

**EMPLOYMENT, EDUCATION AND  
ENTREPRENEURSHIP**

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***BOOK OF ABSTRACTS***





**EMPLOYMENT, EDUCATION AND ENTREPRENEURSHIP**

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**EDUCATION FOR ENTREPRENEURIAL BUSINESS AND  
EMPLOYMENT**

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**ORGANISATIONAL BEHAVIOR AND TYPES OF LEADERSHIP  
STYLES AND STRATEGIES IN TERMS OF GLOBALIZATION**

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*Mirjana Radovic Markovic, Muhammad Shoaib Farooq, Sladjana Vujicic*

**FOSTERING ENTREPRENEURSHIP**

*Editors:*

*Zorana Nikitovic, Imani Silver Kyaruzi, Maja Cogoljevic*

**ECONOMIC AND TECHNOLOGICAL DEVELOPMENT AND  
INFORMATION TECHNOLOGY**

*Editors:*

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**FINANCE, BANKING AND INSURANCE**

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***EDUCATION FOR ENTREPRENEURIAL BUSINESS  
AND EMPLOYMENT***





# **IDENTIFICATION OF ENTREPRENEURSHIP TEACHING METHODS IN EDUCATION'S AFFECTIVE DOMAIN THROUGH EDUTAINMENT APPROACH**

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## **ABSTRACT**

*Considering the undeniable role of education in the development of societies, identifying educational methods is a worthwhile topic. The principal objective of this research is to identify the methods of entrepreneurial teaching in affective learning domain using the "Edutainment" approach. The affective domain is mentioned in Bloom's learning taxonomy (1956) beside cognitive and psychomotor domains. In this study, which is conducted using a qualitative method, the experiences of 13 of the experts in the field of education and entrepreneurship has been documented through semi-structured interviews and the coding method has been used for analysing the experiences. The results indicate that teachers employ 4 accordant methods with the Edutainment approach for teaching entrepreneurship in the affective learning domain of students which are guest lecturer, educational workshop, role-playing and field trips. Recognizing these entrepreneurial teaching methods can aid both entrepreneurship tutors and educational policy makers in formulation and preparation of entrepreneurship lesson plans and curriculum.*

**Key words:** *Entrepreneurship Education, Edutainment, Affective Learning Domain, Games*

**JEL Classification:** *I20*

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# **KNOWLEDGE MANAGEMENT AND YOUTH CAREER DEVELOPMENT**

*Edita Kastratovic<sup>4</sup>*

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## **ABSTRACT**

*This research presents the readiness of young people to improve and adapt according to the needs of the labor market. Also analyzed is the readiness of young people to take responsibility in defining the direction of personal career development. The research, which included 412 students on the territory of Vojvodina, had the aim to analyze and understand the personnel potential of the area as a potential driver of the economic development of that region. The data obtained by the research indicate that a relatively small number of students are working or further training by attending specific management skills training courses. Also, they were more oriented towards the state sector, as well as postponing problem solving for later. Students also had problems with stressful situations in which they often found themselves. A positive aspect of the results is the fact that the students confirmed their readiness to face risks and challenges, as well as having the willingness to reorient to some trades that could provide an existence.*

**Key words:** *Management, Knowledge, Career, Young People, Students*

**JEL Classification:** *J24*

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# **FORMATION OF ENTREPRENEURIAL COMPETENCIES IN THE DIFFERENTS PROGRAMS OF ENTREPRENEURIAL EDUCATION AND TRAINING**

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## **ABSTRACT**

*The entrepreneurial learning means the learning from different sides, including both obtaining theoretical knowledge about entrepreneurship, and acquiring the practical skills necessary to carry out entrepreneurial activities, which together can positively influence the individual's intentions to become an entrepreneur. The important area of university activity in the development of entrepreneurial skills and entrepreneurial competencies is additional training and retraining of existing entrepreneurs through various programs: both narrowly specialized and broad-based, aimed at informing a wide range of knowledge and information.*

*By entrepreneurial learning we mean a set of knowledge and skills necessary for entrepreneurial activities that students and trainees in training entrepreneurship receive in the process of studying at the university. The knowledge and skills gained in the process of education and related to entrepreneurship, which are necessary for effective activity in the creation and management of a company, can be described using the competence of learning.*

*The paper contains the confirmation that the entrepreneurial learning at the university helps create a positive attitude of students and trainees in training entrepreneurship to entrepreneurship, fosters their skills and knowledge of entrepreneurship and, as a result, is positively connected with the intentions to create a new business.*

**Key words:** *Entrepreneurship, Entrepreneurship Education, Theoretical Knowledge, Practical Skills, Entrepreneurial Activities*

**JEL Classification:** *L26, A20*

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# **THE POSITION OF ENTREPRENEURSHIP AND ENTREPRENEURIAL EDUCATION IN FORMAL AND NON-FORMAL EDUCATION IN SERBIA**

*Milos Papic*<sup>8</sup>

*Dusan Garabinovic*<sup>9</sup>

## **ABSTRACT**

*In this paper, we analysed the position of entrepreneurship and entrepreneurial education in the system of formal, non-formal and informal education in the Republic of Serbia. As far as the system of formal education is concerned, we have examined to what extent and in what way is entrepreneurship represented as a subject in all its levels – from primary schools, through high schools and vocational schools, up to colleges and universities. We also included a review of the initiative and entrepreneurship orientation as one of the eleven general and curricular competencies at primary and secondary educational levels. Within the chapter about non-formal and informal education, we examined whether there are institutions of non-formal education in terms of educational centres that offer courses in the field of entrepreneurship. We paid special attention to the way the employees in education are trained, that is, how they acquire the competencies from the field of entrepreneurship.*

**Key words:** *Entrepreneurship, General and Curricular Competencies, Long-Life Learning Competencies, Teachers' Professional Development*

**JEL Classification:** *A20, I21, M50*

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# **PERSPECTIVES OF ENTREPRENEURIAL DEVELOPMENT IN SERBIA THROUGH THE PROMOTION OF ENTREPRENEURIAL EDUCATION QUALITY**

*Marija Djekic<sup>10</sup>*

*Nenad Ravic<sup>11</sup>*

## **ABSTRACT**

*Development of all economies, especially the transition ones, is encouraged by the promotion and strengthening of entrepreneurship. Development of entrepreneurial spirit, initiative and innovativeness can grow with the help of adequate education systems adjusted to formal education programs and life-long learning carried out through informal forms of education.*

*Knowledge as the key component of market competitiveness is the ground for the growth and development of the SME sector. Promotion of entrepreneurship education contributes to the improvement of the existing SMEs' performances and to the founding of a larger number of new SMEs.*

*Current state, perspectives and limitations of entrepreneurial development in Serbia through the processes of entrepreneurial development shall be analysed in this paper. Accordingly, this paper shows national and EU initiatives towards the promotion of entrepreneurial education, hence basic problems limiting entrepreneurial sector from the aspect of education and possible solutions on the road towards the achievement of a higher level of entrepreneurial activity, innovativeness and competency.*

*We shall also analyse the Strategy for education development in Serbia 2020 (hereinafter the Strategy) that sees education as the main driver of economic growth and one of the key factors of the development of entrepreneurial spirit. We shall present results of the research carried out by the National Agency for Regional Development that included 2500 owners of micro, small and medium enterprises and entrepreneurial stores. Likewise, significance of Serbia's involvement in the SEECEL organization (South East European Centre for Entrepreneurial Learning) shall be analysed in this paper.*

**Key words:** *Entrepreneurship, Small and Medium Enterprises, Education, Competitiveness, Economic Growth and Development.*

**JEL Classification:** *L26, J24, O34*

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# **ADAPTIVE SYSTEMS AS THE BASIS OF SUCCESSFUL E-EDUCATION**

*Zorica Medic*<sup>12</sup>

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## **ABSTRACT**

*Speedy development of information and communication technologies affects the development of educative processes that impose a new way of creating education strategies that can make a significant contribution to the improvement of the quality of education processes. The concept of adaptive e-learning is suggested as a method for improving the quality of the teaching process with the consideration it is the method that could increase the efficiency of learning, and by that performances of the education system. Solution discussed in this paper is based on the integration of the adaptive e-education model through the application of the business intelligence system and learning styles. Objective of this paper is to, by using business intelligence tools, clarify if adaptive e-education alongside appropriate learning styles can be a motivational factor leading to better student accomplishments. Objective of this paper is to define and analyse the effects of applying adaptive e-learning which will be used to design teaching material in a pedagogical and methodical way and adjust it to students who have completely different characteristics, knowledge and learning styles. Research that was carried out during 2013 in Serbia, at which 120 students took part, was used in this paper for estimating effects of the suggested system. Results of adaptive course that refer to the analysis of the knowledge test results and analysis of marks were here analysed. Research results have showed that students are comfortable with adaptive e-learning, that they have better pass rate on exams and that a large percent of students achieve the highest mark (10). Consequently, scientific contribution of this paper is a synthesis of scientific research in the field of e-learning based on which authors of this paper designed and offered one possible solution of applying adaptive e-learning on e-platforms by using the potential of psychological theories about learning styles.*

**Key words:** Adaptive E-Learning, Learning Styles, Psychological Process

**JEL Classification:** I21, I23

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# **THE IMPROVEMENT OF HIGHER EDUCATION THROUGH THE IMPLEMENTATION OF LEAN CONCEPT**

*Saveta Vukadinovic*<sup>14</sup>

*Djordje Vidicki*<sup>15</sup>

## **ABSTRACT**

*It is well known that education plays a very important role in every segment of human life and work, so educational institutions are under constant influence of complex changes occurring in the local and global environment. Higher education institutions are increasingly operating as enterprises, trying to improve the effectiveness and efficiency of their processes, increase competitiveness and profitability, and rationally use material and human resources.*

*In given situation, Higher education will have to do more with less, to develop new learning and teaching strategies, to differentiate by offering different products and services, to add more value to the student and teaching, and to focus more on the user. To achieve these goals, Higher education institutions should adopt improvement strategies such as Lean. Lean philosophy has the potential to significantly improve the quality of Higher education, as it provides opportunities and tools for a comprehensive process of improvement and cost reduction. The application of this concept is contributing to increasing of students' satisfaction, reducing costs, changing institutional culture, solving problems of process efficiency, and providing significant achievements in learning and desired workplace competencies.*

*This paper will be based on a comprehensive analysis of relevant literature in order to explain the interdependence of Lean Philosophy and Higher Education, with the aim to demonstrate how Lean concept implementation can improve the educational system. In addition to literature review, the authors will present the most significant Lean Universities and Associations, the current status of Lean Education in Serbia, and compare the application of this concept in higher education and other sectors. Attention will also be given to the influence of Lean on the processes, activities and losses in education, as well as factors for the successful implementation of Lean concept in the field of higher education.*

**Key words:** *Lean, Higher Education, Implementation*

**JEL Classification:** *I29*

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# **THE ROLE OF HRM PRACTICES FOR INCREASING EMPLOYEE PARTICIPATION**

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*Biliana Alexandrova*<sup>17</sup>

## **APSTRACT**

*This research paper aims to make a short theoretical overview of the human resource management practices and employee participation and to empirically measure their practical aspects. 359 employed professionals from different companies in Bulgaria took part in the study. HRM practices were explored by two questionnaires. The first one followed David Guest (1987) theory for personnel and human resource management and by creating 11 doubled items analysed the employee perceptions. Almost all of them influence participation as the aspects that are more HRM oriented have the higher mean values. The other perspective of analysing the HRM practices is based on four aspects. Work characteristics have the highest mean value, followed by managerial styles and values and remuneration and social benefits and the lowest is the perception of the recruitment systems and performance appraisal. Participation is explored within the organizational citizenship behavior perspective and correlates positively with all 4 HRM aspects (correlation coefficients vary between 0,377 and 0,590). 37% of the variation within employee participation is explained by almost all of HRM aspects. The strongest predictor turned out to be the managerial styles and values, followed by recruitment systems and performance appraisal and work characteristics which have reverse effect on participation. As a whole, the results show that the right approach to people management in the organization increases their attitude to participate in extraordinary work activities and contributes to their citizenship behavior and work performance.*

**Key words:** *HRM Practices, Employee Participation, Organizational Citizenship Behavior*

**JEL Classification:** *O15, M12, J24*

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# **STRENGTHENING WOMEN'S ECONOMIC EMPOWERMENT: A STUDY OF GROWING WOMEN AND GIRLS (G-WIN) IN NIGERIA, WEST AFRICA**

Priscilla Achakpa<sup>18</sup>

Reuben Lubem Ibaiswa<sup>19</sup>

## **ABSTRACT**

*The term women empowerment has become popular; however, many scholars view the term and how to implement it differently. Women empowerment involves the transformation of economic, social, psychology, political and legal circumstances of women. However, there is perceived lack of women empowerment in the present society especially developing countries Nigeria. This pervasive lack of women empowerment emanating from socio-economic, political, and cultural discrimination calls for research by academics, community development practitioners and policy makers since disempowerment of women affects the plight of families, communities, nations and governments. This study was therefore, aimed at examine the impact of GWIN project to strengthening women economic empowerment in Nigeria. A total population of 2,400 participants took part in the study. For effective selection of respondents for the study, simple random sampling and purposive sampling techniques were used to select the local governments and participants respectively. Questionnaire, interview, internet surveys, and direct observation were utilized in collecting data. In analyzing the data, descriptive statistical was used. Findings of the study revealed that education, lack of political and economic power plays a key role in the marginalization of women and girls especially those in rural Nigeria. Based on the findings, it was concluded that GWIN Project plays a significant role in the economic development of women in Nigeria through the provision of various supports to women, particularly to the poor. The study therefore recommends that more women development programs should be formulated and implemented and such programs should enable to reach rural women and girls.*

**Key words:** Economic, Empowerment, Education, Strengthens, Women

**JEL Classification:** A20

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# **CREATION OF JOB OPPORTUNITIES FOR MARGINALIZED HEARING IMPAIRED PEOPLE IN A DEVELOPING NATION- A CASE OF SOCIAL ENTREPRENEURSHIP IN INDIA**

*Reena Agrawal<sup>20</sup>*

## **ABSTRACT**

*This case study showcases the vision and initiative of a young entrepreneur from India having profound compassion towards people having hearing impairment. He wanted to sensitize the society towards the problem and create employment opportunities for such people. The purpose of this study was to: (i) explore and understand the mindset of a young entrepreneur who decided to create employment for people who were considered unfit for employment, (ii) to identify his entrepreneurial traits that helped him to bring his dream to reality, (iii) understand his entrepreneurial vision and business model and analyze (iv) the impact created by this venture on the society and the economy and understand whether this model can be replicated in the other parts of the world as well. This study was based on primary research. It included visiting the project site, conducting series of interviews of the entrepreneur and interacting with the other stakeholders. The findings of the study show that sincere efforts on part of the entrepreneur made marginalized hearing impaired people employable and helped them to earn their livelihood and join the main stream economy. This initiative helped the deprived group to gain social and economic recognition and thus created huge impact by way of enhancing social wellbeing and promoting inclusive growth in the society.*

**Key words:** *Social Entrepreneurship, Entrepreneurial Vision, Organizational Structure, Business Operations*

**JEL Classification:** *L26*

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# ***PUBLIC PRIVATE JOB SATISFACTION DIFFERENTIAL IN SERBIA: EVIDENCE FROM SILC DATA***

*Marko Vladislavljovic<sup>21</sup>*

## ***ABSTRACT***

*Although the wage differences between the public and private sectors in Serbia are well researched, little is known on the differences in the overall quality of work between the sectors. In this paper we aim to fill this gap, by analysing the differences in job satisfaction between the public and private sector workers in Serbia, starting from a theoretical framework which views job satisfaction as an operationalization of total utility from work. To analyse the differences in job satisfaction we use nationally representative Survey on Income and Living Conditions (the SILC) data from 2013 and Blinder-Oaxaca decomposition method. The results show that public sector workers in Serbia, beside high public sector wage premium, also work in better working conditions, and have higher levels of job satisfaction. Although higher levels of job satisfaction can partially be accounted for by higher wages and better job characteristics of the public sector workers, a part of the gap in job satisfaction remains unexplained by the variables available in the SILC data. According to recent literature on job satisfaction these unexplained differences could be contributed to lower stress, higher job security and higher levels of intrinsic motivation of public sector workers. The results further support the notion of strong labour market duality in Serbia, which causes micro level labour market distortions.*

***Key words:*** *job Satisfaction, Public and Private Sector, Working Conditions, The Silc, Serbia*

***JEL Classification:*** *J28, J45, J81*

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# ***INNOVATIVE CITIES – A CONCEPT FOR KNOWLEDGE DRIVEN DEVELOPMENT***

*Rossitsa Chonbanova<sup>22</sup>*

## ***ABSTRACT***

*The current process of globalization and accompanying urbanization concentrate the most new problems and opportunities before entrepreneurship and development in the cities. The paper attempts to contribute to a better understanding of the concept for innovative cities as a concept for knowledge driven development, which is solving social problems, among which employment and education, mobilizing existing resources of knowledge and governing entrepreneurship. In this respect it characterizes innovativeness as a function of a city, trying to identify its grassroots and specifics. Along with this, conditions for innovative cities creation and development are summarized. Four visions for innovative development of cities are presented as well as stages of such development. At the end the main conclusions are summarized and recommendations for modern innovative city management are drawn.*

**Key words:** *City, Innovation, Knowledge Driven Development, Entrepreneurship*

**JEL Classification:** *L26*

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***ORGANISATIONAL BEHAVIOR AND TYPES OF  
LEADERSHIP STYLES AND STRATEGIES IN TERMS OF  
GLOBALIZATION***







# **IMPACT OF BUSINESS SIMULATION GAMES ON ENTREPRENEURIAL INTENTIONS OF BUSINESS GRADUATES: A PLS-SEM APPROACH**

Muhammad Shoaib Farooq<sup>23</sup>

Mirjana Radovic-Markovic<sup>24</sup>

## **ABSTRACT**

*Although business simulation games have emerged as a very popular business-learning tool for entrepreneurship education, yet very less is known about their significance for determining entrepreneurial behaviour in business graduates. Entrepreneurial education is considered a key element for development of entrepreneurial behaviour in business graduates; therefore, it is important to explore the role of business simulation games as a determinant of entrepreneurial intention and behaviour in business graduates. In order to bridge this gap, this study is aimed to investigate the role of business simulation games for determining intention towards entrepreneurial behaviour in business graduates. Developing on the base of theory of planned behaviour this study investigates the relationship between business simulation games and entrepreneurial intention along with existing constructs of theory of planned behaviour (i.e. attitude, subjective norms and perceived behavioural control). Convenience sampling method was used for collecting data from 750 graduates of ten Malaysian Universities.*

*In order to assess the proposed model, this study employed variance based partial least square, structural equation modeling (PLS-SEM) approach for analyzing responses from business graduates, who completed a questionnaire designed on the base of Liñán and Chen's (2009) and Farooq's (2016;2017) questionnaire. Findings of this study have validated the proposed model, which have an explanatory power of 60.1%. Moreover, findings revealed that business simulation games have a significant impact on entrepreneurial intention of business graduates. However, an un-anticipated and weak relationship between subjective norms and entrepreneurial intention was also found. Findings of this study are expected to have substantial implications for educational policy makers, future researchers and academicians. Outcomes of this study can help to better understand the cognitive phenomenon of entrepreneurial intention; specifically with reference to the role of business simulation games. Hence, these findings are a unique step forward in entrepreneurship body of knowledge and offer new insights towards better understanding of the determinants of entrepreneurial intention in business graduates.*

**Key words:** Business Simulation Games, Entrepreneurship Education, Entrepreneurial Intention, Entrepreneurial Behaviour, PLS-SEM, Theory of Planned Behaviour

**JEL Classification:** L26, M13, J24

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# **INNOVATION-DRIVEN OPPORTUNITIES OF ORGANIZATIONAL COGNITION IN KNOWLEDGE ECONOMY**

Zhanna Mingaleva<sup>25</sup>

Ludmila Deputatova<sup>26</sup>

## **ABSTRACT**

*The transition to knowledge economy requires a comprehension of the process of development of economic knowledge and cognition in terms of the formation of innovation-driven opportunities for the sustainability economic development. Innovative economy today is based on the creative potential of a fully developed personality.*

*The purpose of the article is to identify the relationship between the types of labor and basic mechanisms of knowledge production and the features of the cognition mechanism in the knowledge economy, as well as previous economic systems. This allows us to identify innovation-driven opportunities for the economic development in terms of economic science.*

*Methods of research are modeling, abstraction, factor, comparative and historical analysis. Factor analysis as a research method allows to determine the interrelation and interdependence of the elements of the process of creation of innovations and new products with the system of various types of knowledge development. The comparative analysis makes it possible to identify the main features of the production of organizational knowledge in different economic systems, included in the knowledge economy. Graphical methods were used to represent the basic mechanisms of production of organizational knowledge in economic systems and their impact on sustainability economic development. They allow you to visually qualitatively evaluate the nature and sequence of relationships between objects.*

*The study found that economic systems especially knowledge economy have their own character innovations and new products and their innovation-driven opportunities that determine the characteristics of the work of employees of the enterprise. Ways of transformation of knowledge and innovation-driven opportunities within the organization affect the productivity of labor, and therefore, on sustainability economic development. Knowledge economy is based on the application of (development) innovation-driven opportunities to use all mechanisms of production of organizational knowledge for creating innovations and new products at micro, meso and macro levels of the economy.*

**Key words:** Knowledge Economy, Innovation-Driven Opportunities, Organizational Knowledge, Cognition

**JEL Classification:** O32, O43, O49

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# **ICT TECHNOLOGY BASED INNOVATION ON GLOBAL SOCIAL CHALLENGES**

*Boris Jevtic*<sup>27</sup>,

*Milos Vucekovic*<sup>28</sup>

## **ABSTRACT**

*The demography of EU and Serbia too is rapidly changing. The most of the services are brought into the digital format, there is a need to involve the elderly more too into the Information Society. This paper describes one way of teaching the 90 elderly people of age 65+ the basic skills in computing. The research is based on the experiences gained from the elementary computer courses. A set of Cognitive Training Sessions that performed in the Stari grad Municipality Serbia in 2016 has included specific cognitive skills of Older People: Attention, Perception, Memory, Language, and Imagination. ICT Technology supported social innovation for care in elderly in the Stari grad Municipality's Serbia, was touch screen. The data was collected by using the questionnaire asking about the personal information, learning satisfaction on the content (attention, memory, executive functions, logical reasoning, orientation, language, constructive practice, and robotic functions), and the learning outcomes of the training concerning their cognitive skills improvement, interpersonal skills, communication and information technology, and knowledge acquisition.. The data analysis was done by using statistical methods. The key results show that the older populations' satisfaction towards the learning was high. Very high satisfaction of the older population with IT technologies and communication used, their wish to continue the communication with computer, usage of various software and IT means in their future life are the main contribution of the research for further activities in the social innovations.*

**Key words:** *ICT, Teaching Elementary Skills in ICT, Senior Citizens, Cognitive Slowing.*

**JEL Classification:** *A29, D60, D80, I20*

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## **ORGANIZATIONAL CULTURE AND ITS INFLUENCE ON STRATEGIC ORIENTATIONS IN IT INDUSTRY**

*Snezhana Ilieva*<sup>29</sup>

*Tsvetelina Panchelieva*<sup>30</sup>

### **ABSTRACT**

*The aim of the article is to reveal the specifics of the interaction between organizational culture and strategic orientations in the Information Technology sector (IT sector) in Bulgaria. Four types of culture (market, adhocracy, hierarchy and clan) and five types of strategic orientations (customer, technology, learning, entrepreneurship orientations and organizational performance) are studied. The sample consists of different specialists from the IT industry in Bulgaria. Results show that the only types of culture that influence all the strategic orientations are market and adhocracy cultures. Furthermore, the most significant effect is observed in the adhocracy culture on the entrepreneurship orientation.*

**Key words:** *Organizational Culture, Values, Strategic Orientations, IT*

**JEL Classification:** *M14*

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# ***THE IMPACT OF THE GLOBALIZATION ON TOURISM INDUSTRY***

*Renata Pindzo*<sup>31</sup>

*Dejan Radulovic*<sup>32</sup>

## ***ABSTRACT***

*Tourism is a rapidly growing global phenomenon and has become one of the largest industries in the world. It plays an important and positive role in the economic, social and political development in destination countries, through employment creation, income redistribution and poverty alleviation. It also has other potential cultural positive impacts. tourism is the driver of cultural exchange and better understanding among people. Economic, technological, demographic, social and political drivers of globalization set the context in which the global tourism industry is developing taking into account the fact that globalization is a continuous process. The trend towards increased globalisation has strong impact on tourism boosting, as people are increasingly 'international' and 'cosmopolitan' in their outlook. Modern tourism is closely linked to development and had turned tourism into a key driver for the socio-economic progress of societies. Revenue growth on a global scale has greatly influenced the creation of a solid basis for the future accelerated development of domestic and international tourism worldwide.*

***Key words:*** *Globalization, Tourism, Drivers, Global marketplace, Global Brands, New Technologies, Multinational Corporations*

***JEL Classification:*** *F60*

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# **IMPACT OF MULTICULTURAL BUSINESS ENVIRONMENT ON ORGANIZATION BEHAVIOR AND LEADERSHIP**

*Mirjana Radović Marković*<sup>33</sup>

*Imani Silver Kyaruzi*<sup>34</sup>

## **ABSTRACT**

*This paper aims to discuss the impact of multicultural business environment on organization behavior and leadership. It also examines the role of international business environment in the context of global strategy of companies, followed by the role of managers and leaders in managing global organizations. An attempt is made to study the importance of managing a culturally diverse workforce in a global organization. The method of study is primarily literature survey and the websites of some of the organizations. The analysis proves the point that globalization is inevitable in the present economic scenario, hence, companies that can adapt faster to this trend of globalization by adopting suitable management techniques, will have a competitive advantage. In the study, it is concluded that leading a complex global organization requires a different mindset among the leaders and the employees. In an interdependent, networked and global organization, the leader's role becomes very important. The leader must create and communicate proper understanding of different roles, teams and different business units specific to the situation, while being consistent with the organization's core processes, values and purpose.*

**Keywords:** *Globalization, Cultural Diversity, International Business Environment, Leadership*

**JEL Classification:** *D23*

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# **ORGANIZATIONAL CLIMATE: INFLUENCE ON NEGATIVE AND POSITIVE ORGANIZATIONAL BEHAVIOR**

*Ergyul Tair*<sup>35</sup>

## **ABSTRACT**

*The paper presented a number of studies on organizational climate in Bulgaria that apply a multi-dimensional measure of organizational climate or a short supportive organizational climate scale. The studies traced out influence of organizational climate on negative or counter-productive work behaviour and positive organizational behaviour or occupational well-being (e.g. affective job related well-being and work engagement). In the Study 1 was presented results from survey on a multi-dimensional organizational climate measure and a counter-productive work behaviour in sample of 255 employees mainly from private organizations. According to results some of organizational climate dimensions have significant impact on counter-productive behaviour. First, clarity of organizational goals and formalizations has significant impact on the complaints of the employees. Second, increasing organizational rules and procedures lead to the expression of verbal aggression. Third, the ambiguity of organizational goals and the lack of understanding and cooperation by managers affects absenteeism and delays to work. In Study 2 was presented results from survey on supportive organizational climate and work engagement in sample of 498 employees. The results established significant influence of the supportive organizational climate on work engagement measured as vigor, dedication and absorption of Bulgarian employees. In the Study 3 was presented results from survey on supportive organizational climate and well-being, measured as job related affective well-being, based on sample of 420 employees mainly from public sphere. According to the results the supportive organizational climate had significant influence on both positive and negative dimension of affective well-being. In addition, some limitations of the studies and implications for improvement of organizational climate was discussed.*

**Key words:** *Organizational Climate, Counter-Productive Work Behavior, Work Engagement, Affective Well-Being*

**JEL Classification:** *J20, J24, M55*

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# ***ALTERNATIVE EXOGENOUS VARIABLES OF SUSTAINABLE DEVELOPMENT***

*Linjie Chou*<sup>36</sup>

*Sladjana Vujicic*<sup>37</sup>

## ***ABSTRACT***

*Academic literature is increasingly emphasizing the importance of qualitative factors in economic development. The debate between the exogenous and endogenous factors on economic development has been discussed in the arena of development economics for a long time. It is believed that the use of resources, lifestyle and climate is vital to fostering economic growth and development. Today, we can testify that many nations have similar levels of economic growth, or approximate levels of income, but they differ significantly in the levels of quality of life and education, the level of technology and the use of resources. At the same time, some poorer nations have a higher degree of social well-being, better life style, or higher environmental quality than some richer countries. This paper aims to incorporate the geography, climate and economic resource to understand how human values can contribute to the development via both exogenous and endogenous factors. The linkage between economic activity and geography is obvious: both geography and climate represent immovable endowment factors, and economic resources on the other hand characterize the instructional effect.*

***Key words:*** *Economic Behavior, Exogenous Variables, Economic Resources*

***JEL Classification:*** *Q01*

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# MULTICULTURAL AND (INTER)CULTURAL COMMUNICATIONS – EDUCATION FOR NEGOTIATIONS

Nevena Petrovic<sup>38</sup>

Dragana Buvac<sup>39</sup>

## ABSTRACT

*In the 21st century globalized society being able to negotiate effectively across cultures is a crucial aspect of many inter-organizational relationships, including strategic alliances, joint ventures, mergers and acquisitions, licensing and distribution agreements, and sales of products and services. As leaders of the multinational companies are responsible for ensuring the effectiveness and control of the operations in international market, they are involved in negotiations in the cross cultural environment. As more companies expand their operations abroad, they face the challenges of training their leaders to negotiate in the cross-cultural environment. Effective negotiations in the intercultural context require more than negotiating skills, knowledge, experience and preparations – they require cultural intelligence and cultural competence. The lack of cooperativeness and willingness makes intercultural negotiators less likely to engage in integrative negotiation processes that lead to mutually beneficial result. The question is: how can negotiators overcome these obstacles? Is there an individual difference characteristic which affects intercultural negotiation effectiveness? Or is there a way to learn to be culturally intelligent?*

**Key words:** Communication, Education, International Market, Cultural Environment

**JEL Classification:**A20

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## **MOTIVATION IN VIRTUAL TEAMS**

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### **ABSTRACT**

*Virtual communication has become an integral part of everyday life both for private and business communications. It is hard to imagine a global, or even a local company, without long threads of emails, telephone and video meetings, online presentations and real-time data conferences with shared texts and graphics – all the things that constitute a lifecycle of a virtual business team. The globalization of modern society as well as the rapid development of technology lead large organizations to increasingly use virtual teams for the realization of their projects. However, leading a virtual team is a very challenging job since people are not physically present in the organization and that there is no face-to-face communication, all communication is done through modern technology. Virtual organization structure requires a democratic decision-making environment which works on the majority votes. This system enables everyone to take part in decision-making by expressing his/her point of view about the specific decision. This type of decision making usually increase the innovation and exchange of useful as well as creative ideas. The purpose of this study is to examine whether there is a difference in motivation between traditional and virtual organizations, and how relationship develops in virtual circumstances.*

**Key words:** *Motivation, Virtual teams, Technology, Leadership*

**JEL Classification:** *M12*

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# ***THE IMPACT OF LEADERSHIP STYLE ON EMPLOYEES PERFORMANCE: THE VIETNAM PERSPECTIVE***

*Asim Majeed*<sup>42</sup>

*Imani Kyaruzi*<sup>43</sup>

*Thao Trang Nguyen*<sup>44</sup>

## ***ABSTRACT***

*Contemporary organisations are fast paced and tend to ignite the need for dynamic and versatile leadership styles to deploy strategies. The employees` performance, on the other hand, is reciprocal to the vision coined by their respective leadership styles. Current research accommodates the views of various researchers over the past decades by drawing experiences from various businesses, especially in globalisation phase characterised by competition and changes in the global marketplace. The intended outcome of this research is to provide theoretical foundation of the effects of leadership styles on employees` performance from a Vietnam perspective, proposing adequate leadership styles to enhance employees` performance and attaining goals and objectives set by all stakeholders.*

***Key words:*** Leadership, Performance, Organisation

***JEL Classification:*** M12

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# **LEADERSHIP STYLE AS A PREREQUISITE FOR BETTER BUSINESS OF LOCAL MEDIA AFTER THE PRIVATIZATION PROCESS**

*Milos Roganovic*<sup>45</sup>

*Jovana Mijalkovic*<sup>46</sup>

## **ABSTRACT**

*Privatization in Serbia was conducted with the aim of increasing efficiency, turnovers and development of domestic capital markets. Regarding the privatization of media, it was conducted for the sake of market orientation and bigger objectivity, in other words reducing the influence and pressure on the media and with the aim of reducing budget allocations. Effective governance is a prerequisite of every successful business. If activities are well-designed, the performance of every individual employee will contribute to achieving organizational goals. This paper aims to explore leadership styles and how they affect organizations' functioning in order to better understand the employees' behaviour and apply that knowledge to improve the efficiency. The research topic is the analysis of the leadership style of local media in the municipality of Vrbas by the method of determining the style of management labour collectives of V. P. Zakharov and Zhuravlev A. L. Methodology includes interviewing 30 employees, 15 managers (superiors), 15 doers, in other words subordinates, and conversations with employees and representatives of the managing authority. Obtained results indicate problems management of local media in municipality of Vrbas face and actions which should be taken in order to improve business.*

**Key words:** Leadership, Local Media, Privatization, Efficiency

**JEL Classification:** L33, D23

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# **THE MANAGERIAL STYLE AS A DETERMINANT OF EMPLOYEES WORK ENGAGEMENT**

Valeria Vitanova<sup>47</sup>

Ramiro Gomez<sup>48</sup>

## **ABSTRACT**

*The main topic of this article is the widespread in the organizational psychology notion work engagement. The research aims to present the results of the authors' investigation focused on the process of influence that the managerial style exercise on the levels of employees engagement and more precisely to check with the help of statistic procedures if the empowering or the controlling managerial style could be defined as a predictor for the level of employees commitment and work behavior in two different teams of a big business organization.*

**Key words:** *employees engagement, employees satisfaction, employee commitment, managerial style empowering style, controlling style*

**JEL Classification:** *M12*

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# **NEW LEADERSHIP STRATEGIES AND THEIR INFLUENCE ON THE COMPETITIVENESS OF ENTERPRISES ON THE MARKET**

*Aleksandra Golubovic Stojanovic<sup>49</sup>,*

*Ivana Matic<sup>50</sup>*

## **ABSTRACT**

*We are living in a highly dynamic and turbulent world and the basic problem all companies are subject to when facing the competition and complex environment is the issue of what business strategy enables one company to succeed in this ever-changing environment.*

*When making business decision, the focus is on how to achieve competitive advantage since there are different ways to achieve this competitiveness.*

*Every new business strategy is thought of as a process of changes because strategies are being developed as a result of changes in our environment. Thanks to the results brought about by changes, it is possible to achieve company's objectives. When a company is achieving competitive advantage on the market, it means that company has something others don't, that it does something better than the competition or something others can't do.*

*An enterprise has to be able to react to changes in the environment. In accordance with that, we can say that we have passive and active adjustment. Active is when a company is striving to use the current situation in the environment or in some way trying to use innovative approach to create the desired change in the environment.*

*Growth and development of a company is the result of entrepreneurial behaviour, factor of company's survival in the long run. Hence, the subject of this paper is the analysis of the significance of setting business strategies to enable an easier creation of competitive advantage on the market. When a company is implementing a new business method it may be because it is trying to achieve power over competition by meeting the needs of buyers better than the competition.*

*Objective of this paper is to point out to the significance of having a proper plan and management over the company with the use of new business strategies whose application can affect competitive advantage on the market.*

**Key words:** *Strategy, Competitiveness, Competitive Advantage, Market Advantage*

**JEL Classification:** *L11*

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# ***HOSPITALITY INDUSTRY AND SEMANTICS OF SERVANT LEADERSHIP STYLE***

*Asim Majeed*<sup>51</sup>

*Imani Kyaruzi*<sup>52</sup>

## ***ABSTRACT***

*The contemporary developments in UK hospitality industry are in pursuit of leaders who establish a personal relationship with loyalty, growth, commitment, and trust with their subordinates. This personalisation ignites the urge to achieve the organisational set goals placing a better system in place which is led by actioner examples. It is doubtless that the replete development in hospitality organisational management requires more customised actions to obtain better performance. This practice of relationship building by leaders leads to the emergence of new leadership styles such as the servant leadership. The current research aims to provide theoretical foundations to build a new model of Servant leadership significantly for the hospitality industry which would help practitioners to develop servant leaders more effectively and assist organisations to cultivate a servant leadership culture within companies.*

***Key words:*** Leadership, Servant, Model, Personal

***JEL Classification:*** M12

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## ***FIVE NEGOTIATION KEYS TO LEADERSHIP SUCCESS***

*Ioana Andrievici*<sup>53</sup>

### ***ABSTRACT***

*Negotiation is an important ability for any leader. Good projects can remain without results if they are not communicated to others in an efficient way. A real leader should not impose his own ideas, but should know how to persuade others to embrace them, taking into account also their interests and points of view. This could be done through good communication but especially good negotiation process. From negotiating small projects within the organization to negotiating big business deals, a true leader must have clarity, determination and flexibility in adopting win-win solutions. This article offers 5 negotiation keys to leadership success. This will help those who want to be true leaders to improve their negotiation skills, conclude better business deals and build better relationships and partnerships.*

**Key words:** *Negotiation, Business, Leadership, Success, Deal*

**JEL Classification:** *M12*

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## **GENDER ASPECT OF THE PROBLEM OF LEADERSHIP**

*Tamara Akhriamkina*<sup>54</sup>

*Margarita Gorokhova*<sup>55</sup>

### **ABSTRACT**

*The problem of leadership and management is one of the essential problems of social psychology. More and more women occupy dominant positions in the modern world. They have succeeded in senior positions. Very often they appear to be more effective than men. According to the theory of traits, the leader becomes a person who possesses appropriate traits needed for the activities of a leader. One of the main traits which the complex of a leader comprises, is the style of a leader. This article is dedicated to the essential aspect of the study of the problem of the leader psychology – gender of a leader.*

*We may suppose that the style of leadership of successful women occupying dominant positions will differ from that of men. The results of the pilot study of benchmarks of the style of women and men leadership are presented in this article.*

**Key words:** Leadership, Gender, Style Of Leadership, Masculinity, Femininity

**JEL Classification:** M12

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***FOSTERING ENTREPRENEURSHIP***





## **ENTREPRENEURSHIP PROCESSES – STARTING FROM AN IDEA TO TOTAL CONTROL OF BUSINESS**

*Milos Nikolic*<sup>56</sup>

*Maja Cogoljevic*<sup>57</sup>

### **ABSTRACT**

*The statement that if we do not know where we are heading all the roads are good gets its full meaning when one considers starting a new business or expanding the existing one. Without precisely defined iterative procedure for evaluating strategic alternatives, every new investment means hazardous job with very aleatory outcome. In order to minimize the risk and observe all the circumstances and factors that influence future decisions of entrepreneurs every investing must undergo analysis. In this work, entrepreneur will be presented as a visionary, while those who can transfer their vision to their employees thus motivating them to successfully perform their objectives are considered as successful entrepreneurs. Every entrepreneur's idea is conditioned with both risk and uncertainty, with developing a clear mission and vision, analysis of strengths and weaknesses, scanning of environment, determining clear goals and objectives, considerably minimizes the possibilities for risk and uncertainty while implementing entrepreneur's idea and business.*

**Key words:** *Entrepreneurship, Management, Strategy, Control*

**JEL Classification:** *M21, M51*

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# ***THE IMPORTANCE OF MULTINATIONAL COMPANIES ON THE GLOBAL MARKET***

*Dejan Radulovic*<sup>58</sup>

*Renata Pindzo*<sup>59</sup>

## ***ABSTRACT***

*Authors analyze the concept and origin, basic characteristics of multinational companies, their importance on a global level and the impact on the global market, political and economic effects of multinational companies in local, regional and world markets, their access to the global market, and market conquest by multinational companies. This paper provides the analysis of positive and negative aspects of the effect that multinational companies have in the worldmarket, tremendous increase in the exchange and availability of new products and services, as well as the dramatic increase in the mobility of foreign investments, movement of people and international competition. The analysis of multinational companies led to the conclusion that the availability of information within the company, as well as the determination of global brands of products and services, is becoming a phenomenon of the global market.*

**Key words:** *Multinational Company, Globalization, Global Market, Transition, State, Politics*

**JEL Classification:** *F60*

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# **ELABORATION OF IMPORTANCE OF FAST GROWING COMPANIES GAZELLES - NEW EVIDENCE FROM SERBIA**

Zvonko Brnjas<sup>60</sup>

Vukica Vulicevic<sup>61</sup>

## **ABSTRACT**

*Small and medium enterprises (SMEs) are one of the key pillars of development of all national economies, both the richest and those less developed. In this paper, attention is focused on the specific segment of SMEs, characterized by rapid and stable growth, ability to quickly adapt to changing market conditions and in the long term to operate at the high performance level. These companies are today known as "Gazelles", a term that was coined by an American author, David Birch. The interest for these companies, both at the macro level of policy creators, as well as at the company level, has grown rapidly in recent years because of their high potential for addressing issues of unemployment, creating a host of new products and services and added value for society as a whole and alike. The paper deals with issues such as definitions and basic characteristics of these companies, the key factors of their business, as well as their level of development in the European Union and the Republic of Serbia.*

**Key words:** Growth, Small and Medium Enterprises (SMEs), Gazelles, Business Performance, Innovations

**JEL Classification:** L25, L26

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# **ENTREPRENEURIAL PERSPECTIVE OF HOMESTAY OPERATORS: A QUALITATIVE STUDY FROM EMERGING TOURISM INDUSTRY**

Muhammad Shoaib Farooq<sup>62</sup>

Mirjana Radovic-Markovic<sup>63</sup>

## **ABSTRACT**

*Intrinsic nature and entrepreneurial perspective of homestay operators has rarely been explored in previous studies; recently there is a momentum in tourism studies for exploring the subjective nature and personal perspective of host families. This study is an effort to analyze the entrepreneurial perspective of homestay host families in Sarawak, Malaysia. Homestay operators have a key role in rural tourism, where tourist can live with the host families and can observe the cultural values of local people. Findings of this study are based upon detailed interviews conducted with homestay operator host families around Kuching, which is the capital of Sarawak, Malaysia.*

*It was found that element of hospitality and desire of social connectivity is dominant over yearning economic gains. Furthermore findings of the study depict a weak entrepreneurial perspective ensuing from anti-commercial hospitality of hosts, but a strong bond of host families with their house and culture as well as pressing need for social connectivity and self-recognition. Previous studies have rarely reported any personal perspectives of host families in this context. Thus, findings of this study make a new contribution for better understanding of entrepreneurial phenomenon of homestay operators and also sets direction for future research in this filed.*

**Key words:** Homestay Entrepreneurs, Entrepreneurial Perspective, Commercial Homestay, Malaysian Homestay Industry, Entrepreneurial Orientation

**JEL Classification:** L26, M13, J24

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# **WOMEN ENGAGEMENT AND EMPOWERMENT THROUGH SOCIAL ENTREPRENEURSHIP IN IRAN: CASE STUDY OF THE FIRST FEMALE EMPOWERMENT CENTER**

*Narges Khoramshahi*<sup>64</sup>

## **ABSTRACT**

*Women engagement and empowerment plays a leading role in positively affecting the lives of mankind. There has been an emerging concentration on the concept of women's engagement and the role of women empowerment in progress and development of transactional societies. Iranian Women have shown courage, talent and commitment toward their gender interests and equal opportunities. The most important key in women empowerment is to concentrate on education, awareness, self realization and self development of women in our communities. Empowering women provides a more flexible schedule and gives them more control and freedom regarding decisions, enables them to be true to themselves, their beliefs and their values and allows them to determine their own happiness and success and improve their performance and achieving a higher standard of living. There are educated, talented and bright women in my country willing to take part in their own destinies, building the future of their society. It is inspiring to see brave women attending schools, universities, and the world of businesses, sport and social activities with a smile on their faces and a strong belief of a better future in their hearths. The purpose of this paper is to identify and document women engagement and empowerment through social entrepreneurship in Iran. In order to identify the concepts and methods of women engagement and empowerment through social entrepreneurship in this context, a research has been conducted based on Iranian women engagement and participation. The findings of this study can be used in order to address the vital necessity of women participation especially female social entrepreneurs in solving social challenges and moving toward advancement of their society.*

**Key words:** *Women Engagement and Empowerment, Social Entrepreneurship, Self Development, Education*

**JEL Classification:** *J16, L31*

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# **IMPORTANCE OF COMBINING MARKETING MIX INSTRUMENTS IN CREATING SUCCESSFUL ENTREPRENEURIAL STRATEGIES**

*Dusan Garabinovic*<sup>65</sup>

*Zorana Nikitovic*<sup>66</sup>

## **ABSTRACT**

*Awareness that entrepreneurial business has to be adjusted to buyers, their needs and requests, if one wishes to achieve satisfactory business results, puts the implementation of marketing concept in the spotlight.*

*Specifics of marketing in entrepreneurship stem from characteristics of entrepreneurial line of work and business methods that differ and stand out with their approach to work and market. Entrepreneur – marketer has to constantly analyse environment and himself in it and be ready to timely react to perceived signs of changes by always trying not to be caught in actions of others, but rather to surprise the market, to be the bearer and main force of future changes. Entrepreneurial marketing, by joining entrepreneurship and marketing, creates conditions for attracting and retaining buyers and for the occurrence of loyalty based on trust, which contributes to achieving sustainability through satisfaction of both buyers and vendors. Entrepreneurs are people believing in themselves, their abilities, and only that kind of people will be trusted by others.*

*Optimal combination of marketing instruments and their different manifestations, both traditional and contemporary, is a requirement entrepreneurs have to meet while heading towards business success.*

*Objective of this paper is to point out to the significance of combining marketing instruments and their different manifestations in successful entrepreneurship.*

**Key words:** *Entrepreneurial Marketing, Entrepreneurship, Marketing, Marketing Mix Instruments*

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# **PRICE AND PRICING, A KEY DRIVER FOR IMPROVING PROFIT AND PROFITABILITY IN ORGANIZATIONS**

*Carmine D'Arconte<sup>67</sup>*

## **ABSTRACT**

*For-profit companies should, by definition, aim for the highest possible profit in relation to the capital invested; this is only achieved by selling a certain number of products or services that adequately meet market demand. Nevertheless, to attain this objective they must also be able to set the price correctly and adapt it according to market changes and circumstances.*

*Price is in fact the only element of the marketing mix which produces revenues and that may generate profit; therefore, it plays a fundamental role in determining the success or the failure of any entrepreneurial activity.*

*In this respect, apart from examining the main contributions of the relevant literature, we have conducted research to highlight entrepreneurs' understanding of price and pricing, as well as their general behaviour in relation to key aspects of the topic, whilst trying to underscore how this may influence an organisation's outcomes.*

*We shall introduce here an advanced model to fix prices and finally draw our conclusions as we highlight what should be done to avoid some recurrent mistakes and allow companies to enjoy better profits and profitability.*

**Key words:** *Price and pricing, Entrepreneurs' approach, Guidelines for pricing.*

**JEL Classification:** *M30*

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# **THE IMPACT OF CREATIVITY AND INNOVATION ON THE PROMOTION OF INTELLECTUAL CAPITAL**

*Radoslav Baltezarevic*<sup>68</sup>

*Vesna Baltezarevic*<sup>69</sup>

## **ABSTRACT**

*To be successful organizations need to have a culture and organizational environment that consistently reinforces and spawns creativity and innovation which leads to the potential of intellectual capital. The organization must encourage such an organizational environment that motivates employees to constantly search for new solutions and contribute to innovation. Communication enables access to intellectual capital and its further transfer to the internal and later to the external environment.*

*The aim of this paper is to examine the impact of organizational culture and communication on innovative processes and reviewing the position of Serbia in the area of registered patents.*

*The paper also shows the ranking of Serbia in relation to registered patents at the global and European level.*

**Key words:** *Organizations, Communication, Intellectual Capital, Innovation, Patents, Serbia*

**JEL Classification:** *J24, D23, O31*

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# **THE NEED FOR UNIQUENESS AS A PREDICTOR OF INNOVATIVE CONSUMER BEHAVIOUR – RESEARCH IN A BULGARIAN CONTEXT**

Tatyana Yordanova<sup>70</sup>

## **ABSTRACT**

*This report examines the role of the need for uniqueness personality characteristics as an important determinant in innovative consumer behaviour. The essence of the construct and its main dimensions are represented in depth. Innovative consumer behaviour is taken into consideration, with an emphasis on the specifics of its cognitive and behavioural aspects. Attached are the results of an empirical study, conducted in a Bulgarian sample of 382 respondents aged 20 to 64 years, confirming the initial assumption for a link between the need for uniqueness and consumer innovativeness. In particular, the regression analysis data shows that the need for uniqueness positively influences the consumer's readiness to adopt innovation. In terms of its three dimensions – creative choice, unpopular choice and avoidance of similarity, there is a slight to moderate impact on consumer innovativeness, with unpopular choice as the strongest predictor, and the avoidance of similarity as the weakest. In addition, the report analyses and comments on the results obtained and draw a parallel with empirical data, retrieved from other studies in the area under consideration.*

**Key words:** *Need for Uniqueness, Innovative Consumer Behaviour, Consumer Innovativeness, Adoption of Innovation*

**JEL Classification:** *M31*

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# **A STUDY ON CONSUMER BEHAVIOUR TOWARDS SERVICE QUALITY IN ONLINE SHOPPING**

A. Varadaraj<sup>71</sup>

D. Charumathi<sup>72</sup>

## **ABSTRACT**

*In today's era of internet proliferation, the prevalence of online shopping has increased. Internet has made the transactions smoother, quicker, faster and easier and both the buyers and sellers get benefited by histechnology. The growing use of internet in India has created a basis for tremendous prospects for onlineretailers; knowledge of factors affecting consumer buying behavior can help retailers develop their marketingstrategies to convert their potential consumers into active one. The study focuses on the consumer behaviour towards service quality in online shopping. Questionnaire was used to collect the primary data. The sample size of the study was 125 and the sample design adopted was convenience sampling. This paper tried to find out the impact of service quality on the consumer buying behaviour towards online shopping and gives suggestions to improve the same.*

**Key words: Consumer, Behaviour, Online Shopping, Service, Quality**

**JEL Classification: M30**

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# **PROHIBITION OF DISCRIMINATION AND ENTREPRENEURSHIP: LEGE LATA AND THEORETICAL CONSIDERATIONS**

Zivorad Rasevic<sup>73</sup>

## **ABSTRAKT**

*This paper investigates the relations of the discrimination ban with the freedom of entrepreneurship. These two legal institutions certainly belong to the disparate domains of the legal system: the prohibition of discrimination to the public law and the entrepreneurship to the private law. However, their relation proves to be complex and complicated, since wide-ranging opportunities for public intervention in private relations have been envisaged in the Serbian lege lata. In this regard, certain conflicts and interdependencies between these two institutions are pointed out, and the possibilities of a harmonized approach in their interpretation and application as well. Considering the lege lata provisions, case-law and theoretical findings about the significance and the nature of these institutions, two antagonist risks in their common application are noticed: first, the excessive threat to privacy and the economic efficiency; second, the risk of redundancy of the discrimination ban in the context of private law. Looking for an optimal balance between maximization of the disparate social aspirations of these legal institutions, this paper suggests a course of interpretation of the lege lata provisions which provides more certainty in determination of their substantial and personal scope.*

**Key words:** Prohibition of Discrimination, Freedom of Entrepreneurship, Legal Principles, Conflict of Norms, Proportionality

**JEL Classification:** K10, K38, K31

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# **IMPACT OF THE CRISIS AGRICULTURAL POLICY OF THE REPUBLIC OF SERBIA ON THE DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES**

*Radovan Pejanovic*<sup>74</sup>

*Gordana Radovic*<sup>75</sup>

## **ABSTRACT**

*The authors critically examine the causes of the crisis, the effects of agrarian policy in the Republic of Serbia in recent years, with a special focus on 2016. Analyzing the characteristics of agrarian policy, authors point out the mechanism's non-functionality, as well as its inadequacy and inconsistency. The first is reflected in the problems of functioning of two key institutions of our economic (and agrarian) system: markets and the state. The second is reflected in the relatively small agrarian budget, as well as the frequent changes in the measures of agrarian policy. Bearing in mind that in the Republic of Serbia rural areas make up as much as 85% of the total territory, the authors consider that the crisis of agrarian policy is one of the important reasons for insufficient development of small and medium enterprises. For example, in the sector of agriculture, forestry and water management in 2015, 515 were established, and 394 small and medium enterprises were closed, i.e. only 23% of them survived. The authors propose a series of measures and actions to stop the crisis trends, create an environment, create a system of financing and lending, improve the situation in our agriculture and agro-industry, and in order to harmonize our agricultural policy with European standards.*

**Key words:** *Agriculture, Agrarian Policy, Small and Medium Enterprises, Changes, Republic of Serbia*

**JEL Classification:** *Q18*

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***ECONOMIC AND TECHNOLOGICAL DEVELOPMENT AND  
INFORMATION TECHNOLOGY***





# **MODERN INFORMATION AND COMMUNICATION TECHNOLOGIES IN THE FUNCTION OF EFFICIENT MANAGEMENT OF SUPPLY CHAIN PERFORMANCE**

Miodrag Cvetkovic<sup>76</sup>

## **ABSTRACT**

*One of the most important features of a globalized world is a revolutionary development of information and communication technologies based on electronics. At the same time, information and communication technologies are factor of further expansion of the globalization process, in all spheres, especially in economy. These technologies have allowed, but also encouraged new strategic approach, new possibilities of business configuration, radical changes in operational systems, and better control. Changing modes of communication within the company, particularly outside the company, with partners, has enabled the creation and organization of new business entities - supply chains and business networks. Performance management of isolated enterprises today is not very useful: the high level of competitiveness, the effectiveness and efficiency can be achieved by primarily through the integration of the overall process of the supply chain. The modern level of development of information and communication technology has enabled alignment and reconciliation business strategies, and exchange plans and plan documents, then creation and implementation of numerous models, methods and techniques for performance management in the supply chain. At the same time the internet as a global server, is an indispensable means of communication and exchange of data and documents. These management instruments are primarily in the function of configuration and integration of business activities and processes in the supply chain, and in the function of directing and improving activities and processes. In the process of execution, modern information technology is a necessary tool for day-to-day coordinating and synchronizing the execution of activities and processes, and to prevent "bullwhip effect". Direct communication with consumers via the website is a unique and increasingly important segment of the use of information technology in order to explore the needs and requests of consumers, forecasting demand, and managing relationships with customers and consumers, as well as for commercial use as a channel of distribution. Finally, information and communication technologies allow the creation efficient hedging programs against risks, in modern discontinuous terms.*

**Key words:** *Information and Communication Technology, Internet, Configuration Operations, Strategic Options, Information Flows, Supply Chain Performance Management.*

**JEL classification** M15, O32

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## **MICRO POLITICS APPROACH TO ORGANIZATIONAL CHANGE IN TRANSITION ENVIRONMENT**

*Djordje Vidicki*<sup>77</sup>,

*Ljiljana Kontic*<sup>78</sup>

### **ABSTRACT**

*Starting from the micro politics basis, the aim of this paper is to analyze political behaviour of managers during an organizational restructuring within a Serbian industrial company. The paper seeks to contribute to the organization theory by using micro politics proposition in a highly turbulent environment. Drawing on micro perspectives on the extensive literature on organizational politics, this research attempts to better understand managerial engagement in politics. The paper documents a case study research method used to give a systematic way of managing organizational transformation in the transition environment. The results revealed that the political behavior is always needed during a change. The proposed suggestions and recommendation can be useful for the managers in transformation processes of state companies.*

**Key words:** *micro politics, organizational transformation, privatization, industry, Serbia*

**JEL Classification:** *M20, L10, L65*

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# **CREATIVE INDUSTRIES AS A FACTOR OF ECONOMIC DEVELOPMENT OF SERBIA**

*Gordana Gavric*<sup>79</sup>

*Milan Krstic*<sup>80</sup>

## **ABSTRACT**

*In more economically developed countries, possibilities of achieving revenue on the global market through creative industries represent one of the most significant economic potentials. Creativity and intellectual property have become the leading drivers of economic and social progress on which further development is based. Regardless of not having sufficiently adapted functioning ambience, industries based on copyright and related rights have made an unquestionable contribution to the economy of the Republic of Serbia.*

*Creative industries are of great importance for the economic development of the Republic of Serbia given the fact that each year they have an increasing share in the making of GDP, and represent industrial branches with the highest growth potential, and therefore deserve to be further investigated. In this respect, the authors conducted a theoretical desk-top research – determining the impact of creative industries on the economic development of Serbia.*

*Results of the abovementioned research are in this paper shown in an abridged form and they suggest that the significance of creative industries, in addition to being economic, is reflected in the preservation of the national identity of social community.*

*In the discussion about the research results, it is rated that CIs should be the top priority of the Republic of Serbia, where, unfortunately, in the conditions of turbulent political and economic trends, some problems seem to be more important, thus unduly underestimating the significance and importance that creativity, skills and talents have.*

**Key words:** *creative industries, Serbia, development*

**JEL Classification:** *O31, O32*

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# COMPETITIVENESS OF THE SERBIAN INDUSTRY

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Dragana Vojteski-Kljenak<sup>82</sup>

## ABSTRACT

*This paper deals with a comparative analysis of the competitiveness of Serbian industry in the period 1990-2015 years. The research methodology is based on the competitive industrial performance index-CIP, developed by UNIDO. The aim of the paper is to verify the consistency, feasibility and validity of the concept of reindustrialisation of Serbia, based on the results of the empirical analysis. The conclusions of the paper can be summarized in several points.*

*The concept of reindustrialization of Serbia is to a large extent consistent with the main dimensions of the CIP index. Serbia should establish as many industrial enterprises as possible, in order to increase production and export capacities. Technology platforms should become a catalyst for technological upgrading and deepening of the industry. However, this process will run slowly due to the underdevelopment of the domestic market, the handicap of Serbia in terms of its size and the impact on world production and trade, and the resulting ambivalence of domestic enterprises. Investments in reindustrialization of Serbia are absolutely justified. The dynamics of investment should be in the function of solving internal economic issues of Serbia, such as growth without macroeconomic imbalances, improvement of productivity and innovation, quality employment, etc. Progress on the global list of industrial competitiveness is a desirable, but not exclusive goal of reindustrialization of Serbia.*

*The opening of chapter 20 on industrial policy and SME is only the first step towards the implementation of reindustrialization in Serbia. Other steps will not be possible without creating an appropriate institutional framework. In that sense, a special coordinating body, a public agency, or some other institution at the republic level should be given a mandate for the implementation of reindustrialization of Serbia.*

**Key words:** industrial competitiveness, reindustrialization, industrial policy, CIP index

**JEL Classification:** O14; O25; O38

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# **RECOGNITION AND ADAPTATION OF CLIMATIC AREAS IN CHAHARMAHALANDBAKHTIARI PROVINCE OF IRAN IN TERMS OF TOURISM CLIMATE COMFORT**

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Mahnaz zarabi<sup>84</sup>

Ali Hossein Zadeh<sup>85</sup>

Amin Hasannejad<sup>86</sup>

## **ABSTRACT**

*Climatic phenomena play a significant role in development of the tourism industry. An appropriate climate may bring positive responses of tourists. The tourists plan their journeys considering the climatic and weather conditions of their destination. ChaharmahalandBakhtiariProvince is a mountainous region in west of Iran which enjoys various distribution of climatic elements especially rainfall and temperature due to topographic diversity. Statistical methods of factor analysis and cluster analysis were applied to obtain a precise recognition about the climatic zones of the province. 26 climatic variables were selected from six existing weather stations in the province. The results obtained from factor analysis showed that province climate is affected by four climatic factors which are listed here in order of significance: rainfall factor, serene sky factor, thermal factor and humidity factor. Then, four climatic regions were distinguished in the province by means of cluster analysis that was administrated on matrix of factor grades. At last, using PET index, evaluation and comparison were carried out for climate comfort at stations representing each climatic region during a year. The results revealed that May was the best month in terms of climate comfort conditions. Thermal stress began from June and reached their peaks in July and August. Boroujen and Kouhrang stations entered the climate comfort range in September while same conditions happened for Shahr-e-kord and Lordegan in October.*

**Key words:** Climate Segmentation, ChaharmahalandBakhtiari Province, Factor analysis, Cluster analysis, PET climate comfort index

**JEL Classifications:** L83, K54

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# **THE EFFECTS OF IMPORT DUTIES ON THE STIMULATION OF DOMESTIC PRODUCTION**

Vera Karadjova<sup>87</sup>

## **ABSTRACT**

*Several economic goals of each national economy are realized using import duties, such as: fiscal, protective, security, information, etc., but also stimulation function. The emphasis of this paper is placed on the stimulation function of import duties (VAT, customs, excises, etc.), by applying general and preferential tax rates, on the example of the Republic of Macedonia. When importing goods and services in Macedonia, a general tax rate of 18% is applied (this rate applies to all imports, except for imports that are taxed with a preferential tax rate) and a preferential tax rate of 5% (for imports for certain types of goods specified in the nomenclature of the Customs Tariff, and determined by the Decision for determination of the goods and services which are subject to preferential value added tax rate). With the adoption of new amendments and supplements to the Decision on determining goods and services that are subject to preferential tax rates, the import value and the VAT revenues on imports are affected, and thus also the production, the export and the citizen's life quality are affected. The stimulative effects of import duties are reflected and can be analyzed by the value of the raw materials which are imported by applying preferential tax rates, stimulating effects of preferential tax rates on the development of domestic agricultural and livestock production, incentive effects of preferential tax duties on the industry development, effects of preferential tax rates on the increase in the diversification of domestic products and the increase in the competitiveness of domestic products. All these effects have an impact on the national economy economic reality, especially in terms of increasing exports and foreign exchange inflows, as well as raising the quantity and quality of meeting the needs of the population.*

**Key words:** import duties, VAT, customs, stimulation function, tax rate

**JEL Classification:** F31, F43, G28, H30, O19

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# ***METHODOLOGY FOR PREPARING A PROJECT APPLICATION FOR CURRICULUM MASTER STUDIES IN INFORMATION SECURITY***

*Goran Bjelobaba*<sup>88</sup>

*Ana Savic*<sup>89</sup>

## ***ABSTRACT***

*This paper presents the methodology for preparing project documentation for education projects financed by the EACEA Executive Agency from Brussels. Theoretical concepts of the methodology are presented, supported by a specific example of the preparation of a project in the field of Information Security, in which, as one of the non-academic partners, the National Bank of Serbia should participate considering that in Serbia and in the countries of the Western Balkans the Law on Information Security was adopted and analysis has shown that there is a greater need for educated staff in this area, since there are not enough of them in the labor market.*

***Key words:*** methodology, project application, Gantt chart, logical framework matrix, budget

***JEL Classifications:*** D80, I21

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# **DATA WAREHOUSE AND OLAP TECHNOLOGY –THE DECISION SUPPORT SYSTEM**

Jovan Živadinovic<sup>90</sup>

Zorica Medic<sup>91</sup>

## **ABSTRACT**

*The conditions of competition, complexity and dynamics of business systems and the environment increasingly require more efficient management and better decision making. Quick, aggregated and visually accessible information become an important managerial resource at all decision levels, increasingly dependent on the capabilities and knowledge of using modern information technology. The main goal of the paper is the application of the data warehouse and OLAP (On-Line Analytical Processing) technology in improving the knowledge-based decision-making process, which is hidden within transaction systems, and unstructured and unprocessed data. Data warehouse is a subjectively oriented, integrated and time-dimensional dataset which supports decision-making, since it provides a unique image of business reality and helps in understanding the entirety of the business system. Management decisions that are made in business systems determine their competitive advantage. Therefore by the highlighted need for increased decision-making, the subjective impressions will be put aside, and thus they will be highly knowledge based. Bearing in mind the scope and purpose of the research, the methods to be used in the research are: Inductive and deductive method, as the basic logical method, which during the research allows the making of certain conclusions about the subject of research and methodologies of object-oriented development of the data warehouse. OLAP provides users with the ability to set up queries on their own, which greatly enhances the ability to make the analysis necessary to make decisions. For data warehouses, a dimensional model has been mainly built that provides a better possibility of data visualization. The contribution of this paper work is reflected in the application of data warehouse and OLAP technology, in monitoring and improving teaching processes, improving their standards, improving scientific research, better decision-making and managing in educational processes.*

**Key words:** data warehouse, analytical on-line processing (OLAP), multidimensional analysis

**JEL Classifications:** D80, I21

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# **PERSPECTIVES OF ALGO AND HIGH FREQUENCY TRADING – ROBOTIC TRADING MODEL**

*Ismail Musabegovic*<sup>92</sup>

*Ljubica Pantelic*<sup>93</sup>

## **ABSTRACT**

*High frequency trading has become in remarkably short time, a significant way of everyday market practice. It has been taking global markets by storm, and for a good reason: its immense profitability. So what is high-frequency trading, and why is it so attractive? There are two important facts about the HFT, one is about the speed of order submission and second is about huge turnover of capital involved with this transactions. Strategies of HFT are based on large number of realized transaction in a short period and small cash income from each of them. Depending on trading strategy, it is usually for traditional traders to keep trading position in some longer period gaining less than a percent per deal or carry trading overnight. On the other hand, HFT traders change position all over the day, standing short or long position using algo trading they create reverse of trend taking profit from counterparties before they can even presume that something is happened in the market. The profitability of high-frequency trading is specially supported by developing of high technology and advanced software. In nowadays, the market share of high frequency trading is close to 60% of the total volume of transactions on the global financial market. Hiring of algo trading professionals is increasingly demanding and they are offered attractive compensation beside the high salaries. Even in the worst months of the 2008 crisis, 50 percent of all open positions in finance involved expertise in high-frequency trading. Despite the demand for information on this topic, little has been published to help investors understand and implement high-frequency trading systems. (Aldridge, 2010). With this paper we want to present how useful HFT can be and how to recognize it in daily trading. It is a part of a wide range of studies on the impact of HFT strategies on other market participants, their profitability, liquidity, price efficiency and volatility.*

**Key words:** High Frequency Trading, Profitability, Liquidity, Volatility

**JEL Classification:** G14

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# **SOFTWARE PLATFORM FOR INNOVATIVE MANAGEMENT IN THE FUNCTION OF ENTREPRENEURSHIP DEVELOPMENT**

*Milan Krstic*<sup>94</sup>,

*Ana Skorup*<sup>95</sup>

## **ABSTRACT**

*Entrepreneurship is usually considered to be an economical area of people's activity where they practically conduct a number of various activities, such as: creating ideas for potential business based on noticing business opportunities from the environment; the choice of the most promising idea; securing the necessary resources for its realization; realization of an entrepreneurial venture with facing the risk; persisting on sustainability of the entrepreneurial venture set in motion. Today, the opinion prevails that the condition for accomplishing sustainable economic development and competitiveness long-term is unbreakably bonded to further development of entrepreneurship. The development of entrepreneurship implies the development of key entrepreneurial elements: initiative, knowledge, application of new technologies and innovativeness and it is significant not only for people who start their entrepreneurial activities for the first time, but also for the members of the organizational team of a company, no matter its size. Contemporary building of entrepreneurial capacities is based on information support, which has taken a new form thanks to the development of IT. This form is personified in the software platform for innovative management – SPIM. SPIM provides sophisticated information support to potential entrepreneurial and/or organizational users, such as: relevant instructions related to development of creativity and innovativeness; entrepreneurial self-education; campaign of ideas; idea life cycle management, and so on. Starting from stated principles of entrepreneurship, this paper briefly presents a successfully realized SPIM, which was built as an integral part of the project Creative Business Innovative Generator – CBIG, which is realized with the support of the Development Agency of Serbia.*

**Key words:** *software, innovative support, innovative management, entrepreneurship*

**JEL Classification:** *O31*

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## ***THE SECURITY OF INTERNET BANKING AS CONTINUOUS PROCESS***<sup>96</sup>

*Vladimir Simovic*<sup>97</sup>

*Slavica Stevanovic*<sup>98</sup>

### ***ABSTRACT***

*In order to provide their customers with innovative services which are in accordance with changed life style and dynamic development of information technology, the banks have developed, among other things, the Internet banking services. The mutual elements of these services are convenience for the customers, cost savings for the banks and creation of image of innovative institution from the perspective of the bank customers. The whole story has its dark side in terms of security issues and threats which are present in everyday operations of the banks and actions of their customers. This paper analysis common security challenges for the banks as well as security mechanisms deployed in order to minimize risks and financial losses.*

**Key words:** *Internet banking, security threats, security mechanisms*

**JEL Classification:** *M15, O33*

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<sup>96</sup> This paper is a part of research projects numbers 47009 (*European integrations and social and economic changes in Serbian economy on the way to the EU*) and 179015 (*Challenges and prospects of structural changes in Serbia: Strategic directions for economic development and harmonization with EU requirements*), financed by the Ministry of Science and Technological Development of The Republic of Serbia

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# **IMPORTANCE OF MODERN INFORMATION AND COMMUNICATION TECHNOLOGY FOR THE IMPROVEMENT OF ORGANIZATIONAL CHARACTERISTICS OF THE COMPANY**

*Ljiljana Stosic Mihajlovic*<sup>99</sup>

*Vladan Cogoljevic*<sup>100</sup>

## **ABSTRACT**

*All successful managers build themselves up and learn from their good and bad decisions because as in life itself, the path to success is never a straight line. The most important thing is to take a good attitude after an error occurs, not to stop and give up the planned; it is necessary to try to learn something from everything and to move forward. The telecommunications industry is one of the most dynamic ones in the world, and regardless of the position and work it deals with, it is understandable that it should be online, to monitor the development of technology and new trends. Modern digital solutions and applications that are available help in better business and private obligations and arrangements. There is a danger for a successful business of companies that do not adapt their business models, as the digital revolution is increasingly affecting all industrial branches. Also, digital transformation saves time, resources and money for companies and makes them more efficient and flexible, and the task of companies is to develop new digital services and services for users, to help them digitize more easily in their everyday life and work. This enables communication and business, improves the quality of life of citizens and improves the economy. At the same time, it opens up new opportunities for global and regional growth. The obstacle is a good understanding of the principle of change brought about by the digital revolution.*

**Key words:** *ICT, organizational performance, development.*

**JEL Classification:** *O33*

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# **THE IMPACT OF THE INSTITUTIONAL SOLUTIONS ON FOREIGN DIRECT INVESTMENT INFLUX IN SERBIA**

*Milan Radicevic<sup>101</sup>,  
Katarina Majstorovic<sup>102</sup>*

## **ABSTRACT**

*One of the most important challenges that the carriers of the economic policy in Serbia face is the way to encourage foreign direct investment influx. This issue is especially expressed in the conditions of the crisis still in progress when there is a certain reduction of investing activities in global. A large number of studies in the world show that the differences in foreign direct investment influx between some countries is highly connected to the institutional factors in those countries, such as the level of corruption, protection of property rights, the quality of the judicial system, as well as other legal circumstances connected to the investment undertaking and doing business. One of the priorities put before the carriers of the economic policy in Serbia should be finding the way to improve the existing institutional environment according to the European and world standards, and putting it into the function of the capital influx in accordance with the concept of the sustainable economic development of the Serbia.*

**Key words:** *foreign direct investment, economic growth, institutions*

**JEL Classification:** *B40, B41, E02*

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***FINANCE, BANKING AND INSURANCE***





# **THE IMPORTANCE OF FINANCIAL ANALYSIS FOR BUSINESS DECISION MAKING**

*Slavica Andjelic*<sup>103</sup>

*Tamara Vesic*<sup>104</sup>

## **ABSTRACT**

*Financial reports represent information base for business decision making. Management of the company is focused on the perception of future events as a result of the present decision, while accounting is ex post oriented. The requirements of users of financial information condition the level and form of desired information. Relationship between accounting and enterprise management are significant and multiple because it is the effects of management decisions that assess the financial statements, which are the product of accounting of companies in which are processed all business decisions that was made by management.*

*Analysis as the process of testing and evaluating in terms of methodology, which is biased and overlap, based on the assumption: that the assessment (synthesis) is the completion of the analysis, which is preceded by testing methodology developed which provides a basis of the individual elements which are combined into a single synthesis of a logical statement. In other words, the method of which is in the process of analyzing the induction, is coming to that knowledge by processing the deduction. The process of testing and assessment in the analysis of business has its own specific test methods that are based on known theoretical and scientific scheme. Financial analysis is used to assess relationships between items within the financial statements. This scientific work points to the role and significance of the results provided by the financial analysis for business decision making.*

**Key words:** *Financial Reporting, Financial Analysis, Test Methods, Position of The Company, Bussines Decision*

**JEL Clasification:** *M41, M40, M49*

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# **TECHNICAL ANALYSIS AS A METHOD OF PREDICTING PRICE MOVEMENTS AND FUTURE MARKET TRENDS**

*Milan Gavrilovic*<sup>105</sup>

*Stefan Zimonjic*<sup>106</sup>

## **ABSTRACT**

*One of the greatest challenges on financial markets is the prediction of prices and trends. Since prices change vary dramatically, it is essential to determine when to buy and when to sell, in order to get a high return on investment. Buying and selling are the key rule of the trading system which we can generate by using different technical indicators.*

*Technical analysis is the method of forecasting movements of prices and market trends in future by analyzing charts of previous market actions. Technical analysis is concerned with what actually happened on the market and not with what should happen, taking into consideration instrument price and trading volume, and it creates charts from the given data in order to be used as a primary tool. One of the main advantages of technical analysis is in enabling experienced analysts to simultaneously monitor several markets and market instruments.*

*Research subjects of this paper is the observation of different forms of technical analysis, some rely on chart patterns, others use technical indicators and oscillators, and most often they prefer to combine different techniques.*

**Key words:** *Financial Market, Price Forecasting, Trends, Technical Analysis*

**JEL Classification:** *G12, G13, G14, G17*

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# **ON THE REASONS AND IMPORTANCE OF THE INTRODUCTION OF PUBLIC PROCUREMENT FORENSICS INSTITUTE**

*Nataša Tanjevic<sup>107</sup>*

*Marko Spiler<sup>108</sup>*

## **ABSTRACT**

*Berlin, Heidelberg, pp. 105-115.*

*Public procurement is a very important process for the transactions of assets, goods and services, as well as money in the business processes, which makes this area a suitable ground for various types of abuse, primarily for corruptive offenses. On the other hand, the fact that fraud schemes in the field of public procurement are carried out in a skillful and covert manner, that they evolve, change and adapt to modern conditions, require complex activities to identify risk factors, identify symptoms of illegality, assess the consequences and examine the most important forms, trends and techniques of committing criminal actions in this field. Bearing in mind the above, the aim of the study is to point out the importance of discovering and preventing corruption and other forms of abuse in the field of public procurement by putting emphasis on systems of internal and external control as an important tool in preventing the occurrence of criminal activities. In this respect, the role of the State Audit Institution in controlling the regularity of public procurement is particularly emphasized. Also, the difficulties in detecting and proving criminal activities in this area cause the need to develop specific methods and techniques for their detection and identification from the spectrum of forensic disciplines. In this regard, special attention has been given to the consideration of the idea of introducing the "Forensics Procurement" institute, which involves the use of different knowledge, methods and tools in order to clarify corruption and other criminal activities carried out in this area, all bearing in mind that public Procurement is a development issue of great importance for each country and that the reduction of irregularities in the public procurement system is one of the strategic goals of the public procurement reform in the Republic of Serbia.*

**Key words:** *Corruption, Public Procurement, Public Procurement Forensics, State Audit Institution, Legislation*

**JEL Classification:** *D73, H57, K13*

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## **DYSFUNCTIONALITY AND SOLVING THE PROBLEM OF TRADITIONAL SYSTEM OF COST ACCOUNTING**

Vesna Mladenovic<sup>109</sup>

Goran Sormaz<sup>110</sup>

### **ABSTRACT**

*The functioning of enterprises and achieving success is conditioned by the critical categories that include billing and management costs. Environmental changes caused by globalization, the global crisis, innovation in the field of high technology production, as well as information and communication technologies, cause changes in the nature of the cost and way of managing them. Traditional systems comprise a step of production, and the costs that arise only at this stage, a conceptual basis for a narrow organizational unit of a company, and as a key to the allocation of overhead are used those depending of volume of production. The former accounting concepts are designed for a period that is characterized by less turbulent business environment, when companies produced a small production – sales range and where direct costs dominate in the structure of costs. Among others, the problem of treatment costs in traditional systems of eliminating modern concepts that are designed for, now far more dynamic and turbulent business environment. Implemented traditional concepts in current business conditions show certain deficiencies and dysfunction. Critical aspects of the system must be reduced to acceptable level, also require constant business improvement. The fact is that in the management of today's business environment when determining the necessary, higher quality and more complex information base focus is on the cost structure. The information is a very valuable resource at all levels of development and creation of products. Adequate information base traditional concepts can not provide, and therefore what's a growing need for the inclusion of costs incurred in other stages of formation. A modest contribution of this paper is to highlight in what conditions and which are the symptoms where traditional systems of calculation show dysfunctions, inadequacy, which is important problem of economic theory and practice failed to alleviate and to contribute to its solution.*

**Key words:** *Changed Business Environment, Dysfunction and Information, Causes and Symptoms, Activities, Costs*

**JEL Classification:** *E32, L21, M21*

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## **POSSIBILITIES OF MONITORING THE MAINTENANCE IN THE ACCOUNTING RECORDS**

*Filip Milanovic<sup>111</sup>*

*Milos Trajkovic<sup>112</sup>*

### **ABSTRACT**

*All business changes should be recorded in business books, and they are guided by the accounting principles, standards and rules of the accounting (accounting) profession, the achievements of accounting as an integral part of economic science. When conducting business books, the principles of up-to-date, principles of regularity, principles of connection, principles of transparency and principles of economy must be observed. If mistakes (formal and material) occur when posting in business records, they should be detected and corrected. The basic method of correcting errors is a cancellation. The keeping of business books according to the general act can be performed by a person who has the appropriate school education and work experience. Otherwise, in the books, records are made (chronologically and systematically) of all business changes that result from the company's operations.*

**Key words:** *Business Books, Accounts, Receivables, Accounting*

**JEL Classification:** *M10, M41, M48, M49*

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# **MEASUREMENT OF KEY BUSINESS RISKS IN BANKING**

*Marija Djordjevic<sup>113</sup>*

*Hadzi Ivan Djordjevic*

## **ABSTRACT**

*This review provides a discussion on selected past, current, and possible future areas of research in the intersection of risk management. Topics treated include the use of risk measures in regulation. Methodologies to assess credit risk include credit scoring, statistical models, structural models, and the simulation of financial performance. It looks in detail at the incipient practice of risk measurement using methods based on financial institutions' internal models. The key objective of risk management is to strengthen the Bank's resilience to risk. The objective should be to identify, assess, mitigate and monitor key risks. We tend to break down risks into six key areas: credit risk, market risk, liquidity risk, operational risk, legal risk and reputational risk. Of these, credit risk and liquidity risk are the most important.*

**Key words:** *Banking Sector, Credit Risk*

**JEL Classification:** *E42, E51, E52*

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# **THREAT OF NON-PERFORMING LOANS TO SERBIAN BANKING SECTOR**

Vladimir Ristanovic<sup>114</sup>

Sveta Mirkovic<sup>115</sup>

## **ABSTRACT**

*This paper attempts to shed light on the determining factors of the non-performing loans (NPLs) in the Serbian banking sector. We examine non-performing loans level in the banking sector over the last decade, focusing on their effects, fully capturing the recent recession. The analysis presents empirical evidence of Serbian banking activities, using the official annual data of the National Bank of Serbia for all banks that operated between 2008 and 2016. In the paper we gave a short overview of the non-performing loans, while we used a linear regression model to estimate the correlations between non-performing loans and economic performance. Non-performing loans reached the levels that are negatively affecting on the credit supply channel and are causing worsening of the banking sector financial soundness indicators. We showed that the effects of the non-performing loans on Serbian banking sector hadn't changed sign during and after the financial crisis; while the level of the non-performing loans were higher during the crisis, it become associated with still high level after the crisis. At the same times, we revealed that high level of the non-performing loans limits investments, increases liabilities and limits the volume of the bank loans to the economy, which leads to reduction of aggregate consumption, and economic contraction. We also showed that problems with bad loans had been reduced by improving the macroeconomic position of the Serbian economy.*

**Key words:** Non-Performing Loans, Banking Sector, Credit Risk

**JEL Classification:** E42, E44, E51, E52, G01

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## **VIOLATION OF THE PRINCIPLE OF EQUALITY OF CONSIDERATION BY CONTRACTS WITH CURRENCY OR INDEX CLAUSE IN BANKING OPERATIONS**

Vladimir Kozar<sup>116</sup>

### **ABSTRACT**

*The paper presents the legislation, positions of judicial practice, as well as opinions of legal science, about the impact of currency, foreign currency and index clauses on the principle of equality of consideration. In particular, it considers the possibility of compromising the principle of equivalence of benefits in the loan contracts containing such clauses. It points to the protection of the principle of equivalence by a rebus sic stantibus clause from violations due to changed circumstances. The issue of the repudiation effect gained prominence by the adoption of the first final court judgment upholding the claim for repudiation of contract on a loan contract containing currency clause due to changed circumstances, which did not decide on the legal consequences of such repudiation. This paper presents a new jurisprudence, primarily final judgment on repudiation by which the Court, adopting the claim, ruled for the repudiation of a long-term housing loan contract “due to significantly changed circumstances”, as well as a contrary legal position, reflected in another final court judgment, according to which “the increase in the exchange rate of the Swiss franc relative to the moment of conclusion of the contract in terms of the Law on Contracts and Torts, Article 133, Paragraph 1, does not constitute a valid reason for the required repudiation of contract.” Special consideration is given to the question of validity of contracts based on currency clause with contractual interest cumulatively, including the positions of judicial practice. It is also pointed to the impossibility of annulment of a contract containing currency clause by applying the institute of usury contract.*

**Keywords:** *Equivalence of Benefits, Loan, Currency Clause, Contract Repudiation, Changed Circumstances, Usury Contract, Clausula Rebus Sic Stantibus*

**JEL Classification:** *P44, K12, K22*

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# **SALE OF INSURANCE PRODUCTS THROUGH BANK CHANNELS BANCASSURANCE**

*Dusan Cogoljevic*<sup>117</sup>

*Ivan Piljan*<sup>118</sup>

## **ABSTRACT**

*Over the past few decades, the traditional barriers between banking and insurance have disappeared. This is the result of the liberalization and deregulation of the financial services market, and the fact that multinational companies have the opportunity to offer a wide range of financial services. Major changes in the banking and insurance market at the end of the last century are the result of new and changed client needs. The development of technology has significantly influenced the strengthening and development of competition in both sectors, as well as the increasing sophistication of customer requirements in terms of the delivery method of the product. Clients are increasingly seeking a unified offer of financial services, which necessarily leads to different forms of cooperation of insurance companies with other financial institutions, primarily banks. Bancassurance is the sale of insurance in banks. The channel of insurance sales through banks is growing faster than traditional insurance sales channels in all developed countries. This development is slowly being transmitted to developing countries, first in the field of life insurance and then non-life insurance. The aim of this paper is to show how bancassurance developed in the world and in the countries of Europe as well as to point out the problems that this development followed. Also, with the presentation of the current state of channel sales in the insurance market in Serbia, it points to the potential of its further development. The idea is that, based on the analysis, potential problems are anticipated and handled in a timely manner, and that the best practice is used to develop this concept in our country.*

**Key words:** *Banking, Insurance, Banc assurance, The Financial Services Market, Insurance Sales Channel.*

**JEL Classification:** *G22, G23*

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# **INSURANCE AS A FACTOR OF ENTREPRENEURIAL DEVELOPMENT IN SERBIA FROM 2005 TO 2015**

*Tatjana Piljan*<sup>119</sup>

*Dusan Cogoljevic*<sup>120</sup>

## **ABSTRACT**

*Entrepreneurship and insurance are very important factors of financial systems of all countries. Insurance market significantly influences the development of the economy and is an important factor of stability of the financial sector. Insurance market in Serbia is undeveloped and, by its development level, is far behind the average rate of the EU member states.*

*Insurance market in Serbia falls in the category of developing markets with a significant potential primarily in the segment of life insurance. Growth rate of life insurance market in Serbia has varied and showed susceptibility to external and internal influences from different factors.*

*In order to achieve the desired growth there has to be an adequate marketing strategy that shall be used to initiate certain political and market processes that will, alongside the existing pension and disability insurances funds and health systems, lead to an awakened awareness, i.e. perception of citizens about the need for life insurance.*

*Entrepreneurship is thought to be the basic cell of economy and the greatest potential of economic development. It reflects the future of successful development of macro-economy. The power entrepreneurship has is limitless. It is the power, innovativeness and ability of each and every individual to recognize the right things and opportunities that others do not see or do not have the courage to grab them. Entrepreneurs as creators of certain ideas transform them into concrete products that will be beneficial, i.e. profitable. They are people ready to take the risk.*

*Possibilities offered by the insurance market in Serbia show that entrepreneurship in Serbia should use these possibilities for its own growth and development.*

**Key words:** *Entrepreneurship, Insurance, Development of Insurance Market, Growth and Development of Entrepreneurship*

**JEL Classification:** *G22, G23, L26*

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# **RELEVANT FACTORS INFLUENCING HEALTHCARE INSURANCE QUALITY**

Milica Zivkovic<sup>121</sup>

Raica Milicevic<sup>122</sup>

## **ABSTRACT**

*In Serbia, great efforts are made to ensure the rational and quality health care system with stable funding, that is, within available resources, provide health care to individuals at the highest possible level of quality. In this regard, a number of measures are implemented in the planning and management of health system. There is no "perfect" health system that would be able to meet the needs of patients and health care workers and associates, economists and politicians. There will always be a gap between the expectations of consumer satisfaction and ability of the system to meet those expectations.*

*Consumers' perception of the quality of products and services, according to the quality standard ISO 9001, is one of the key elements of business performance and the organization's survival in a competitive market. Customer satisfaction is based on achieving or overcoming their demands and expectations. Measuring customer satisfaction is an extremely variable category, affected by a wide variety of complex factors. In order to continuously monitor and take measures for continuous improvement of service quality, it is necessary to define the relevant factors for a given type of service, in the considered case of health insurance services.*

*The objective of this paper is to define relevant factors influencing healthcare insurance quality, based on a survey of customer satisfaction with the quality of health insurance. Applying the Kaiser-Meyer-Olkin test and Bartlett's test, the suitability of the data for the implementation of factor analysis was examined. Applying the factor analysis enabled a large number of conclusions to be grouped into a smaller number of factors. Results show that the conclusions have grouped around three factors describing the 68.31% of the total variance.*

**Key words:** Health Insurance System, The Quality of Services, The Relevant Factors of Customer Satisfaction, Factor Analysis

**JEL Classification:** I13

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## **PENSION AND DISABILITY INSURANCE - THE NECESSITY OF INTRODUCING REFORMS**

Ivan Piljan<sup>123</sup>

Tatjana Piljan<sup>124</sup>

### **ABSTRACT**

*Life is a natural course, full of uncertainty and tribulations for every human being. In order to make our lives peaceful and have a serene future, we try to provide various ways to ensure that we make our lives safer. The pension system is very important for every country from a social, economic and financial point of view. Pensions are above all a social category because they represent the income of people who are unable, due to sickness or age, to earn a living and who need state care, and as such pensions are part of the social security system, which is the most important form of social insurance. In most countries and especially in transition ones, pension insurance systems are in a crisis and are looking for reforms to create a model for establishing sustainable functioning. In Serbia, in the period from 2001 to 2016, reforms of the pension system were carried out in order to solve accumulated problems such as a high deficit, debt, ratio of the number of employees and pensioners, negative demographic trends, etc. This paper presents the results of the research in order to evaluate the attitude of the population of Belgrade towards the existing mandatory pension insurance and trust in the same, as well as the assessment of the need to realize additional reforms of the system. Hypothesis confirmed: citizens are not satisfied with the existing state of the pension insurance system and they believe that the pension fund is empty and fails to guarantee safe pensions. This means that the reforms implemented so far have not been sufficient and that reforms need to be continued.*

**Key words:** Pension System, Social Insurance, Private Pension Insurance, Reforms of the Pension System

**JEL Classification:** G22, G23

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# **THE NON-SUSTAINABILITY OF SERBIA'S EXISTING PENSION SYSTEM**

Dejan Karavelic<sup>125</sup>

Zoran Karavelic<sup>126</sup>

## **ABSTRACT**

*Pension insurance systems in almost every country of the world are in a crisis. Several factors have caused this crisis, and hence the necessity of reforming the systems. Demographic changes that are reflected in the strongly expressed trend of population aging due to the prolongation of the average lifespan and the decline in fertility rates are certainly one of the key factors that have caused the crisis of pension systems. On the other hand, there are other factors that cause the non-sustainability of the existing pay as you go system, that is, the system of ongoing pension financing, which assumes that the active population provides pensions to the non working-age population. Those factors are: economic stagnation and a lower rate of economic growth, the issue of unemployment, the establishment of a non-contributory employment relationship, the global financial crisis, and so on. Starting from this, the authors' attention in this paper is focused on analyzing and pointing out the basic shortcomings of the current pension funding system, and therefore, the non-sustainability of the existing pension pay as you go system, in conditions where the relationship between the old-age population and the working-age population is very unfavorable, and where high unemployment and insufficient economic growth are further endangering the old-age population, leading to increasing poverty. By pointing out the advantages and disadvantages of the current financing on one side and the capital accumulation system, that is, private pension insurance, on the other, the authors conclude that the existing pension system of Serbia is non-sustainable, and therefore also requires its fundamental reform, which would basically be based not only on the implementation and further development of the introduced voluntary pension insurance, but also on the preparation for transforming it into compulsory private pension insurance, i.e. the second pillar of pension insurance. In order to achieve these goals, the authors point out the necessity of implementing the already long-started overall reforms in order to achieve long-term economic growth, thus creating the conditions for a more efficient pension system.*

**Key words:** Pension System, Current Funding System, Capital Accumulation System, Pension Contributions, Pensions

**JEL Classification:** H55, G22, I13

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# **THE ROLE OF THE NATIONAL BANK OF SERBIA IN FINANCIAL MARKET**

*Vesna Lukic*<sup>127</sup>

*Adem Preljevic*<sup>128</sup>

## **ABSTRACT**

*The focus of this paper is on the financial markets, which are the most important factor in the overall economic and economic system in countries with a developed market economy. The National Bank of Serbia has a special role in the financial markets. The National Bank of Serbia has numerous roles in the financial markets, and the most important of them is the regulative that NBS regulates with their mechanisms the flow of money and cash flows.*

*We will pay special attention to what are the mechanisms and how the NBS regulates cash flows and the level of money in circulation.*

**Key words:** *National Bank of Serbia, Financial Markets, Financial Institutions*

**JEL Classification:** *X20, X30, K34*

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