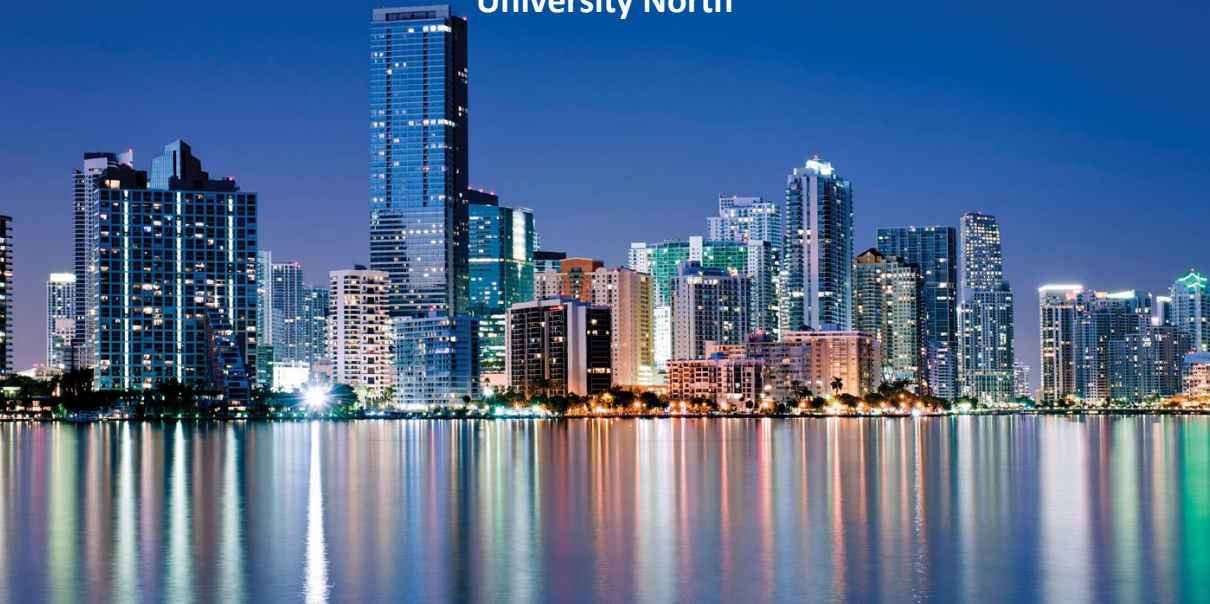


Varazdin Development and Entrepreneurship Agency
in cooperation with
University North



Economic and Social Development

10th International Scientific Conference on Economic and Social Development



Editors:

Dinko Primorac, Igor Pihir, Kristina Detelj

Book of Abstracts

ISSN 1849-7543



9 771849 754003 >

Miami, 25th September 2015

Varazdin Development and Entrepreneurship Agency
in cooperation with
University North



Editors:
Dinko Primorac, Igor Pihir, Kristina Detelj

Economic and Social Development

10th International Scientific Conference on
Economic and Social Development



Book of Abstracts

Miami, 25th September 2015

Title ■ Economic and Social Development (Book of Abstracts), 10th International Scientific Conference on Economic and Social Development

Editors ■ Dinko Primorac, Igor Pihir, Kristina Detelj

Scientific Committee ■ Marijan Cingula, University of Zagreb, Croatia (President); Haimanti Banerji, Indian Institute of Technology, Kharagpur, India; Rado Bohinc, University of Ljubljana, Slovenia; Adnan Celik, Selcuk University - Konya, Turkey; Angelo Cister, Federal University of Rio de Janeiro, Brasil; Ksenija Dumicic, University of Zagreb, Croatia; Davor Filipovic, University of Zagreb, Croatia; Fran Galetic, University of Zagreb, Croatia; Tomislav Herceg, University of Zagreb, Croatia; Anica Hunjet, University North, Koprivnica, Croatia; Oxana Ivanova, Ulyanovsk State University, Ulyanovsk, Russia; Ana Jovancai Stakic, Megatrend Univerzitet, Belgrade, Serbia; Dafna Kariv, The College of Management Academic Studies, Rishon Le Zion, Israel; Marina Klacmer Calopa, University of Zagreb, Croatia; Fatmira Kola, Tirana Metropolitan University, Albania; Vladimir Kovsca, University of Zagreb, Croatia; Goran Kozina, University North, Koprivnica, Croatia; Wirat Krasachai, King Mongkut's Institute of Technology Ladkrabang, Thailand; Natalia A. Kravchenko, Novosibirsk State University, Russia; Robert Lewis, Les Roches Gruyere University of Applied Sciences, Bulle, Switzerland; Ladislav Lukas, University of West Bohemia, Pilsen, Czech Republic; Pascal Marty, University of La Rochelle, France; Marjana Merkač Skok, Faculty of Commercial and Business Sciences, Celje, Slovenia; Marin Milkovic, University North, Koprivnica, Croatia; Zsuzsanna Novak, Corvinus University of Budapest, Hungary; Vera Palea, Università degli Studi di Torino, Italy; Dusko Pavlovic, Libertas International University, Zagreb, Croatia; Galina Pavlovna Gagarinskaya, Samara State University, Russia; Dinko Primorac, University North, Koprivnica, Croatia; Mirosław Przygoda, University of Warsaw, Poland; Kerry Redican, Virginia Tech, Blacksburg, USA; Silviu Stanciu, Dunarea de Jos University from Galati, Romania; Katarzyna Szymanska, The State Higher School of Vocational Education in Ciechanow, Poland; Ilaria Tutore, University of Naples Parthenope, Napoli, Italy; JP van der Westhuizen, Vaal University of Technology, South Africa; Ilko Vrankic, University of Zagreb, Croatia; Hilal Yildirim Keser, Uludag University, Bursa, Turkey; Li Yongqiang, Victoria University, Australia; Peter Zabielskis, University of Macau, China; Tao Zeng, Wilfrid Laurier University, Waterloo, Canada; Snezana Zivkovic, University of Nis, Serbia;

Review Committee ■ Marina Klacmer Calopa (President); Ana Aleksic; Ayuba Aminu; Mihovil Andjelinovic; Josip Arneric; Lidija Bagaric; Tomislav Bakovic; Sanja Blazevic; Leonid Bobrov; Ruzica Brečić; Anita Ceh Casni; Mirela Cristea; Oguz Demir; Stjepan Dvorski; Robert Fabac; Davor Filipovic; Ivica Filipovic; Fran Galetic; Mirjana Gligoric; Tomislav Globan; Anita Goltnik Urnaut; Tomislav Herceg; Irena Jankovic; Dafna Kariv; Oliver Kesar; Hilal Yildirim Keser; Tatjana Kovac; Vladimir Kovsca; Angelo Maia Cister; Vaidotas Matutis; Marjana Merkač Skok; Josip Mikulic; Ljubica Milanovic Glavan; Guenter Mueller; Ivana Nacinovic Braje; Zsuzsanna Novak; Alka Obadic; Claudia Ogorean; Igor Pihir; Najla Podrug; Vojko Potocan; Dinko Primorac; Sanda Renko; Souhaila Said; Armando Javier Sanchez Diaz; Tomislav Sekur; Lorena Skufflic; Mirko Smoljic; Petar Soric; Mario Spremic; Ana Jovancai Stakic; Matjaz Stor; Lejla Tijanac; Daniel Tomic; Boris Tusek; Rebeka Daniela Vlahov; Ilko Vrankic; Thomas Will; Zoran Wittine; Tao Zeng; Snezana Zivkovic; Berislav Zmuk;

Organizing Committee ■ Domagoj Cingula (President); Kristina Detelj; Jelena Horvat; Marina Klacmer Calopa; Erlino Koscak; Dinko Primorac; Mirosław Przygoda;

Publishing Editor ■ Domagoj Cingula

Publisher ■ **Design** ■ **Print** ■ Varazdin Development and Entrepreneurship Agency, Varazdin, Croatia
University North, Koprivnica, Croatia

Printing ■ 100 Copies

ISSN 1849-7543

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

The Book is regularly indexed and abstracted by ProQuest and EconBIZ databases. It is available for downloading in a PDF format from the Economic and Social Development Conference website, <http://www.esd-conference.com>

© 2015 Varazdin Development and Entrepreneurship Agency, Varazdin, Croatia and University North, Koprivnica, Croatia

All rights reserved. Authors are responsible for the linguistic and technical accuracy of their contributions.

CONTENTS

Miroslaw Przygoda ■ CHINA – RUSSIA, A STRATEGIC POLITICAL AND ECONOMIC AXIS OF THE CONTEMPORARY WORLD.....	2
Lara Jelenc, John Pisapia, Natalija Ivanusic ■ DEMOGRAPHIC VARIABLES INFLUENCING INDIVIDUAL ENTREPRENEURIAL ORIENTATION AND STRATEGIC THINKING CAPABILITY	3
Jerry Obi-Okogbu ■ GLOBALIZATION: IMPLICATIONS FOR HUMAN DEVELOPMENT	4
Jesse K. Porter, Bertha Z. Osei-Hwedie ■ REGIONALISM AS A TOOL FOR PROMOTING ECONOMIC AND REGIONAL DEVELOPMENT: A CASE STUDY OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)	5
Matej Svigelj ■ LIBERALISATION OF THE NATURAL GAS MARKET FOR HOUSEHOLDS IN SLOVENIA: LESSONS LEARNED.....	6
Kanchana Sukanthasirikul, Wannee Trongpanich ■ CULTURAL TOURISM EXPERIENCE ON CUSTOMER SATISFACTION: EVIDENCE FROM THAILAND	7
Nipon Chuamuangphan ■ THE POTENTIAL OF HOT SPRINGS IN THE WEST OF THAILAND FOR HEALTH TOURISM AND SUSTAINABILITY	8
Petar Kurecic ■ THE INFLUENCE OF ECONOMIC CRISIS ON FOREIGN POLICY: AN ANALYSIS OF FOREIGN POLICY ACTIVITIES OF THE EU MEMBER STATES FROM SOUTHERN EUROPE 2011-2014.....	9

Lucinda Parmer ■ AN AMERICAN-BASED STUDY EXAMINING THE RELATIONSHIP BETWEEN PARTICIPANTS' DEMOGRAPHIC PROFILES AND ATTITUDES REGARDING BUSINESS OUTSOURCING TECHNIQUES AND STRATEGIES	10
Marija Dragicevic, Ana Tomasevic, Ivana Avejic, Nika Stanovic ■ DIFFUSE HOTELS AND AGRICULTURAL HOUSEHOLDS BUSINESS PRACTICE.....	11
Katarzyna Szymanska ■ INFORMATION SYSTEM AS A TOOL GUARANTEEING FOOD SAFETY AND CONTROLLING FOOD MARKET.....	12
Petar Kurecic, Goran Luburic, Goran Kozina ■ THE INFLUENCE OF THE SIZE OF THE ECONOMY AND EUROPEAN INTEGRATION ON FOREIGN DIRECT INVESTMENTS IN THE CENTRAL, SOUTHEASTERN AND EASTERN EUROPEAN STATES 1994-2013.....	13
Killian P. Ying, Betty A. Lininger, Mengieng Ung, Joan F. Ying ■ CHILD HEALTH, MALNUTRITION, AND SOCIOECONOMIC DEVELOPMENT IN CAMBODIA.....	15
Dejan Romih ■ WHAT SHOULD ESTONIA DO IN ORDER TO INCREASE THE VALUE OF ITS EXPORTS OF GOODS TO SLOVAKIA AND SLOVENIA?	16
Petar Kurecic, Damir Vusic, Dinko Primorac ■ NEOLIBERALISM AS A “VILLAIN”: A CONTENT ANALYSIS OF THEORETICAL CRITICAL STANCE TOWARDS NEOLIBERALISM IN THE TEXTS FROM ANTIPODE – A RADICAL JOURNAL OF GEOGRAPHY, 2010-2013.....	17
Rabindra Raj Dhakal ■ CREATING SELF-EMPLOYMENT OPPORTUNITIES THROUGH PUBLIC PRIVATE FINANCING (MULTIPLIER EFFECT).....	18
Rohini Prasad ■ THE IMPACT OF GLOBALIZATION ON INDIA'S EXPORT AND IMPORT OF AGRICULTURAL COMMODITIES	20

Dejan Romih, Katja Crnogaj ■ SUSTAINABLE DEVELOPMENT AS AN OPPORTUNITY TO INCREASE THE GEOGRAPHICAL DIVERSIFICATION OF SLOVENIA'S FOREIGN TRADE	21
Vinko Morovic, Vladimir Simovic, Dean Golubic ■ ICT AND MODERN CITY TOURISM	22
Franciszek Kapusta, Rafal Parvi ■ OIL-MILL INDUSTRY AND ITS EFFECTIVENESS ON THE EXAMPLE OF THE ECONOMIC AND FINANCIAL ANALYSIS OF SELECTED FOOD SECTOR COMPANIES QUOTED ON THE WARSAW STOCK EXCHANGE (WSE) IN 2005-2015	24
Ibrahim Mslam ■ SUSTAINABLE TOURISM AND ARCHAEOLOGICAL SITES A CASE STUDY FROM AMMAN/JORDAN	24
Jarmila Horvathova, Martina Mokrisova, Alzbeta Suhanyiova, Ladislav Suhanyi ■ SELECTION OF KEY PERFORMANCE INDICATORS OF CHOSEN SLOVAK INDUSTRY WITH THE APPLICATION OF STATISTICAL METHODS.....	26
Edith Kiragu ■ TRANSITION INTO A GREEN ECONOMY: ARE THERE LIMITS TO GOVERNMENT INTERVENTION?	27
Mario Klacmer, Marina Klacmer Calopa, Jelena Horvat ■ STRATEGIC MANAGEMENT OF E-GOVERNMENT DEVELOPMENT	28
Ayuba A. Aminu, Olufemi A. Oladipo ■ APPLICATION OF FINANCIAL ETHICS IN ANNUAL FINANCIAL REPORTING OF BANKS	29
Anica Hunjet, Robert Gecek, Nikola Mrvac ■ THE FUTURE OF COMPETENCES WITHIN THE CROATIAN QUALIFICATIONS FRAMEWORK.....	30
Mia Mrgud, Ana Mulovic ■ CORPORATE GOVERNANCE IN EUROPE: A COMPARATIVE ANALYSIS	33

Monika Chodorek, Agata Sudolska ■ THE SIGNIFICANCE OF ORGANISATIONAL CITIZENSHIP BEHAVIOURS FOR TALENT MANAGEMENT – THE EXAMPLE OF POLISH COMPANIES ..	34
Murya Habbash ■ CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE: EVIDENCE FROM SAUDI ARABIA.....	36
Marina Klacmer Calopa, Ivana Dundek Kokotec, Dina Korent ■ CORPORATE GOVERNANCE AND SUCCESSFUL COMPANY PERFORMANCE (FOCUS ON CROATIA).....	37
Hossein Nezakati, Kourosh Sharifirad ■ MARKETING OF INNOVATION IN TURBULENT MARKET: INTRODUCTION OF AN AMBIDEXTROUS MARKETING INNOVATION PARADIGM	38
Agata Sudolska, Monika Chodorek ■ ENTERPRISE ACTIVITIES AIMED AT SHAPING PRO-INNOVATIVE EMPLOYEES ATTITUDES – THE EXAMPLE OF POLISH COMPANIES	39
Arpad Papp-Vary ■ WHICH WAY IS PRODUCT PLACEMENT GOING? 11 EXPECTED TRENDS.....	42
Jasenska Bubic, Toni Susak ■ DETECTING OPTIMAL FINANCIAL AND CAPITAL STRUCTURE: THE CASE OF SMALL AND MEDIUM ENTERPRISES (SME) IN REPUBLIC OF CROATIA ..	43
Ladislav Suhanyi, Alzbeta Suhanyiova, Jarmila Horvathova, Martina Mokrisova ■ ANALYSIS OF ECONOMIC CRIME IN SLOVAKIA, WITH EMPHASIS ON THE ANALYSIS OF ACCOUNTING AND TAX FRAUD	44

Globalization and Challenges of the Modern World

CHINA – RUSSIA, A STRATEGIC POLITICAL AND ECONOMIC AXIS OF THE CONTEMPORARY WORLD

Mirosław Przygoda

University of Warsaw, Faculty of Management, Poland

miroslawprzygoda@wp.pl

ABSTRACT

In the last few years the geopolitical structure of the contemporary world has been rapidly evolving. The hegemony of the United States is visibly being replaced with bipolar international political and economic power and relations. In the first half of 2013 there were no signs of changes in the existing situation on the horizon. Successful were the relations between the USA and China in the areas of economy, culture, research, and commerce. The relations between the USA and the Russian Federation at the beginning of the 21st century could also be described as good. It seemed that the co-existence of said nations would last on the same conditions for several dozen years at the very least. However, Kiev protests that marked the end of the year 2013, the Crimean crisis that started 2014, and then the still ongoing rebellion in East Ukraine, significantly transformed the existing balance of power. The well-established subtle balance of the mutual interests and spheres of influence was irreversibly disturbed. Political and military events triggered off old animosities and new ambitions. Ruled with an iron hand, Russia strongly opposed the attempts to gain influence in the East made by the EU and the USA that supported the Union. Initially more in disguise, but later officially, China sided with Russia. This resulted in the creation of a strategic political and economic axis, a long-term aim of which is to radically change the world's balance of power. The axis claims its opponents are the USA and the decaying "Western World". Some time ago such declarations would not be alarming. However, with the "old Europe" torn by internal conflicts and the USA weakening year by year, there is a reason to feel concerned. Many wonder whether it is possible for the Beijing-Moscow plan to be implemented. One should think how such an unfavourable chain of events would affect the world; whether the today's incidents could have been anticipated and how much time is left before the global order is changed.

Keywords: *Axis, China, Contemporary world, Russia, USA.*

DEMOGRAPHIC VARIABLES INFLUENCING INDIVIDUAL ENTREPRENEURIAL ORIENTATION AND STRATEGIC THINKING CAPABILITY

Lara Jelenc

*Faculty of Economics, University of Rijeka, Croatia
ljelenc@efri.hr*

John Pisapia

*Florida Atlantic University, Florida, USA
jpisapia@fau.edu*

Natalija Ivanusic

*Faculty of Economics, University of Rijeka, Croatia
nata.ivanusic@gmail.com*

ABSTRACT

Strategic thinking capability is interesting part of the cognitive development of each entrepreneur. This paper develops on notion that there a number of demographic variables that shape the behavior of each particular elements of entrepreneurial orientation and strategic component of each entrepreneur. The demographic variable that have significant role will take the role of moderator in further research. Since both constructs are multidimensional, the demographic variables are not influencing them in the same way. The empirical research has been performed on IT firms in Croatia in 2014.

Individual entrepreneurial orientation is measured by the construct developed by Bolton and Lane's (2012) individual entrepreneurial orientation instrument. The instrument is grounded in the seminal work of Miller (1983), Covin and Slevin (1986; 1988; 1989), Lumpkin and Dess (1996) and Covin and Wales (2011); consisting of three dimensions – risk-taking, innovation, and proactiveness. Strategic thinking was measured by Pisapia's (2009) Strategic thinking questionnaire (STQ). The STQ asked respondents to rate how often they use systems thinking, reframing, and reflecting skills.

Within the framework of individual entrepreneurial orientation the following demographic variables shape the trends: age, gender, education abroad and previous experience. Entrepreneurs between

40-60 years old are less prone to risk, female entrepreneurs are more proactive than men, education abroad provides with the additional proactiveness and the entrepreneur with previous experience is prone to higher risk, proactiveness and innovativeness.

Within the framework of strategic thinking capability the following demographic variables shape the trends: age, gender, education and experience. Entrepreneurs older than 60 score high on system thinking as well as females, females also score higher on reframing. Entrepreneurs with PhD degree score lower on reframing, while managers working more than 20 years score high on reframing.

All the relevant demographic variables can be introduced later on as moderators investigating individual entrepreneurial orientation and strategic thinking capability relation.

Keywords: *Croatia, demographic variables, individual entrepreneurial orientation, strategic thinking*

GLOBALIZATION: IMPLICATIONS FOR HUMAN DEVELOPMENT

Jerry Obi-Okogbuo

Institute of Management and Technology, Enugu, Nigeria.

Jerryokogbuo2000@yahoo.com

ABSTRACT

Every age has got its age-mark: the outstanding feature trait that characterizes that age. In the history of the march of civilization, we have such age-marks as the Stone Age, the Bronze Age, the Iron Age, the Middle Age or Dark Age, the Renaissance, the Age of Reason, the Industrial Revolution, the Jet Age, etc. Our age, the 21st century, is commonly defined by globalization. The urgent challenge and focus of this paper, therefore, is the need to appraise globalization; to raise fundamental philosophical questions about globalization; such questions as relate to the phenomenology of globalization and the philosophical foundations of globalization. It is the position of this paper that it is only when these questions are properly raised and critically addressed that modern man would be able to understand the

implications and challenges of globalization for human development. It is also the view of this paper that it is also against the proper understanding of globalization that modern man can hope to comfortably operate and effectively contribute in the competitive globalized world.

Keywords: *Age-Mark, Development, Globalization, Phenomenology, Philosophy.*

**REGIONALISM AS A TOOL FOR PROMOTING
ECONOMIC AND REGIONAL DEVELOPMENT: A
CASE STUDY OF THE ECONOMIC COMMUNITY OF
WEST AFRICAN STATES (ECOWAS)**

Jesse K. Porter

*Ghana Institute of Management and Public Administration, Ghana
jkporter@gimpa.edu.gh*

Bertha Z. Osei-Hwedie

*Ghana Institute of Management and Public Administration, Ghana
Bzosie-hwedie@gimpa.edu.gh*

ABSTRACT

Regionalism, whether from the perspective of developmental regionalism or new regionalism, in the current discourse of the global economy is frequently associated with development. The common thread of development is pervasive within the different schemes of regionalism; be it EU, APEC, NAFTA, MERCOSUR or ECOWAS. Concerning economic and regional development, regionalism as an ideology is increasingly linked with, expanded markets, trade, comparative advantage and specialization, economies of scale, industrialization, increased competition and productivity. As with many other regional groupings, regionalism in West African was crystallized in 1975 by ECOWAS to facilitate economic development to improve the living standards of people in the region through trade, harmonization of policies and self-reliance. The original ECOWAS treaty was revised in 1993 to include among other things the importance of good governance, rule of law, food security, peace and stability as enabling conditions for economic development. Since the

transformation of OAU to AU, ECOWAS has used NEPAD's policy on regionalism as benchmarks. In promoting "rapid and balanced growth in West Africa," ECOWAS has not made much progress. This paper will examine the reasons why, even though ECOWAS has moved to the new paradigm of new regionalism with the implementation of policies such as the Economic Partnership Agreement, West African Power Pool, the ECOWAS Monetary Cooperation Program, the trade liberalization scheme, the harmonization of immigration policies by the establishment of the Resident Card and Travel Certificate, the ECOWAS Brown Card Scheme and the ECOWAS Agricultural Policy, it still has challenges realizing its goals.

Keywords: *Development, Economic, ECOWAS, Regionalism.*

LIBERALISATION OF THE NATURAL GAS MARKET FOR HOUSEHOLDS IN SLOVENIA: LESSONS LEARNED

Matej Svigelj

University of Ljubljana, Faculty of Economics, Slovenia

matej.svigelj@ef.uni-lj.si

ABSTRACT

Over the last decade, the Slovenian natural gas market has been gradually opening up to competition. The natural gas market became fully liberalised in July 2007, when household customers were allowed to freely choose their natural gas supplier. However, the natural gas market for households continued to be highly concentrated, which was reflected in prices above the EU average. Nonetheless, key changes in the natural gas market for households only occurred as late as autumn 2012, when a new supplier entered the market with more than 20% lower prices. Consequently, the switching rate increased to almost 9%, which was in sharp contrast to the previous year's switching rate of less than 1%. The competition was further accelerated by decreasing prices from other suppliers. Therefore, the aim of this paper is to critically review and assess the liberalisation process of the natural gas market for households in Slovenia. Furthermore, it

examines the factors that may impede or accelerate the competitiveness of the natural gas market for Slovenian households.

Keywords: liberalisation, natural gas, regulation, Slovenia

CULTURAL TOURISM EXPERIENCE ON CUSTOMER SATISFACTION: EVIDENCE FROM THAILAND

Kanchana Sukanthasirikul

*Suranaree University of Technology, Thailand
kansukan@sut.ac.th*

Wanee Trongpanich

*Rajamangala University of Technology Isan, Thailand
wannee.tr@rmuti.ac.th*

ABSTRACT

This study examines the service quality of cultural tourism experience perceived by tourists on their satisfaction and further explores the relationships between perceived value, appraisal emotion, and customer satisfaction. A total of 327 respondents completed a survey conducted at two cultural festivals in Thailand. Using structural equation modeling (SEM) technique, the results reveal the direct and positive effects of the service quality on perceived value, appraisal emotion, and customer satisfaction. This study summarizes the findings and offers some interesting implications for practitioners and researchers.

Keywords: Cultural tourism, Satisfaction, Service quality

THE POTENTIAL OF HOT SPRINGS IN THE WEST OF THAILAND FOR HEALTH TOURISM AND SUSTAINABILITY

Nipon Chuamuangphan

*Tourism Department/ Nathon Pathom Rajabhat University, Thailand
niponphan@yahoo.com*

ABSTRACT

This research aims to examine the potential of hot spring sites in the western Thailand for the purpose of sustainable tourism. The research applied qualitative methods and the participation of communities was included in the study's approach. The fieldwork consisted of the development of in-depth interviews, focus groups, field survey and participation observation. Participants were stakeholders in tourism development. The data collected from interviews were analysed, interpreted and reported with content and descriptive analysis.

It was found that the hot spring destinations had their outstanding resources, based on their natural surrounded. The resources were used for tourism purpose in terms of health tourism. The potential of the various hot spring areas was divided into 4 groups. The first group included hot spring location where tourism data has not been gathered. The second group encompassed hot spring where tourism data has been gathered. The third group were hot springs where some tourism details had been gathered, but the hot spring sites were faced with some problems. The last included well-developed hot spring locations where tourism data has been gathered before. All locations could be promoted for health tourism, and educational tourism could be added for tourist and the local community. Such development would need to be controlled by the community committees formed by representatives of all groups directly and indirectly related to tourism development. Tourism development generated by community committees can result in sustainable development of hot spring destinations.

Keywords: *Tourism Potential, Hot spring, Health Tourism, Sustainable Tourism*

**THE INFLUENCE OF ECONOMIC CRISIS ON
FOREIGN POLICY: AN ANALYSIS OF FOREIGN
POLICY ACTIVITIES OF THE EU MEMBER STATES
FROM SOUTHERN EUROPE 2011-2014**

Petar Kurecic

*University North, Koprivnica, Trg Zarka Dolinara 1, Croatia
petar.kurecic@unin.hr*

ABSTRACT

The paper analyzes foreign policy activities of the EU member states from Southern Europe. The EU member states comprise a group of states that all have a Mediterranean coastline and most of their population lives near the Mediterranean (Spain, Italy, Malta, Greece, and Cyprus). Portugal is also a part of the research although it is not located on the Mediterranean, but it belongs historically and culturally to Southern Europe. None of the states has a communist past. However, circa 40 years ago some of them still lived under military dictatorships (Spain, Portugal, and Greece). Since 2009, most of these states have undergone a serious economic crisis. Since the economic crisis has struck Europe and especially the Euro zone, these states have begun to show similarities in conducting their foreign policy activities. In their foreign policy activities, when it comes to leadership initiatives recognized by the ECFR Scorecard 2012-2015, the analyzed states have mainly been oriented towards the issues that originate in their regions or the regions adjacent to theirs, particularly the Middle East and North Africa. They have also mostly pursued their own, direct interests, showing less appreciation and interest for the common goals of the Common Foreign and Security Policy (CFSP) of the EU. Therefore, these states have been categorized numerous times as so-called “slackers” by the EU, mostly because of their relations with Russia and the Western Balkans region (especially Greece and Cyprus). Six EU members from Southern Europe were also studied regarding their inter-group common features, i.e. “common denominators”. The research has shown that due to the severe economic crisis that has struck most of the EU members from Southern Europe, their foreign policy activities were

mostly oriented towards pursuing their own direct interests in the neighboring states and/or adjacent regions.

Keywords: *Southern Europe, foreign policy activism, the European Union, energy imports dependence, the contemporary economic crisis i.e. Great Recession.*

AN AMERICAN-BASED STUDY EXAMINING THE RELATIONSHIP BETWEEN PARTICIPANTS' DEMOGRAPHIC PROFILES AND ATTITUDES REGARDING BUSINESS OUTSOURCING TECHNIQUES AND STRATEGIES

Lucinda Parmer

Miami University, U.S.A.

parmerl@miamioh.edu

ABSTRACT

The world is a global marketplace, however much inquiry has been created regarding American-based companies relocating departmental operations offshore to foreign territories. Keating (2012) indicated that popular areas for companies to reposition operations include customer service, information technology, and sales services. The main reason for moving offshore is to cut costs and to maximize on cheaper labor pools in the host country. There are cultural and language barriers that complicate matters, as well as, the media, as reported by Dobbs (2004) in the United States (U.S.) brings supposition by broadcasting the jobs lost by U.S. employees, as well as, home country power diminishing by stronger global players rising and thriving, such as, Brazil, The Philippines, and Mexico. This study quantifiably examined the relationship between participants' demographic profiles and attitudes regarding business outsourcing techniques and strategies utilizing the Chi-Square and Fisher's Exact tests, to gain a greater understanding of what these American-based beliefs truly are, in relation to, the sample confined within this study. Areas of concern examined attitudes towards managers, as well as, the U.S. government, regarding engaging in business outsourcing

endeavors, enforcing policies to keep jobs in America, operating with a global mindset, helping people in both the home and host countries, competence factors associated with the capabilities to head outsourcing efforts based upon gender, and the training needed to successfully move operations offshore, for example. Significant differences were found in all of the demographic variables of ethnicity, gender, number of children (e.g. family size), age, education level, marital status, and annual household income.

Keywords: *globalization, offshore outsourcing, strategic management*

DIFFUSE HOTELS AND AGRICULTURAL HOUSEHOLDS BUSINESS PRACTICE

Marija Dragicevic

*University of Dubrovnik, Croatia
marija.dragicevic@unidu.hr*

Ana Tomasevic

*University of Dubrovnik, Croatia
ana.tomasevic@yahoo.com*

Ivana Avejic

*University of Dubrovnik, Croatia
ivanaavejic@gmail.com*

Nika Stanovic

*University of Dubrovnik, Croatia
nstanovic0108@gmail.com*

ABSTRACT

The concept of a diffuse hotel is designed to connect small tourism providers in a specific small geographic area into a broader and more complete offer of tourist services. The model of diffuse hotels has been founded in Italy by Giancarlo dall'Ara in 1982 and has been accepted for providing accommodation facilities all over the world. Increasing the quality of private accommodation facilities or accommodation in households is one of the key objectives of the

Development Strategy of Croatian Tourism till the 2020th. At the same time it is the reason for developing the National Programme what includes creation of new and innovative tourism products. All this actions lead to increasing demand in the rural areas in main season as well as out of peak seasons and strengthening of the competitiveness of Croatian tourism. The aim of the paper is to analyze some specific features of the diffuse hotels and to explore the possibility of improving the agricultural household tourist offer in Croatia by implementation of diffuse hotels. For the purpose of this paper, in 2015, the perception of agricultural households managers/owners in the area of Dubrovnik-Neretva County has been explored. According to the results of the research it is visible that diffuse hotels can be considered and accepted as suitable form of accommodation facilities in the future development of tourism in the area of Dubrovnik-Neretva County.

Keywords: *agricultural households, diffuse hotels, Dubrovnik-neretva County*

INFORMATION SYSTEM AS A TOOL GUARANTEEING FOOD SAFETY AND CONTROLLING FOOD MARKET

Katarzyna Szymanska

State Higher Vocational School in Ciechanow

Faculty of Engineering and Economics

katarzyna.szymanska@pwszciechanow.edu.pl

ABSTRACT

Changes occurring in the world (social, economic, technological) are a great challenge for market players. The development of transnational corporations, mass production, lower costs, greater amount of markets, cheaper suppliers influence that producers aren't able to secure semi-finished products or raw materials in the production cycle. Semi-finished products and raw materials are procured and delivered by providers, who are also intermediaries in this production cycle from different countries. Lack of control over raw materials affects the purchase by unscrupulous providers of the

cheapest materials of unknown origin, resulting in scandals - also in food.

The article shows the ways to verify the production of food at every stage of its creation, and indicates possibility of its control.

Keywords: *food market, profit and scandals food safety food market, control, information system.*

**THE INFLUENCE OF THE SIZE OF THE ECONOMY
AND EUROPEAN INTEGRATION ON FOREIGN
DIRECT INVESTMENTS IN THE CENTRAL,
SOUTHEASTERN AND EASTERN EUROPEAN STATES
1994-2013**

Petar Kurecic

*University North, Koprivnica, Trg Zarka Dolinara 1, Croatia
petar.kurecic@unin.hr*

Goran Luburic

*Zagreb School of Business, Zagreb, Ulica Grada Vukovara 68,
Croatia
goran.luburic@vpsz.hr*

Goran Kozina

*University North, Varazdin, Ulica 104. brigade 3, Croatia
goran.kozina@unin.hr*

ABSTRACT

The paper studies the interdependence of the economy size and foreign direct investments (FDI) in the transitional economies of Central, Southeastern and Eastern Europe. In the global capitalist economy, foreign direct investments (FDI) represent one of the key determinants of economic growth. Among some transitional economies, in the last 20 years, FDI represented one of factors that increased the economic growth, and in other transitional economies, the influence of FDI was minor or even negligible. In the literature devoted to the influence of FDI on economies, the research about the determinants of geographical pattern of FDI distribution usually focuses on the

factors that determine why some states manage to draw FDI in higher levels than some other states. Our research focused on the transitional economies of Central, Southeastern and Eastern Europe, which were for the most part of the last 20 years net receivers of the FDI. Only a couple of these countries in the years of the current economic crisis have experienced FDI net outflow. Among the states studied, we have equally studied the EU members, as well as the non-EU members. We have tried to find similarities and differences between these two groups of states in order to determine the influence of EU membership on FDI per capita and how it correlates with the size of the state's economy. We have also tried to answer the question of how much the GDP growth rate correlates to the FDI net inflow share in GDP for EU and non-EU members. The methodology is based on the statistical correlation between FDI in current US dollars and GDP per capita in current US dollars (World Bank data) for each represented state, through the surveyed period from 1994 until 2013. The statistical correlation matrix (Pearson method) determined whether any correlation between the average GDP growth rate (chain index) and the average share of FDI in GDP per each state exists for each state surveyed.

Keywords: *foreign direct investment (FDI), gross-domestic product (GDP), the European Union, transitional economies, Central, Southeastern and Eastern Europe.*

CHILD HEALTH, MALNUTRITION, AND SOCIOECONOMIC DEVELOPMENT IN CAMBODIA

Killian P. Ying

*California State University, Los Angeles, California, USA
kying@calstatela.edu*

Betty A. Lininger

*Glendale Community College, California, USA
liningba@gmail.com*

Mengieng Ung

*Western University, Ontario, Canada
mengieng.ung@gmail.com*

Joan F. Ying

*Southern California Permanente Medical Group, Kern County,
California, USA
joan.f.ying@kp.org*

ABSTRACT

Malnutrition in children younger than five years old is responsible for approximately one-fifth of deaths and disability-adjustment globally. In about two dozens countries, including Cambodia, at least 40% of these children are moderately or severely stunted. Child health, or lack of it, as reflected in stunting, underweight, wasting, and low Body Mass Index (BMI), is mostly the result of malnutrition, which continues to be one of the biggest challenges in socioeconomic development. Maternal and child malnutrition is the primary underlying cause of 3.5 million deaths globally, and notably affecting children under five years old in developing countries. For almost half a century, Cambodia suffered through a series of foreign occupation, civil wars, political instability, and genocide. As a result, socioeconomic development of Cambodia has been facing many challenges, and the population has suffered from a deteriorated state of health and well-being, especially among women and children. By the late 1980s Cambodia recorded some of the worst health indicators in the world with a high infant mortality rate (IMR) of 131 and a high maternal mortality ratio (MMR) of 440. Since then, gradual progress

has been made, and by 2010, IMR stood at 34 and MMR at 250. Health services were scattered geographically over Cambodia as the country began to return to relative stability. These services were available first in urban areas and some refugee camps; however rural areas and infighting areas remained critically underserved. This paper briefly reviews the current status of child health and malnutrition in the developing world and in details for Cambodia. In addition, using the 2010 Cambodia Demographic and Health Surveys, this paper demonstrates significant associations between child health and selected socioeconomic indicators reaffirming the importance of economic and social development in the advancement of child health.

Keywords: Cambodia, Child Health, Malnutrition, Socioeconomic Development

WHAT SHOULD ESTONIA DO IN ORDER TO INCREASE THE VALUE OF ITS EXPORTS OF GOODS TO SLOVAKIA AND SLOVENIA?

Dejan Romih

*University of Maribor, Faculty of Economics and Business,
Department of International Economics and Business, Slovenia
dejan.romih@um.si*

ABSTRACT

This paper analyses Estonia's trade in goods with the world in general and with Slovakia and Slovenia in particular. Additionally, it also proposes some measures to increase the value of Estonia's exports of goods to the aforementioned countries, both of which are Estonia's minor export partners in Central and Eastern Europe. In 2013, the value of Estonia's exports of goods to Slovakia and Slovenia amounted to €51.3 million and €7.4 million respectively. In order to increase the value of its exports of goods to these two countries, Estonia should increase the competitiveness of Estonian enterprises (especially small- and medium-sized ones) in the Slovakian and Slovenian markets and adopt other measures such as increasing the sustainability of the aforementioned enterprises with a view to

facilitating their entry into new markets. In recent years, sustainability has become an important factor in competitiveness, which is mainly the result of increased environmental awareness of consumers and other stakeholders, foremost in developed countries (including Slovakia and Slovenia). Sustainable innovation has therefore become an important source of competitive advantage, which is especially true for enterprises operating in competitive markets. Therefore, in order to increase the competitiveness of Estonian enterprises in the aforementioned markets, Estonia should promote sustainable innovation and take certain other measures.

Keywords: *competitiveness, Estonia, sustainability, Slovakia, Slovenia, trade in goods*

NEOLIBERALISM AS A “VILLAIN”: A CONTENT ANALYSIS OF THEORETICAL CRITICAL STANCE TOWARDS NEOLIBERALISM IN THE TEXTS FROM ANTIPODE – A RADICAL JOURNAL OF GEOGRAPHY, 2010-2013

Petar Kurecic

*University North, Koprivnica, Trg Zarka Dolinara 1, Croatia
petar.kurecic@unin.hr*

Damir Vusic

*University North, Varazdin, Ul. 104. brigade 3, Croatia
damir.vusic@unin.hr*

Dinko Primorac

*University North, Varazdin, Ul. 104. brigade 3, Croatia
dinko.primorac@unin.hr*

ABSTRACT

The paper represents a study of papers published in Antipode – A Radical Journal of Geography, from 2010 to 2013, in which, as to the author’s assessment, a highly critical stance towards contemporary neo-liberalism exists. Hence Antipode publishes “a radical analysis of geographical issues and its intent is to engender the development of a

new and better society,” and, of course, a critical stance towards neo-liberalism is expected in the papers published. However, the intent of this paper is to analyze what kind of critical stance was present in the texts published in Antipode in the period of four years (2010-2013). The period of four years was taken as a referential period, especially because it started after the year in which the Great Recession struck most of the developed economies (2009). It ends with the end of the year 2013, which was the year when almost all developed economies exited the recession or the stagnation of their economies ended. Since neoliberalism, which brought the liberalization of markets, particularly the financial one, was usually blamed as the ideology behind the outbreak of the economic crisis that shocked the world in 2008 and 2009, the intention was to show how radical the leftist critique is in its perception of neoliberalism in the era of the current economic crisis. A basic content analysis was used in order to analyze the discourse that was used to describe, characterize, and critically judge contemporary neoliberal capitalism, i.e. neoliberalism. Due to the ubiquity of the topic (neo-liberalism), and the critical stance of the Antipode towards it, the research contains only the texts from the studied period, in which the word “neoliberalism” was found in the title of the text or among the key words mentioned below the abstract.

Keywords: neoliberalism, capitalism, free markets, financial capital, Antipode

CREATING SELF-EMPLOYMENT OPPORTUNITIES THROUGH PUBLIC PRIVATE FINANCING (MULTIPLIER EFFECT)

Rabindra Raj Dhakal

*Pasanglhamu Sherpa Memorial College, Nepal
dhakalrr@hotmail.com*

ABSTRACT

Lack of access to finance is a key constraint to job creation, particularly for micro, small, and medium enterprises. Companies in developed and less-developed countries both tend to face more financial obstacles, given the lower level of financial development.

Evidence shows that improved access to credit lines and other types of finance can help generate jobs, and the results tend to be larger and more significant for small businesses in developed and developing countries. A main challenge for the financial sector is to improve the sources of financing available for firms with growth potential that are un-served (do not have a loan or overdraft but need credit) and underserved (have a loan and/or overdraft facility but face financing constraints).

Small businesses are the engines of job growth in America, creating, on average, more than two-third of new jobs each year. So that, the success and prosperity of youth venture relies heavily upon the successful investment of public-private fund to the unemployed and existing self-employed youth through bank and financial institutions. Successful formulation and effective implementation of new and existing venture is the prime requisite for the successful performance of government in employment creation. Right strategy paper of sources mobilization to youth created venture has a positive impact on economic development of the country and vice-versa.

Therefore, SMEs play the pivotal role to create job opportunities, it foster productive sector and aspiring for a sustainable economic development. There is no doubt that public-private financing model has a pivotal role in disseminating the government's fund and transforming them into meaningful capital investment.

Keywords: *Employment, Entrepreneurship, Financing, Young*

THE IMPACT OF GLOBALIZATION ON INDIA'S EXPORT AND IMPORT OF AGRICULTURAL COMMODITIES

Rohini Prasad

*School of studies in economics Pt. Ravishankar Shukla University,
Raipur (Chhattisgarh), India
drprasad_16@yahoo.co.in*

ABSTRACT

Trade is an engine of economic development. The establishment of W.T.O. is an important landmark in the history of international trade. When developing countries were liberalizing their economics, they felt the need for better export opportunities. The W.T.O. provides opportunities for countries to grow and realize their export potentials, with appropriate domestic policies in place. Following macro economic reforms introduced in the Indian economy in the early 1990s, and the reforms in the multilateral trading order brought about in the wake of GATT negotiations and setting up of WTO, the Indian agriculture has entered in to the phase of globalization and diversification. It is expected that the combined effect of the reforms in the domestic policies and international trade reforms would result in much larger integration of the Indian economy with the rest of the world, and such a scenario would bring about substantial benefits to the Indian farmers. The reforms undertaken so far have however failed to bring about the expected gains to Indian farmers. The process of reforms is still continuing and it is hoped that once the negotiations on reforms conclude and the envisaged reforms are implemented in letter and spirit, the gains to Indian agriculture would be positive and substantial.

The present study has been undertaken to study the impact of globalization on India's export and import of agricultural commodities.

Keywords: *Agricultural trade, Reforms, WTO*

SUSTAINABLE DEVELOPMENT AS AN OPPORTUNITY TO INCREASE THE GEOGRAPHICAL DIVERSIFICATION OF SLOVENIA'S FOREIGN TRADE

Dejan Romih

*University of Maribor, Faculty of Economics and Business,
Department of International Economics and Business, Slovenia
dejan.romih@um.si*

Katja Crnogaj

*University of Maribor, Faculty of Economics and Business,
Department of Entrepreneurship and Business Economics, Slovenia
katja.crnogaj@um.si*

ABSTRACT

Slovenia is a small country and therefore highly dependent on its trade in goods and services with the world (mainly Europe). In order to further increase the geographical diversification of its foreign trade, Slovenia should promote further internationalization of Slovenian enterprises (especially small- and medium-sized ones) and adopt other measures such as increasing entrepreneurship. This paper therefore analyses Slovenia's foreign trade and proposes some measures to further increase the value of Slovenia's exports of goods and services. Additionally, it deals with sustainable development as an opportunity to increase the aforementioned value. In 2013, the value of Slovenia's trade in goods and services with the world amounted to €52,178.9 million, 144.4% of the value of Slovenia's gross domestic product (GDP) and an increase of 0.6% from the previous year. In the same year, the value of Slovenia's exports of goods and services to the world amounted to €27,392 million, 75.8% of the value of Slovenia's GDP and an increase of 2.5% from the previous year, while the value of Slovenia's imports of goods and services from the world amounted to €24,786.9 million, 68.6% of the value of Slovenia's GDP and a decrease of 1.5% from the previous year. In order to further increase the value of its exports of goods and services, Slovenia should increase the competitiveness of Slovenian enterprises, adopting measures such as increasing the sustainability of these enterprises to help improve their market positions. Sustainable development offers many business opportunities for Slovenian enterprises and should

therefore be viewed as an opportunity for their further internationalization. In order to achieve the aforementioned goal, Slovenia should promote sustainable innovation and adopt certain other measures, such as increasing cooperation between Slovenian enterprises and their foreign counterparts with a view towards entering sustainable markets (both in Europe and elsewhere in the world), which will have a positive impact on increasing the geographical diversification of Slovenia's foreign trade.

Keywords: *diversification, foreign trade, sustainability, sustainable development, Slovenia*

ICT AND MODERN CITY TOURISM

Vinko Morovic

*Polytechnic Accredited "Baltazar" Zapresic, Croatia
dekan@bak.hr*

Vladimir Simovic

*University North, Croatia
vladimir.simovic@unin.hr & simovic.vladimir@yahoo.com*

Dean Golubic

*Philosophic Faculty in Zagreb, University Of Zagreb, Croatia
deangolubic@gmail.com*

ABSTRACT

Considering the fact that modelling of a city's tourism supply with a city's marketing is a one of crucial component in organizing and developing of modern tourism in cities, especially considering the development of the information and communication technologies (ICT), there have been some significant changes in perceiving these issues. Therefore, a specific model for researching modern tourism offer of a city has been devised. It was fostered by the advent of ICT, multimedia and other media that spread widely. This provided new communications opportunities for the development of the information and analytical model for modern tourism offer of a city. After several

decades of domination of traditional modelling, ICT, multimedia and other media have brought significant changes in the development of the information and analytical model and the way information and communication are shaped (multidimensional, interactive, etc.) as well as the way organisations and individuals actually satisfy their needs for information (also including the modern tourism offer of a city). The biggest challenges to the development of the new information and analytical model for modern tourism offer of a city, which is today presented interactively, include the development of multidimensional and substantial flow of information between towns, organizations and the public. The new technological (information and analytical) paradigm, influenced by new ICT concepts, has raised many new questions about the application of the traditional modelling approach in the development of the modern tourism offer of a city. The bulk of this research was conducted as part of doctoral thesis of the first author (“Development of the information and analytical model for the modern tourism offer of a city”). The goal of this pilot scientific research project was to identify, analyse (factors influencing the approach to the development of the information and analytical model for the modern tourism offer of a city), and describe the best models (theory and practice) used during the information and analytical modelling for the modern tourism offer of a city, as one of the most significant parts of modern city tourism.

Keywords: *ICT and new media, modern city, researching model, specific touristic offer*

**OIL-MILL INDUSTRY AND ITS EFFECTIVENESS ON
THE EXAMPLE OF THE ECONOMIC AND FINANCIAL
ANALYSIS OF SELECTED FOOD SECTOR
COMPANIES QUOTED ON THE WARSAW STOCK
EXCHANGE (WSE) IN 2005-2015**

Franciszek Kapusta

*Wroclaw University of Environmental and Life Sciences, Poland
franciszek.kapusta@wp.pl*

Rafal Parvi

*School of Banking in Wroclaw, Poland
rafalp4@o2.pl*

ABSTRACT

This paper examines share price of the companies listed on the WIG-SPOŻYW (FOOD) and their fair value between 2005-2015. Data from Q1 2005 to Q2 2015 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.

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

**SUSTAINABLE TOURISM AND ARCHAEOLOGICAL
SITES A CASE STUDY FROM AMMAN/JORDAN**

Ibrahim Mslam

*University of Canberra/Australia
Ibrahim.mslam@canberra.edu.au*

ABSTRACT

Jordan is a country in the Middle East endowed by a vast range of heritage resources ranging from religious heritage sites to historical heritage sites. The heritage resources and archaeological sites attract thousands of tourists from different parts of the globe annually. However, despite the importance of tourism and its development in the

country, it is still facing major challenges. These issues and challenges can be eliminated through effective strategies and approaches in the sustainable management of the archaeological and heritage sites in the country. Sustainable tourism is crucial for the protection and preservation of the resources as it secures integration between the present and future generations, high quality services, favourable tourism conditions as well as participation of various stakeholders of the tourism industry .On the other hand, heritage resources are non-renewable and as such once lost they cannot be recovered thus a need for a sustainable tourism strategy into the sector. The study aimed at investigating the various sustainable management issues facing archaeological sites in Jordan by carrying out a case study on archaeological sites in Amman. The research as such aimed at analysing the current situation of sustainable tourism in the sites in Amman, current challenges facing management in Amman, sustainable tourism plans in place at the archaeological sites in Amman, a SWOT analysis of the archaeological sites in Amman as well as make recommendations for the future of sustainable tourism and archaeological heritage management in Amman. The study utilised a survey to investigate the perceptions of tourists visiting the archaeological sites in Amman on their experience at the sites and interviews to investigate the perceptions and experiences of the employees working at the study sites. The study revealed that social tension, inadequate maintenance of archaeological sites, vandalism and destruction of the sites by tourists and locals, and inadequate training of the staff on management practices of archaeological sites to be the major challenges facing the archaeological sites in Amman. The study further revealed that inadequate participation of the locals in tourism development and management in Amman, weak management, inadequate funds and lack of a national conservation and management policy for archaeological sites in Jordan are the leading root causes of the problems. The study recommends creation of equality in the distribution of resources by the locals, creation of awareness on cultural practices and beliefs of the locals, development of storage and preservation strategies, adequate legislation and laws with regards to tourism, a maintenance management plan for the sites as well as development of a nationwide policy on management of archaeological sites in the country.

Keywords: *Archaeological Sites, Archaeological Sites Management, Sustainable Tourism.*

SELECTION OF KEY PERFORMANCE INDICATORS OF CHOSEN SLOVAK INDUSTRY WITH THE APPLICATION OF STATISTICAL METHODS

Jarmila Horvathova

*University of Presov in Presov, Faculty of Management, Slovakia
jarmila.horvathova@unipo.sk*

Martina Mokrisova

*University of Presov in Presov, Faculty of Management, Slovakia
martina.mokrisova@unipo.sk*

Alzbeta Suhanyiova

*University of Presov in Presov, Faculty of Management, Slovakia
alzbeta.suhanyiova@unipo.sk*

Ladislav Suhanyi

*University of Presov in Presov, Faculty of Management, Slovakia
ladislav.suhanyi@unipo.sk*

ABSTRACT

This paper is devoted to the issue of business performance. It is dedicated to more detailed elaboration of performance, performance measurement and key performance indicators. Since in the last period performance measurement of businesses with the use of conventional indicators of financial analysis provides limited information, it is necessary to pay attention to modern performance measurement indicators and to apply statistical methods in their analytical processing. In this paper this problem is solved by the application of correlation matrix constructed for a chosen indicators` group in order to select key performance indicators. Subject for objective fulfilment was a group of businesses operating in the same Slovak industry.

The most difficult point of solution was the selection of appropriate inputs for the construction of correlation matrix as well as the collecting of sufficient amount of relevant data to ensure analytically-based outputs.

Benefit of this paper is the construction of correlation matrix and selection of key performance indicators for analysed Slovak industry.

This group of key indicators allows to influence and measure the performance of given industry and to monitor objectives fulfilment.

Keywords: *Correlation matrix, Economic Value Added, Financial Analysis, Performance, Performance indicators*

TRANSITION INTO A GREEN ECONOMY: ARE THERE LIMITS TO GOVERNMENT INTERVENTION?

Edith Kiragu

*Mandela Institute, University of the Witwatersrand, School of Law,
1 Jan Smuts Avenue, Braamfontein 2000 Johannesburg, South Africa
edith.kiragu@wits.ac.za*

ABSTRACT

Sustainable energy has become a priority in many jurisdictions as the impact of climate change is felt across the globe. This has encouraged the deployment of renewable energy by many states in their transition into low carbon economies. These efforts have been complemented by an increase in the manufacture of renewable energy technologies within the last decade, which has increased their supply and reduced their cost. Trade has played a significant role in facilitating the transfer of renewable energy technologies. Despite the increase in the manufacture of renewable energy technologies, they remain more costly in comparison with conventional high carbon sources of energy. The high initial capital cost of renewable energy projects is the reason why in most jurisdictions, government intervention is key in their deployment. To obtain domestic and political support for renewable energy projects, many governments promise domestic economic development due to their competing socio-economic priorities and the strategic opportunity that a green economy offers in economic development. Some governments have used national procurement tender programs with local content requirements to promote its domestic industries and job creation. South Africa is one of these countries. The challenge that arises is that this kind of government intervention could conflict with international trade law which advocates for, liberalisation of trade by removal of barriers to trade

such as tariffs, quotas and measures that amount to protectionism of domestic markets. Domestic industry prices may not be as competitive as imports from countries with large scale manufacturing capacity and cheaper labour costs and may limit a country's transition into a green economy.

This paper attempts to analyse the local content element in the South African renewable energy procurement program, its interaction with international trade law and the policy space available for government intervention.

Keywords: *Green economy, local content requirements, renewable energy*

STRATEGIC MANAGEMENT OF E-GOVERNMENT DEVELOPMENT

Mario Klacmer

*Municipal court in Varaždin, Republic of Croatia, Croatia
mario.klacmer@vz.t-com.hr*

Marina Klacmer Calopa

*Faculty of Organization and Informatics, University of Zagreb,
Croatia
marina.klacmer@foi.hr*

Jelena Horvat

*Faculty of Organization and Informatics, University of Zagreb,
Croatia
jelena.horvat@foi.hr*

ABSTRACT

This paper integrates theories and findings of the strategic management approaches in the public sector organizations in Croatia with the special focus on e-government. The term e-government stands for an ICT assisted transformation of the public sector (Schulz, Schuppan, 2012). Each organization, no matter is from public or private sector should sets its goals, both for the near and long term future. As part of strategic management, strategic planning is a process that should describe organizational activity, budget and

resources for achieving these goals. Today one of the most important goal is applying information technologies through the process of e-government which has become a world phenomenon. In developed European countries, e-government established itself as a channel for public service delivery and already national economies could recognize the benefit of its implementation. Number of traditional e-government services converted into e-government Web services gives an indication of the country strategic commitment towards a knowledge society and economic development. Through extensive literature review, these paper studies the strategies, implementation of strategies and performance measurement of e-government in Croatia according to the other European countries.

Keywords: *Strategic management, public sector, e-government*

APPLICATION OF FINANCIAL ETHICS IN ANNUAL FINANCIAL REPORTING OF BANKS

Ayuba A. Aminu

*Department of Business Management, University of Maiduguri,
Nigeria
ayubaaminu6@gmail.com*

Olufemi A. Oladipo

*Department of Accounting & Finance, Landmark University, Omu
Aran, Nigeria*

ABSTRACT

The importance of financial ethics and its application in financial reporting of banks cannot be ignored as it assists in building public confidence and fostering professionalism. However, the non-compliance and conformity with Nigerian Financial Regulatory Authorities prudential guidelines in the preparation of financial statements lead to incomplete or false information. The objective of the study is to examine the application of financial ethics in annual financial reporting of banks. The study employed primary and secondary data and stratified and purposive sampling techniques were used in which 20 questionnaires were administered to respondents.

ANOVA and chi-square were in analysis and the findings revealed that there are significant unethical practices in the preparation of financial reports of banks in Nigeria. The study recommends that more emphasis and attention should be given to ethical standards in all banks and banks should give out clear reports of their financial activities to the regulatory authorities.

Keywords: *Financial ethics, ethical standard, unethical practices, financial reporting, regulatory authorities', banks*

THE FUTURE OF COMPETENCES WITHIN THE CROATIAN QUALIFICATIONS FRAMEWORK

Anica Hunjet

*University North, Croatia
anica.hunjet@unin.hr*

Robert Gecek

*University North, Croatia
robert.gecek@unin.hr*

Nikola Mrvac

*Faculty of Graphic Arts, University of Zagreb
nikola.mrvac@grf.hr*

ABSTRACT

Croatia is a country of rich history and cultural heritage, which sees its future in collaboration with the European Union, fully respecting its principles of freedom and mutual trust. Creating a competitive economic area is subject to the development and improvement of competences and their clear recognition and use for the wellbeing of employees, employers and the overall community.

The Croatian Qualifications Framework (CQF) is a tool intended to facilitate employability, personal development of individuals and social cohesion. This is particularly important for societies in which economic and technological changes, as well as longer life expectancy have made lifelong learning a top priority of educational and economic policies. The significance of CQF is evident when it comes

to better linkage between the needs of labour market and study programmes, as well as the evaluation of all learning results. Following the line of reasoning where CQF will become an essential requirement for the development of lifelong learning, which is the backbone of a knowledge-based society, Croatia has undertaken several reforms in its education system.

Aiming at determining the importance of acquired competences and learning outcomes, a research was conducted involving a structured questionnaire and a sample of 271 students of the University North. The statistical method used was descriptive data analysis.

The research results have confirmed that a higher level of competence development, or a higher level of knowledge and skills, enhances socially responsible business. Furthermore, they have confirmed that acquiring competences within the CQF framework and achieving expected learning outcomes will make competitive experts recognised by the labour market, which will then result in the start-up and development of companies, which will in turn create a competitive economy.

Keywords: *Croatian Qualification Framework, competences, learning outcomes, competitive economy, socially responsible business*

Enterprise in Turbulent Environment

CORPORATE GOVERNANCE IN EUROPE: A COMPARATIVE ANALYSIS

Mia Mrgud

*School of Economics and Business in Sarajevo, University of
Sarajevo, Bosnia and Herzegovina
mia.mrgud@efsa.unsa.ba*

Ana Mulovic

*University North, Croatia
ana.mulovic@unin.hr*

ABSTRACT

Many of the European countries have undergone changes in their corporate governance system recently. We use a comparative law approach to analyze and compare some of the important corporate governance issues in three of the European countries: France, Germany, and the United Kingdom. In our analysis we focus specifically on the rules applying to the board structures, role of the boards, and liability of their members. There are still significant differences in company laws of the individual EU member states. However, as expected, there is a clear trend towards convergence in the treatment of corporate governance issues. In the paper we discuss the possible effects of different legal provisions and the recent law reforms in these countries. We also discuss the role and impact of the EC company law directives and regulations on national company laws. The goal of this paper is to determine the current corporate governance challenges facing the European countries observed.

Keywords: *Corporate governance, Board, Europe, Shareholder*

THE SIGNIFICANCE OF ORGANISATIONAL CITIZENSHIP BEHAVIOURS FOR TALENT MANAGEMENT – THE EXAMPLE OF POLISH COMPANIES

Monika Chodorek

Nicolaus Copernicus University, Poland
monchod@econ.uni.torun.pl

Agata Sudolska

Nicolaus Copernicus University, Poland
aga@econ.uni.torun.pl

ABSTRACT

Nowadays it has been already recognized that the primary source of organisational development is knowledge and organisation's ability to learn. Those two sources refer to employees who generate knowledge and determine the extent and manner how to use it. Taking this into account we can say that today each organisation strives for having the best possible, that means talented, employees. In contemporary economy organisations undertake some advanced activities in order to: attract, identify, recruit, keep and exploit talented employees in an optimal way. Such advanced activities are the components of the process called talent management. Talent management has become one of the most important trends and concepts in the field of contemporary enterprise management. It results from the fact that this concept offers companies the opportunity to create business models driven not by cost effectiveness but by new ideas and developing their intellectual potential.

The idea of talent management has become very popular due to permanent enterprises' struggle for the best employees. The issues underlying the necessity to focus on discovering and using the potential of talented employees is the central point of Positive Organisational Scholarship concept. However, both research and practical experience prove that talent management is extremely difficult process and many enterprises are getting into trouble while trying to implement this concept. This situation results from the fact that talent management depends not only on material assets of a firm but also on several intangible areas such as: organisational culture,

relationships between employees, the level of organisational trust that are difficult to shape and monitor. Over the past decades, researchers have observed that some specific features of employees attitudes such as: altruism, conscientiousness, kindness or carrying about organisation can be helpful in talent management implementation. These supportive attitudes of employees have been recognized and named as organisational citizenship behaviours. The examples of such behaviours include a wide range of different activities, starting from employees helping one another in difficult tasks or projects, and ending with showing off company's logo during some charity events. Organisational citizenship behaviours are personal and voluntary. Moreover, they are not included into official system of payment and rewarding in an organisation. However, it is known that such behaviours support enterprise's effectiveness and efficiency. Both talent management and organisational citizenship behaviours were among key research areas of the project in which the authors have participated. The paper is an attempt to present part of research findings of this project. The purpose of the paper is to investigate the relationship between employees citizenship behaviours and talent management both in theory and empirical research.

Keywords: *organisational citizenship behaviours, Positive Organisational Scholarship, Positive Organisational Potential, talent management*

CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE: EVIDENCE FROM SAUDI ARABIA

Murya Habbash

*King Khalid University, Saudi Arabia
murya@hotmail.com*

ABSTRACT

Purpose: *This study aims to discover the Corporate Social Responsibility (CSR) disclosure practices and the potential influence of Corporate Governance (CG), ownership structure, and corporate characteristics, in an emerging Arab country, Saudi Arabia. This study extends the extant literature by investigating the drivers of CSR disclosure in a country that lacks research in this area.*

Methodology: *This study examines 267 annual reports of Saudi non-financial-listed firms during 2007-2011 using manual content and multiple regression analyses and a checklist of 17 CSR disclosure items based on ISO 26000.*

Findings: *The analysis finds that the CSR disclosure average is 24%, higher than 14.61% and 16% found by Al-Janadi et al. (2013) and Macarulla and Talalweh (2012) for two Saudi samples during 2006-2007 and during 2008, respectively. This improvement may be due to the application of Saudi CG code in 2007. The analysis also shows that government and family ownership, firm size, and firm age are positive determinants of CSR disclosure, firm leverage is a negative determinant, while effective AC, board independence, role duality, institutional ownership, firm profitability, and industry type are found not to be determinants of CSR disclosure.*

Originality/value: *This study is important because it uses agency theory to ascertain the influence of specific board characteristics and ownership structures on disclosure. As a result it provides important implications for CG regulators and different stakeholders and provides an evaluation of the recently applied Saudi CG code from CSR disclosure perspective.*

Keywords: *Corporate Social Responsibility, Corporate Governance, Ownership Structure, Content Analysis, Saudi Arabia.*

CORPORATE GOVERNANCE AND SUCCESSFUL COMPANY PERFORMANCE (FOCUS ON CROATIA)

Marina Klacmer Calopa

*Faculty of Organization and Informatics, University of Zagreb,
Croatia
marina.klacmer@foi.hr*

Ivana Dundek Kokotec

*Superna d.o.o.
idjundjek@foi.hr*

Dina Korent

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

ABSTRACT

The corporate governance field determines the way in which a company is being managed and supervised. The topic of this paper is to research and analyse whether the practice of corporate governance influences the company performance. Limited companies in Croatia, unless there are legal requirements and regulations of certain segments of their businesses, do not necessarily respect all the principles and recommendations that can be found in the non-binding documents such as the Code of Corporate Governance. All of that has a negative influence on the company's performance success, and a broader scope is reflected in the overall economic situation in the country.

Following the introduction in the first part of the paper, there is a more detailed definition of the research topic. The continuation sets a theoretical framework of the corporate governance issues, as well as an overview of extracts of the papers dealing with theoretical and empirical research in this topic up to date. The analysis of those secondary data sources (literature review) draws to a conclusion that corporate governance is an important factor in explaining a company performance.

Keywords: *corporate governance, company performance, Tobin Q*

MARKETING OF INNOVATION IN TURBULENT MARKET: INTRODUCTION OF AN AMBIDEXTROUS MARKETING INNOVATION PARADIGM

Hossein Nezakati

Faculty of Economics and Management, University Putra Malaysia, Malaysia, hossein_na@upm.edu.my

Kourosch Sharifirad

Faculty of Economics and Management, University Putra Malaysia, Malaysia, ksharifirad@yahoo.com

ABSTRACT

Turbulence, risk and uncertainty are now the normal situation of firms, markets and industries. This normality is underlined by periodic and irregular upturns and downturns which has two main effects. One is vulnerability, against which companies deploy their defensive shield. The latter is opportunity, which should be constantly exploited. This study aims to present a new ambidextrous marketing innovation paradigm for firms which running in a turbulent and complex environment. The model is composed of four main vectors as content, channel, community and context which seem to be influential on stimulating companies' dynamic capabilities to achieve competitive advantage in turbulent markets. It is assumed that these vectors might influence companies' capabilities to tackle their two substantial issues of survival in turbulent environment which are their vulnerability against ever changing environment as well as discovery and exploitation of opportunities. This study is supported by establishing common domain between complex theory, dynamic capability theory and innovation theory. The theoretical underpinning of relationship between innovation approach and turbulent environments are investigated. The approaches suggested by complex theory are contrasted with innovation orientation approaches to evaluate the validity of model. With finding a clear gap in this research area, the proposed model will provide an illustration of how companies might be survived successfully in a complex and turbulent environment.

Keywords: *Competitive advantage, Innovation, Sustainability, Turbulence*

ENTERPRISE ACTIVITIES AIMED AT SHAPING PRO-INNOVATIVE EMPLOYEES ATTITUDES – THE EXAMPLE OF POLISH COMPANIES

Agata Sudolska

*Nicolaus Copernicus University, Poland
aga@econ.uni.torun.pl*

Monika Chodorek

*Nicolaus Copernicus University, Poland
monchod@econ.uni.torun.pl*

ABSTRACT

In the contemporary economy the need for enhancing firm's ability to innovate is highlighted by several researchers. Such focus on enterprise's innovativeness results from the believe that the ability to introduce some novelty inside or outside an organization is one of the key factors determining its long-term potential to be competitive. The level of enterprise innovativeness depends on several variables. However, nowadays there is considerable agreement among writers and practitioners on the view that human resources are those that significantly influence firm's competitiveness and innovativeness. It is due to the fact that enterprise's innovativeness refers to the ability and willingness to absorb innovation and involve employees in an innovative processes. The importance of enterprise's human resources is highlighted by several theorists and researchers in organizational sciences. Taking this into account, enterprises aspiring to increase the level of their innovativeness should concentrate of treating employees' knowledge, skills as well as their attitudes as significant resources enabling creating innovations. Given the fact that the enterprises aiming at developing their capacity to innovate have to focus on employees creativity, attitudes and their commitment to work, we can say that the priority of such firms should be creating the organizational climate encouraging employees to creative thinking and acting, risk taking, their cooperation and openness to change. The major purpose of the paper is to highlight the importance of influencing employees in order to engage them in innovative processes in the company. The paper adopts both a conceptual and empirical approach to aforementioned problem. The first part of the paper

provides an theoretical overview of the issues concerning enterprise's innovativeness and the role of human resources in enhancing firm's capacity to innovate. Moreover, it discuss different approaches to pro-innovative organizational climate pointing out its relations with employees attitudes. The second, empirical part of the paper explores different activities undertaken by Polish enterprises to create employees' openness to change and influence their attitude towards innovations created by these enterprises.

Keywords: *firm's innovativeness, pro-innovative employees attitudes, pro-innovative organizational climate*

Entrepreneurship Caught Between Creativity and Bureaucracy

WHICH WAY IS PRODUCT PLACEMENT GOING? 11 EXPECTED TRENDS

Arpad Papp-Vary

*BKF University of Applied Sciences, Budapest, Hungary
apappvary@bkf.hu*

ABSTRACT

In a certain sense, product placement is the TV commercial of the 2010s. While traditional advertising, and, especially, 30-second TV spots face increasing difficulties, product placement is thriving. Most people grab their remote controls and switch to other channels during commercial breaks, so it seems logical that advertisers tend to place their products/brands in the film/programme itself.

But what about the future of this marketingcommunication genre? The following article discusses 11 predicted trends of product placement. However, we should not forget that the famous physicist Niels Bohr was right: "Prediction is very difficult, especially if it's about the future".

The 11 expected trends are:

- 1. Spending on product placement will increase*
- 2. Product placement experts will take part in the production of films, programmes and games*
- 3. New indicators of product placement effectiveness will continue to appear*
- 4. It will be increasingly important to make product placement a part of integrated marketing communication, not just a standalone feature*
- 5. More and more programmes will be sponsored by brands, but soap opera in the literal sense will not return*
- 6. The most dramatic increase will be experienced in computer games*
- 7. Post-production (digital) product placement will become increasingly widespread*
- 8. Product placement will be customized*
- 9. Product placement will become interactive*
- 10. More and more consumers will oppose product placement*
- 11. Product placement parodies will gain popularity*

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

DETECTING OPTIMAL FINANCIAL AND CAPITAL STRUCTURE: THE CASE OF SMALL AND MEDIUM ENTERPRISES (SME) IN REPUBLIC OF CROATIA

Jasenka Bubic

*The University Department of Professional Studies, Split, Croatia
jbubic@oss.unist.hr*

Toni Susak

*The University Department of Professional Studies, Split, Croatia
tsusak@oss.unist.hr*

ABSTRACT

One of the most frequent buzzwords nowadays in the economic science is word »optimum« or its adjective »optimal«. In most cases it includes the maximization of certain variables, but in the case of financial and capital structure it refers to the most favourable ratio of debt and capital. In order to determine the most suitable range of financial (capital) structure it must be associated with company's success. The question that arises is – how to measure success of a company?

There are many ways – most common is definitely profitability. But nowadays profitability in many cases cannot be reliable indicator of company's success because there are many ways to embellish »bottom line« without substantial upturns. There is notable number of cases in which profitable companies go bankrupt.

That is the reason why business continuity was used as a measure of company's success in this paper. Relation between financial (capital) structure and opening bankruptcy proceeding will be analyzed to determine which companies according to their affinities in financing are more likely to go bankrupt. Also, financial (capital) structure movement in years before bankruptcy occurred and difference between financial (capital) structure of companies which belong to manufacturing and retail and wholesale activity will be analyzed. Sample consists of small and medium enterprises which operated in Republic of Croatia.

They are divided in two subsamples – first subsample includes companies which have opened bankruptcy proceeding and second subsample includes companies which haven't opened bankruptcy

proceeding and continued their business activity. Financial data was gathered from Croatian Financial Agency official website and data about bankruptcy proceedings was collected from Croatian Official Gazette.

Keywords: *Bankruptcy, Business Continuity, Financial (Capital) Structure, Croatia, SME*

ANALYSIS OF ECONOMIC CRIME IN SLOVAKIA, WITH EMPHASIS ON THE ANALYSIS OF ACCOUNTING AND TAX FRAUD

Ladislav Suhanyi

*University of Presov, Faculty of Management, Slovakia
ladislav.suhanyi@unipo.sk*

Alzbeta Suhanyiova

*University of Presov, Faculty of Management, Slovakia
alzbeta.suhanyiova@unipo.sk*

Jarmila Horvathova

*University of Presov, Faculty of Management, Slovakia
jarmila.horvathova@unipo.sk*

Martina Mokrisova

*University of Presov, Faculty of Management, Slovakia
martina.mokrisova@unipo.sk*

ABSTRACT

Economic crime can affect each market entity, regardless of whether it is or not aimed at achieving profit in its core activities. Especially for businesses could represent far-reaching and destructive consequences, even cause an existential threat or complete disappearance of the subject depending on the specific circumstances. The economic crime does not only cause material damage, it damages also suppliers, customers and other business partners; it can damage the image of the business entity and the morale of its employees. The economic crime in Slovakia is more and more frequent and its forms

are more and more diverse. It is constantly developing and seeking new ways to “stay alive”. There is a paradox in that the more control mechanisms are implemented the higher is the rate of detection of fraud. This is why in the countries with more sophisticated tools the rate of economic crime is higher.

The aim of this paper is to examine the overall economic crime in Slovakia during the last ten years. In the analytical part of the paper, the emphasis will be put on the analysis of the most common ways of committing frauds by the business entities in accounting and taxation. The accounting frauds and the tax frauds distort the business environment and they represent also a significant threat to the public finances. The complex accounting and tax issues enable the defrauders to commit accounting frauds and tax frauds; this is because of the deficiencies in the legislation, inefficient control processes and complexity of management. Within the analysis of secondary data in this paper appropriate mathematical and statistical methods will be used. Based on the evaluation of the results of research, conclusions and suggestions will be drawn.

Keywords: *Accounting Fraud, Economic Crime, Tax Fraud, Unfair Business Practices*

10th International Scientific Conference on Economic and Social Development

