



INTERNATIONAL CONFERENCE  
Employment, Education  
and Entrepreneurship

***EMPLOYMENT, EDUCATION AND  
ENTREPRENEURSHIP***

*14-16 October 2015 Belgrade Serbia*

***BOOK OF ABSTRACTS***





***EMPLOYMENT, EDUCATION AND ENTREPRENEURSHIP***

***14-16 October 2015 Belgrade Serbia***

***CHALLENGES TO PROMOTING ENTREPRENEURSHIP,  
LEADERSHIP AND COMPETITIVENESS***

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Faculty of Business Economics and Entrepreneurship  
8 Mitropolita Petra Street  
11000 Belgrade, Serbia

#### **PERSON RESPONSIBLE FOR PUBLISHING**

**Full Professor Rade Stankovic, PhD**, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia

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*Printing 250 copies*



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***EMPLOYMENT, EDUCATION AND  
ENTREPRENEURSHIP***

*14-16 October 2015 Belgrade Serbia*

**CHALLENGES TO PROMOTING  
ENTREPRENEURSHIP,  
LEADERSHIP AND  
COMPETITIVENESS**



# **STARTUP COMPANIES: LIFE CYCLE AND CHALLENGES**

*Aidin Salamzadeh PhD<sup>1</sup>  
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## **ABSTRACT**

*Startup companies are newly born companies which struggle for existence. These entities are mostly formed based on brilliant ideas and grow to succeed. These phenomena are mentioned in the literature of management, organization, and entrepreneurship theories. However, a clear picture of these entities is not available. This paper tries to conceptualize the phenomenon, i.e. "startup", and recognize the challenges they might face. After reviewing the life cycle and the challenges, the paper concludes with some concluding remarks.*

**Keywords:** *Startup, Life Cycle, Challenges, Conceptualization*

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

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# ***BUSINESS INCUBATORS AS ALLIED IN REDUCING THE TRANSACTION COSTS IN MEXICAN ENTREPRENEURS***

*José G. Vargas-Hernández PhD<sup>3</sup>*

## **ABSTRACT**

*Strategic alliances are given by voluntary agreement between the parties, and have various forms, means and objectives which exist. In this text, the incubators as potential allies for entrepreneurs in the creation process of the company and as a cause of reduction of transaction costs in the process, where the relationship between the two sides have discussed them generates benefits of various natures. While it is not set as the union of both, if it looks like the relationship and close contact, as a network, which allows the incubator to survive and achieve its objective and entrepreneurial reduce the risk of birth as a company, in addition to build networks with other companies, organizations or institutions and ease of financing, and even the possibility of investors.*

**Key words:** *Strategic Alliance, Transaction Costs, Entrepreneurship, Business Incubator*

**JEL Classification:** *M13, M10*

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# **SMALL AND MEDIUM-SIZED ENTERPRISES ARE BECOMING PILLARS OF DEVELOPMENT OF EU AND SERBIA**

*Danijela Vukosavljevic PhD<sup>4</sup>*  
*Dejan Vukosavljevic PhD<sup>5</sup>*

## **ABSTRACT**

*The subject of this paper are small and medium-sized enterprises as important business entities and pillars of development in European Union and Serbia. The basic aim of the research is in one of the important hypotheses and facts that investing into small and medium-sized enterprises and entrepreneurs is investing into the key pillar of economy and that the process of employment in the European Union countries and Serbia, and that European Union supports this sector significantly since this sector of economic activity is an important generator of income. The paper is based on analysis and synthesis of scientific and relevant literature, papers and communications, and the methods used are desk research, logical research, interdisciplinary approach, comparative method etc.*

*It is important to note that business models of this sector of the economy in the European Union and Serbia are substantially changing and that the changes require radical changes in the way of thinking of the subjects involved, i.e. radical changes in financial sector, central bank policy, fiscal policy makers etc.*

**Key words:** *Small and Medium-Sized Enterprises, Entrepreneurs, Economic Development, Finances, Fiscal Policy*

**JEL Classification:** *M21, G21, G39*

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# ***THE IMPACT OF FEMALE SMALL BUSINESSES ON SMALL COMMUNITIES' ECONOMY, EMPLOYMENT, AND OVERALL FINANCIAL WEALTH***

*Neila Holland PhD<sup>6</sup>*

## **ABSTRACT**

*This study examines the impact of female small business owners on the economic health and employment of the communities where the businesses operate.*

*The results of the investigation indicated that, although the types of business that women owned are often categorized as of lower potential for growth, and tend to be within low capital intensive industries, women were more likely to retain workers, even during periods of low profitability. This practice leads to a continuous flow of local employment.*

*Several factors were identified that may be related to the women's willingness to keep their employers and maintain payroll even in times of low returns. Women may assign more value to social responsibility and less value to achievement and power. Humanitarian rewards with 'pragmatism' tend to be more important than self enhancement. Social responsibility and willingness to give back to one's community may also be related to the women entrepreneur's social values.*

*Recognizing the importance to support women owned businesses, selected global programs and initiatives that are now in place to fund these business ventures, are discussed in this study.*

***Key words:*** *Female Small Business, Employment, Financial Wealth*

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

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# ***SOCIAL ENTREPRENEURSHIP AS A MODEL FOR IMPROVING EMPLOYMENT AND ECONOMIC DEVELOPMENT***

*Momcilo Zivkovic PhD<sup>7</sup>  
Vuk Bevanda PhD<sup>8</sup>*

## **ABSTRACT**

*Social innovation includes new ideas, organisations or ways of functioning that more effectively meet social needs than previous alternatives and improve social wellbeing. They play an important role in the EU 2020 strategy by contributing to reasonable, inclusive and sustainable growth in Europe, and are primarily serve as the basis for the creation of new employment opportunities. In fact, social entrepreneurship is part of social innovation, because social enterprises demonstrate the efficacy of combining business with social and environmental issues. They contribute to the development of new social and useful services and products and ensure a greater choice to customers, enable vulnerable groups to be included in the labour market and largely contribute to better integration and greater social capital.*

*To alleviate the problem of unemployment and the consequences of such a situation, through a number of measures, the programs of alternative economy should be strengthened, such as the creation of a legal framework for the establishment of social enterprises, opening of public works, strengthening of protected labor markets, support the diversification of economic activities and the like.*

*Subject of this research are: entrepreneurs, entrepreneurship, economic development, employment. The aim of the research is to analyze the relevant data, processes and relationships in the theory and practice of entrepreneurship, to point to the growing role and importance of the concept of social entrepreneurship as a modern model of improving employment and economic development, as well as the possibilities of its further implementation and development in the future.*

**Key words:** *Social Entrepreneurship, Entrepreneurs, Employment, Economic Development*

**JEL Classification:** *M14*

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# **SIGNIFICANCE AND ROLE OF THE STATE IN DEVELOPMENT AND GROWTH OF SME AND ENTREPRENEURSHIP**

Mirjana Stevanovic PhD<sup>9</sup>  
Radmila Petrovic MSc<sup>10</sup>

## **ABSTRACT**

*In this paper we analyze one of the main conditions for achievement of economic development of Serbia, and that is economy development, i.e. development of small and medium enterprises and entrepreneurship. In order to achieve this, it is required to have adequate laws that should provide favourable conditions for market economy functioning, i.e. to create favourable climate for entrepreneurship development. The aim of the paper is to point to the need for Serbia to use the potential and opportunities that are related to small and medium enterprises and entrepreneurship, to increase the number of persons dealing with private business and all of these would result in the increase of the number of employees, higher standard of living, prosperity both for entrepreneurs and Serbian economy as a whole. In this paper we presented the data obtained through interviewing the owners of small and medium enterprises and entrepreneurs, the data are tabularly processed by using Chi-square test ( $\chi^2$ ) – method for determination of statistical congruence between respondent's frequency and expected respondent's frequency. The emphasis is put on the relationship of the state towards entrepreneurs (how stable is the taxation system, what are the conditions for foundation of stores, small and medium enterprises like, what are the measures of financial support...).*

**Key words:** *Entrepreneurship, Development, Economy, State, Small and Medium Enterprises*

**JEL Classification:** *L26*

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# ***BUSINESS INTELLIGENCE IN QUALITY OF SERVICES IMPROVEMENT***

*Boris Jevtic MSc<sup>11</sup>  
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## ***ABSTRACT***

*In the very connected and global consumerism and customer opportunities, competition and benchmarking among providers of the services are growing and pushing them to the implementation of new technologies in their operations. Business intelligence has been seen as the advantage technology tool in capabilities improvement. The subject of this paper is issue of business intelligence advantages in improvement of the quality of banking services. The key results are seen in Relevant, Accurate and Timely information in the delivery system as a corporate bank asset. The ways of the usage of BI in an organization is also discussed from the aspects of improving: planning, controlling, measuring, monitoring processes. The aim is to: increase revenues, reduce costs, improve operations, detect and prevent fraud, sales campaign execution, purchasing, accounts payable processing. The results of the research would further support banking system as the system of record, overall performance of the organization and the strategic feedback mechanism based on new information technologies and business intelligence involvement.*

***Key words:*** Business Intelligence, Banking services, Clients

***JEL Classification:*** G21, M15, M31

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# **THE PRESENCE OF FACTORS OF STABILITY IN ORGANIZATIONS CULTURE OF ORGANIZATIONS IN SERBIA**

Gordana Gavric MA<sup>13</sup>  
Rade Stankovic PhD<sup>14</sup>

## **ABSTRACT**

*Modern business conditions are not at all simple nor easy, and to achieve and maintain a high competitive position it is necessary to fulfill the requirements for rapid and appropriate responses to the challenges and the way to preserve stability. Two seemingly contradictory phenomena, stability and flexibility have become key factors of achieving long-term success. Due turbulence of changes and the desire to achieve a better financial result, the organizations pay a lot of attention to the development of its flexibility. Although profit, undoubtedly, is an important outcome of the activity of each company, it should not be the main motive of the existence of companies, but a means of achieving its mission. How are organizations in Serbia dedicated to their missions and consistency in the work, as factors of stability, will be the subject of this paper. Clearly defined mission that is familiar with all employees and well-defined values and system operations, provides a strong basis of organizational culture which with work on flexibility brings long-term success to organizations. The questionnaire created for the purpose of this paper was carried out according to the Denison's model, world-renowned scientist.*

**Key words:** Mission, Stability, Organization Culture, Organization

**JEL Classification:** M14

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# ***CULTURAL DIMENSIONS AND SPECIFICS IN ORGANIZATIONAL CULTURE: A CASE STUDY OF AN IT COMPANY IN BULGARIA***

*Tsvetelina Alexandrova-Panchelieva<sup>15</sup>*

## **ABSTRACT**

*This article aims to explore the organizational culture of the Human resources department in international IT company located in Bulgaria. A theoretical overview is made of the development of the concept “organizational culture”. Due to the importance of the culture in the field of organizational psychology and the contribution of the Trompenaars and Hampden-Turner framework in the business field, our scientific interests are focused on the study of an industry that combines technological progress and economic growth - Information Technology (IT). The main objective of this paper is to examine the specific value dimensions in the team of information technology company in terms of the theory of Trompenaars and Hampden – Turner. The study uses the achievements of organizational psychology and puts in practice the seven dimensions of culture.*

**Key words:** *Organizational Culture, Cultural Dilemmas, IT Company*

**JEL Classification:** *M14*

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# **CONTEMPORARY CHALLENGES OF ENTREPRENEURSHIP**

*Aleksandra Pilcevic MSc<sup>16</sup>*

## **ABSTRACT**

*The author analyzes contemporary challenges of entrepreneurship in the spirit of Euro-integration, to which the Republic of Serbia aspires as a candidate country on the path towards the European Union. In this paper, the author tries to point to the possibility of entrepreneurship development through analysis in the Republic of Serbia. The author examines and analyzes entrepreneurship at the micro level through conduct of his own business; the entrepreneur is legally capable natural person who performs activities in order to earn revenues, and who is registered as such in accordance with the law, as well as at the macro level through social innovation and social entrepreneurship. Entrepreneurship imposes the understanding of number of areas that are essential for understanding the wider picture of the environment in which the business is conducted. The most important of these are definitely strategic thinking skills, creating and implementing a vision, knowledge of taxation and accounting, as well as networking as capability to connect with groups of people who are in the same or similar business. The state must stimulate entrepreneurs and small and medium enterprises. Entrepreneurs create opportunities, and entrepreneurship is the core of the national economy. European governments encourage entrepreneurs through affordable loans and lower tax rates that make starting a business easier. In Serbia, this is not the case although a lot of work has been done quite recently in this area. In the previous period, significant legislative and administrative reforms were implemented in the Republic of Serbia, which should provide more favorable conditions for the functioning of market economy, including the development of entrepreneurship. However, this has not led to satisfactory results and it is necessary to intensify work on the improvement of business conditions in the coming period. In order to ensure legal certainty in entrepreneurship, Apart from changes of the regulatory framework, it is necessary to significantly improve the operation of the courts.*

**Keywords:** *Entrepreneurship, Entrepreneur, Responsibility, Social Entrepreneurship, Serbia*

**JEL Classification:** *K10, K29, K39*

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# ***THE ROLE OF INFORMATION MANAGEMENT IN DECISION MAKING AND BUSINESS SUCCESS***

*Mirjana Radovic-Markovic PhD<sup>17</sup>  
Milos Vucekovic<sup>18</sup>*

## **ABSTRACT**

*The purpose of nearly every business organization is to be profitable, to grow and survive. To do this or to fulfil any defined purpose involves making effective decisions – decisions that anticipate problems (and opportunities). After making the decisions, it is necessary to monitor them and control their implementation. Finally, the business must also operate routinely on a day-to-day basis. These tasks - decision-making, control and operation- are only made possible through a proper information management. It is the purpose of the information management to supply these information.*

*The aim of this paper is to identify the interaction between management information systems and the quantitative decision making aids available for the use of the modern managers and administrators in organizations. In line with this, the authors concluded that management information will conceivably help improve decision-making and, as a consequence, financial performance and success of contemporary organization. Likewise, firms that rate their management IS highly will conceivably adopt New Management Tools to a greater extent, with the objective of improving their business performance.*

**Key words:** *Information Management, Management Information Systems, Decision Making, Business, Information Technology*

**JEL Classification:** *M10, M15*

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## **MANAGEMENT IN SEARCH OF A NEW PARADIGM: THE PERSON AND A SOCIETY BEFORE COMPLEXITY CALLS: FROM MECHANICS TO SYNERGETICS**

Vladimir Shalaev<sup>19</sup>

### **ABSTRACT**

*The problem of scientific methodology of management in a modern science and practice is investigated in this article. The most current difficulties of management factors of globalization, growth of complexity, hyper-complexity, and dynamism of modern public processes are considered here. Complexity and hyper-complexity are regarded as solving processes in the understanding of new conditions of an administrative science and practice. The crisis of modern scientific knowledge before complexity has called is ascertained in this article. The matured necessity of the transition from dominant mechanical methodology to new methodology of knowledge and management of a difficult and hyper-difficult reality is also ascertained. Synergetic as an approach in social science is proved to be one of the paradigms of an administrative science most adequate to modern condition. Synergetic is regarded not only as a new adequate scientific methodology, but also as the new staticized vision of a modern science and management practice.*

**Key words:** Management, Complexity, Hyper-Complexity, Bifurcation, Synergetic, Synergetic Management of Complexity

**JEL Classification:** M10

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# **THE DEVELOPMENT OF METHODOLOGY FOR RESEARCHING THE EFFICIENCY AND EFFECTIVENESS OF MANAGERIAL DECISION-MAKING**

Milan Krstic PhD<sup>20</sup>  
Ana Skorup PhD<sup>21</sup>

## **ABSTRACT**

*The development of management theory singled out the key functions of management process (planning, organizing, staffing and controlling), as well as important elements of subjective support of managers (communication, motivation, leadership and decision making). The successful performance of managerial functions is enabled by mutual interweaving of elements of subjective support of managers. In this paper, the focus is on one of these elements of subjective support of managers - managerial decision-making, from the point of decision process. Starting from the need of continuous improvement of all business processes, including the improvement of management process, this paper considers the need of improvement of elements of subjective support of managers - managerial decision making, in terms of its effectiveness and efficiency. As a rational way to achieve this improvement, it is proposed to develop a methodology for empirical research on the effectiveness and efficiency of managerial decision making, especially from the standpoint of implementation of new IT tools for decision support. The research includes a survey of a representative sample of managers of different hierarchy levels, from business entities of different sizes, in terms of their current decision-making practices. For the realization of the research the specific instrument is proposed – The Decision Questionnaire. In purpose of creating the questionnaire, the main dimensions of managerial decision making are identified, and then the items for the measurement of certain dimensions. On the above mentioned principles, the methodology for research of the effectiveness and efficiency of managerial decision making was built. The research results and subsequent statistical data processing, could later be used for creating recommendations for improving existing practices in managerial decision making.*

**Key words:** Management, Decision-Making, Research, Methodology, Survey

**JEL Classification:** M10

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# **MANAGERIAL ACCOUNTING AND BUSINESS DECISION MAKING**

*Carmine D'Arconte PhD22*

## **ABSTRACT**

*The focus of this paper is on a fundamental question, that is: "how entrepreneurs in organizations approach management performance in general and in particular managerial accounting and customer satisfaction monitoring". The question is nowadays even more vital if we consider the high competitive and unstable environment that companies nowadays have to face with a persistent economic and financial crisis.*

*For this purpose, apart from a desktop research on the contributions from academic literature, a research based on questionnaires was carried out with entrepreneurs in order to ascertain on one side their managerial preparation and on the other their specific approach to these two critical issues.*

*The results, apart from an excessive theoretical approach in academic contributions, show a rather critical situation with a considerable lack of managerial competences, tools and systems for monitoring both profitability and customer satisfaction level. The extremely reduced size of most companies, quite often with a very few employees and very limited investments in technology, is definitely worsening the situation.*

*In other words, management do not seem to have the necessary information on these two critical issues so to make the right decisions or, to put it in a more pessimistic but realistic way, the impression is that they do not even have a correct representation of the critical key drivers to monitor, so to be able to handle better processes and optimize the company's outcomes.*

*To offer a practical contribution it's proposed an innovative matrix that may help companies to make a proper segmentation of their portfolio, so to implement specifically targeted and not generic actions so to allocate their scarce resources in the best way.*

**Key words:** *Entrepreneurs Competences and Approach to Management, Profitability Monitoring, Customer Satisfaction Level Monitoring, The Profit and Customer Satisfaction Level Matrix*

**JEL Classification:** *M30, M41, L26*

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# **ASSESSMENT OF JUSTIFIABILITY OF IMS IMPLEMENTATION FOR SMES IN SERBIA**

Saveta Vukadinovic MA<sup>23</sup>  
Rade Stankovic PhD<sup>24</sup>

## **ABSTRACT**

*Integrated Management Systems (IMS) are developed by integrating the demands of standard management systems: QMS (Quality Management System), EMS (Environmental Management System), OHSAS (Occupational Health and Safety Assessment System), and others. IMS are guidelines to help companies tackle some of the most demanding challenges of modern business. They bring numerous technological, economic and societal benefits and can be applied to any organisation, large or small, regardless of the sector of activity. IMS are strategic tools that reduce costs by minimizing waste and errors and increasing productivity. For small and medium sized enterprises (SMEs), IMS can help to build customer confidence, meet regulation requirements, reduce costs across all aspects of business and gain market access across the world.*

*Many domestic small and medium enterprises (SMEs), precisely through the implementation of integrated management systems, are trying to provide effectiveness and efficiency in its operations and meet the expectations of both internal and external stakeholders. In this paper, we have discussed the justifiability of investments in IMS and the primary objectives of their application in SMEs in the Republic of Serbia. The accent is also put on the support that SMEs receive for the introduction and implementation of IMS by the institutions relevant for the issues of standardization, certification and quality. The authors have presented some of the results of research conducted in the period May-December 2013th, on a sample of 52 enterprises employing up to 250 workers and possessing the certification of two or more management systems. IMS implementation is conditioned on the assessment of their usefulness for potential users (SMEs), so the basic hypothesis of the paper is H1: SMEs consider that investments in IMS are justified.*

**Key words:** *Integrated Management Systems, Small and Medium Enterprises, Standards, Implementation*

**JEL Classification:** *L15*

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# ***THE ROLE OF ENTREPRENEURS IN CREATING A SAFE AND HEALTHY WORKPLACE AS A FACTOR OF SUCCESSFUL OPERATING OF ORGANIZATION***

*Zoran Punosevac PhD<sup>25</sup>  
Djordje Minkov PhD<sup>26</sup>*

## **ABSTRACT**

*In many of the activities to be carried out by manager, important place belongs to the plans of health and safety at work. There were oscillating periods in the last ten years, when there was working on the plans more or less, which dependent on whether the inspection was in the field or not. It is certain, that the awareness of the need for a healthy and a good job went upward, but still it is not enough. The reason is not only on the employer, but also a number of others. The aim is to point out what are the reasons, what is the situation, where we are supposed to be and how to get to the desired goal, with emphasis on what is the role of the entrepreneur in all of this*

***Key words:*** *Manager, Safety, Health, Workplace, Risk*

***JEL Classification:*** *J28, L26, D23*

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# **THE IMPORTANCE OF RESPONSIBILITY AND BUSINESS ETHICS IN THE MODERN CORPORATE SYSTEMS**

*Borko Somborac MA<sup>27</sup>  
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## **ABSTRACT**

*In today's business world, which carries with it a common qualitative and quantitative changes, major corporations must be prepared to adequately respond to the challenges of the new business trends, which are more common today than ever before. Great competition and market saturation have led to the company in achieving the goals of its use methods that can be characterized as immoral or unethical. Such an approach to solving the competitive advantage is the establishment of an unhealthy relationship and disturbed operating conditions in the market, which continues to reflect both on the relationship in the business world, as well as to consumers. The sense of responsibility that companies need to possess in order to their employees, and to service users must represent one of the top business values in today's time. Work ethics and moral responsibility should be questions for each company, but also for each individual, because without cohabitation of these two factors it cannot be reached extremely effective results. Responsible and moral attitude toward work are the most important factor of business ethics of each individual, because he invests his whole personality into the realization of a particular project or solution. Companies must encourage their employees with a sense of responsibility and fairness in business, and this will be done by the company itself will be primarily in its operations insist on clearly defined responsibilities of each individual, as well as the possible consequences in the event of a breach of any of the rules. The aim of this paper is to highlight the importance and advantage in a responsible and ethical business, which are short-term and long-term benefits of such a com- work and how to overcome potential moral dilemmas faced by companies and individuals may encounter.*

**Key words:** *Ethics, Responsibility, Business, Morale*

**JEL Classification:** *L21, L22*

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# **CONSEQUENCES OF THE CORRUPT PRACTICES ON THE DYNAMICS OF ORGANIZATIONAL INTERACTION IN BULGARIAN AND COLOMBIAN ORGANIZATIONS AND MEASURES FOR THEIR PREVENTION**

Valeria Vitanova<sup>29</sup>

## **ABSTRACT**

*This article aims to present the results of a study about the consequences of the existence of corrupt practices on the organizational climate and life in Bulgarian and Colombian organizations. Corruption undoubtedly affects organizational dynamics and relationships between employees. The purpose of the study is to find out what exactly are the consequences and to enable employees to formulate and propose measures for preventing this type of practices, in the case of judgment on their part that the corruption is harmful and violate the normal rhythm of work. The focus of the analysis is on the perceptions of the respondents about the positives, negatives and social value of corruption, and more specifically the similarities and differences in both cultures regarding the evaluation and acceptance of this phenomenon acquiring alarming proportions worldwide.*

**Key words:** *Corrupt Practices, Social Value of Corruption, Negative Consequences of Corruption, Positive Consequences of Corruption, Preventive Measures*

**JEL Classification:** *K42*

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# **ANALYSIS OF EFFECTIVENESS OF HEALTH CARE INSTITUTIONS IN VOJVODINA- MANAGEMENT APPROACH**

Veselin Dickov<sup>30</sup>

## **ABSTRACT**

*The aim of this paper is to explore the place, role and importance of modern approaches in determining the strategic position of health institutions, as well as economic and financial indicators in their business in a comprehensive, concise and understandable way. This paper presents an analysis of economic indicators of business performance, and an analysis of financial indicators from the perspective of the BSC model. The concept of the paper agrees with the methodology of research, which includes: the research problem, case studies, research goals, the basic hypothesis research, scientific and social justification of research and research methods in the improved strategic position of the Clinical Center of Vojvodina - CCV. Health care organizations achieve success in their operations of developing systems for measuring and evaluating resources from which to create strategies and develop skills. BSC is a tool to transform the mission into the strategy, objectives and measures, based on four aspects, namely: financial aspect of the patient, aspect of internal business processes and aspects of learning and growth. BSC is a framework, a way to develop the mission and strategy, which along with help, inform about the methods of evaluation of health workers on the stimulation to the past and projected future success. Measures in the BSC are used to formulate business strategies, communication inside them, alignment of individual and common goals and initiatives for their implementation. Four aspects are illustrated by the BSC to establish a balance of short- and long-term objectives, implementation and expectations of objective and subjective measures, all of which lead to the integrated strategy.*

**Key words:** Strategic Analysis, Economic Indicators, Balanced Scorecard, The Financial Indicators, Clinical Center of Vojvodina

**JEL Classification:** I11

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## ***IS THERE ANY SPACE FOR FRIENDSHIP BETWEEN BUSINESSMEN?***

*Katarina Majstorovic*<sup>31</sup>  
*Ana Aleksic*<sup>32</sup>

### **ABSTRACT**

*In life of each of us the value of friendship is one of the most important and most appreciated. True friendship contributes to the actualization and fulfillment in many aspects of the personality. It seems that the entry into the world of business often requires that we put aside real friendship as an ambition that can only bother us. The aim of this study was to investigate whether this is indeed the case. We will try to explain the phenomenon of friendship and look for the optimal perception of friendship as a value in the context of relations between businessmen. Does the business environment demand to sacrifice friendship, and what is the price of this sacrifice, are some of the crucial questions that we will try to answer. In order to do this we will first deal with the reminder of the attempts to define friendship as a virtue and then point at possible inner conflicts that a person can have, due to conflicting demands of business and other roles. Our considerations bring us to the realistic conclusion that businessmen are not friends, but they strive to benevolence because of the simple fact that the cooperation is useful.*

**Key words:** *Virtue, Friendship, Moral Values, Business Values, Benefit*

**JEL Classification:** *Z19*

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# **LEADERSHIP CHALLENGES IN THE BIG DATA ERA**

*Jelena Lukic MSc*<sup>33</sup>

## **ABSTRACT**

*At the beginning of the 21st century leadership is seen as one of the most important factors for making an organization successful. Leaders are faced with many challenges in globalized, highly competitive, constantly changing and hypeconnected business environment. They are confronted with the very hard task to enable the organization to cope with high volume, velocity, and variety of data (known as big data) from environment and to make decisions on their basis. The motivation for the paper is based on the fact that through history the most successful leaders were focused on sustaining great performance by aligning employees around mission and empowering them to make decisions through collaboration. Advances in information and communication technologies led to big data technologies which enable information visibility in organization and give leaders powerful means for empowering and leading employees to make value on the basis of data from environment. Bearing in mind that technology is necessary but not enough condition for value creation, the aim of this paper is to highlight the challenges of leaders in the big data era and to point out on organizational capabilities which must be established in order to create value on the basis of data. In that sense, this paper will try to answer on the following questions: 1) What challenges confront leaders in organizations which use big data technologies?, 2) How has leadership changed to keep pace with big data environment?, and 3) What new leadership practices have emerged in response to the big data environment?*

**Key words:** *Leadership, Organizational Capabilities, Big Data, Data Driven Organization, Decision Making*

**JEL Classification:** *M12, O33, D20, D81*

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## ***WOMEN IN LEADERSHIP: GLASS CEILING OR GLASS MIRROR***

*Agnes Gondowicz*<sup>34</sup>

### ***ABSTRACT***

*The number of women that are attaining leadership positions in different organizations is growing but getting to these upper levels is not an easy task for females. Although we live in a modern age, women are still faced with obstacles and barriers due to their gender that make it more difficult for them to obtain higher positions in organizations. When it comes to leadership roles in the business world for example there still remains a glass ceiling that has yet to be broken by women. The glass ceiling is a word used in politics and business that refers to an unbreakable barrier that prevents individuals from a certain group such as women from moving up the ladder regardless of their skills or achievements. There are hundreds of male CEO's in different companies but the number of women in these high level positions is still very low.*

***Key words:*** *Glass Ceiling, Glass Mirror, Obstacles, Leadership, Female Leaders*

***JEL Classification:*** *L26*

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# ***THE INFLUENCE OF LEADER'S EMOTIONAL INTELLIGENCE ON ORGANIZATIONAL PERFORMANCE LINKED THROUGH CULTURE***

*Vaibhav Birwatkar*<sup>35</sup>

## ***ABSTRACT***

*The topic of emotional intelligence and organizational culture has attracted considerable interest among researchers for many years. Much of the interest in the two areas is focused on explicit and implicit claims that both leader's emotional intelligence and organizational culture are linked to organizational performance. This article explores the nature of this relationship. It concludes with implications for theory and practice.*

***Key words:*** *Emotional Intelligence, Leadership, Organizational Culture, Leadership, Organizational Performance*

***JEL Classification:*** *J24, D23, M14*

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## ***EMOTIONAL COMMUNICATION - A NEW LEADERSHIP APPROACH***

*Vesna Baltezarevic*<sup>36</sup>  
*Radoslav Baltezarevic*<sup>37</sup>

### ***ABSTRACT***

*The future belongs to a specific kind of leaders with a very different kind of mind. Employees demand to be treated as human beings and leaders, who want to give them positive response, are trying to simultaneously please both their emotional and functional needs.*

*For successful way of doing business it is no longer enough to offer an organizational environment that meets employee's rational needs and it is clear that leaders have to be oriented to concept of altered thinking and behavior.*

*The employer needs to share all methods contained in "passion economy" with employees, because it is the only way for them to understand and accept the new business orientation. Furthermore, the most positive emotional provocation has been the one of most frequently receive a positive response.*

***Key words:*** *Future, Emotional, Communication, Behavior, Leader.*

***JEL Classification:*** *D23, M14*

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# **THE QUALITY OF BUSINESS COMMUNICATION AND EMOTIONAL COMPETENCE OF EMPLOYEES AND MANAGERS**

*Gordana Nikic PhD<sup>38</sup>*

## **ABSTRACT**

*The life of today's organizations has gone through dramatic changes, which increases everyday stress and actualizes the question of emotions and their expression. Recent psychological studies show that emotional competences are vital for achieving top results at work, especially in the sphere of management, but also in all other segments.*

*The framework of this paper is to discuss the importance of emotional competences for the purpose of better communication at all levels of performance and management. On the other hand, this paper considers the issue of training opportunities in the area of emotions and acquiring practical knowledge and skills in order to achieve better results and overcome problems in everyday communication at work.*

**Key words:** *Emotional, Intelligence, Attachment, Communication, Teamwork*

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

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# **SIGNIFICANCE OF INNOVATION FOR REALIZING OF SUSTAINABLE COMPETITIVE ADVANTAGE OF ORGANIZATIONS**

*Nenad Ravic MSc<sup>39</sup>  
Vlado Radic PhD<sup>40</sup>*

## **ABSTRACT**

*In modern conditions, existence, development and growth of organizations are closely linked with attaining sustainable competitive advantage. Competitive advantage can be attained in various ways, where introducing innovation is the most dominant.*

*Innovations as well as the knowledge, which enables them, are the most important source of market success and competitive advantage. Innovations are not only key factors of growth and development but they are also the main moving force of economy in industrially developed countries.*

*Innovating is one of the essential preconditions for successful business operations, and advancement of the existing business ventures. Basic characteristic of innovative organizations is the advancement of business in accordance with the needs (demands) of buyers and changes in market. Introducing the innovations in business includes a whole range of activities, which during the innovative process lead to long-term business success, i.e. creation of values for the organizations and consumers. Innovation is a very wide concept which can comprise technical and technological and business innovations.*

*Nowadays, it is hard to diminish the significance of innovations and it will probably be even harder in the following years. But the issue of the significance of innovations is one thing, and the possibility of innovations management a whole another thing. Analysis of many technological innovations discovers that the largest number of failures is a result of weakness in the way of process management. The success of an innovation depends on two key factors – technical resources and the ability of an organization to manage them.*

**Key words:** *Innovations, Competitive Advantage, Market, Product, Efficiency*

**JEL Classification:** *O31*

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# **COMPETITIVENESS OF SERBIA AS THE KEY LIMITATION OF GROWTH AND DEVELOPMENT STRATEGY**

Vladimir Ilic PhD<sup>41</sup>  
Ivan Bauer PhD<sup>42</sup>

## **ABSTRACT**

*Global resource constraints dictate certain rules of behavior of the international community. Of course, the rules and standards are prescribed by the strongest, in accordance with their interests, but everyone is obliged to follow them. Postindustrial information society is rapidly changing the rules of the game, and only those countries that reach the standards and adapt to them quickly manage to secure a good position in the international environment.*

*The ability to adapt to the rules given by environment is the essence of the country's competitiveness, and good competitive position opens up the possibility for sustainable growth and development. Serbia has so far been losing the battle to quickly adapt to the environment and to take a better position, which speaks to the fact that it either do not understand the rules or has no competitive strategy (but most likely both). By losing this battle, Serbia loses chances for stable economic growth and lags behind the rest of Europe.*

**Key words:** *Competitiveness, Strategy, Business Development, Economic Crisis, Growth*

**JEL Classification:** *O10, G01*

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# **MAJOR PROBLEMS OF CONTEMPORARY SERBIAN ECONOMY THROUGH THE PRISM OF METHODOLOGY FOR EVALUATING COMPETITIVENESS**

Vladimir Knezevic PhD<sup>43</sup>  
Dragan Ivkovic PhD<sup>44</sup>

## **ABSTRACT**

*The subject of this paper is to identify the main problems of modern Serbian economy, which can be briefly defined as slower economic growth and long-term economic development difficulties. This is unsatisfactory not only viewed in a global, but in a regional context as well. The problems we mentioned are most concretely manifested by high unemployment and current account balance problems (deficit and increase external debt). The solution can be seen in the growth of investment and exports. The main prerequisite for starting investment cycle and build an export-oriented economy is improving competitiveness. The aim of this article is to point out the main problems of competitiveness of modern Serbian economy, taking into account the methodology for evaluating the competitiveness of the World Bank and the World Economic Forum. For assessing this problem, was used rank correlation analysis of development and competitiveness of economy, as well as descriptions of the current methodology applied in the report "Doing Business" and "The Global Competitiveness Report". In this way, a significant link between development and competitiveness is found, and the main problems of modern Serbian economy are identified through the prism of a methodology for evaluating competitiveness. The concrete elements are featured which nowadays threaten the competitiveness of Serbian economy the most. In this way, precisely and specifically, is indicated to all economic subjects, especially makers of the economic system and policy makers on important issues whose resolution in the most effective way accelerates the growth and development of the Serbian economy, and in terms of methodology for evaluating the competitiveness of the World Bank and the World Economic Forum.*

**Keywords:** Competitiveness, Development, Growth, World Bank, World Economic Forum

**JEL Classification:** A10, A13, F02

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# **FOOD SAFETY AS A FACTOR OF QUALITY AND COMPETITIVENESS**

*Radovan Pejanovic PhD<sup>45</sup>  
Mirela Tomas-Simin MSc<sup>46</sup>*

## **ABSTRACT**

*The paper discusses the concept of food safety as a factor of quality and competitiveness. Modern technologies and globalization processes provide many opportunities in manufacturing but along with the growth of numerous risks. Accordingly, the issue of food safety is becoming as important as the food itself. Safe food means safe and healthy food through the entire chain of production and processing: production, processing and storage, transport, distribution and placing food on the market, as well as its storage with consumer until consumed. Guided by this assumption, the authors analyze the concept of food safety, putting it in a wider framework, and observe safety as a factor in raising the quality of agricultural and food products and as a factor of competitiveness. Competitiveness is a method for improving the quality of life and well-being of people, as it improves offer, reduces prices and boosts quality. The key question that arises is what are the driving forces of competition? Among the twenty most important factors for long term growth and development of the economy and its competitiveness, according to the criteria of the World Economic Forum, are levels of quality and quantity of supply, as well as the safety of food offered on the market. When it comes to our agrarian market very small number of conditions has been fulfilled or are only partially fulfilled. The authors come to the conclusion that in our market, there is room for improvement in this area and to raise the competitiveness of the agro-industrial sector.*

**Key words:** *Food Safety, Quality, Competitiveness, Agro-Industry, Standardization*

**JEL Classification:** *Q10, Q18*

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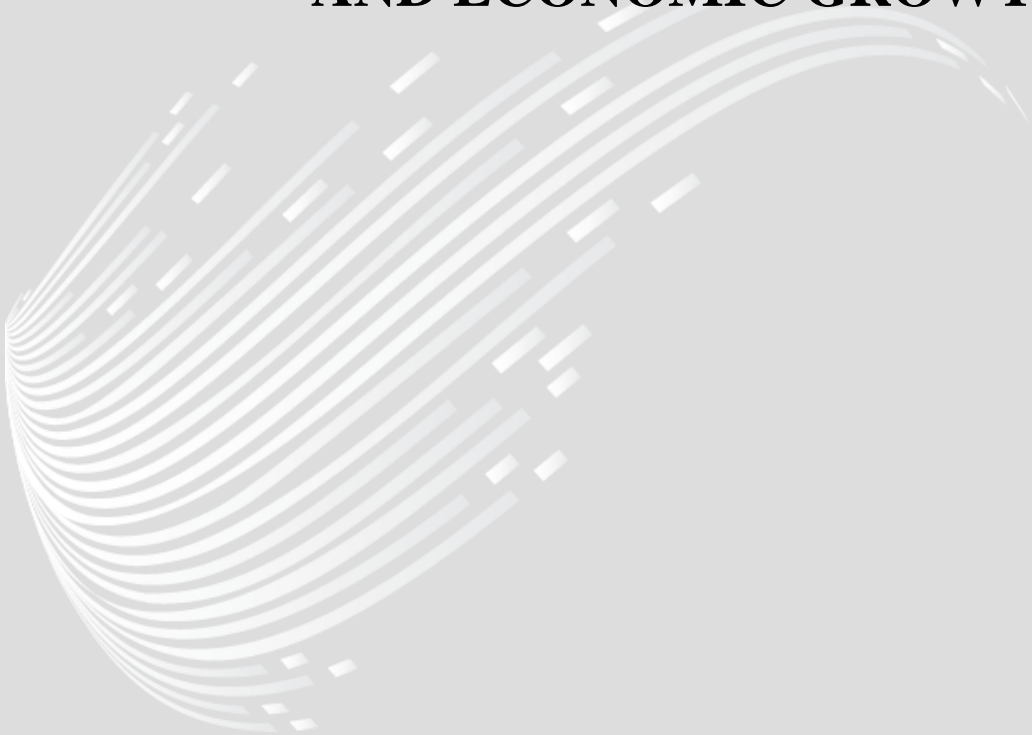
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# **INTEGRATION OF MANAGEMENT AND GROWTH: THE IMPORTANCE FOR PROTECTING THE SOVEREIGNTY OF THE NATIONAL ECONOMY**

*Slavoljub Sljivic PhD<sup>47</sup>  
Dragana Vojteski-Klijenak PhD<sup>48</sup>*

## **ABSTRACT**

*The integration in this paper is understood as directing economic institutions towards stimulating economic growth and development. Unfortunately, poor development performance of Serbia during 25 years of transition suggests that economic institutions did not fulfill this task. The question that can be set is: What is wrong with the economic institutions in Serbia?*

*The answers to this crucial question can be summarized in three points. Firstly, the uncritical acceptance of "universal" models of economic growth leads to permanent disruption of the macroeconomic balance and the accumulation of foreign debt. Such a situation may represent introduction to the loss of economic and financial sovereignty of the country.*

*Secondly, the exit from this situation should be to strengthen the capacity of domestic supply of products and services, on the basis of a broader and consistent framework for managing industrial policies. The framework is based on five pillars, namely: (i) technical and technological modernization of production; (ii) restructuring of production, which should be in programs, markets, ownership and organization; (iii) financial relief of the economy; (iv) activation of incomes policy and (v) attracting foreign direct investment.*

*Thirdly, the implementation of framework for managing industrial policy will likely face economic and social conflicts in practice, between different interest groups. Therefore, the development of institutions for managing conflicts is essential.*

**Key words:** *Economic Growth, Governance, Institutions, Industrial Policy*

**JEL Classification:** *E01, O11, O23*

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# ***META MODEL FOR THE PROCESS OF STRATEGIC DECISION-MAKING WITH MULTIVARIATE PLANNING***

*Dragan Milosevic PhD<sup>49</sup>*

## **ABSTRACT**

*Strategic decision-making represents a collection of connected decisions made at the highest level of an organization, and these decisions define the strategy of a certain organization in given circumstances. They represent a making of a key choice amongst the alternatives on which the future of the organization depends. In order to make the right choice it is necessary to go through a great amount of data about the situation factors, so as to gain information which is crucial for the choice of the alternative. A great deal of complex information represents a problem for the decision-maker. Most of strategic decisions, by their characteristics, represent precedents made in given circumstances. A decision-maker is expected to bring rational decisions which will help maximize economic benefits for an organization in a longer period of time. In addition to significant research effort invested in this, practical methods that would help managers while making key decisions are still missing. The process of strategic management represents a sequence of steps that keeps up with the logic of problem-solving. In order to save time, modern process of strategic management also includes multivariate planning.*

**Key words:** *Strategic Decision-Making, Strategy, Strategic planning*

**JEL Classification:** *D81, O21*

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# **THE POTENTIAL CONTRIBUTION OF ECONOMIC DIPLOMACY TO SERBIA'S EXPORT GROWTH**

*Katarina Radosavljevic MA<sup>50</sup>  
Nikola Maric MA<sup>51</sup>*

## **ABSTRACT**

*The level of Serbia's export is at a lower than is expected of the country of its size and level of development. Economic diplomacy is an effective tool for export increase, which is broadly used by developed countries, as well as by other developing countries. However, in Serbia the genuine importance of economic diplomacy has not been yet understood and there is a dilemma about the contribution economic diplomacy could have in Serbia. In order to address this important issue, we reviewed extensive literature on the topic of economic diplomacy. We analyzed barriers that Serbian exporting firms face in order to create a more powerful and complete understanding of the researched issue. We also compared the obstacles that Serbian exporters face with those that exist in other developing countries. Our analysis showed that economic diplomacy could potentially have a significant contribution to Serbia's export growth, but first the formal barriers would have to be reduced.*

**Key words:** *Economic Diplomacy, Commercial Diplomacy, Export Barriers, Foreign Missions, Export Promotion Agencies*

**JEL Classification:** *F13, F23*

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## **HEALTH AND SAFETY AT WORK**

*Aleksandar Petrovic PhD<sup>52</sup>*

*Filip Petrovic MSc<sup>53</sup>*

### **ABSTRACT**

*“Work has created a man!”*

*Indeed, from the very beginning of human civilization, a man has tried through different activities to improve the quality of life.*

*One of the main activities that also marked the development of the mankind was construction. Since ancient times, when people built the first dwellings, dugouts and pyramids, up to now when only “the sky is the limit” when it comes to modern constructions, a man has satisfied his elementary needs, and not only them, by creating structures for different purposes.*

*During construction works, there has always been the risk of injures at a construction site or even injuries with death outcome. EU, back in 1994, adopted the Directive on which the investor is obligated to warn contractors during contracting process and require from them to conscientiously, responsibly and professionally implement health and safety measures at work. The adopted Directive established a framework for solving this problem, within the limits of which a solution was needed to be found.*

*In this respect, the “Plan of prevention measures” has been formed, which for the first time transfers the responsibility primarily to investors even before the commencement of works. Regulation of the European Union on health and safety on construction sites in Serbia has been officially applied since 2011 and already in the first years of implementation yielded results in reducing injuries at construction sites, both light and heavy casualties.*

**Keywords:** *Construction, Safety, Health, Regulation, Investor, Plan of Preventive Measures.*

**JEL Classification:** *L74*

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# **APPLICATION OF DATA WAREHOUSE AND OLAP TECHNOLOGIES IN BUSINESS DECISION MAKING**

*Jovan Zivadinovic PhD<sup>54</sup>  
Boris Jevtic MA<sup>55</sup>*

## **ABSTRACT**

*Basic aim of this paper is application of data warehouse and OLAP (On-Line Analytical Processing) technology in advancement of decision-making process based on knowledge, which is hidden in transaction systems, unstructured and raw data. Competition, high complexity and dynamics of business environment demand more efficient management and more quality in decision making. Faster, aggregated and visually accessible information become an important managerial resource at all levels of decision making, which also depends on the abilities and knowledge of using modern information technologies. Data warehouse is subjectively oriented, integrated and timely dimensioned collection of data for decision-making support, because they give a unique Figure of business reality and help understanding the whole business system. They enable managerial decisions made in business systems, provide their competitive advantage, liberate decision makers of subjective impressions and create conditions for decision making to be based on knowledge. Data warehouse represents the foundation for implementation of business intelligence system, integration of data and support to business decision making. For data warehouses usually dimension model is made, which obtains better possibility of visualization of data. Data warehouse architecture implies definitions of basic elements of data warehouse and describes how these elements were made and connected. Having in mind the area and the goal of research, which will be used in this research, we will use the following: inductive and deductive method, basic logic method, which enable to draw certain conclusions on the research subject, comparative method in procedure of comparing information obtained in a classic way and by using data warehouses and OLAP technologies. The contribution of this paper can be seen in application of data warehouses and OLAP technology, while monitoring and advancing the teaching processes, improving their standards, advancement of scientific and research work, more quality decision making and management in education processes.*

**Key words:** *Data Warehouse, Analytic On-Line Processing (OLAP), Multidimensional Analysis*

**JEL Classification:** *D80, I21*

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## ***DEVELOPMENT PROGRAMMES OF CROATIA: REALITY OR ILLUSION***

*Marko Sostar PhD<sup>56</sup>  
Ines Cevapovic MA<sup>57</sup>*

### **ABSTRACT**

*Entering the European Union Republic of Croatia gained an entire variety of funds and possibilities to finance and actively concentrate its development and growth. How well did Croatian institutions meet the demands necessary to provide assistance and manage that process? And how well did Croatia use the given opportunities so far and what kinds of problems were met across that development path? In order to maximize the usage of funds provided to the members of EU it is of high importance to identify not only the possibilities but also the threats we encountered and problems that caused contra-effect in this development era we imagined to arrive with the European Union membership. In the paper it will be analysed what sort of support development programmes of EU are offered to Croatia and what effect they can have on the future development in each problematic field in the country economy. On the other hand a review of the problems met in application and project implementation will be presented. Among all stated issues significance was also given to the importance of information and communication in all levels and between all subjects. In specific that same issue was presented also through the role of the national development strategies that combine all the subjects and their objectives into one long-term action plan and the effects of that document in further activities.*

**Key words:** *Development, European Union, Funds, Croatia*

**JEL Classification:** *O10*

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# **PERFORMANCES OF DIFFERENT INVESTMENT POLICIES OF OPEN-END INVESTMENT FUNDS: COMPARATIVE ANALYSIS OF SERBIA AND THE COUNTRIES OF THE REGION**

*Marija Djekic MSc<sup>58</sup>  
Dragica Jovancevic PhD<sup>59</sup>*

## **ABSTRACT**

*The existence and development of investment funds and other institutional investors is of great importance for the development of financial markets and the overall economy of a country. Investment funds sector is a relatively new category in the developing markets, so in the future, it is necessary to create the conditions in respect of legislation and market aspects which will enable faster development of these financial institutions.*

*In the countries of the region there are no extensive opportunities for investments and large number of quality securities. Therefore the investment strategies are partly limited if the law does not approve investing in foreign markets. This is why the largest number of open-end investment funds invests in less risky securities, so the largest amount of assets is managed by capital preservation funds. This paper will show investment policies of open-end investment funds in Serbia, Montenegro, Macedonia and Bosnia and Herzegovina.*

**Key words:** *Open-End Investment Funds, Investment Policy, Investment Strategies, Portfolio Management, Countries In Transition*

**JEL Classification:** *G23*

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## **INVESTING INTO BUNKRUPT COMPANIES**

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Danijela Vukosavljevic PhD<sup>61</sup>*

### **ABSTRACT**

*The subject of this paper are investments into bankrupt companies (corporations) with the basic aim to explain investing, main causes of bankruptcies, incorporation of factors of the possible bankruptcy into basic criteria for investments, as well as the concept of corporate bankruptcy, principal subjects of this process and bankruptcy as a corporate strategy. The method used in the research is desk research of the relevant literature and data collected from the competent institutions. The starting hypothesis of the paper is the increasing number of corporate bankruptcies through which companies continue operations with the aim to save corporations from the total ruin relative to the number of bankruptcies which precede liquid of assets.*

*An increasing number of owners of corporations and financial institutions (banks) proposes and introduces bankruptcy of corporations, while bankruptcy of individuals may become possible in future. The expected results and contributions of this paper are confirmations of the significance of introducing bankruptcy and potential recovery due to investments.*

**Key words:** *Investments, Bankruptcy, Corporations, Incorporation*

**JEL Classification:** *M21, G11, G29*

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# **CONTEMPORARY TRENDS IN THE FINANCIAL SECTOR - DEREGULATION AND THE NEED FOR REGULATION OF THE FINANCIAL SYSTEM**

Vera Karadjova PhD<sup>62</sup>  
Snezana Dicevska PhD<sup>63</sup>

## **ABSTRACT**

*Global changes occurring in financial systems and in the financial flows in general, introduced major changes in the forms and functions that financial institutions perform. The main change is the tendency towards rapid convergence of all institutions that provide financial services and acceptance of each other's innovations. This tendency is often accompanied by a change of the legal framework in the field of finance and opening the possibility of various financial institutions to offer financial services that previously were not inherent in them. Such changes which create conditions for increasing the number of competitors in the financial system are associated with periods of strong regulation, periods of deregulation and re-regulation of financial institutions in the system.*

*The paper elaborates also some other innovations of the financial markets associated with the regulation (the ability to avoid regulation) or which indicates the need for further regulation (financial innovations, financial engineering, derivative securities, securitization etc.). There is a discussion about disintermediation as one of the modern tendencies in conditions of crisis disorders. In any case, disintermediation as the tendency is to some extent one of the forms of regulation of the financial markets. In any case, the paper found the perfect complexity of the financial system that further increases with the rise of modern financial innovations and the deregulation and regulation of the financial system which derives from such phenomena.*

**Key words:** Regulation-Deregulation, Financial System, Competition, Disintermediation, Securitization

**JEL Classification:** G20

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## **THE PROBLEMS OF LIQUIDITY AND SOLVENCY OF THE REPUBLIC OF SERBIA**

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Bratislav Milosevic PhD<sup>65</sup>*

### **ABSTRACT**

*The indebtedness of an economy abroad is today a significant term. Indebtedness of every economy towards foreign countries, as well as, the amount and structure of imported capital are of strategic long-term economic, financial and political significance. Foreign capital has a stimulating role as the initiator of economic growth, but it can suffocate the national economy with its liabilities (repayments and interest). The operation of foreign capital on domestic savings potential can be seen in two ways: positively, through the increase in the accumulation; negative, the high repayment and interest as well as the unfavorable structure of the use of these funds.*

*The burden of interest burden on national accumulation and contributing to brain a significant part of accumulation abroad. This is evident from year to year. Faster growth of paid interest on external debt of the increase in net national accumulation is especially pronounced in recent years. All of the above are significant and numerous reasons for the selected strategy of economic development must be given much more attention, not only when it comes to the amount of debt, but also its structure and efficiency of use.*

*This paper analyzes the main indicators used for the evaluation of the debt, known as indicators of overall debt. Some of them are related to the composition of the debt, ie, the amount of external and domestic liabilities, fixed, variable rate of liabilities, the amount of short-term, medium-term and long-term debt, as well as indicators of external liquidity and external solvency. These are useful indicators to define the evolution of the debt and ability to pay, they provide certain signals about the worsening or improvement of the situation.*

**Key words:** *Foreign Capital, Economic Growth, Interest, National Accumulation, Indicators of Overall Debt*

**JEL Classification:** *H63, H68, G30*

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# **EFFECTS OF FISCAL SYSTEM CONSOLIDATION AND INFLATION AS A MONETARY PHENOMENON ON THE DEVELOPMENT OF BOSNIA AND HERZEGOVINA**

*Haris Sarganovic PhD<sup>66</sup>  
Mirza Kulenovic MSc<sup>67</sup>*

## **APSTRACT**

*Successful functioning of monetary and fiscal policies is a prerequisite for economic growth of any economy. This paper is designed in a way that, among other things, analyzes two very important points of these policies, namely the budget on the one hand and inflation on the other. Also, the adoption of economic reform agenda, and the entry into force of the Stabilization and Association Agreement, Bosnia and Herzegovina (B&H) show serious intention to join the European Union. We determine the directions which must guide the consolidation of B&H fiscal system in order to create conditions for economic growth. Emphasis is placed on the importance of fiscal consolidation in B&H, and the consequences that may result if the implementation of fiscal consolidation is not done. This paper includes a comparison of the Croatian example as a neighbouring country in the period when it was a candidate for the membership in the EU, before the accession on 1 July 2013, because the reforms that Croatia had to undertake as a candidate country will also await B&H as a potential candidate for EU membership. The comparison established that the fiscal situation on the territory of B&H is identical to the status of neighbouring countries, so equal fiscal consolidation could be done. It indicates the reforms that authorities would need to undertake in the area of consolidation of the fiscal system. On the other hand, inflation is a monetary phenomenon that has preoccupied economists for decades. In this paper we analyze the inflation as a monetary phenomenon, and point out results of inflation and economic growth correlation. Due to the negative correlation between high inflation and economic growth, driven by these postulates, we analyze the level of inflation in B&H and the region to assess the success of the Central bank of Bosnia and Herzegovina. Also, this paper analyzes the fulfilment of Maastricht criteria relating to inflation, and the result obtained confirms that at this aspect Bosnia and Herzegovina fulfils this criterion.*

**Key words:** *Fiscal Consolidation, Economic Growth, Inflation, Economic Reform Agenda, The Stabilization and Association Agreement*

**JEL Classification:** *E31, F36, E36, O23*

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# **THE INFLUENCE OF TAX RATES AND INCENTIVES ON FOREIGN DIRECT INVESTMENTS INTO SERBIA**

*Vladimir Jovanovic PhD<sup>68</sup>*

*Marija Jovanovic PhD<sup>69</sup>*

## **ABSTRACT**

*Economic growth of transition countries depends on capital inflow, while stable and competitive tax system apart from independent and efficient institutions, stable judicial system, market economy and developed infrastructure are considered to be the factors influencing investment inflow and economic growth of a country.*

*Foreign direct investments considerably influenced global economic development and integration during 1990s. Numerous researches have shown that foreign direct investments in transition economies stimulate economic growth, technical innovations and speed up restructuring of companies. Economic growth of Serbia began from the year 2000 after two decades of negative growth. According to the World Bank data, until the beginning of the world economic crisis in 2008, GNP of Serbia grew by 5.5% annually on average, and it was on the level of other transition countries. The growth was boosted by the inflow of foreign capital and a significant regulatory reform, the aim of which was improvement of business environment.*

*The regulatory reform, which undoubtedly contributed to the economic growth, was the reform of the tax system, which simplified tax procedures and considerably harmonized domestic regulations with the EU legislation.*

*An increasing number of countries puts serious efforts into attracting foreign direct investments. Since tax rates and tax incentives are perceived as a major drive in location decision making, various investment incentives as a global trend have found their place in domestic legislation, too.*

*Foreign direct investment inflow into Serbia was among the highest ones in the region. As the World Economic Forum identifies tax rates and tax legislation to be among the key causes of Serbia's low competitiveness, this paper researches whether and to what extent the tax rates and incentives may have contributed to the foreign direct investment inflow.*

**Key words:** *Foreign Direct Investments, Taxes*

**JEL Classification:** *K34, H25, F21*

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# ***INTEREST RATE PASS-THROUGH IN SERBIA: AN ASYMMETRIC THRESHOLD COINTEGRATION ANALYSIS***

*Sinisa Miletic PhD<sup>70</sup>  
Nikola Tasic PhD<sup>71</sup>*

## **ABSTRACT**

*The aim of this analysis is to test the long run relationship between the monetary policy rate and different bank lending interest rates in Serbia and to estimate how much of the changes in bank lending rates can be attributed to changes in the key monetary policy rate and the money market interest rate. We look at the period from January 2007 to December 2014.*

*Estimation results suggest that there is a significant long run relationship between bank lending rates and money market rates. However, interest rate pass-through in Serbia appears to be incomplete for both corporate and household lending rates.*

*In order to test the possibility of asymmetric adjustment of lending rates, we implemented asymmetric TAR and MTAR cointegration models used by Enders and Siklos (2001). Results of analysis suggest nonlinear adjustment of household lending rate, while in the case of corporate rates it is not detected.*

**Key words:** *Monetary Policy, Monetary Transmission Mechanism, Interest Rate Pass-Through, Asymmetric Threshold Cointegration.*

**JEL Classification:** *C22, C51, E43, E52*

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## ***FINANCIAL RISK TRANSFER – THE CASE OF FINANCIAL DERIVATIVES***

*Marija Jovanovic PhD<sup>72</sup>  
Vladimir Jovanovic PhD<sup>73</sup>*

### ***ABSTRACT***

*Not so long ago from the economic perspective of time, great turbulences on global financial markets brought the use of financial derivatives in risk management to the public's attention. The questions and opinions of the public are very controversial. One of the key facts is that not just financial instruments, but also the global market in the past thirty years became more complex and layered. Another important issue is the revolutionary technical and technological development that made financial markets faster and more fluid. Therefore, the main purpose of this paper is to point out the importance of financial derivatives in global economy and the inevitable existence of the risk and the role of its bearer in economic and financial development, as well as the financial crashes.*

*If we look at financial derivatives as the products based on the market value of some securities or commodity, the risk can be seen as the bonding tissue which shapes it's form. However, the risk itself is a more important factor for market participants. For some participants it is a "burden" difficult for carrying, and therefore it is transferred to another interested party for a market-determinend price.*

*Therefore, the conclusion is that the derived financial instruments, i.e. the risk that is extracted from the underlying assets, represent specific financial market instrument by itself.*

***Key words:*** *Risk, Risk Transfer, Financial Derivatives, Financial Management, Derivatives Markets*

***JEL Classification:*** *G14, G15, G23*

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# **PREDICTION OF RISK IN CORPORATE MANAGEMENT FINANCE**

*Marija Petrovic<sup>74</sup>  
Predrag Petrovic PhD<sup>75</sup>*

## **ABSTRACT**

*Any investment provides information that may not always be complex and risky, but decisions must be adequate to make the best use of money or some other form of income.*

*In corporate management in finance is necessary to know the conditions and factors that can lead to potential occurrence of risks and thus jeopardize the profits. Corporate risk management methodology to quantify the potential frequency of the level of risk in defining the scope of necessary investments in the system.*

*The aspiration is that every investment decision must have the required level of knowledge, as such knowledge is greater and the risk is smaller, and can rightfully be expected to achieve the best profit without excessive risk-taking. However it is hard to accomplish because almost every investment, brings a certain amount of risk, which is reduced with greater empowerment of investors to make the best decisions at the right time and avoid bad investment choices.*

*In this paper we analyzed the predictive variants possible advice to investors, and citizens as potential investors, to realize your profits, if not avoid complete, then the least possible risk. In this context, give some advice to investors, to invest in corporate governance, with the minimum risk.*

**Key words:** Risk prediction, Investments, Corporativeness, Money, Profit

**JEL Classification:** G11, G32

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# ***SINGLE WOMEN ACTIVISM IN NEPAL - MICRO CREDIT MOVEMENT TOWARDS SELF-RELIANT ECONOMY AND HAPPINESS***

*Raghu Bir Bista PhD<sup>76</sup>*

## **ABSTRACT**

*Single women are itself a trauma psychologically and socio-economically in patriarchal society where male factor is a dominating and fundamental factor, although the government has endorsed a gender balanced development approach. Skill training and micro finance programs have made economic activism in productive activities.*

*This paper examines whether the skill training and micro finance improves to empower single women socio economically and to reduce poverty and vulnerability and happiness of single women in Nepal through descriptive statistics and the paired “t” test. Its primary data sets are collected from the survey of Center for Integrated Development Studies Report 2006. The paper finds that the skill training and micro finance are effective to empower single women socio economically and to reduce poverty and vulnerability and then improve self-reliant and happiness.*

**Key words:** *Skill, Training, Micro Finance, Vulnerability, Happiness*

**JEL Classification:** *J16, F63*

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# **OVERINDEBTEDNESS OF NATURAL PERSONS IN WIDER SOCIO-ECONOMIC CONTEXT**

*Ana Opacic PhD<sup>77</sup>  
Vladimir Colovic PhD<sup>78</sup>*

## **ABSTRACT**

*It is impossible to give an absolute definition of overindebtedness; it is directly connected to the subjects who create that overindebtedness. Consequences which follow the overindebtedness of the natural person are not only of economic nature, which are seen in the inability of a natural person to service his debts, but they also have a distinct sociological and psychological aspect, which causes the creation of new expenses for the society as a whole.*

*Authors of this paper have a goal of emphasizing a frequent issue of natural persons, consumers and entrepreneurs, facing the inability to pay their due debts, which leads them to the edge of their existence, loss of their homes, which challenges the constitutional right to dignity.*

*The condition of insolvency of a natural person does not cause only social, psychological and legal consequences, but it also represents a significant risk for the economy of a country. Therefore, the authors try to point to the consequences of autistic behaviour of the legislator towards the more common situations of involuntary insolvency of natural persons, towards the non-existence of legislation in this area, as well as to provide the suggestions for the future practice in cases of overindebtedness of natural persons.*

**Key words:** *Insolvency, Natural Person, Overindebtedness, "Fresh Start"*

**JEL Classification:** *K35*

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# **THE ROLE OF A TAINABLE MONEY AS A MECHANISM OF MONEY LAUNDERING**

*Nenad Kaludjerovic MSc<sup>79</sup>*

## **ABSTRACT**

*The essence of this thesis is to explain that the problem of money laundering should not only be ascertained by its consequences, but it should be observed from its source, where it emerges firstly. The term “attainable money”, which we have used for the first time in this thesis, contains the goal achieved and the mere heaviness of the whole project. This does not refer to some related feature, without any essence, but it refers to the feature which has certain characteristics and goal for participants in money laundering. Therefore, this is about an attainable goal. For a participant, it is attainable money – enrichment without control, for a controller, it is the attainable sum of money he investigates and for an organizer, it represents available funds. Having this in mind, the aim of this thesis is to set the role of attainable money by stages of its manifestation, paying special attention to participants, in order to demonstrate the possibility of detection of all money laundering operations by stages. In this thesis, these possibilities of detection are described by steps, in order not to abandon already mentioned methods (techniques) which explain certain operations of money laundering. The essence of this thesis rests on setting the way of detection of money laundering in its original stage, when and where money laundering takes place and what makes the attainable money. This has been explained with the authentic schemes (author’s), which were made according to sublimated cases that emerged in the period of transition in Serbia and afterwards. Each scheme is described and each scheme shows the initial appearance of money laundering, this is, what sum of money it is and when it has been made, becoming the subject of money laundering later.*

**Key words:** *Attainable Money, Phantom companies*

**JEL Classification:** *E4, D43*

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# **IMPACT OF MONEY LAUNDERING THROUGH PRIVATIZATION ON THE REDISTRIBUTION OF SOCIAL WEALTH**

*Slobodan Radonjic PhD<sup>80</sup>*

## **ABSTRACT**

*Globalization as a permanently growing world process of integration of national economies into a single, global- international economy, apart from positive trends, also produces negative ones such as organized crime which tends to –through money laundering – legalize profits acquired as a result of criminal activity and to infiltrate into financial and economic flows in order to control them and then influence the political processes for its own benefit. Integrity, stability and soundness of credit and financial institutions and confidence in the entire financial system can be seriously jeopardized by the efforts of criminals and their associates to disguise the origin of profit acquired through illegal activities i.e. crime or to conceal the origin of legally acquired money used to finance terrorist activities. Such threats require international prevention and cooperation since the turbulent growth of illegal markets must also be perceived as a structural component of the already existing geopolitics.*

*The subject of this paper is one specific aspect of money laundering i.e. its impact on the redistribution of social wealth in the republic of Serbia.*

*A separate aspect of contribution is to define the economic and legal aspects of the impact that money laundering has on the changes of the socio-economic system in the transition processes where illegal redistribution of money and capital is present. This paper will observe the principles that lead to illegal accumulation of wealth and capital, forms and models of processes of its legalization and difficulties in the economic aspects of detection of illegal money which – through investments from “tax heavens” - appears as investment capital in Serbia.*

**Keywords:** Money Laundering, Off-Shore Zones, Privatization, Redistribution of Social Wealth

**JEL Classification:** E4, F65

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# ***THE APPLICATION OF VOLATILITY MODELS IN PORTFOLIO MANAGEMENT***

*Jovan Njegic PhD<sup>81</sup>*

*Jovan Petronijevic<sup>82</sup>*

## **ABSTRACT**

*The research investigates the possibilities of application of volatility models in portfolio management. After the theoretical aspects of applied models are introduced, we conducted the research on four regional stock market indices: Belexline, Crobex, Sbi Top and Monex. Each series is examined in order to determine appropriate ARMA-GARCH model based on model fit and information criteria. The models are selected among ARMA(0,0) to ARMA(3,3) for the mean equation, and GARCH, TGARCH, EGARCH and GARCH-M for the variance equation, all from (1,0) to (2,2) parameters. Selected models were applied by rolling technique, and used for forecast, and obtained results are combined by linear programming method, in order to determine portfolio weights for each asset. Obtained results indicate that application of volatility models can increase portfolio returns, and help in portfolio risk management.*

**Key words:** *Portfolio Construction, Risk Management, Volatility Modeling*

**JEL Classification:** *C58, G11, G17*

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# **THE ROLE OF MOBILE BANKING IN DEVELOPING BANKING SERVICES**

*Sanja Kostevski MSc<sup>83</sup>*

## **ABSTRACT**

*The subject of this work is the development of electronic banking as a new way of providing banking services through means of electronic communication, especially the Internet. The modernization of the banking business and the application of modern systems for electronic banking (ATM, internet banking, and mobile banking) and electronic payment instruments (payment cards, e-check, and e-cash) significantly raised the level of services in the banking sector. Mobile banking is the latest trend in electronic banking. Mobile banking involves the expansion in the field of electronic banking from wired computers, to wireless computers - PDA (Personal Digital Assistant), and telecommunications by using mobile phones. The use of different applications on personal computers and mobile smart phones facilitates access to information and reduces the gap between customers and banks.*

**Key words:** *Electronic Banking, Mobile Banking, Electronic Money, Services, Protocols*

**JEL Classification:** *G2, L86*

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# **THE IMPLEMENTATION OF MANAGEMENT INTO INSURANCE**

*Dusan Cogoljevic PhD<sup>84</sup>*

*Ivan Piljan PhD<sup>85</sup>*

## **ABSTRACT**

*Today's strategic interests of Serbia are joining the European integrations, reform of social and economic systems which implies necessary foreign investments and investments in the economy that would cease its decline and accelerate its recovery which is necessary for achieving strategic goals.*

*Serbia has recently consolidated the insurance sector (removed insolvent companies that had acted as companies that raise money but without any obligations) and improved the quality of the sales network (removed insolvent participants - agencies, entities, etc.). On the other hand, a great number of licenses have been given to certified individuals who passed the exam organized by NBS (National Bank of Serbia) or by the banks that have been given the opportunity to participate in the sales network.*

*The importance of management has increased with the growth of this economic branch which has recently reached gigantic proportions. The risk management process has especially started to develop in the last ten years. Series of practical and scientific problem occur in the process itself. People who deal with them are individuals, holders of business endeavors, managers of insurance companies and insurance theorists.*

*In order to be highly organized, insurance companies need to have highly trained personnel which is specialized in risk studies. Risk management is a professional job which is as old as modern insurance.*

**Key words:** *Insurance Sector, Insurance Management, Risk Management Process*

**JEL Classification:** *I13*

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# **MEASURES TO THE ANTICIPATION AND MANAGEMENT OF RISKS ASSOCIATED TO NATURAL DISASTERS**

Jovan Savic PhD<sup>86</sup>  
Aleksandra Tesic PhD<sup>87</sup>

## **ABSTRACT**

*In the past, natural disasters were seen as one-time, unpredictable natural events. However, nowadays governments are under increasing pressure to protect their citizens from the damages caused by natural disasters. In this context, a lot can be done in order to minimize the sensitivity to risks related to natural hazards, i.e. to reduce the risk of disasters. Most countries have developed an administrative system composed of national and professional organizations, usually of civilian character, in order to implement these tasks. Unfortunately, almost as a rule, these systems tend to make governments spend considerably more funds in the elimination of the consequences of natural disasters, rather than in their prediction and the implementation of risk management measures.*

*The purpose of this work is to examine and explain, by facing the economic effects of natural disasters, the complexity of forms and the impact of natural disasters on development processes, as well as to detect empirical regularities in the behavior of economies affected by natural disasters, developing, at the same time, models for the study of the impact of such disasters on a typical economy. In that way, it will be possible to explain some empirical regularities.*

*Data sources for the achievement of work objectives and the confirmation of analysis results include relevant data from OECD and the World Bank regarding the consequences of natural disasters on the economy and economic development of the most vulnerable countries, with special emphasis Serbia..*

*The results of these investigations indicate the following facts: Natural disasters slow down economic growth; the length of the different effects of such disasters largely depends on direct losses, as well as on socio-economic factors (before, during and in the aftermath of such events), especially in the field of regional economies after the occurrence of such events; the validity of theoretical models, in terms of the general trendiness of recent data on the consequences of natural disasters, is largely unreliable; risk management of natural disasters is directly dependent on the identification, assessment and measures taken in order to reduce the risks associated to natural disasters, maximizing thus the resilience of the country to these natural phenomena.*

**Key words:** Natural Disasters, Economic Effects, Models, Development, Risks

**JEL Classification:** G22, G32

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# **INSURANCE MARKET OF SERBIA FROM 2005 TO 2014**

*Ivan Piljan PhD<sup>88</sup>  
Dusan Cogoljevic PhD<sup>89</sup>*

## **ABSTRACT**

*Insurance market significantly affects the development of every country and it is an important factor of the stability of the financial sector. Insurance market in Serbia is not developed and it is, by the degree of development, far below the European average. What support this fact are the indicators of the insurance market development – the ratio of total premium and GDP (gross domestic product) and total premium per capita.*

*Insurance market in Serbia falls under the category of markets in the development with significant potentials primarily in the field of life insurance. Growth rapidness in the field of life insurance market in Serbia was different and showed susceptibility to external and internal influences of different factors.*

*On the basis of the Insurance Law and the Law on Amendments to the Law on the National Bank of Serbia in 2004, supervision of the insurance business is entrusted to the National Bank of Serbia.*

*In 2004, the National Bank of Serbia defined and disclosed its strategic objective in the field of insurance - creating and maintaining a safe and stable insurance sector and ensuring public confidence in the insurance sector, and all that in order to protect the interests of policyholders and third parties.*

*In accordance with its legal authority, the National Bank of Serbia issues acts prescribed by law, supervises the insurance business, issues and revokes licenses to engage in businesses of insurance, reinsurance, mediation and insurance brokerage and activities directly related to insurance activities, gives consent for the acts, issues and revokes consent for the appointment of members of the management and supervisory board, gives and takes away the approval for acquiring qualified participation in society, processes statistical and other information, keeps registers of data in accordance with the Law, considers the complaints of the insured and the third parties on the work of insurance companies, including the conducting of mediation activities.*

**Key words:** *Insurance Market Development, Supervision of Insurance Operations, Insurance Companies*

**JEL Classification:** *I13*

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# ***CORRELATION BETWEEN THE VALORIZATION OF TOURIST RESOURCES AND SUSTAINABLE TOURISM DEVELOPMENT***

*Katerina Angelevska – Najdeska PhD<sup>90</sup>*

## ***ABSTRACT***

*Tourist valorization is one of the most important and complex questions in the theory and practice of tourism, which means qualitative and quantitative estimation of tourist resources' values. Valorization represents the most significant phase in the planning of tourism spatial development, for the purpose of objective evaluation of tourist resources' values. Speaking of tourism development in a particular area, a priority is given to the resources with highest value aiming to provoke the biggest tourist demand.*

*Existence and attractiveness of tourist destination resources is particularly important to the destination development. Nevertheless, the true tourist resources' valorization depends first and foremost on tourists, that is, on their subjective perception and estimation.*

*The issue of managing the tourist resources, that is, the tourist management, is getting even greater importance, the aim of which is the achievement of the integral component of using tourist resources profitably, their maintenance, that is, taking advantage of the resources without damaging them and their development. The result of this is the need for an examination of the significance of managing the tourist resources development.*

*The concept of a sustainable development of tourism involves few dimensions which show the connection of the economic, social and cultural development and limitations of life environment, without domination of any part of those elements. The continuous development of the tourism depends first and foremost on the ability of life environment to provide a stable and long-term basis of development.*

***Key words:*** Valorization, Tourist Resources, Management, HRM, Sustainable Tourism

***JEL Classification:*** O10

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## ***BASIC POSTULATES OF MASS AND POSTMODERN TOURISM CO-EXISTENTIAL RELATIONS***

*Milan Novovic MSc<sup>91</sup>  
Jovanka Popovic PhD<sup>92</sup>*

### **ABSTRACT**

*The second half of the twentieth and the beginning of the twenty first century is the period in which tourism has become a worldwide phenomenon due to its massive scale. Almost all countries of the world, regardless of their tradition, strive to develop tourism, i.e. to be significantly engaged in tourism flows, as it ensures the dynamics of the overall socio-economic development.*

*In modern conditions, the globalization processes are increasingly shaping economic trends, which is why tourism gains new dimensions. Tourism regions with an accelerated growth rate expand throughout the continents and there is a different redistribution of global tourism trends and destinations reallocation.*

*The paper aims at presenting massive tourism flows, dating from the mid twentieth century till today, as well as redistribution of these developments in the world regions. At the beginning of the twenty first century, tourism still has the characteristics of a massive scale, but far greater accent is set to small-scale tourism, i.e. alternative and postmodern tourism.*

*In such circumstances, the relations of co-existential and postmodern mass tourism contribute to arising of brand-new destinations with unprecedented possibilities, which is of particular importance to launching tourism activities, which aim at economic intensification.*

**Key words:** *Mass Tourism, Postmodern Tourism, Tourist Activities, Region, Destination*

**JEL Classification:** *L83*

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# ***THE IMPACT OF SPORTS EVENTS IN THE DEVELOPMENT OF SPORTS TOURISM***

*Filip Radotic MSc<sup>93</sup>  
Zoran Masic PhD<sup>94</sup>*

## **ABSTRACT**

*Sports Tourism means traveling where the primary motivations are actively or passively engaging in sports activities. Sports tourism has become a multi-billion dollar business and one of the most intriguing of the modern day service industries. The growth of sports tourism has been driven by increased global interest in sporting events. Sport makes a significant contribution to the development of tourism in the destinations in terms of economic impacts, urban regeneration, improving infrastructure, and strengthening the tourist image. In recent years, sports tourism recorded an impressive growth. International sports events like the Olympic Games, World Cup and other elite sporting events, affecting the overall economic development. Sport Event of local character, can also have a significant impact on growth and tourism development of certain regions, as well as a huge economic development.*

**Key words:** *Sports, Tourism, International Events, Economic Impacts*

**JEL Classification:** *Z20, L83, R58*

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# **POTENTIAL QUALITY INCREASE OF HEALTH AND RECREATIONAL TOURISM PRODUCT IN THE AREA OF FRUSKA GORA**

*Jovanka Popovic PhD<sup>95</sup>  
Vlado Radic PhD<sup>96</sup>*

## **ABSTRACT**

*It is a common fact that there are few undiscovered, easily accessible regions of the untouched nature in the world, which is an excellent opportunity for the Republic of Serbia as a promising tourist destination. The priority should be appointed to the area of Fruska Gora, with a high-quality diverse basis for the development of health and recreational tourism.*

*The specific characteristics of the locality, favorable climate, hydro-graphic potentials, as well as other natural elements can represent a good ground for the development of the before-mentioned type of tourism in the future. Accordingly, current tourism trends and employees education are the primary factors for the pace of tourism development, in terms of guidance to the long-term quality and complex interaction between tourism offer, demand and the environment in general.*

*This paper strives to examine all aspects of the present situation and the possibility of developing high-quality health and recreational tourism product of Fruska Gora, in terms of the increased tourism demand for healthy and preserved natural areas.*

**Key words:** *Quality, Health and Recreational Product, Tourism, Tourism Trends, Education of Employees*

**JEL classification:** *L15, L83*

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# ***EVOLUTION OF TIME-SHARING: FROM AN INNOVATIVE LEGAL CONCEPT TO A MODERN TOURISM PRODUCT\****

*Andrej Micovic*<sup>97</sup>

## ***ABSTRACT***

*Time-sharing (timeshare contract) is relatively recent legal concept. What makes it different from the other contracts is, at first place, its time dimension. By concluding the timeshare contract, consumer acquires the right to use specific or specifiable timeshare facility (object) within fixed or flexible timeshare intervals during the year, for the total period defined by contract. Over time, timeshare has evolved. From contract with precisely determined contractual elements (period of use, duration of the contract, type of accommodation units) became flexible tourism product, which includes a large number of services and a large number of stakeholders. The main goal of this paper is therefore, to point out all these significant changes, which were initiated in practice, and then accepted and legally enshrined in legislation.*

**Key words:** *Time-Sharing, Timeshare Contract, Consumer, Tourism Product, Development*

**JEL Classification:** *K12*

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\*This paper is written as part of the Project of the Faculty of Law, University of Kragujevac entitled: "XXI Century – Century of Services and Service Law", No. 179012, which is funded by the Ministry of Education, Science and Technological Development of the Republic of Serbia.

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## **EDUCATION FOR CREATIVE ECONOMY**

*Dusan Pavlovic MA<sup>98</sup>*

### **ABSTRACT**

*The concept of creative economy was developed at the beginning of the 21st Century. This concept does not only include creative industries or sectors such as art, music, film, fashion etc., but extends to the whole of economy. At the core of this concept is the idea that imagination, creativity and innovation are becoming the most precious economic resource, and determining factor of value creation in the new economy. Development of creative economy will cause a huge change of our perception of the nature of human work and economy itself. In the industrial age, as well as in the knowledge/information age, economy was exclusively perceived as a science. With the shift to creative economy, it will gradually become as much an art as a science. This transition requires significant changes in the education system at all levels, which are already taking place in the developed world. In this paper we will explore the most important forces that shape the economic landscape in the 21st Century, outline the genesis and evolutionary tendencies of creative economy, and investigate what are its educational requirements. In this context we will put special emphasis on our understanding of the nature and the processes of creativity, motivation and strategies for its development, as well as skills and tools for its enlivening and expression. Finally, we will examine what kind of environment is supportive for development of creativity, and the impact of creative economy on social and natural environment.*

**Key words:** *Creativity, Creative Economy, Education System, Environment*

**JEL Classification:** *A20*

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## **HOW DOES THE USE OF EXISTING KNOWLEDGE AFFECT KNOWLEDGE ABSORPTION**

*Nikola Radovanovic PhD<sup>99</sup>*

### **ABSTRACT**

*Being highly dependent on the inflow of relevant knowledge and information, organizations which compete in dynamic environments undertake continuous strategic changes in order to enhance their potential for absorbing and efficiently applying knowledge for commercial ends. This orientation became crucial in designing corporate strategies for creating or maintaining competitive advantage of organizations. Organizations tend to develop absorptive capacity, which represents the ability to identify, assimilate, transform and apply knowledge. The absorptive capacity concept has been developed and elaborated in many studies in the last three decades. Studies in this area suggest that prior-related knowledge is the most influential determinant of the absorptive capacity, which also highlights the importance of the scope of using stocks of prior-related knowledge in the view of knowledge base of organizations. Research was carried out in order to determine the effect of the indicators of the exploitation of knowledge base to absorptive capacity level in organizations from technology and knowledge intensive industries. The methodology included quantitative and qualitative research method based on a questionnaire. The data collected were analyzed with the absorptive capacity evaluation model and by using analysis of variance as a statistical test. The findings suggest that the scope of the knowledge base exploitation moderately affects absorptive capacity level of organizations from technology and knowledge intensive industries, whereas 40% of knowledge base exploitation indicators significantly determine the absorptive capacity level of these organizations.*

**Key words:** *Knowledge, Absorptive Capacity, Technology, Innovation*

**JEL Classification:** *D83, O32*

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# ***ERRORS AND ISSUES IN CONSTRUCTION OF A QUESTIONNAIRE FOR STATISTICAL RESEARCHES***

*Svetlana Tasic PhD<sup>100</sup>*

## **ABSTRACT**

*The construction of high-quality questionnaire represents the important segment of modern statistical and business researches. The issues in questionnaire construction are very complex and they are in the focus of all statistical and research methodologies. Adequate treatment of most important variables of questionnaire such as the length of questions, difficulties in understanding words from questions, open-vs. closed question formats, question order in questionnaires, odd or even number of response categories, the length and complexity of questions, selection of measurement scales, the construction of sensitive questions and others, significantly influence validity and reliability of survey results. Using various methods for measurement and evaluation of questions from questionnaire leads to minimization of questionnaire errors which has a significant effect on reduction of bias of final research findings which results in increasing the level of validity and accuracy. Models for understanding the questions within a more general framework of information processing, different techniques for identification and reduction of bias caused by questionnaire errors, models for measurement of errors in methodology of questionnaire, meta-analysis for conduction of model for measurement of response effects from researches, procedures for post-interview evaluation, technique of randomized response for treatment of sensitive questions, and other models are developed in order to minimize measurement errors and to improve quality and reliability of research findings.*

***Key words:*** *Questionnaire, Errors, Measurement, Research, Questions, Responses*

***JEL Classification:*** *C40*

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## **WORK ATTITUDES OF BULGARIAN EMPLOYEES: ETHNIC AND EDUCATIONAL DIFFERENCES**

*Ergyul Tair PhD<sup>101</sup>*

### **ABSTRACT**

*The paper traced out the results from Bulgarian survey on work attitudes understood as work involvement, preferences to type of employment, use an unemployment benefit, etc. Sample included 1307 persons aged 16 to 66, where 55% were women and 684 people identified themselves as Bulgarians, 288 as Roma and 335 people as Turks. The results present significant differences in work attitudes depending on education, as the higher the education the higher was work involvement. Also, there were established some ethnic differences in work attitudes, in particular to type of employment, which is preferred, and acceptance of unemployment benefits.*

**Key words:** *Educational and Ethnic Differences, Work Attitudes*

**JEL Classification:** *L20*

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# **THE CAPACITY OF PERCEPTION: THE NEED FOR AN EDUCATIONAL SYSTEM IN SUPPORT OF NATIONAL SECURITY**

Miroslav Stevanovic MSc<sup>102</sup>  
Dragan Djurdjevic PhD<sup>103</sup>

## **ABSTRACT**

*The world is faced with a drastic change. The dominance of procedures, capabilities and characteristics imposed by the technologies threatens to dehumanize individuals and undermines the essence of democratic procedures. Nation-states are facing a number of risks due to the uncritical application of technological innovation. To meet the needs of the information age in a manner that ensures national stability and survival, attention should be focused on development of young generations as competent, but aware of their humanity. The subject of this paper is assessment of needs of national educational process in information age. Functional analysis of some indicative everyday consequences of the application of technical innovations indicates that they have an influence on the psyche of young people, such as alienation, pacification, anxiety, and undermining confidence. In contrast, structural analysis indicates that the new technologies, work processes and decision-making require a stable and technological-capability tailored personalities whose actions rest on human aims, and are not solely dictated by technology. In such circumstances, education should not be based only on the transmission of information, but should encourage the development of personality towards the adoption of value system resistant to the challenges of dehumanization. National security, today, includes values such as sustainable development and respect for human rights. In a globalized world, characterized by the universalization of values, systems security to be effective requires appropriate quality of human resources. In a highly securitized world, these national systems must timely perceive many new challenges. Education that provides functional qualifications, but also a personality capable to understand the scope and implications of technological power represents the interests of national security. To achieve these goals educational process should develop the capacity of abstract thinking, which is why it is necessary introduce young people to the logic of thinking in the classical arts.*

**Key words:** National Security, Education, Personality, Humanism, Ethics

**JEL Classification:** F50, D83, L86

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# **THE RELEVANT FACTORS OF DESIGNING STUDY PROGRAMS**

*Ana Skorup PhD<sup>104</sup>  
Milan Krstic PhD<sup>105</sup>*

## **ABSTRACT**

*New study programs are the result of efforts of higher education institutions to achieve competitiveness through the expansion of their educational offerings, which gives potential students the opportunity of education for new vocations and professions. On the other hand, the new study programs also occur as a result of the harmonization of labor market needs with new profiles of graduates. When making strategic decisions within the process of choosing new study programs to design, it is expedient that higher education institutions study the impact of the relevant factors. This paper identifies relevant factors that have a dominant influence on the design of new study programs. These factors can be divided into several categories, including: regulatory factors (such as laws, standards and guidelines, as well as legal acts of the higher education institutions); environmental factors (which include demographic factors, secondary education, enterprises, employment, new scientific knowledge and the ensuing new technologies, competencies for new technologies, and new professions); and individual factors of future students (such as preferences and motivations of prospective students). From the moment the decision on the design of a new program is made, and by the time the first students of this study program completed their studies, may take five or more years. Within that period of time there may be significant changes in certain factors. For those factors that are significantly changing with time, it is anticipated their possible impact for the time in which the first students would complete their regular studies on the projected study programs. Results of prediction are used as feedback information for designing of these study programs, which, at the time of their completion by the first students, will be current in terms of the required professional profile, their competencies, skills and abilities for inclusion in actual social trends.*

**Key words:** *Study Program, Design, Relevant Factors, Prediction*

**JEL Classification:** *I23, C53*

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# VOCATIONAL INTERESTS AND WORK VALUES OF SECONDARY SCHOOL STUDENTS

Snezhana Ilieva PhD<sup>106</sup>  
Elena Altimirska PhD<sup>107</sup>

## ABSTRACT

*Vocational interests and work values of 641 graduate students are researched in the study. Professional interests are categorized in 12 groups that correspond to professions and specialties in secondary and higher education in Bulgaria. Dominating interests of students are towards Economic, administration and law sciences. There are gender differences in vocational interests, as girls have interests in Education and social sciences, Arts, Agriculture, Veterinary Medicine, Ecology, Services in hotels, tourism, cosmetics, hairdressing and Humanitarian sciences. Boys' interests are towards typically male professions in Sports, Security, defence, army, Technical sciences, mining and production technologies, Architecture and construction, Natural sciences, mathematics and IT. Students attribute higher significance to utilitarian values, followed by power and achievement values than to Aesthetic, Social and Individualistic values. Interrelations between vocational interests and work values are established. Utilitarian values are typical for vocational interests in the area of Economic, administration, law sciences and to lower extent for professions in Agriculture, Veterinary Medicine, Ecology, Education and social sciences, Arts and Services. Independence is valuable for all groups of vocational interests except for Architecture and Construction and Technical sciences, mining and production technologies. Power is significant for interests in Economic, administration, law sciences, where there are possibilities to exert influence, and to lower degree characterize vocational interests in Sports, Humanitarian sciences, Services, Agriculture, Veterinary Medicine, Ecology, and Education and social sciences. Social values are characteristic for interests in professions in which there is direct interaction with people and are not valuable in interests for work with ideas and objects as architecture and construction and technical sciences. Creativity, self-expression, achievements and challenges are highly valued when there are vocational interests in Economic, administration, law sciences and are not regarded important for professions connected to ideas, data and objects and to healthcare.*

**Key words:** Vocational Choice, School Career Guidance, Vocational Interests, Work Values, Gender Differences

**JEL Classification:** I20

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## ***SELF-REGULATED LEARNING DURING THE PROFESSIONAL PREPARATION OF STUDENTS***

*Yoana Yankulova PhD<sup>108</sup>,  
Yavor Iliev<sup>109</sup>*

### **ABSTRACT**

*This report presents data from a large study, which included 663 students from 6 Bulgarian universities. With Revised Approaches to Studying Inventory (RASI) (Duff, 1997) 4 approaches to the Bulgarian students' learning are differentiated - surface, deep, strategic, self-reflection and self-preparation. After performed statistical processing there was discovered a statistically significant impact of the specialty on different approaches to learning of students in the course of their professional training.*

**Key words:** *Self-Regulated Learning, Approaches to Learning, Specialty, Academic Settings*

**JEL Classification:** *I20*

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# **EDUCATIONAL PROGRAM OF SOCIAL GERONTOLOGY – INNOVATION AS A RESPONSE TO CHANGE**

*Marija Ovsenik PhD<sup>110</sup>  
Slavisa Perovic MSc<sup>111</sup>*

## **ABSTRACT**

*A wind of change engulfed the world. Changes occur in a dynamic more rapid than the dynamic of responses, with which we try to follow the opportunities and avoid dangers, brought to us by the turbulent aging environment. In addressing the aging society, we follow the Cartesian paradigm. Though when admitting unconditional and mutual dependency of generations, the environment encounters a gap between the actual change and its perception, as well as the obvious gap between volition and capabilities. The process of change is oriented inside out, the key catalectic variable is giving meaning to self and the environment, which is important when we want change that will ensure improvement of the system, processes and services in the field of the aging society.*

*In the study, a qualitative research methodology with the case study method is used. We obtained the data with semi-structured interview questions. We included ten established professionals from the field of social gerontology in this study, two from Great Britain, two from Finland, two from Germany, two from the United States of America, and two from Slovenia.*

*We contribute innovation to the mosaic of needed change – social gerontology education as a three-tier education model, which enables conscious, rational, and motivated reflection on all levels of education. The individual levels creatively and innovatively contribute to rationalization and internationalization of knowledge in the field of social gerontology, and at the same time allow differentiated education for all social actors, which according to the needs of the social gerontological environment require development of new research-oriented and specific competencies. We discuss the positive constituents of the education model, which creatively responds to the dynamic of needs of the aging environment, and the positive constituents of the inner-reflexive model, which considers decentralization, individual's autonomy, and proactive operation.*

**Key words:** *Education, Social Gerontology, Educational Program, Innovation*

**JEL Classification:** *I25*

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# **HEALTH MANAGEMENT EDUCATION E-LEARNING SYSTEM**

*Zarko Pavic PhD<sup>112</sup>*

## **ABSTRACT**

*We provide below the most significant aspects to be considered as possible approaches or options when we were starting to design an educational system in the Health Management fields using e-learning methods. Experience shows that guidelines for the development of e-learning systems have both advantages and disadvantages. One important disadvantage is the fact that it is difficult to generalize guidelines for e-learning systems because educational situations often vary considerably. Despite all the disadvantages, guidelines can be used effectively in this area. The aim of our E-learning Health Management Study, which is carried out at our University, is to establish a cooperative and mobile e-learning system in the area of the Health Management and Health Policy Development. In the MBA course of the Health Management we designed and developed the E-learning Health Management Education System. The project was also to clarify how guidelines for e-learning systems can be used successfully in different clinical entities using as parameters: screening, prevention, diagnosis, treatment, follow-up and education.*

**Key words:** *Health Management, Health Policy, Education, E-learning, Master Program*

**JEL Classification:** *I15, I20*

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# **STUDENTS' ATTITUDES TOWARDS INTRODUCING SPORT INTO HIGHER EDUCATION**

*Milan Dragic PhD<sup>113</sup>  
Edita Kastratovic PhD<sup>114</sup>*

## **ABSTRACT**

*This paper presents the research about students' involvement in sports, as an important segment of the modern society. This research also covers students' attitudes towards introducing sport into higher education program. The research presents the initial analysis, whose results can contribute to the overall image about the importance of sport and the possibility of its implementation into higher education. The aim of this research is to show the real image about the presence of sport in the lives of young people, as well as the analysis of the perception of youth about the integral educational system. The results show that sport is under-represented with the student population. The results also show that the majority of students have a positive attitude towards the idea of implementing sport into higher education program.*

**Key words:** Sport, Education, Students

**JEL Classification:** L83, I 23

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## **CAREER DECISION MAKING OF TALENTED STUDENTS**

*Soňa Michalková<sup>115</sup>*

### **ABSTRACT**

*In an era where skills and knowledge of employees are amongst the main competitive enablers, organisations cannot ignore the significance of attracting and retaining talented people. Thus gifted people are becoming targets for human resources management of many companies, which try to persuade and attract them to work for their company. For talented people this situation may be stressful, because they have to make a strong and hard decision, when they have to answer the questions such as: which way should they continue, where should they work, what is the best option for them, what kind of job will satisfy them the most, etc.*

*This paper describes the process of decision making of talented people and examines its importance, general theories and concepts. By using a literature related to the topic this paper provides comprehensive overview of factors that have an impact on career choices and decision making of talented people. Furthermore, this paper describes and defines close terms related to main topic such as career, multipotentiality, giftedness or talent management.*

*Work was supported by a grant VEGA 1/0899/15 Career paths of graduates of educational programs for intellectually gifted children: the choice of study and profession.*

**Key words:** *Career, Career Choice, Decision Making, Talented Students, Multipotentiality*

**JEL Classification:** *J24*

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# **EDUCATION AS A FACTOR OF THE DEVELOPMENT OF RURAL TOURISM IN THE REPUBLIC OF SERBIA**

*Radovan Pejanovic PhD<sup>116</sup>  
Gordana Radovic MSc<sup>117</sup>*

## **ABSTRACT**

*The aim of this paper is to highlight the need and importance of the education and the development of human resources in rural tourism in the Republic of Serbia. The authors give an overview of current statistical data on relevant characteristics of the rural population in the Republic of Serbia in terms of the development of the rural tourism. The authors conclude that there is an inactive rural population that is possible to engage in rural tourism, but that their education can be a limiting factor of the development. Bearing in mind that the basic characteristic of rural tourism like direct contact of host and guest, the authors suggest possible modalities for financing education and development of human resources in rural tourism in the Republic of Serbia.*

**Key words:** Education, Rural Tourism, The Republic of Serbia, Financing

**JEL Classification:** Z01

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## ***ENTREPRENEURSHIP EDUCATION THE SUREWAY TO BETTER EMPLOYMENT***

*Adepoju Oludare Israel<sup>118</sup>*

### **ABSTRACT**

*The progress of a nation is anchored on the level of the resourcefulness of the citizen of that nation which to a great extent relates to the level of quality training acquired in form of education. We say a nation is developed when its citizen are gainfully employed and per capital income is enhanced. This could only be possible when government educational policies are geared towards a functional education that can lead to job creation and self reliance. Nigeria as a nation is blessed with various wealth creation opportunities as well as its rich yet untapped natural resources and endowment, but its sadden and unfortunate because larger proportion of its citizens lived in abject poverty and face worsening unemployment. To checkmate and mitigate the scourge of this hydra-monster unemployment, poverty and joblessness, compulsory inclusion of entrepreneurship education in the curricula of the three levels of higher education in Nigeria should and must be encouraged. This paper examines entrepreneurship education as the sure way to better employment in Nigeria.*

**Key words:** *Entrepreneurship, Education, Employment, Unemployment*

**JEL Classification:** *L26, I20, J60*

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# **FOSTERING THE ENTREPRENEURIAL SPIRIT OF ICT STUDENTS – A PRELIMINARY STUDY TOWARD A NEW ENTREPRENEURSHIP PROGRAMME**

Armanda do Paço <sup>119</sup>  
Mário Raposo <sup>120</sup>  
João Ferreira <sup>121</sup>

## **ABSTRACT**

*In European Union, most Member States are highly committed to promoting the entrepreneurship in their education systems by implementing several programmes which will contribute to the stimulation of entrepreneurial abilities of individuals from different educational backgrounds. This paper will present some exploratory results that will be used as base to construct an innovative training package that will help ICT students and graduates to enhance their entrepreneurial skills and put their knowledge into practice and will be used as a pre-accelerator programme helping its target to transfer their university project findings into successful business ideas. This package is the expected results from a project entitled ICT Entrepreneur. The first stage of the project, involving seven institutions from five countries, aims to analyse the current state of the art and national needs of the countries involved in the project in order to develop a new entrepreneurship programme. In Portugal, a country of the consortium, we started to study the current entrepreneurship and accelerator programmes aiming to identify the existing gap in terms of the target groups or the content covered. We carried out an intensive search for the courses related with entrepreneurship education. We found eight organisations available to participate in the research in which we used a personal interview to collect information related with the delivery, the demand, the success, the improvements, the partnerships and other information related with the courses/training provided by those institutions. The results from this qualitative research indicate the existence of some innovative formats of entrepreneurship courses (exploring a patent/technology provided by the institution, military training, mentoring and personalised attendance, etc.). All interviews are satisfied with the EU action in terms of entrepreneurship politics but they suggest a better integration with the national actions. Specifically regarding ICT students, the respondents mention as obstacles their huge aversion to bureaucracy, management tasks and fiscal obligations. Additionally, they also point great problems in communication and selling.*

**Key words:** Entrepreneurship Education, Entrepreneurship Programmes, ICT students, Training, Mentoring

**JEL Classification:** M10, M15, M30

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## ***THE ROLE OF EDUCATION IN FOSTERING FEMALE ENTREPRENEURSHIP IN NIGERIA***

*Priscilla Achakpa*<sup>122</sup>

### **ABSTRACT**

*The growing number of unemployed Nigerians especially women is at an alarming rate and there is a broad recognition that entrepreneurial, knowledge-based enterprises are prime factors of economic growth and that such ventures need unique business development services. In 2010, the rate of unemployment stood at 21.4%, rose to 27.4% in 2012 and declined to 24.7% in 2013. These high rates clearly indicate that the economy has an unemployment problem. The paper has attempted to examine the role of education in fostering female entrepreneurship, challenges facing women entrepreneurs in Nigeria, and recommends that Women should be given equal opportunities to showcase their skills and abilities, and this could be effectively enhanced when they are adequately educated.*

**Key words:** Education, Female Entrepreneurship, Nigeria

**JEL Classification:** I20, L26, J80

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## **AN IMPACT OF NEW TRAINING SYSTEM ON ENHANCING LEADERS ABILITIES**

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Ivana Matic MSc<sup>124</sup>*

### **ABSTRACT**

*The one of the most important tasks of the human resources departments of organizations all over the world is identification and development of leaders. The importance of leaders for performance of organizations and creation of competitive advantage, especially in the global market, increases, while the number of experienced leaders declines. There are numerous studies confirming the positive impact of efficient leadership on performance of organizations, employees' engagement, satisfaction and retention, as well as on the creation and realization of the business strategy. In order to overcome the lack of efficient leadership, many organizations introduce leadership development programs. However, not many are successful. Simply, the skills and abilities distinguishing leaders from managers are numerous and there are many theories trying to determine them. Many of the theories agree on the communication skills as one of the important ingredients of efficient leadership. This led to the introduction of the concept of emotional intelligence, and further, to the concept of social intelligence. The new discoveries of neuroscience has opened a new opportunities in training of efficient leaders. They imply that development of special coaching techniques can help future leaders to change their behavior and increase the influence they have on others i.e. enhance their social intelligence.*

**Key words:** *Leadership, Development, Emotional Intelligence, Social Intelligence*

**JEL Classification:** *J24*

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# ***INFLUENCE OF TRAINING ON GROWTH OF A LEADER'S COMPETENCIES AND KNOWLEDGE***

*Aleksandra Golubovic-Stojanovic MSc<sup>125</sup>  
Sasa Ljuboja MA<sup>126</sup>*

## **ABSTRACT**

*From the standpoint of customer care on one side and education and personal development of the staff (and sometimes even external sales and distribution network) on the other side, there are great, substantial differences between classical companies, companies dealing with direct sales, state institutions and organizations, sports, non-profit and political organizations.*

*As we live in the conditions of dynamic changes, and therefore we need to create future, management of ideas and talents can be achieved only with capable leaders. Leadership is a process in which an individual affects the behaviour of a group in order to achieve the goals of the group or organization. Various leaders use various means and styles of management in order to motivate the staff to achieve organizational goals. Therefore, in this thesis, we will pay attention to classical business, with an emphasis on medium and large companies. We will not study leadership in the other types of organizations in this thesis. Also, we will not study small companies, as they are distinctive for the fact that leadership is, as a rule, related to the owners of the companies, and there are rarely other leaders in the company. This is especially true for small companies in Serbia, where there is a so-called „Serbian boss syndrome“, in which owners usually prevent development of leadership within the company consciously.*

*The goal of this thesis is to show that leadership (leadership style) affects motivation of the staff.*

**Key words:** *Leadership, Leader's Traits, Leadership Styles, Staff Trainings, Trainings, Motivation, Organizational Success*

**JEL Classification:** *J24, M53*

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# **RESEARCH ON ENTREPRENEURIAL STUDENTS TENDENCIES**

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*Milan Dragic PhD<sup>128</sup>*

## **ABSTRACT**

*Entrepreneurship is the driving force of the economy of modern society. Liberal Economics encourages starting a business on sound foundations of competitiveness. This study investigated the affinities of students towards entrepreneurship and their attitude toward starting their own business. Research focused on the students as potential entrepreneurs and holders of society development. An important role in concretization of quality ideas presented by business plans have capital funds at various levels (local, provincial, national, regional), as well as numerous international funds. The decisive factor in terms of successful selection of activities at beginner entrepreneurs can be advisory and uplink activity of higher education institutions, the banking sector and state bodies responsible for the promotion and development of small and medium-sized enterprises.*

**Key words:** *Entrepreneurship, Business, Youth, Enterprise*

**JEL Classification:** *L26, M14*

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# **THE IMPORTANCE OF LEARNING FOREIGN LANGUAGES IN THE HIGHER EDUCATION OF ENTREPRENEURS**

*Elena Cickovska PhD<sup>129</sup>*

## **ABSTRACT**

*The process of international networking is related to an increased international market competition. The price and the quality of products and services are not enough in order to be competitive on the global market. Some other completely different factors have become important as well. Foreign language competences are among the crucial aspects for economic development, achievement, maintaining and expanding foreign trade, because, as researches presented in this paper show, they are directly proportional to the export performance.*

*The needs of the market for specific foreign language skills, apart from English as a lingua franca, are further researched as part of my doctoral dissertation and presented in this paper. The results show that the needs of the market are not fully met. The enterprises genuinely need highly educated staff with foreign language skills - not only English, but the languages of current and future business partners.*

*The main factor for increasing competitiveness, for increasing export and for economic growth is the ability of entrepreneurs, which should, in turn, be developed by the higher education as a crucial factor. According to the analyses and results shown in the paper, there are no effective relations between the education and the economy. .*

*Higher education has a social responsibility and in order to be able to achieve its purpose, the gap between the studies and the professional life (i.e. the labour market) has to be bridged, by a structured exchange and cooperation between the employers and the educational institutions.*

*In order to establish a dynamic coordination between the needs of the enterprises and the higher education in terms of foreign language competences, specific activities are also listed in the paper as measures to improve the language education of future entrepreneurs.*

**Key words:** *Market Needs, Foreign Languages, Higher Education, Research, Coordination*

**JEL Classification:** *I25, J24*

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# **COMPANIES INVESTMENTS IN EMPLOYEES AS A FUNCTION OF DEVELOPMENT AND INTENSIFICATION OF COOPERATION WITH HIGHER EDUCATION INSTITUTIONS**

*Dragana Trifunovic PhD<sup>130</sup>  
Vuk Bevanda PhD<sup>131</sup>*

## **ABSTRACT**

*Companies strive to development that is necessary to their business. Compared to other development factors distinguishes human capital, and what particularly stands out is the fact that without educated and professional people companies can not effectively use even the other factors of development. Depending on what kind of human and intellectual capital the company has, and how much is investing in it, depends the present and future performance development. In addition, there is the great importance of intensifying cooperation with higher education institutions. Cooperation between businesses and higher education institutions can be achieved in several ways. Each of these methods carries a number of benefits for both organizations.*

*In this paper, throughout the results of the research, are shown links and relations between enterprises and higher education institutions, but also the importance of investment in the company employees. A period of ten years has been considered to see the flow of movement, change and development directions.*

**Key words:** *Companies, Investments, Employees, Development, Cooperation, Higher Education Institutions.*

**JEL Classification:** *M14*

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# ***BUILDING SMART ORGANIZATION THROUGH LEARNING AND DEVELOPMENT OF EMPLOYEES***

*Snezana Lazarevic PhD<sup>132</sup>  
Jelena Lukic MSc<sup>133</sup>*

## **ABSTRACT**

*The aim of this paper is to analyze the importance of acquisition, generation, application and transfer of knowledge among employees, which represent very important basis for efficient development of learning organization, and based on it, the concept of smart organization. Learning and development of employees have become the key factors which make difference between successful and unsuccessful organizations, but also a factor that provides the necessary condition for achieving and sustaining competitive advantage in the market. Motivation for this paper is the fact that smart organizations require new features of organizational design which will ensure responsiveness to change, flexibility, and adaptation to the environment through continuous and dynamic processes of learning, training and development of employees. The starting research questions of the paper were: (1) What are the key characteristics of smart organization?, (2) What are the key features of its structure and design?, (3) What are the key processes and activities that support learning and development of its employees? and (4) Is every smart organization, learning organization? By literature review and using Galbraith's Star Model for designing organization, we identified all necessary changes in strategy, structure, processes, employees and rewards that organizations need to pursue in order to become smart. The conclusion is that only those learning organizations which align all elements of organizational design and effectively use their learning abilities to create value are smart organizations.*

**Key words:** *Knowledge, Development of Employees, Organizational Design, Learning Organization, Smart Organization*

**JEL Classification:** *D83, J24, M53*

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# **EMPLOYMENT IN THE REPUBLIC OF SERBIA- CRITICAL REVIEW**

*Aleksandar Gajic PhD<sup>134</sup>*

*Radica Pavlovic PhD<sup>135</sup>*

## **ABSTRACT**

*Foreign capital cannot, nor is in its the interest, to develop the countries importing foreign capital because it focuses on resources and those areas where there is interest (profit), manifested particularly in the exploitation of cheap manpower and "abuse" of the high unemployment rate. The fall in employment leads to a drop in purchasing power, which has negative consequences for demand of domestic products, which are uncompetitive by price and quality, falling level of utilization of local capacity, further layoffs and so to enter the vicious cycle that leads to undeveloped domestic economy. Given the above, the paper's special attention will be paid to employment and employment policy in the Republic of Serbia, considering the high level of long-standing decline in employment, the causes of which it is conditioned, and give recommendations if any course of action in economic policy in the field of employment and the regulation thereof in the imperative norms.*

**Key words:** *Employment, Employing, Policy*

**JEL Classification:** *E24*

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## **COMPARATIVE ANALYSIS OF WORK MOTIVATION – WHAT MOTIVATES CURRENT AND WHAT FUTURE EMPLOYEES?**

Vlatka Ruzic PhD<sup>136</sup>  
Mirela Spehar<sup>137</sup>

### **ABSTRACT**

*One of the key factors of human resource management as well as a factor of successful business is employee motivation; motivation is the main reason for good or bad performance of each work task in the overall operations of the company. The assumption is that if employees are motivated to work and satisfied with their work environment that the client / customer / guest will also be satisfied, and the company will operate positively. Motivation is among the key factors of successful business and a great number of researches try to determine which form of motivation produces the best results. Although there are numerous studies that have identified factors of employee motivation, as well as the scale of validity for employees (which shows a variable trend due to the influence of various factors), this paper examines how high is the difference between the factors of motivation among current employees and those who are just about to enter the work market (students)- on a sample of students of the Polytechnic "Nikola Tesla" in Gospić, Croatia. The aim of the paper is to determine what are the differences and expectations in motivational factors for each of the group analysed; the methodology used for the preparation of this work includes a method of interviews, analysis and synthesis as well as the method of description.*

**Key words:** Motivation Factors, Employees, Students

**JEL Classification:** J21

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# **THE TAX SYSTEM AND TAX POLICY IN THE FUNCTION OF ECONOMIC DEVELOPMENT AND EMPLOYMENT**

Dejan Karavelic MSc<sup>138</sup>  
Zoran Karavelic PhD<sup>139</sup>

## **ABSTRACT**

*The tax system and tax policy in all countries, are subject to constant review, and the tax systems of these countries, significant changes occur. The differences that exist in the design and implementation of fiscal policy, more or less are a result of differences between their social and economic systems and levels of development. It is very important to choose the criteria and principles underlying the fiscal policy of a country. In order to achieve fiscal and other economic targets, in some periods are increased taxes on income in respect of taxes on consumption, at other times the reverse process occurs. At some time, countries are increasing progression, while in the second period, reduce the progressivity of taxes. The changes in the tax system in Serbia is coming right after some changes in the political and economic country system. Basically there have always been changes in the redistribution of the tax burden across the population and economy. The justification for changing the tax system still was in need of providing funds for strengthening state independence and its defensive power, acceleration of economic development and employment, higher living standards and others. Thus, the need for changing the economic structure, low level of economic development, international economic integration, fiscal decentralization, high unemployment and others. are the main drivers of tax reform. On the other hand, the tax system and tax policy have an important impact on economic trends, the level of employment, a general increase in prices, the inflow of foreign direct investment, and other economic variables. Accordingly, both authors in this paper is focused on analyzing the impact of the tax system and tax policy on economic development and employment in Serbia, aiming to draw attention to the current limited scope of the tax system and tax policy on development trends of the national economy.*

**Key words:** Tax System, Tax Policy, The Economy, Tax Competitiveness

**JEL Classification:** E62

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## ***CIVIL SERVICE EMPLOYMENT AND CURRENT LIMITS IN RESPECT OF EMPLOYMENT***

*Zivanka Miladinovic MA<sup>140</sup>  
Djordje Spasojevic<sup>141</sup>*

### **ABSTRACT**

*In the civil service employment, the state is at the same time a legislator and an employer. Unlike other employers, it lays down standards that constitute a system of labor law that applies to the entire country and is mandatory for all employers who carry out their activities in its territory. This standard is not adopted as an employer, but it seems as acting legislative power. As an employer, the state is obliged to obey the norms that made it. The other side in the civil service employment, civil servants who participate in the exercise of public authority, which caused many specifics in the recruitment process, the nature of the employment relationship i.e. service relations as well as the characteristic rights and obligations of civil servants. It should be noted that the Republic of Serbia, in accordance with the Law on Civil Servants, is acting as an employer in relation to service employees. This research is the establishment of the civil servants in the State administration, which as part of the executive authorities of the Republic of Serbia performs administrative tasks within the rights and duties of the Republic of Serbia.*

**Key words:** *Civil Servant, Employment in The Civil Service, The Prohibition of Employment in The Public Sector*

**JEL Classification:** *L32*

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# **PROHIBITION OF DISCRIMINATION AND PREVENTION OF ABUSE AT WORK AS A RIGHT AND OBLIGATION SERBIAN LEGISLATION**

Vladimir Kozar PhD<sup>142</sup>  
Vesna Bilbija MSc<sup>143</sup>

## **ABSTRACT**

*The topic of this paper is a review of the changes that have affected the world of work, deviations that have occurred due to these changes and also the need to invest more effort in creating and maintaining a healthy working environment. In modern business operating conditions, the expectation of a guaranteed job has disappeared and it has been replaced with a requirement that the employee again and again proves himself/herself on the competitive and demanding market. The fear of losing their jobs, quite demanding tasks that also carry greater personal responsibility, the pressures due to which competition among employees is created, which, if not channeled, has no driving power but causes a distrust among colleagues and personal insecurity - are a sure way to mobbing and discrimination. In the context of European integrations, there has been great progress in improving the legal and institutional framework for combat against discrimination in the Republic of Serbia. The dynamics of the passing of anti-discrimination laws has an upward trajectory, indicating that the harmonization of national normative framework in the field of protection against various forms of discrimination gained the due attention. The prohibition of discrimination and the prevention of abuse at work are subject to the regulation of the parent Labour Law and a special Law on Prevention of the Abuse at Work. With the formation of the normative framework, prevention has an important factor in the suppression of mobbing and discrimination, as well as creation of social conditions conducive to the establishment of the system of values in which equality and mutual tolerance represent values that society consciously accepts and where differences among people are appreciated and understood as its wealth and potential for development.*

**Key words:** Law, Discrimination, Abuse, Prohibition, Protection

**JEL Classification:** K42, K31

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# ***CURRENT ASPECTS OF THE PRINCIPLE OF PROTECTION OF EMPLOYEES WITH SPECIAL REFERENCE TO PROTECTION FROM ABUSE AT WORK***

*Natasa Tanjevic PhD<sup>144</sup>,  
Zoran Radulovic PhD<sup>145</sup>*

## **ABSTRACT**

*The paper points to certain standards of protection for employees in the law of the Republic of Serbia. Special attention is paid to protection from abuse at work, bearing in mind that it is a socially negative phenomenon with manifold significant social, economic, psychological and legal implications, and that, on the other hand, we can observe a degree of social and personal tolerance to this phenomenon, especially in countries in the process of transition, characterized by high unemployment and a lack of or insufficient implementation of legal mechanisms to protect the rights of employees. In this respect, reference is made to domestic legislation in this area, with the conclusion that only a few initial steps were made in creating a healthy and safe working environment which would ensure respect for human dignity and personal integrity of employees.*

**Key words:** *Employee Protection, Mobbing, Moral Integrity of Employees, Prohibition of Discrimination*

**JEL Classification:** *J71, K31, J83*

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# **MARKETING MANAGEMENT - A VIEW ON CONTEMPORARY PRACTICE**

*Ljiljana Dimitrijevic PhD<sup>146</sup>  
Maja Cogoljevic PhD<sup>147</sup>*

## **ABSTRACT**

*The problem and the phenomena of marketing organization and its effective and efficient controls, is a very significant challenge for economic theory and practice. Ambitiously set up research framework of this paper, has contributed to open a number of questions, dilemmas and challenges in this the area. Presentation and analysis of conventional and modern criteria and methods of organizing marketing and control instruments, have confirmed the indicated complexity, scope and importance of this problem. To this further contributed the fact that marketing, as a way of thinking, business philosophy, science and business paradigm, seems still to modestly draw into the pores of social and economic life, often more declarative and not sufficiently comprehensive.*

*Economic reality imposes the need for reviewing the phenomenon marketing organization and establishing an adequate control system over it, throughout the multidimensional prism of factors, relationships and influences, which on one hand represent frames, and on the other, provide a challenge for the economy and business. This is done, in a way that entire research is conceptualized in a unified whole, logically related and problem-directed.*

**Key words:** *Organization, Control, Factors, Challenges*

**JEL Classification:** *M31*

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## **LOCATION BASED SERVICES: IMPLICATIONS IN TOURISM MARKETING**

*Berislav Andrić PhD<sup>148</sup>  
Mario Hak MSc<sup>149</sup>*

### **ABSTRACT**

*This paper will analyze the usage of LBS services as a part of mobile marketing. Electronic marketing (e-marketing, telemarketing) you can achieve the company's marketing activities with intensive use of information and communication (Internet) technology. Mobile marketing goes a step further in using information and communication technologies. Location-based services (LBS) are Internet applications that include all marketing services linked to geographical location. This marketing concept is based on the localisation of people, services, objects and all attractions linked to a tourism destination and attraction. With the development of mobile communication, LBS have become a new models of communication and promotion in tourism marketing in Croatia.*

**Key words:** *E-marketing, LBS, Tourism, Technology*

**JEL Classification:** *M31, L86*

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## **SELECTION OF AN OPTIMAL PACKING OF GOODS**

Slavica Andjelic PhD<sup>150</sup>  
Djordje Ilic MA<sup>151</sup>

### **ABSTRACT**

*Packaging has long surpassed its primary purpose - to protect the product on store shelves during transport and that preserving its basic characteristics. It now represents a link between producers and consumers and transmits the message to the customer by the producer woven into its design. Packaging is now considered spokesman manufacturers. What product should as much as possible to bring customers to them and uniqueness intrigued that the product compartment. The design can greatly affect the price of the finished product. The share of packaging in the retail price of a luxury product may amount to even 70 percent, while the food sold in supermarkets and more than 20 percent. As in the sea of similarity to choose a product that is needed? Research on the habits of consumers show that most of the purchases done on an also a part of the consumer chooses products to packaging design. Research conducted in the US showed that an average of ten products purchased seven purchases by habit- unplanned. This largely shows how packaging can attract consumers and what is its psychological power. In this paper, we investigated the role of packaging, the impact that packaging has on consumers themselves. The study identified significant differences in the opinions and needs of different groups of consumers, and the most notable differences in the impact of packaging on different group of consumers. Results of research conducted for this study, demonstrate the importance and significance of packaging in terms of increased competition and overcrowding shelves in shops and supermarkets. Packaging is becoming an important marketing tool and received a host of new tasks of attracting the attention of consumers and of describing products to the sales.*

**Key words:** *The Importance of Packaging, Marketing Mix, Design, Product Roles*

**JEL Classification:** *L10, P46, M31*

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# **IMPACT OF VISUAL COMMUNICATION ON CONSUMER BEHAVIOR**

*Radoslav Baltezarevic PhD<sup>152</sup>  
Vesna Baltezarevic PhD<sup>153</sup>*

## **ABSTRACT**

*This paper presents examination of the impact of visual communication on customer behavior results. Authors will present new findings in this scientific field and through representative examples contribute to a better understanding and improvement of access to visual communication, which results in a strengthening emotional ties with loyal consumers. Visual communication is the communication of ideas and creativity through the visual display of information. Visual communication design relies on drawing as the primary component of visual language to support the conception and visualization of ideas. Visual communication design influences people's choices on what they think, they need or want. If the information is presented in a way that attracts the intend audience and persuades them to take action, in this case we can say that the visual communication is successfully designed.*

*The aim of this paper is to show that creativity can make complex messages easy to understand. The company's successful visual communication build and maintain customer loyalty and it creates strong emotionally connections between consumers and brands.*

**Key words:** *Visual Communication, Consumer Behavior, Creativity, Design, Corporate Identity*

**JEL Classification:** *M31, J24*

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## **CONCEPTS OF THE DEVELOPMENT OF CUSTOMER RELATIONS IN TELEKOM SERBIA JSC**

Zorana Nikitovic PhD<sup>154</sup>  
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### **ABSTRACT**

*With the development of techniques and technology in the XXI century, companies' business environment also changes; hence new circumstances demand new marketing concepts. The aim of this approach is to obtain a long-term satisfaction of the customers, i.e. to catch buyers' attention and to make profit through discovering customers' needs, creating adjusted offer and satisfying their needs. The old attitude that business companies only form the value of products or service thanks to the data gained from experience is now replaced with the attitude that a buyer forms value because value is not only a product's quality, but also an overall impression the customer has while using certain products or service.*

*Today, more than ever, is much more expensive to catch the attention of new customers than to retain the existing ones in. Therefore, successful companies pay full attention to creating and developing long term relationship with their clients. In marketing researches, the buyer becomes something of a business partner with whom the company is striving to create a mutually satisfying business process. In the process of forming this relationship all employees are involved, starting from the top management to the final doers, i.e. salesmen.*

*In the territory of Serbia, one example of a successful creation of a long term relationship with clients is a company Telekom Serbia JSC. With properly directed activities, this company has been successfully listening to and analyzing their customers' wishes for years now. By treating their customers as clients this company has been fulfilling and directing its strategy and as a result they have made profit and established long term cooperation, which is reflected in satisfying clients' wishes. In this paper, only the strategy of creating long term relationship with the customers in Serbia will be observed, without looking back on the management on a regional level.*

**Key words:** Customers, Relationship With Customers, CRM

**JEL Classification:** M39

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## **HOW TO USE SOCIAL MEDIA FOR BUSINESS**

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### **ABSTRACT**

*Social media represent key tool for communication, connecting and creating relations between people (and brands) in last ten years. In XXI century, tête-à-tête communication has been replaced by virtual, long distance communication. Such a dramatic change in the way we communicate was accompanied by the change of way we think or do business. In following years, we can expect this trend to continue which will lead to social media becoming integral, and a very important, part of any business model. In the meantime, companies need to develop sustainable social media business strategies, which is easier to say than do. Numerous studies showed that majority of companies are facing challenges in designing effective social media strategy and even bigger problems in implementing it. Breakthroughs are necessary in developing tools which will help process data gathered in social media. Only strategies fed with such a quality data can prove to be more superior and secure stable social media business presence.*

**Key words:** *New Media, Social Media, Communication, Business*

**JEL Classification:** *D83, L82*

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## ***VIRTUAL TEAMS COMMUNICATION MODEL***

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Radoslav Baltezarevic PhD<sup>159</sup>*

### ***ABSTRACT***

*The traditional concept of organization has been increasingly orienting towards 'virtual organization'. A new form of virtual business opens new challenges for everyone involved in the chain of forming and activation of the cyber teams. Learning and adapting to new communication and business methods is imperative for the survival in a business environment. However, it is the deep conviction of the authors that employees are still not quite ready to give up the conventional forms of organizational communication. The younger generations, which grew up with the Internet, find it easier to accept new forms of virtual businesses in comparison to the older generations who were introduced to the new technologies in their later years. But, no matter what form of business we are addressing, for the successful realization of business objectives, we need motivated employees.*

***Key words:*** *Communication, Traditional Concept, Virtual Business, Motivated Employees*

***JEL Classification:*** *J24, M15*

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# **COOPERATIVES IN THE WORLD AND IN THE SERBIA: DEVELOPMENT FUNCTION IN THE LIGHT OF THE NEW LAW ON COOPERATIVES**

*Dejan Radulovic PhD<sup>160</sup>  
Renata Pindzo PhD<sup>161</sup>*

## **ABSTRACT**

*The authors analyze and present an overview of international, European and comparative history of development, legislation and practice of the cooperative sector in the world, Europe, and Serbia. The paper analyzes some development problems and advantages of cooperatives. Analyzing legal, strategic and institutional basis for the regulation of cooperatives. The analysis starts from the global financial and economic crisis, which is inevitably reflected in the development of cooperatives in the world and in the Republic of Serbia, whose development is accompanied by chronic problems, due to the lack of systematic and continuous measures of economic and cooperative policies. This paper contains proposals for resolving of the existing problems of cooperatives in Serbia that are based on the adoption of new regulations in the field of cooperatives in Serbia. The new legal regulations should facilitate and encourage employment, education and establishment and development of cooperatives.*

**Key words:** *Cooperative, Cooperatives Organization, Historical Development, Advantages, Law*

**JEL Classification:** *F53, K33*

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## ***CONDITION OF COOPERATIVES AND COOPERATIVE SECTOR IN SERBIA***

*Dejan Radulovic PhD<sup>162</sup>,  
Sofija Radulovic PhD<sup>163</sup>*

### ***ABSTRACT***

*The author analyses and gives an overview condition on cooperatives and cooperative sector in the Republic of Serbia, as well as a review of the legal framework that regulates the area of cooperatives. The aim of the analysis is the need for defining condition of cooperatives and cooperative sector in Serbia. On the basis of the presented data, the author in the conclusion presents the problems that cooperatives in the Republic of Serbia have been confronting with for more than two decades, as well as the proposals for the solution of the accumulated problems.*

***Key words:*** Cooperatives, Cooperative Sector, Statistical Data

***JEL Classification:*** K20

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# **THE LEGAL PROTECTION OF TECHNICAL INVENTIONS**

*Zoran Miladinovic PhD<sup>164</sup>  
Sinisa Varga PhD<sup>165</sup>*

## **ABSTRACT**

*In contemporary society, knowledge is the most important resource of economic development so as innovative capacity i.e. capability for creation of inventions and obtaining commercial gains from innovation represents the base for employment, entrepreneurship and education in the conditions of knowledge economy. The significant segment of environment where the job creation, entrepreneurship and efficient vocational education are supported is legal protection of technical inventions. This paper is dealt with contents and boundaries of exclusive legal powers granted to patent owners. First of all the legal conception of technical invention is examined. Afterwards it is pointed that patent is characterised by exclusivity and all elements of this exclusivity as well as limitations of it are presented. The finding is that the scope of legal monopoly conferred by patent forms the very solid basis for doing business successfully causing increasing the employment and entrepreneurship development.*

**Key words:** Law, Patents, Technical Inventions

**JEL Classification:** K29

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## ***PATENT PROTECTION OF CHEMICAL SUBSTANCES AND COMPOSITIONS***

*Jovan Sarac*<sup>166</sup>

### **ABSTRACT**

*Author analyses the problem of the protection of chemical inventions in the form of substances, compositions, procedures for obtaining them and application inventions. On example of several countries, the evolution of patent protection system in this field is presented. Author also gets partially involved into economic analysis, particularly in relation to the influence of pharmaceutical companies on the development of patent system, states key elements of judicial and administrative decisions and conducts an analysis of their influence on the development of the patent system. Finally, there is an assessment of further development of the patent system in the context of individual decisions of the European Patent Office, as well as in the context of raising certain issues of patent law, establishing that powerful lobby of pharmaceutical industry will continue to have prevailing influence on the development of patent system.*

**Key words:** *Invention, Patent, Patent Law, Chemical Substances and Compositions, Pharmaceutical Industry, European Patent Office*

**JEL Classification:** *K29*

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# ***PERCEIVED STRESS AND SOCIAL SUPPORT AMONG EASTERN EUROPEAN MIGRANTS IN GERMANY***

*Vihra Naydenova PhD<sup>167</sup>*

## ***ABSTRACT***

*The aim of the study was to research the national and gender differences in perceived stress and social support by educational migrants and Germans. The results showed national and gender differences especially in the area of perceived stress. Migrants reported significantly higher stress compared to domestic students. Females showed also higher perceived stress results compared to man. In the area of social support also significant differences between both groups were found.*

***Key words:*** Migration, Acculturation, Perceived Stress, Social Support

***JEL Classification:*** J15

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# ***AN ANALYTICAL REVIEW OF THE UNCITRAL CONVENTIONS ON CONTRACTS FOR THE SALE OF GOODS AND THE STATUTE OF LIMITATIONS***

*Zoran Radulovic PhD<sup>168</sup>  
Miroslav Radulovic MA<sup>169</sup>*

## **ABSTRACT**

*The paper analyzes the Convention on the Sale of Goods and the Convention on the Statute of Limitations that were passed within the realization of the objectives of the United Nations Commission on International Trade Law. Attention was given to these conventions because these are two crucial issues of world trade, regulation of which resulted in significant positive effects both on the development of freight transport on a global scale, as well as in terms of ensuring the principle of legal certainty in regard of limiting claims deadlines. The complexity of this subject matter is reflected, inter alia, in plain prima facie similarity between the sale of goods and the statute of limitations within a country and internationally. This is due to the fact that international transactions also include public law elements, the significance of which many legal theorists express by classifying within the field of international public law mutual business actions of two or more enterprises which are based in different countries, despite the undeniable existence of private law hallmarks.*

**Key words:** *International Commercial Convention, International Trade, International Sale of Goods, Statute of Limitations*

**JEL Classification:** *J71, K31, J83*

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# **PROPOSITION OF A NEW INTERNATIONAL AGREEMENT ON THE PROTECTION OF INTEREST OF BROADCASTING ORGANISATIONS**

Vladimir Maric MSc<sup>170</sup>

## **ABSTRACT**

*At the time when the International Convention on the Protection of Performers, Producers of Phonograms and Broadcasting was adopted, which was concluded on 26 October 1961 in Rome (hereinafter referred to as the Rome Convention) - early sixties, there was no Internet or many other technologies of signal transmission of broadcasting organizations. Rome Convention is regulated only those forms of transmission of electronic signals broadcasting organizations that existed at that time, for example, terrestrial broadcasting. In the system of terrestrial broadcasting, transmission of television and radio signals are transmitted through the air via TV towers system fitted to a specific geographical territory. For example, a television signal for decades traveled from the television tower at the top of the RTS building, to the antenna on top of a residential building in Serbia, and further, to the television. This is no longer a picture that represents transmission of radio and television signals, today. New forms of signal transmission over the Internet, and partly through a cable distribution network are not regulated by the law. The interest of the broadcasting organizations is for their their rights to be adopted to the new technological environment and on the international level, for the new international agreement on the protection of the interests of broadcasting organizations should be adopted. This article discusses the issue of the adoption of such an agreement on which it is being discussed in the World Intellectual Property Organization (World Intellectual Property Organization - WIPO).*

**Key words:** Signal, Broadcasting, Broadcasting Organization, Signal Piracy

**JEL Classification:** K33

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# **THE DEVELOPMENT OF E-GOVERNMENT IN SERBIA AND THE MOTIVATION OF CITIZENS CONCERNING THE USE OF E-SERVICES**

Zorica Medic PhD<sup>171</sup>  
Predrag Djikanovic PhD<sup>172</sup>

## **ABSTRACT**

*In Serbia, the key issue in the context of the association of Serbia to the European Union is the question of public governance through the application of the e-Government concept. This concept of e-Government is functionally organized on contemporary principles of service-oriented processes which are automated by the application of information and communication technologies and it represents a highly complex process that needs to be addressed on a global level, through technical equipment, communication infrastructure, education of both employees and users of services in question. The development of e-Government in Serbia is in progress, but the use of e-Service they offer on their portal is yet to be completely realized. The subject of this study is to estimate the level of development of e-Government in the Republic of Serbia for the year 2014, based on the analysis of the results provided by the e-Government development index, representation of e-Government services, and the assessment of the functioning of the state governance. Data for this paper were taken from the report from 2014: UN e-Government Survey. (UNPAN Data Center), Coordinating for Cohesion in the Public Sector of the Future – COCOPS and the Statistical Office of the Republic of Serbia. The aim of this paper is to, based on the analysis of the current situation, define and identify the factors which are recognized as critical activities because of which the citizens are not sufficiently using services of e-Government. The purpose of this paper is to understand the concept of e-Government and to motivate people to use e-Services more. In this regard, this paper will represent e-Service – “The replacement of old (paper) driver’s license for a new photocard license“, with all its advantages concerning its use as well as benefits for the users. The project is a complete e-Government solution in the Republic of Serbia which connects three branches of electronic administration – government authorities, business entities and citizens.*

**Key words:** E-Government, E-portal, Information and Communication Technologies, E-Service

**JEL Classification:** M15, M48, M53

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CIP - Каталогизација у публикацији -  
Народна библиотека Србије, Београд

005(048.3)  
338.1(048.3)  
37(048.3)  
330.322(048.3)  
005.961:005.914.3(048.3)

INTERNATIONAL Scientific Conference  
Employment, Education and  
Entrepreneurship (4 ; 2015 ; Beograd)  
Book of abstracts / [The Fourth] International  
Scientific Conference  
Employment, Education and Entrepreneurship  
[EEE 2015], 14-16 October 2015  
Belgrade Serbia ; [organizer Faculty of Business  
Economics and  
Entrepreneurship]. - Belgrade : Faculty of  
Business Economics and  
Entrepreneurship, 2015 (Valjevo : Valjevoprint).  
- 131 str. ; 25 cm

Tiraž 220. - Napomene i bibliografske reference  
uz tekst.

ISBN 978-86-6069-119-6

1. Visoka škola za poslovnu ekonomiju i  
preduzetništvo (Beograd)

a) Менаџмент - Апстракти b) Предузетништво  
- Апстракти c) Економски  
развој - Апстракти d) Образовање - Апстракти  
e) Инвестиције - Апстракти  
COBISS.SR-ID 218260492