be limited to the university students that studying Faculty of Business Administration in Ege University in Izmir. Because these students will be the future's entrepreneurs, managers and accountants, they can give a decision or they can need them about the environment's financial data in the next. Consequently, we applied questionnaire to more than 400 students who took accounting courses.*

**Keywords:** *Environmental Accounting, Green Accounting, Social Accounting, Sustainability*

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## **THE IMPACT OF COMPANY RESTRUCTURING ON THE SITUATION IN THE ECONOMY**

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### **ABSTRACT**

*In their work the authors analyzed the companies from the field of work covering industry, agriculture and trade, which represent sampled companies in which testing was conducted. Also, the authors present the results of research in the fields that were subject of analysis during the period of expansion of company restructuring in the Republic of Serbia. The results of the analysis are given in segments as follows: the organizational situation in examined companies and the economic and financial aspects of the company's operations.*

**Keywords:** *Restructuring of Companies, Financial Analysis, Economic Situation in the Republic of Serbia and Enterprise Development.*

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## **EXPLORING THE EFFECTS OF FINANCIAL EDUCATION: ANALYSIS OF SAVING BEHAVIOR OF CROATIAN CONSUMERS**

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### **ABSTRACT**

*Over the last several years, the issue of financial literacy and financial education seem to have risen on the agendas of both academics and policy makers. The importance of financial education and financial literacy has never been greater than nowadays, when many countries are faced with the ongoing recession. Financially educated and well informed individuals should make better financial decisions and show off better financial behavior. In this paper, we explore saving behavior and socio-demographic characteristics of financial consumers exhibiting low saving behavior. The purpose of this paper is to explore saving behavior of consumers living in Croatia and thus help the policymakers in developing better targeted and higher quality programs. Moreover, the objective is to investigate the relationship between financial education and saving behavior to see whether, and in what extent, financial education affects saving behavior. The previous research in this field points to twofold results, whereat some authors found the evidence of positive correlation of savings and financial education, while others show opposite results. There is still no consensus on the effect of financial education on consumer saving behavior. In order to investigate relationship between financial education and saving, linear regression analysis is used. The*

*regression model diagnostics is conducted and the stated model is appropriate. The results of the conducted research indicate that financial education has the statistically significant impact on saving behavior of Croatian financial consumers. However, although significant, the impact is rather low, what is in line with previous research in this field. The policy implications of research findings are discussed.*

**Keywords:** *Financial education, Financial literacy, Linear regression model, Financial behavior, Saving*

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## **THE IMPACT OF NATIONAL CULTURAL VALUES ON ENVIRONMENTAL REPORTING: A COMPARATIVE STUDY**

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### **ABSTRACT**

*The countries around the world became increasingly dealing with environmental issues, because the environmental issues have constituted a problem that concurrently affects humans, nations and corporations. This paper investigates the impact of the differences in national cultural values on the extent to which the companies disclose their environmental performance information. This cross-cultural comparison based on the National cultural values (as suggested by Hofstede, 1980, Hofstede, 2001, and Hofstede et al., 2010), which include Individualism, Power distance, Uncertainty avoidance, Masculinity, Long term Orientation, and Indulgence. The sample includes the annual reports of 655 large companies from 20 countries selected from 10 different cultural areas, based on the international classification of accounting systems proposed by Gray S. J., 1988. We utilized the content analysis technique to capture the environmental disclosures of financial year 2012 within six industries are*

*Automobiles, Chemicals, Foods, Metals and Mining, Oil and Gas, and Pulp and Paper.*

*Our results indicate that two of Hofstede's national cultural dimensions are linked to a higher degree of corporate environmental disclosure. In particular, a nation's high degree of individualism and indulgence were both related to high level of corporate environmental disclosure. While one of Hofstede's national cultural dimensions is linked to a low degree of corporate environmental disclosure. The nation's high degree of power distance was related to low degree of corporate environmental disclosure. Other dimensions such as Uncertainty Avoidance, Masculinity, and LTO are not related to Corporate Environmental Reporting. The control variables (regions, industries and firm size) were significantly related to corporate environmental disclosure. As a result, this study will support analysis of foreign markets by understanding the cultural variations throughout different countries within different cultural contexts. Furthermore, the results of the study can be considered as a guide for multinational corporations to evaluate the economic, legal, social situations in different countries when they wish to enter new markets.*

**Keywords:** *Annual reports, Environment Reporting, Hofstede's Dimensions, and National Culture.*

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## THE IMPACT OF FOREIGN DIRECT INVESTMENT ON THE UNEMPLOYMENT RATE IN THE REPUBLIC OF SERBIA

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### **ABSTRACT**

*This paper analyzes the Republic of Serbia in the period of transition from a planned economy with special social, political and economic conditions towards an open economy through the inflow of FDI and their impact to the unemployment rate. Creating the conditions for an inflow of FDI started in 2000 in Serbia primarily to increase the employment rate. Since 2000 most FDI has entered the sector of non-exchangeable goods which led towards increasing unemployment. That has had negative effects on Serbia from the development viewpoint, since the country needs FDI to the sector of exchangeable goods, as they encourage productivity, technological progress and employment. Foreign investors to Serbia were primarily interested in profiting from the privatization (Brownfield investments) of former state-owned companies which led to the rationalization of the privatized companies through redundancies. The benefits that Serbia has had from the inflow of FDI are significant transfer of technology, enhancement of competition on the local market. On the other hand, the negative effects are increase in the unemployment rate at the national level.*

**Keywords:** *brownfield investments, FDI, greenfield investments, Republic of Serbia, unemployment rate, SEE countries*

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## **TREATMENT OF ELECTRONIC AND ELECTRICAL WASTE – CASE STUDY**

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### **ABSTRACT**

*The issue of recycling activity is particularly important to the national economy, and the protection of the environment, is the subject of great attention to various social and political organizations at the highest level. The emphasis is on the present, in which modern man is totally dependent on electrical and electronic devices, without which survival is unthinkable - it is about electrical and electronic waste (e-waste). The paper aims to present some experience, knowledge and practice of the treatment of e-waste in countries with different economic and economic status, with special emphasis on our country.*

**Keywords:** *economic, environmental, electric, electronic waste, recycling, waste*

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## **SOFT HUMAN RESOURCES RATIONALIZATION OF WORK IN ORGANIZATIONS**

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*"In order to knowledge become efficient we need learn to see threes and the wood,  
need learn to connect the things."*

Peter F. Drucker

### **ABSTRACT**

*Organizational effectiveness is the goal of every organization (profit and non-profit), hence, there is a constant need for it. One of the ways in which it can radically be improved is through the use of various rationalizations of business aspects (technical, economic, personnel). The key point in the overall organizational rationalization of work is constituted by the human resources realization of work which enables and facilitates overall rationalization of work in the organization. The human resources rationalization pertains to:*

- a) technical solutions which include workplace design, calculation of optimal number and quality of employees, remediation of surpluses and deficits and similar technical solutions that are related to human resources, which is generally well-known in a discipline of human resources management and pertains to the so-called technical or "hard" human resources rationalization,*
- b) human resources rationalization in the sense of rationalization of each separate work and people management (leadership) which is less known and applicable, and they*

*pertain to the so-called psychosocial or "soft" human resources rationalization of work which is primarily the rationalization of personal work and management of people in an organization.*

*This paper explicates soft human rationalization of work, namely, the rationalization in the part of personal efficiency at workplace and management of people in business organizations through its basic three forms: a) work rationalization at an individual level; b) work rationalization at a group/team level; c) work rationalization on the cultural level.*

*Also, in this work, foundational possibilities are mentioned about how can and how should the soft rationalization of work be implemented based on the mentioned shapes of manifestation: individual, group/team and cultural level. By applying the mentioned soft human resources rationalizations one may revolutionize organizational effectiveness, which is a necessary supplement to hard technical rationalization of human resources management.*

**Keywords:** *human resources rationalization, soft human resources rationalization, individual rationalization, group/team rationalization, cultural rationalization, work effectiveness in a company, human resources management*

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## **IMPACT OF SUSTAINABILITY ON BRAND POSITIONING AND VALUE**

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### **ABSTRACT**

*The goal of this paper is to highlight a role the field of sustainability plays in the process of developing strong brands. In particular, the study shows that sustainability could have a positive impact on brand positioning and value. The analysis is conducted by looking at the*

*sustainability and brand equity relationship from four different angles which nevertheless offer substantial view into the subject.*

*The first part explores role of the consumer-based brand equity concept and memory associations model in creating strong, favorable and unique brand associations. The second part examines elements of sustainability as a source of consumer-based brand equity. Part three explores impact that sustainability could have on brand knowledge and differential effect. In the fourth part the point-of-sustainability as a fifth dimension of the brand positioning model is introduced.*

*By investigating those different angles of the relationship between sustainability and consumer-based brand equity by exploratory study, literature reviews and discussions the paper draws the picture of sustainability in the brand equity development setting. The study reveals opportunities, trends and direction in the future development of the consumer-based brand equity. More than that it shows how sustainability creates and captures the value which in turn creates demand and reduces investors' risk.*

*The overall benefit of this paper is to provide marketers with an extra tool and power, to create and explore new ways for building strong brands. In doing so, marketers will need to dig deep into the growing set of the brand development concepts, models, theories, tools and frameworks to find sustainability related associations that will resonate with the consumers. As a result, markets will experience a proliferation of strong sustainable brands that satisfy needs of the customers under the umbrella of preserving natural resources.*

**Keywords:** *Brand Positioning, Customer-Based Brand Equity, Point-of-Sustainability, Sustainability.*

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## **THE ROLE OF INTERNATIONAL FREIGHT FORWARDERS IN THE REPORTING OF SHIPMENT AND DELIVERY OF GOODS IN THE EUROPEAN UNION OVER THE INTRASTAT**

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### **ABSTRACT**

*By entering the European Union, the Republic of Croatia has undergone many changes regarding international forwarding agents. The obligation for application of customs regulations in line with the EU Legal Acquest has arisen. Bearing in mind that the trade of local goods between the EU member countries is exempt from customs formalities and control, forwarding companies lose a large portion of their business. Most of international forwarding companies had to commit themselves to carrying out other general and specific lines of work instead of import duties, in order to compensate for the loss of the market space. The EU membership has brought the duty of Intrastat reporting, i. e. statistical research of trade in goods between the EU members. In this way, there arises the opportunity for authorized customs representatives to perform a new type of business, if the business entities delegate their duty of Intrastat reporting to the customs broker. In this way the international forwarding companies can compensate for the market space they lost when Croatia entered the EU. The goal of this paper is to give basic insights into the international forwarding companies' features, specificities of their business activities and their emergence as authorized representatives in Intrastat reporting on dispatches and arrivals of goods for the EU customers. This paper will serve as a guide to better understanding the role of international forwarders in reporting on dispatches and arrivals of goods in the European Union through Intrastat, as well as*

*give a clearer picture of the future international forwarders are facing.*

**Keywords:** *international freight forwarding, Intrastat Form, Intrastat system*

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## **GLOBAL MEDIA INDUSTRY IN POSTMODERNISM: DOMINATION OF BROADCASTING AND THE TRADITION OF PUBLISHING**

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### **ABSTRACT**

*The aim of this paper is to point out the changes brought by the postmodernism in the global media industry. Modernism was crated simultaneously with the development of the publishing and it lasted several hundred years. Postmodernism was formed in the womb of broadcasting and in just a few years it took over the global market which has been under the control of the publishing houses for several hundred years. The two economic crises at the beginning of the 21<sup>st</sup> century marked the entry of the global media industry into the mature phase. By entering the mature phase, the media markets of the most economically developed countries had stabilized. Revenues were no longer recording high growth rates and some countries have started to record a negative growth rates in the past five years. In the global market, several global vertically integrated corporations positioned*

*themselves by employing the takeover strategies, which pushed out the smaller competitors from the market.*

*The period of maturity had revealed the specifics of the media industry and the need for interdisciplinary scientific approach. Analyzing the development of certain categories of the medial industry in different geographic areas it is clear that there are significant differences in the degree of their development. This was influenced by various factors of which the most important ones are recognized in the historical development and the cultural diversities of the certain geographical areas. Economics, as a scientific discipline, gave its significant contribution to the study of the media industry relatively late, at the end of the twentieth century and become an equal partner to other sciences that were already represented in the analyses. The media industry, as a typical representative of postmodernism, requires a holistic approach in order to find answers to the asked questions.*

**Keywords:** *broadcasting, management, media industry, postmodernism, publishing*

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## **THE POSSIBILITY OF REACHING THE FULFILLMENT OF MAASTRICHT CONVERGENCE CRITERIA IN SERBIA**

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### **ABSTRACT**

*This paper analyzes the fiscal position of the Republic of Serbia as well as the ratio between its indicators and reference values anticipated by the Maastricht convergence criteria. According to the mentioned criteria, the public debt must not exceed 60% of the GDP, whereas the budgetary deficit must not exceed 3% of the GDP, even though the majority of countries have set up stricter criteria in order to provide greater economic stability. The Republic of Serbia strives*

*not to only fulfill the criteria set for the public debt be kept under 60% of GDP, but to decrease it to 45% of GDP. Taking into consideration the fiscal aggregates before and after the application of the fiscal measures in the following three year period it is shown that the measures should be applied further than this timeframe in order to fulfill the criteria needed to join the European Union. Based on the predictions shown in this paper it is clear that the Republic of Serbia will not be able to fulfill these criteria if it does not conduct a restrictive fiscal policy, which is inclusive in responding to the question of a structural deficit, a tax reform and an overall reform of the public sector, which is a good way to achieve the results predicted by the Maastricht convergence criteria, although not in the timeframe set by the Government of the Republic of Serbia.*

**Key words:** *budgetary deficit, fiscal strategy, Maastricht fiscal criteria, public debt;*

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## **TOWARD ECONOMIC REWARD: CORPORATE SOCIAL RESPONSIBILITY COMMUNICATION OF SMEs**

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*In business world of today, small and medium-sized enterprises (SMEs) play the part of an increasingly important role in the world economy. Currently, SMEs are thought to be the backbone of economic growth in many countries, contributing to the creation of job opportunities and acting as suppliers of goods and services for*

*large organizations. Internationally, various studies are related to the importance of SMEs for a country's development and economic stability. SMEs also play an important role in European economies and their form according to some authors is a pillar of business structure. Academics emphasise in many ways Corporate Social Responsibility (CSR) as a mantra for our time, a time which they characterised as "the era of compassionate capitalism" or "the age of sustainability". CSR communication is an important element of the strategic approach to communication, which rests on the idea that enterprises can create a strong identity by implementing a systematic and proactive strategic communication practice within their organisations, establishing the way for "the building and maintaining of favourable reputations and relationships with key stakeholders".*

**Keywords:** *Corporate Social Responsibility (CSR), CSR Communication, Small to Medium Sized Enterprises (SMEs)*

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## **TESTING OUT THE "QUIET-LIFE" HYPOTHESIS ON CROATIAN BANKING SECTOR**

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### **ABSTRACT**

*According to "Quiet-life" hypothesis (QLH) (Hicks 1935), market power can lead to lower cost efficiency, since it allows managers to enjoy a portion of the monopoly rents in the form of relaxed cost management. Although theoretically well founded, QLH empirical evidence is far from conclusive which represents one motive for this research. Additionally, better understanding of bank market power and efficiency relationship could result in social benefit as bank output is input for other sectors in economy.*

*By testing out the QLH we extend the empirical work done so far on bank competition in Croatia on the sample of commercial banks (1994-2014). In the first step we use the Distribution free approach for the calculation of Competition efficiency frontier and X-efficiency. In the next step, we model bank efficiency with market power and the set*



*of control variables. Negative relationship between market power and bank efficiency, which would prove QLH, is examined also for a sub-sample of banks and historical periods in Croatian banking sector. Although we provide empirical evidence generally supporting the QLH in Croatia, the connection between market power and bank efficiency is economically rather small. However, we believe that bank competition policy should definitely include “Quiet-life” considerations.*

**Keywords:** *Quiet life hypothesis, Croatia, banks*

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## **SYSTEM OF REWARDING AND MOTIVATING THROUGH THE PROCESS OF EVALUATION AND DEVELOPMENT OF EMPLOYEES**

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### **ABSTRACT**

*Paper is inspired by vague and somewhere confusing bonus payments by MBO system that often led to dissatisfaction of the employees in the UniCredit group, whose group policies in the domain of HR are based on the mentioned concept. In close coleration with the Group’s human resources department official data, research has proven that badly designed objectives and following targets for non-sales services where it is easier to set up tasks, led to vague understanding of company’s goals and bussiness projections. The paper doesn’t only disclose the*

*results of the study based on the relevant data, but also offers guidance on how to overcome specific problems.*

*In addition, this paper provides a specific matrix that combines the well-known SWOT analysis and the SMART principle (i.e. concept) of determining the objectives, from the perspective of the company as well as from the employee's point of view. Through this complex prism, the applicable example of the functionality of the matrix is given, as a way of increasing the staff efficiency and strengthening the company competencies. Regarding the research results, it is clear that the company and the employees should join forces to access new markets or at least preserve the existing positions.*

**Keywords:** *company, development, employee, evaluation, motivating, rewarding.*

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