



INTERNATIONAL CONFERENCE  
Employment, Education  
and Entrepreneurship

# **EMPLOYMENT, EDUCATION AND ENTREPRENEURSHIP**

27-29 October 2016 Belgrade Serbia

***BOOK OF ABSTRACTS***





## **EMPLOYMENT, EDUCATION AND ENTREPRENEURSHIP**

27-29 October 2016 Belgrade Serbia

### **ENTREPRENEURSHIP: TYPES, CURRENT TRENDS AND FUTURE PERSPECTIVES**

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*Full Professor Edita Kastratovic, PhD*

*Associate Professor Dragan Milosevic, PhD*





Faculty of Business Economics and Entrepreneurship (BEE), Belgrade, Serbia,  
[www.vspep.edu.rs](http://www.vspep.edu.rs)

International Research Institute for Social Entrepreneurship & Economic  
Development (IRISEED), Birmingham, United Kingdom, [www.iriseed.org](http://www.iriseed.org)

International College of Interdisciplinary Sciences, United States,  
[www.americanschoolofgenealogy.com](http://www.americanschoolofgenealogy.com)

Institute of Economic Sciences, Belgrade, Serbia, [www.ien.bg.ac.rs](http://www.ien.bg.ac.rs)

Belgrade Banking Academy, Belgrade, Serbia, [www.bba.edu.rs](http://www.bba.edu.rs)

Faculty of Entrepreneurship, University of Tehran, Iran, [www.ut.ac.ir](http://www.ut.ac.ir)

University of Business Engineering and Management, Banja Luka, Bosnia i  
Hercegovina, [www.univerzitetpim.com](http://www.univerzitetpim.com)

Sofia University, „St.Kliment Ohridski,„ Faculty of Philosophy, Sofia, Bulgaria,  
[www.phls.uni-sofia.bg](http://www.phls.uni-sofia.bg)

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***ENTREPRENEURSHIP:  
TYPES, CURRENT TRENDS AND FUTURE  
PERSPECTIVES***





## ***CORPORATE ENTREPRENEURSHIP IN SERBIAN PUBLIC SECTOR***

*Ljiljana Kontic<sup>1</sup>,*

*Djordje Vidicki<sup>2</sup>*

### ***ABSTRACT***

*This paper presents an empirical study and analysis of corporate entrepreneurship within Serbia public sector. Many authors have pointed that corporate entrepreneurship can be interpreted and measured in many different ways. The research instrument named Corporate Entrepreneurship Assessment Instrument (CEAI), developed in the USA, is used to assess organizational potential for a corporate entrepreneurship. Regarding different characteristics of national cultures, the main aim of this study was to investigate the construct validity of CEAI in case of Serbia. The objective of the study was the attitudes regarding innovation from managers from four public organizations. Data analysis was conducted using SPSS Statistics 19.0. The research findings revealed possible practical implementation of CEAI in Serbian organizations. From a theoretical perspective, the study represents an important step in understanding the internal factors of entrepreneurship in Serbian organizations. The results of research contribute to the literature on corporate entrepreneurship by documenting the existence of an underlying set five stable organizational factors that should be recognized. The study limitations are also suggested.*

***Key words:*** *Corporate Entrepreneurship, Public Sector, Innovation, Organizational Culture, Serbia*

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

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<sup>1</sup>Union University, Faculty of Legal and Business Studies, Novi Sad, Serbia,  
ljiljana.kontic@yahoo.com

<sup>2</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, dunav3@yahoo.com

# **IDENTIFICATION OF SUPPORTIVE SOCIAL AND LEGAL ENVIRONMENT FOR SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN THE REPUBLIC OF SERBIA**

*Jovanka Popovic*<sup>3</sup>

*Vlado Radic*<sup>4</sup>

## **ABSTRACT**

*Present innovative movements induce periodic changes, which are obvious to remark and naturally, inevitable to happen. Precisely for these reasons, the paper aims to present social entrepreneurship as an innovative means of resolving social, economic, health, educational and ecological problems in the Republic of Serbia. This is possible to achieve only through unification and use of sustainable business models.*

*The goal of the paper is focused on the synthesis of theoretical facts and assumptions, and seeks to identify opportunities for the development of social entrepreneurship in Serbia through the theoretical development concept, providing ideas on the possible creation of the conditions and environment for successful market performance, by accomplishing social enterprises development, as well as willingness to primarily establish them.*

*The paper's basic mission is to display the potential of social entrepreneurship, as well as to initiate the introductory steps for creating a favorable social and legal environment for the development of social entrepreneurship in Serbia.*

**Key words:** *Social Entrepreneurship, Social Enterprises, Social Environment, Legal Environment, Development*

**JEL Classification:** *M13, Z13*

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<sup>3</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, jobajcetic@gmail.com

<sup>4</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, vlado.radic@vektor.net

# ***IMPORTANCE OF INCLUSION OF PERSONS WITH DISABILITIES IN AN ENTREPRENEURIAL ENVIRONMENT***

*Milan Dragic<sup>5</sup>,*

*Edita Kastratovic<sup>6</sup>*

## ***ABSTRACT***

*The maturity of a society is reflected in the implementing of social equality in all aspects of social life, including employment. The aim of this paper is to analyze equality in the employment of persons with disabilities as well as the analysis of social responsibility and the potential opportunities in this regard. The survey was conducted by way of the interviewing technique. The research included a descriptive and comparative statistics statistical analysis of data. This research has enabled insight into the willingness of persons with disabilities to be included in the entrepreneurial environment. It also emphasizes the importance of their socialization, as well as from an ethical as well as economic interests of the company.*

***Key words:*** *Employment, Persons with Disabilities, Equality, Social Responsibility*

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

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<sup>5</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Srbija, milan.dragic@gmail.com

<sup>6</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, kastratovice@yahoo.com

## **WOMEN'S EMPOWERMENT THROUGH ENTREPRENEURSHIP IN ALGERIA**

*Boufeldja Ghat<sup>7</sup>*

### **ABSTRACT**

*The marginalisation of women in most developing countries, obstruct their social and economic development. The traditional culture is the cause for the spread of illiteracy, unawareness and the lack of material incomes. As a result of this fact, the women suffer from a position of weakness, dependency on men in a males' society. The expansion of education amongst young girls helped an increasing number of them to obtain higher degrees. That allowed them to occupy jobs and to have an income. As result of the unemployment crisis in Algeria, the state applied a strategy of encouraging youth in creating their own enterprises. Algerian educated women became more aware of their situation. That led to an increasing number of them becoming successful entrepreneurs. This strategy helped the empowerment of women, allowed them to defend their interests and occupy senior social and economic positions.*

**Key words:** *Women's entrepreneurship, Women's empowerment, Males' society, Women's work in Algeria*

**JEL Classification:** *I24, L26*

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<sup>7</sup>Faculty of social sciences, University of Oran II, Algeria, ghat\_boufelja@yahoo.fr



# ***ENTERPRISES: NECESSITY OR OPPORTUNITY TO WOMEN EMPOWERMENT & HAPPINESS: A CASE OF WESTERN NEPAL***

*Raghu Bir Bista*<sup>8</sup>

## ***ABSTRACT***

*Gender Development Index (GDI) of Asia still establishes the development issue of Gender Disparity in the context of Gender Sensitive Development Approach. In Nepal, its extremity supported by GDI rank is reflected by her Western Region, along with their socio economic vulnerability. At some extent, enterprises have been endorsed in the western region of Nepal. This paper analyzes whether enterprise is necessity or opportunity throughout examination of the institution and module of enterprises in agriculture and examination of its forward and backward linkages with household dynamics and happiness based on primary data collected from Surkhet, Western Nepal through applying basic statistical tools. The paper finds mixed scenario in which the high income group used it an opportunity but the low income group used it necessity to self-employment because of availability of resources and means. Its positive impact can be found in women empowerment, vulnerability and household dynamics.*

***Key words:*** *Gender Development Index, Gender Disparity, Development Issues, Socio economic vulnerability, Nepal*

***JEL Classification:*** *J16, J24, L53*

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<sup>8</sup>Tribhuvan University, Department of Economics, Kathmandu, Nepal, bista3@hotmail.com

## **WOMEN IN DEVELOPMENT AND WOMEN EMPOWERMENT: A GENDER ANALYSIS**

*Isaac Elijah Esema*<sup>9</sup>

*Dijana Jovanovic*<sup>10</sup>

### **ABSTRACT**

*The role of women in society has been greatly overseen in the last few decades but now that role is coming to society's perspective. In the early days women were seen as wives who were intended to cook, clean, and take care of the kids. They were not allowed to vote while men were having jobs and they were paying bills that had to be paid. Woman should have a bigger role, because they are responsible for raising children and their socialization. The success and failure of individual family rests on them. By using the method of description, with empirical research and comparative analyze we came to certain conclusions. To this extent, this paper tries to look at the role of women in development and proposed that women need to be empowered if we need a meaningful and purposeful development in our society. It proposed that for any nation to be developed, women must be involved in social, economic, political, religious and educational activities of all countries. It finally proposed that women must not be marginalized due to their gender adding that they have a great role to play in reforming and re-structuring the society for good.*

**Key words:** *Development, Women Empowerment, Gender Analysis*

**JEL Classification:** *J16*

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<sup>9</sup> Prentice Nigeria Ltd, Lagos, Nigeria, iceanigeria@gmail.com

<sup>10</sup> Belgrade Banking Academy, Belgrade, Serbia, d\_jovanovic87@yahoo.com

## ***ON THE PROBLEM OF GENDER PSYCHOLOGY OF LEADERSHIP***

*Tamara Akhriamkina*<sup>11</sup>,

*Anastassia Linkova*<sup>12</sup>

### ***ABSTRACT***

*The article provides an analysis of the modern theoretical and practical research on gender psychology of leadership, summarizes the results of comparative research of typical leader's qualities among men and women, and reviews types of leader styles and their expression among men and women.*

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

***JEL Classification:*** *J16, M14*

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<sup>11</sup>Samara Branch of the State Autonomous Educational Institution of Higher Education of the city of Moscow "Moscow City University, Department of Pedagogical and Applied Psychology, Samara, Russia, tamaraahr18@gmail.com

<sup>12</sup>Samara Branch of the State Autonomous Educational Institution of Higher Education of the city of Moscow "Moscow City University", Department of General and Social Psychology, Samara Russia

# **CONNECTING TRANSFORMATIONAL LEADERSHIP, EMPOWERMENT AND COMMITMENT TO CHANGE - THEORETICAL REVIEW**

*Nebojsa Zakic<sup>13</sup>*

*Sladjana Vujicic<sup>14</sup>*

## **ABSTRACT**

*Organizations need to change in order to survive and prosper. The ability to manage externally and internally generated changes became one of the key capabilities of modern organizations. Relations between transformational leadership, empowerment and organizational advantages are the subject of numerous studies. However, in the context of changes in the relation between empowerment and transformational leadership and empowerment and commitment to change, it has not been considered. This paper attempts to fill the gap in the literature by linking transformational leadership, empowerment and commitment to change in organizational change through the presentation of theoretical research of this topic.*

**Key words:** *Organizational Changes, Commitment to Change, Transformational Leadership, Empowerment*

**JEL Classification:** *D23, L20, O15*

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<sup>13</sup>University Union-Nikola Tesla, Belgrade, Serbia, nebojsazakic@gmail.com

<sup>14</sup>Faculty of Business Economy and Entrepreneurship, Belgrade, Serbia, sladjanakonto@gmail.com

## ***SITUATIONAL ANALYSIS IN THE FUNCTION OF DEVELOPING COMPANY COMPETITIVE ADVANTAGE***

*Zvonko Brnjas*<sup>15</sup>

*Ivana Tripunoski*<sup>16</sup>

### **ABSTRACT**

*Competitive advantage is the main goal of a market –oriented company, and the knowledge of environmental factors is the basic condition for its creation. By gaining insight into the structure and development trends of factors of external and internal environment, we create conditions for subsistence, development and creation of competitive advantage. Given the fact that the modern business environment is characterized by a high degree of uncertainty, subsistence and success of the company is primarily determined by the ability of management to create a strategy that, under the given conditions, contribute to achievement of the goals. The information obtained by scanning the external environment and analyses of internal environments are the basis for strategic planning and decision making. The research results in this paper indicate that the business environment in Serbia is not sufficiently encouraging for the development of entrepreneurship. Due to the negative impact of many factors, strategic orientation has been identified as an essential condition for creating a sustainable competitive advantage, companies in Serbia.*

**Key words:** *Strategic Management, Business Environment, Situation Analysis, Competitive Advantage, Company*

**JEL Classification:** *L10, M11*

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<sup>15</sup> Institute of Economic Sciences, Belgrade, Serbia, zvonko.brnjas@ien.bg.ac.rs

<sup>16</sup> Master of Economy, Belgrade Banking Academy Belgrade, Serbia, tripunoski.ivana@gmail.com

## **THE POSSIBILITY OF APPLYING BUSINESS INTELLIGENCE IN HIGHER EDUCATION**

*Jovan Zivadinovic*<sup>17</sup>,

*Zorica Medic*<sup>18</sup>

### **ABSTRACT**

*It is today necessary for all business systems to apply the concept and modern tools of business intelligence (BI) in knowledge management in order to gain competitive advantage and survive on the market. The subject of this paper is the issue of business intelligence which covers processes, technologies and tools which help us during the transformation of data into information, information into knowledge and knowledge into plans for managing the organization. Key results are insights into relevant, accurate and timely information. The ways of using BI in education from the aspect of promoting planning and control of educational processes, examining and analyzing educational processes, ad hoc reports, trend analysis, planning and prognosis in educational processes. Basic objective of this paper is the application of business intelligence in the promotion of making decisions based on knowledge. Having in mind the field and objective of this research, methods that will be used are: inductive and deductive method as the basic logical method which, during research, enables us to draw certain conclusions about the research subject and the methodology of object-oriented development of business intelligence systems which covers: defining requests, analysis, design and implementation of business processes. Results of this research are reflected in the application of business intelligence in promoting teaching processes, improving their standards, more quality decision-making process and managing in educational processes and applying efficient standardized tools, such as MS Excel and MS Query for more quality and successful business analysis. In this paper, we used exam results as indicators of the efficiency of educational processes by analyzing them according to exam periods, semesters, courses, and grades.*

**Key words:** *Business Intelligence, Data Warehouse, Multi-Dimensional Analysis, Data Mining*

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

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<sup>17</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zjovan50@gmail.com

<sup>18</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zmedic900@gmail.com

# **IMPROVING BUSINESS BY APPLYING BIG DATA TECHNOLOGIES AND BUSINESS INTELLIGENCE**

*Zorica Medic*<sup>19</sup>

*Jovan Zivadinovic*<sup>20</sup>

## **ABSTRACT**

*The purpose of this paper is to point out to the role of Big Data concept in the improvement of the decision-making process, which is not primarily caused by the size of the data, but also by their diversity and structure, which enables the making of decisions which are based on knowledge hidden in unstructured and structured data. In this paper, we tried to clarify the way in which Big Data technologies enable the analysis of completely new types and sources of data, which have new characteristics (structure, type, generating speed), but also the essential application of knowledge, skills and ways in which data are gathered, processed, analyzed and transformed into information and decisions with the aim to build competitive advantage on their basis. Topic of this paper is the application of the Big Data concept and systems of business intelligence which will enable organizations, which are in the process of building analytical abilities in the digital era, the collection and analysis of data from web environment and the making of decisions based on knowledge, with the aim to improve business. Bearing in mind the area and objective of this research, the methods that will be used in this research are: inductive and deductive method, as well as basic logical method which, during research, enables us to draw certain conclusions about the research topic, and comparative method, in the process of mutual comparison of gaining information by the Big Data concept and processing them by using business intelligence technologies. This paper pays special attention to the advantages of applying Big Data technologies and business intelligence in education, which can contribute to the increase of quality offered in higher education. In the aim of forming a general Figure about students, information were gathered from different sources and for the sake of illustration, in this paper we shall analyze data from the social network – Facebook.*

**Key words:** *Big Data, Unstructured Data, Business Intelligence, Big Data Experts*

**JEL Classifications:** *C80, I21*

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<sup>19</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zmedic900@gmail.com

<sup>20</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zjovan50@gmail.com

# **MODELING ENTREPRENEURIAL EDUCATION AND ENTREPRENEURIAL SKILLS AS ANTECEDENTS OF INTENTION TOWARDS ENTREPRENEURIAL BEHAVIOUR IN SINGLE MOTHERS: A PLS-SEM APPROACH**

*Muhammad Shoaib Farooq<sup>21</sup>,*

*Mirjana Radovic-Markovic<sup>22</sup>*

## **ABSTRACT**

*Although entrepreneurial behaviour is considered a key element for economic development; yet very less is known about the determinants of factors leading towards entrepreneurial intention and behaviour in female entrepreneurs, specifically single mothers. In order to bridge this gap, this study is aimed to investigate the role of entrepreneurial education and entrepreneurial skills for determining intention towards entrepreneurial behaviour in single mothers. Developing on the base of theory of planned behaviour this study investigates the relationship between entrepreneurial education, entrepreneurial skills and entrepreneurial intention along with existing constructs of theory of planned behaviour (i.e. attitude, subjective norms and perceived behavioural control). Convenience sampling method was used for collecting data from 550 single mothers in two selected states of Malaysia, i.e. Sabah and Sarawak. In order to assess the proposed model, this study employed variance based partial least square, structural equation modeling (PLS-SEM) approach for analyzing responses from single mothers, who completed a questionnaire designed on the base of Liñán and Chen's (2009) and Farooq's (2016) questionnaire.*

*Findings of this study have validated the proposed model, which have an explanatory power of 64.8%. Moreover, findings revealed that entrepreneurial education and entrepreneurial skills have a significant impact on entrepreneurial intention of single mothers. However, an un-anticipated and non-significant relation between subjective norms and entrepreneurial intention was also found. Findings of this study are expected to have substantial implications for policy makers, future researchers and academicians. Outcomes of this study can help to better understand the cognitive phenomenon of female entrepreneurs; specifically single mothers' attitude towards entrepreneurship. Hence, these findings are a unique step forward in entrepreneurship body of knowledge and offer new insights towards better understanding of the determinants of entrepreneurial intention in single mothers.*

**Key words:** *Entrepreneurial Education, Entrepreneurial Skills, Entrepreneurial Intention, PLS-SEM, Theory of Planned Behaviour*

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

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<sup>21</sup>Faculty of Economics and Business, University Malaysia Sarawak, Kota Samarahan, Malaysia, sshaibfarooq2@yahoo.com

<sup>22</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, mradovic@gmail.com



## **MANAGING STRATEGY AND ORGANIZATIONAL CULTURE IN A FINANCIAL COMPANY IN BULGARIA**

*Tsvetelina Alexandrova-Panchelieva<sup>23</sup>*

### **ABSTRACT**

*This article investigates the characteristics of the organizational culture in a financial company - an international bank institution. The corporate values in all the branches of the bank in Bulgaria were examined by using the Organizational Cultural Assessment Instrument (OCAI). It measures the results on four culture types: Clan culture, Adhocracy culture, Market culture, and Hierarchy culture. Results from the bank show that the perceived current values vary from the desired future ones especially in some of the regions in the country where the company has offices. A comparative analysis is provided in order to suggest a strategy for development of the corporate culture according to the participants' results.*

*This article is part of a project "Organizational Culture as a Factor for Development of Psychological Capital" in Sofia University "St.Kliment Ohridski", Bulgaria.*

**Key words:** *Organizational Culture, Values, Financial Company, Strategy*

**JEL Classification:** *M14*

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<sup>23</sup>Sofia University "St.Kliment Ohridski", Sofia, Bulgaria

## **CRITICAL ASPECTS IN BUSINESS COMMUNICATION**

*Carmine D'Arconte*<sup>24</sup>

### **ABSTRACT**

*What's the role of communication in business and how do companies tackle this fundamental issue? While there is little doubt that business communication is a critical driver for success, especially nowadays in a high competitive and unstable environment plagued by a persistent economic and financial crisis, companies seem to make some recurrent mistakes that not only set a serious limit to the possible benefits they could have from their investments in advertising but that may also cause a substantial detriment to their image in the market.*

*In this respect, apart from examining some of the relevant literature on this topic, we carried out a research to highlight the approach that generally entrepreneurs show in business communication and the possible impact on organizations' outcomes.*

*We stress how in communication the focus should not only be on words (promises in advertising) but also on deeds (actual behaviour) capitalizing and deepening the fundamental contribution of Robert Norman and his "moments of truths".*

*We finally indicate the route that in our opinion should be followed to avoid recurrent mistakes and have higher redemptions from investments in advertising and promotional activities.*

**Key words:** *Entrepreneurs approach to business communication, Recurring mistakes in Business communication, Advertising principles and guidelines*

**JEL Classification:** *M30*

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<sup>24</sup>Università di Roma Tre, Faculty of Economics, Rome, Italy, carmine.darconte@uniroma3.it

## **HOW A COMMUNICATOR'S EMOTIONAL INTELLIGENCE CAN IMPROVE THE PROCESS OF KNOWLEDGE SHARING**

*Vesna Baltezarevic*<sup>25</sup>,

*Radoslav Baltezarevic*<sup>26</sup>

### **ABSTRACT**

*The main objective of this paper is to explore the importance of good communication competence and the emotional intelligence capacity of managers underpinning the employee motivation processes.*

*Those most responsible for promoting business communication, managers, should be able to provide fast and efficient use of all available data and information, both to the external and the internal environments. The skills of a good communicator involve the ability to hear the speaker and to adjust the method of dissemination to the communication style of the interlocutor. Hence, managers with emotional intelligence uses communication to maintain relationships, share tacit and explicit knowledge, and exchange information about emotions, values and motivations. Emotional intelligence has a positive effect on work group cohesion. The paper presents and discusses the results of a practical research on the topic the quality of business communication in Serbia.*

**Key words:** *Organization, Communication, Knowledge, Emotional Intelligence, Tacit And Explicit Knowledge*

**JEL classification:** *D21, J24, M54*

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<sup>25</sup>Faculty of Culture and Media, John Naisbitt University, Belgrade, vesnabal@gmail.com

<sup>26</sup>American University Middle East Kuwait, Faculty of business administration, Kuwait, trilliongarden@yahoo.com

# **SECURE COMMUNICATION ARCHITECTURE OF INTERNET OF EVERYTHING (IOE) IN DEVELOPING COUNTRIES**

*Asim Majeed*<sup>27</sup>,

*Imani Silver Kyaruzi*<sup>28</sup>,

*Funke Banigo*<sup>29</sup>,

*Carla Clarke*<sup>30</sup>

## **ABSTRACT**

*Various global development opportunities have been escalated through the Internet of Everything (IoE) with the potential of progressing Sustainable Development goals - dramatically accelerating and improving lives of millions. The emerging economies of developing countries with minimal investments have crafted a huge array of IoE technologies strongly demanding interoperability and interconnectivity that are affordable, scalable and available, significantly improving people's quality of life. Growing number of devices requiring interconnectivity referring to the concept of IoE headed beyond sensors, chips, computers and smartphones. The modern replete technology has enabled both synchronous and asynchronous communication without human interaction in many industrial processes, fleet management, stock exchanges, inventory systems and environment monitoring regardless of their extensive deployment. Information Communication Technology (ICT) is a fast evolving industry in developing countries, offering IoE's huge potential of transformation and disruption. The global development challenges have emphasised the need for communication and due to IoE advancements, long-standing issues (health care, stock, management, cross-border, technology diffusion etc.) would be surmounted in an affordable and quick manner. The developing countries would turn-around with the help of a long-awaited IoE technology aiming at improving their economies and lives of millions of people.*

*The key to increased usage is the interconnectedness of diverse range of devices which formerly were incompatible with each other. The interoperability*

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<sup>27</sup>asim.majeed@qa.com

<sup>28</sup>QA Higher Education – Ulster University Birmingham and London Campuses, Imani.kyaruzi@qa.com

<sup>29</sup>funke.banigo@qa.com

<sup>30</sup>cara.clarke@qa.com

*between devices has rendered IoE both practical and possible and in accordance with the international communication standards. Research and industrial organisations have stipulated the formation of a hyper-connected society where tens of billions daily life objects and devices would communicate, forming a global network of smart devices. The successful provision of intelligent and smart devices through IoE services leads to challenging security concerns especially in developing countries where communication and devices are cheap but there is a lack of secure IoE infrastructures. The current paper would envisage a secure architecture for diversely connected objects within developing countries. A secure configuration methodology of the bootstrapping scheme is proposed as a solution in this paper. The bootstrapping scheme is activated as soon as a new object gets connected to an operational network. This method is feasible to secure the devices and avoid data exploitation within developing countries where communication across devices is still lacking protected infrastructures. A review of the Internet of Everything IoE is represented beneath, along with a brief portrayal of the applications and difficulties confronted by IoE.*

**Key words:** *Internet, Everything, Communication, Secure, Architecture, Developing, Countries*

**JEL Classification:** *D83*

# **VIRTUAL COMMUNICATION'S SKILLS - VIEW THROUGH THE SOCIAL MEDIA AND SITUATION IN SERBIA**

Radoslav Baltezarevic<sup>31</sup>,

Vesna Baltezarevic<sup>32</sup>

## **ABSTRACT**

*The modern era, although characterized by high productive technological discoveries, demands a shift towards a genuine human being. Creativity, emotions and empathy are still attributes associated only with human beings, regardless of whether the people are involved in face-to-face communication, or communicate via social networks.*

*Modern technologies have significantly contributed to the redefining of communication with the support of IT network which increases both the risk and the value systems conditioning. New communication's skills are demanded by the new age. Modern organizations are turning their windows to the outside world, but trust among business partners is a central premise of modern organizations, because success is preconditioned by the mutual cooperation. The traditional form of communication the Internet has drastically changed.*

*This paper analyzes redefined human communication and the potential in Serbia for employees adapt to working with new technologies. Authors research the possibilities for the population in Serbia to adjust to new forms, known as virtual forms of communications and business. Research included the level of education and presence in a virtual network in order to determine whether there is potential for transition to new forms of business.*

*Methods used in this research were theoretical considerations and the comparison with existing statistical data.*

*The expected contribution of this paper is to show that it is necessary to raise the educational level of the population in Serbia and acquire specific knowledge and skills, in order to achieve a successful position in a market that is increasingly directed towards the use of modern technologies.*

**Key words:** *Communication, Modern Organizations, The Internet, Virtual Network, Educational Level*

**JEL Classification:** *A13, C71, D21*

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<sup>31</sup>American University Middle East Kuwait, Faculty of business administration, Kuwait, e-mail: trilliongarden@yahoo.com

<sup>32</sup>Faculty of Culture and Media, John Naisbitt University, Belgrade, e-mail: vesnabal@gmail.com

# **INFORMATION AND COMMUNICATION TECHNOLOGIES AND SOCIO-ECONOMIC DEVELOPMENT**

Ana Skorup<sup>33</sup>

Milan Krstic<sup>34</sup>

## **ABSTRACT**

*Modern information and communication technologies (ICT) are recognized as a major factor affecting the economic growth and innovation. Transforming society to information society, ICTs have provided the environment for the growth of productivity, efficient way to connect people and societies, and to create new opportunities for improving living standards and also proved that they are a key prerequisite for economic and social development. Although ICTs are becoming more universally available, there is still a pronounced digital divide between the economically and technologically developed countries and developing countries. Given that today the difference in the development of the countries, social groups or individuals is in direct relation to the level of application of modern technologies, countries or their governments must actively work towards reducing the differences in technological development (in relation to the world and Europe). Therefore, it is necessary to create a good national strategy for the development of telecommunications infrastructure and information society, good legal and institutional base, as well as ongoing activities to improve knowledge and raise awareness about information society. For this reason, this paper points out some of the ways of measuring the development and the impact of ICT on the socio-economic development. Special attention is paid to indicators that indicate the level of development of information society in Serbia, such as The Network Readiness Index (NRI) developed by the World Economic Forum and the ICT Development Index (IDI) developed by the International Telecommunication Union. These indicators show that the Republic of Serbia in the development of the information society still has to overcome many obstacles, from infrastructure development through greater availability of hardware and software resources to the necessary education.*

**Key words:** *ICT, Socio-Economic Development, Indicators, Serbia*

**JEL Classification:** *O10, O44*

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<sup>33</sup>Faculty of Business Economy and Entrepreneurship Belgrade, Serbia, anaskorup@gmail.com

<sup>34</sup>Faculty of Business Economy and Entrepreneurship Belgrade, Serbia, mykrstic@gmail.com

## ***FEATURES OF GOOD MANAGEMENT INFORMATION***

*Muhammad Omolaja*<sup>35</sup>,

*Dusan Markovic*<sup>36</sup>,

*Mitar Lutovac*<sup>37</sup>

### ***ABSTRACT***

*There are principal reasons why the concepts of information systems and information management (MIS) have become subjects of great concern today to individuals and corporate entities. The major reasons include the fact that modern organizations have grown to unprecedented complex levels and information plays a vital role in holding together and co-ordinating organizations even at the global level. In order to identify benefits of MIS influence on business performance, it is analysed scientific literature and have been made research synthesis. Authors pointed out that the high value is attached to information that explains why modern business organizations are very willing to invest to enhance their information sector. In other words, they concluded that information has become such a vital resource in industry and business that modern managers are prepared to accord as much importance to it as they do to such other cardinal components of their organizations as raw materials, machines, physical facilities and people.*

***Key words:*** *Information, Management, Decision-Making Process, Business Performance*

***JEL Classification:*** *L86, M15*

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<sup>35</sup> Intercontinental University, Wet Africa, president@icu-edu.com

<sup>36</sup> Belgrade Business School, Belgrade, Serbia, dusanbps@gmail.com

<sup>37</sup> Faculty of business industrial management "Union - Nikola Tesla" University, Belgrade, Serbia, gsmmitar@gmail.com



## ***HOW TO SUCCESSFULLY NEGOTIATE PRICES IN BUSINESS TRANSACTIONS***

*Ioana Andrievici*<sup>38</sup>

### **ABSTRACT**

*You can't do business without negotiation. Knowing your goals and the goals of the other party, a "win-win" negotiation is ideal in any business, especially in the long term partnerships. The companies can gain more if they know how to create value. One of the most important parts in business negotiation is price negotiation. The focus though, should not be on the price negotiation only: concentrating on a single issue, the negotiation becomes distributive or "win-lose" type, and the business partners might fail in creating value for both of them. This is why the price negotiation should be integrated in the negotiation strategy as a whole, but the main issue is: how to obtain the best prices you can get in any deal? Whether it is a simple car price negotiation or a million dollar deal, we are all looking for the best prices and usually tend to confuse the whole negotiation process with the price negotiation. This article points out the best strategies in business negotiation regarding prices, based on real life business negotiation, cases and experiences of entrepreneurs, salespeople, managers and negotiators in any field.*

**Key words:** *Negotiation, Business, Price, Deal, Value, Entrepreneurs*

**JEL Classification:** *D23*

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<sup>38</sup>Negotiation trainer & author, Rumunia, [www.ioana-consult.ro](http://www.ioana-consult.ro), [office@ioana-consult.ro](mailto:office@ioana-consult.ro)

# ***AN ATTEMPT OF GROUP DECISION MAKING PROCESS OPTIMIZATION: THE PROPOSAL OF SINGLE-PEAKEDNESS***

*Katarina Majstorovic*<sup>39</sup>

## ***ABRSTACT***

*Very often it happens that business actors are participants in the process of group decision-making, so it is justified that the researchers devote considerable attention to the problem of decision-making. It is important that the decision-making process is reliable, and that means that we can reach the best of the available options in a given business situation. This goal is difficult to achieve, and that is why the social choice theory has clearly identified problems concerning social decision process, namely the arbitrariness of decision rules and vulnerability to strategic voting. If we follow the conclusion that Arrow has made, we'll have to claim that there is no decision rule that meets logic consistency and ethical conditions as well. The aim of this paper is to show what is the suggestion that deliberative democracy has made in order to avoid problems that social choice theory has identified, and what are the results that such a suggestion could reach. We are specially interested in single-peakedness of preferences because of the well-known finding that voting cycles can be avoided if voters' rank orderings are single-peaked.*

***Key words:*** *Preferences, Group Decision-Making, Decision-Making Procedures, Deliberative Democracy, Single-Peakedness*

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

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<sup>39</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, gieronim@sezampro.rs

# **THE IMPACT OF LEADERSHIP STYLES ON ORGANISATIONAL PERFORMANCE WITHIN MULTI-NATIONAL COMPANIES BASED IN THE UNITED KINGDOM**

*Imani Silver Kyaruzi*<sup>40</sup>,

*Samuel Osei-Nimo*<sup>41</sup>,

*Victoria Sykes*<sup>42</sup>,

*Asim Majeed*<sup>43</sup>

## **ABSTRACT**

*A number of studies on leadership and management have been centred on the concept of how leaders can directly influence the success and effectiveness of an organisation; however, it is unclear currently whether this claim is supported by qualitative evidences. The aim of this paper is, therefore, to identify and evaluate the possible implications that leadership styles, especially in Multi-National Corporations in the United Kingdom, have on the overall performance of organisations.*

*We seek to explore and address these issues using interview data conducted with key organisational actors in strategic decision-making positions within MNCs. A number of themes have emerged from the data including; Self-declared leadership style; Relationship with subordinates; Relationship between leadership style and performance; Linking transformational leadership and performance. It was observed that whilst leaders who, through inherent characteristics or life experience have the requisite skills for successful leadership, the role of further development and coaching cannot be underestimated. A strong correlation between the transformational leadership style and organisational success was established. There is also a recognition that different situations and contexts would make it necessary for different leadership styles to be employed for task success. The attributes that managers should adopt for developing their leadership styles effectively, should be those based around flexibility and the ability to recognise the type of leadership style that is most likely to lead to a successful result for the task in hand. Future research could employ a larger and more representative sample of case studies from multinational organisations to fully establish the actual impact of the leadership style and the performance of such organisations.*

**Key words:** *Leadership, Leadership Style, United Kingdom*

**JEL Classification:** *M12, M14, D22*

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<sup>40</sup> QA – Ulster University Birmingham and London Campuses, imani.kyaruzi@qa.com

<sup>41</sup> imani.kyaruzi@qa.com

<sup>42</sup> imani.kyaruzi@qa.com

<sup>43</sup> imani.kyaruzi@qa.com

## ***ONBOARDING AND MENTORING PROCESS – EXAMPLES FROM BUSINESS ORGANIZATION IN BULGARIA***

*Vihra Naydenova<sup>44</sup>*

### ***ABSTRACT***

*In the paper the importance of including onboarding and mentoring process for new employees in business organizations is discussed. Examples of empirical research of successfully implemented onboarding process in international organizations in Bulgaria are presented. In the paper the empirical results and feedback from participants in implemented onboarding programs in a business organization in Bulgaria are given. Qualitative and quantitative data and statements from newcomers related to onboarding, mentoring and recruitment processes are shown.*

***Key words:*** *Onboarding, Mentoring Programs, Organizations, Examples from Business*

***JEL Classification:*** *D70*

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<sup>44</sup>Sofia University „St. Kliment Ohridski“, Sofia, Bulgaria, vihranaydenova@yahoo.com

## ***RELATIONSHIP BETWEEN INNOVATIVENESS AND TIME ORIENTATION OF THE CONSUMER***

*Tatyana Yordanova*<sup>45</sup>

### ***ABSTRACT***

*This report examines the issue of consumer innovativeness and its link to the time orientation of the individual. Various research approaches are analysed to determine the essence of consumer innovativeness as personal characteristics and its manifestation into the innovative behaviour of the consumer. Attention is paid to the construct of time orientation and its basic dimensions. Results of an empirical study are presented, held in a sample of 369 Bulgarian respondents, that prove the existence of a relationship between the constructs discussed herein. More specifically that the present and the future dimensions of time orientation are both positively linked to consumer innovativeness, while past time orientation is in a negative correlation. The report also examines the influence of demographic factors on time orientation in terms of its relationship with consumer innovativeness.*

***Key words:*** *Consumer Innovativeness, Present Time Orientation, Future Time Orientation, Past Time Orientation, Consumer*

***JEL Classification:*** *M31*

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<sup>45</sup> Sofia University "St. Kliment Ohridski", Sofia, Bulgaria, e-mail: tania\_jd@abv.bg

## **CRM AND CUSTOMER RETENTION STRATEGY**

*Zorana Nikitovic<sup>46</sup>,*

*Svetlana Milutinovic<sup>47</sup>*

### **ABSTRACT**

*Today, more than ever, is a lot more expensive to attract new customers than to retain the existing ones. Therefore, successful companies are paying a lot of attention to build and develop long-term relationships with buyers. Companies should hear out and analyze wishes of their users and see the buyers as partners with whom companies are striving to build a mutually satisfying business relationship. Philosophy defined in such a way can result in profit and long-term cooperation with loyal customers.*

*An earlier attitude that the company was only creating a product or service value thanks to its experiential data is now replaced with the attitude that value is formed by buyers, because value is not only some product's quality, but also the overall impression buyers have while using the product or service. For that reason, a new approach has been created whose objective is a long-term satisfaction of buyers, i.e. ambition to attract and retain each buyer in addition to making a profit through discovering their needs, creating adjusted offer and meeting those needs.*

*CRM (Customer Relationship Management) implies managing relationships with customers, wherein customers are seen as equal cooperatives and participants in the creation of business strategies. Namely, each organization that wishes to stay on the market for a long time and gain competitive advantage, needs to place customers, buyers, users of their products and services in the center of their business. Business endeavor starts and ends with the buyer. That is why the topic of this paper is Customer Relationship Management and ways to, through its application, influence the retention of buyers, as well as the increase in organization's competitiveness.*

**Key words:** CRM, Competitiveness, Customer, Business Success, Customer Behavior

**JEL Classification:** M39

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<sup>46</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zorana.nikitovic@vspep.edu.rs

<sup>47</sup>MSc, Telekom Srbija a.d., Belgrade, Serbia, svetlanamilu@gmail.com

# ***THE ROLE OF STRATEGIC PLANNING IN GOOD ENTREPRENEURSHIP DEVELOPMENT***

*Igbozuruike Theophilus Onyekwere<sup>48</sup>,*

*Dejan Radulovic<sup>49</sup>*

## **ABSTRACT**

*This paper discussed process of developing strategic plan for entrepreneurs. Also, the article explores the characteristics of a good strategic plan. We therefore argue for a synthesis of the disciplines- entrepreneurship, marketing and organizational management, considering forces and trends in the broader community, political, social and technological forces; consider opportunities and challenges related to resources and funders; look at actual and potential collaborators and competitors which may serve the same neighborhood or target population. Research is based on primary and secondary sources of information.*

**Key words:** *Strategic Planning, Strategy, Entrepreneurship, SME, Development*

**JEL Classification:** *L26*

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<sup>48</sup>Pebble Hills University, United States, dandytheo@yahoo.com

<sup>49</sup>Business Academy University, Serbia, radulovic@notarvozdozac.rs

# **OPPORTUNITIES FOR SMALL BUSINESS GROWTH IN GREEN ECONOMY AND SUSTAINABLE DEVELOPMENT IN SERBIA**

*Mirjana Radovic-Markovic*<sup>50</sup>,

*Gordana Radovic*<sup>51</sup>

## **ABSTRACT**

*The green economy can help economic diversification and job creation. It is also a fundamental factor for improving the competitiveness of SMEs. In this context, every country must improve the business climate, protect the environment, green its industries as a part of a national strategy to promote the green economy with a preference for sustainable development. Transitioning to a green economy requires a new mindset of doing business. The objective of this paper is to identify further strategies for SMEs development in green economy and activities on sustainable development in Serbia. The study takes a specific look at a range of different possibilities to develop green business in the country. The main results of the research pointed that actions are needed to achieve the investment promotion and entrepreneurship development in rural areas. In line with this are proposed measures that should be better articulated within the framework of a national strategy for promoting a green economy and sustainable development.*

**Key words:** SMEs, Green Economy, Sustainable Development, Entrepreneurship, Strategy

**JEL Classification:** Q01, Q57, Q14

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<sup>50</sup>Institute of Economic Sciences, Belgrade, Serbia, mradovic@gmail.com

<sup>51</sup>„Dnevnik-Poljoprivrednik“ AD, Novi Sad, Serbia, gordana.radovic09@gmail.com



# ***A STRUCTURED APPROACH OF RISK MANAGEMENT IS CRUCIAL FOR SURVIVAL AND SUSTAINABLE GROWTH OF A BUSINESS ENTERPRISE***

*Reena Agrawal*<sup>52</sup>

## ***ABSTRACT***

*The current research was taken up to explore whether a structured approach to manage risk was critical for survival and sustainable growth of business enterprises. The objective of the research was to (1) understand the meaning of the term 'risk', (2) explore the various types of 'risks' which are usually confronted by business enterprises, (3) understand how business enterprises manage their risk, (4) comprehend the concept of 'Enterprise Risk Management' and (5) explore the growing relevance of 'Enterprise Risk Management' for the survival and sustainable development of business enterprises. The study revealed that in today's complex interrelated global business environment the aim of risk management should not be limited to avoiding or proscribing risk, rather the existence of business enterprises is contingent on their abilities to anticipate risks and their preparedness and readiness for imminent transformations. Today the business enterprises need to reconsider, renovate and rewrite their ongoing planning mechanism and integrate the facets of risk management in their day to day business operations. This would not only enhance their ability to foresee the imminent threats, take informed decisions and mitigate the risks, but would also ensure survival and sustainable development of the business enterprise in this era of globalization and global melt down.*

***Key words:*** Risk, Types of Risk, Risk Management, Risk Management Process, Enterprise Risk Management

***JEL Classification:*** G32, L53

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<sup>52</sup>Finance & Accounting and Entrepreneurship, Jaipuria Institute of Management, India, reena.agarwal@jaipuria.ac.in, dr.agrawal.reena@gmail.com

## **CLUSTER SUPPLY CHAIN: THE CASE OF SERBIAN AUTOMOTIVE INDUSTRY**

*Isidora Beraha*<sup>53</sup>,

*Sonja Djuricin*<sup>54</sup>

### **ABSTRACT**

*The cluster supply chain concept is widely used in automotive industry as an effective instrument for the development of local SMEs. As a combination of industrial clusters and supply chain management, cluster supply chain can be referred to as the set of networks comprising of horizontal links between enterprises within a certain industrial cluster, while those networks are sequentially determined by vertical linkages between enterprises. Both clusters and supply chains are based on cooperation, interdependence, mutual learning, knowledge sharing and exchange of ideas. Horizontal cooperation enables SMEs to achieve economies of scale beyond the reach of an individual enterprise, while vertical cooperation enables SMEs to specialize in their core businesses. Closer cooperation between enterprises within the cluster supply chain provides the possibilities for SMEs to overcome the barriers arising from their size, isolation, and the lack of competitiveness. The subject of the research is the implementation of cluster supply chain concept in the Serbian automotive industry. Due to the Fiat investment, the automotive industry when measured in terms of income, employment and export generation is one of the most significant sectors in the Serbian economy. Integration in the Fiat supply chain is a highly promising chance for fostering development of local SMEs. The aim of the research is to analyze the potential positive effects of cluster supply chain creation on the development of local SMEs in the Serbian automotive industry, as well as to provide recommendations for policy makers on necessary measures in order to create such cluster. The methodology used in this paper comprises of analysis as a basic research method and content analysis as a data collection method.*

*This paper is a part of research projects No. 47009 (European integrations and social and economic changes in Serbian economy on the way to the EU) and No. 179015 (Challenges and prospects of structural changes in Serbia: Strategic directions for economic development and harmonization with EU requirements), financed by the Ministry of Science and Technological Development of the Republic of Serbia.*

**Key words:** *Supply Chain, Cluster, Small And Medium-Sized Enterprises, Development, Serbian Automotive Industry*

**JEL Classification:** *C38, L62, P42*

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<sup>53</sup>Institute of Economic Sciences, Belgrade, Serbia, isidora.beraha@ien.bg.ac.rs

<sup>54</sup>Institute of Economic Sciences, Belgrade, Serbia, sonja.djuricin@ien.bg.ac.rs

## **PROVIDING OF STABILITY FUNDING AS A PREREQUISITE FOR THE DEVELOPMENT OF SMALL AND MIDDLE ENTERPRISES**

Zdenka Dudic<sup>55</sup>,

Vladimir Mirkovic<sup>56</sup>

### **ABSTRACT**

*Small and middle enterprises sector is a vehicle and driving force of the development of modern economies within European Union countries. Competitive advantage of small and middle enterprises lies on their dominant characteristics impersonated in business flexibility and quick adjustment to variable conditions, as well as, in existence of high level of innovations. The development of small and middle enterprises implies the significant institutional support in all segments. Emerging economies faced with transformation process and turning point toward market economy did not succeed to develop the sector of small and middle enterprises in satisfactory manner, in order that small and middle enterprises become the main body of future development. Additionally, large companies in emerging countries collapsed, so the recovery of those countries and their economies was slow down. In that sense, due to necessity for encouragement of small and middle enterprises development, a lot of countries (Serbia, also) created long-term strategies toward economy development based on incentives and stimulations in the segment of small and middle enterprises. In order to emphasize competitive advantages of small and middle enterprises, it is necessary to provide stability and continuity of their operations, namely, there should exist the stable sources of financing. Small and middle enterprises are mostly relied on traditional funding, i.e. bank's loans, but nowadays there are some other tendencies. As European Union recognized the development of small and middle enterprises as very important, in European Union are formed some funds primarily focused on stimulation of small and middle enterprises sector. Paper accents the importance of providing of stability funding for small and middle enterprises sector, as well as, their role as a key vehicle of "innovative wave" on which is the competitiveness of modern economies based on.*

**Key word:** *Small and Middle Enterprises, Funding, The Role Of Banks, Innovations, Serbia*

**JEL Classification:** *G32*

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<sup>55</sup>Faculty of Technical Sciences, Novi Sad, Serbia, zdenkadudic@yahoo.com

<sup>56</sup>National Bank of Serbia, Belgrade, Serbia, vladamirkovic@orion.rs

## ***INFLUENCE OF PRIVATE EQUITY AND VENTURE CAPITAL ON THE DEVELOPMENT OF SMEs***

*Marija Djekic*<sup>57</sup>,

*Milan Gavrilovic*<sup>58</sup>

### **ABSTRACT**

*SMEs enterprises are often financed by bank loans and the traditional sources of financing due to insufficient familiarity of newer alternative funding sources. Banks and other financial institutions are often reluctant to finance such risky investments, and when they do, financing conditions are very unfavorable.*

*The aim of the paper is to identify the possibilities for improving the functioning of small and medium-sized enterprises, from the point of financing. The paper deals with the impact of private investors, ie alternative and new sources of funding on development and performance improvement of entrepreneurial, small and medium enterprises. This paper describes the advantages and disadvantages of private equity investment, venture capital funds and Business Angels. I analyzed the scope and importance of these investments in the world and in our country, as well as the opportunities and perspectives of investment in enterprises in Serbia. Also the assessment of the benefits that would bring to economic development of Serbia and development of small and medium enterprises in the country.*

***Key words:*** *Financial Institutions, Economic Development, Smes, Private Equity Investment, Venture Capital Funds*

***JEL Classification:*** *G23*

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<sup>57</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, djekic.maja90@hotmail.com

<sup>58</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, sagatagm@gmail.com

# ***SANCTIONS WARS AS A FACTOR IN THE DEVELOPMENT OF AGRICULTURE IN FHERUSSIAN FEDERATION***

*Ekaterina Darda*<sup>59</sup>

## ***ABSTRACT***

*In 2014, a ban was imposed on the import of food products of several countries, as a response to sanctions imposed against Russia, which led to a significant reduction in the volume of import to Russia agricultural products and that has resulted in a powerful impetus for the development of domestic agricultural production. All of the above-mentioned leads to the relevance research study carried out by the government from the standpoint of determining the main trends and to assess the impact of the food embargo on the development of domestic agricultural production. The methodological basis of research carried out in the article are the statistical methods of analysis of the main indicators of the development of agriculture, which allow to obtain a quantitative assessment of the industry.*

***Key words:*** *Agriculture, Food Embargo, Peasant (Farmer) Households, Employment In Agriculture*

***JEL Classification:*** *Q18*

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<sup>59</sup>Plekhanov Russian University of Economics, Russia, darda.es@rea.ru

## **THE STATE AND PERSPECTIVES OF DEVELOPMENT OF THE CREATIVE INDUSTRY OF SERBIA**

*Milan Krstic*<sup>60</sup>,

*Ana Skorup*<sup>61</sup>

### **ABSTRACT**

*In the era of information society, creativity is becoming an increasingly important factor and takes on new roles. On one hand, the role of creativity is reflected in the fact that creativity has a positive influence on innovation which clearly reflects the competitiveness of businesses, and ultimately contributes to increasing overall economic activity. On the other hand, the role of creativity refers to the development of a new segment - the creative industries sector, which provides about 7 percent of gross domestic product worldwide. That was the reason to consider and analyze the current state and prospects of further development of the creative industry in Serbia. Therefore, the authors of this paper undertook a desktop research based on the study of the available literature sources, in order to comprehend the current range of this sector as an important economic activity. The study included theoretical consideration of creativity and the creative industries with a particular emphasis on the state of development of creative industries in Serbia. It was concluded that there is a serious gap between the current state of development and opportunities for further development, which refers to the insufficient utilization of available resources (available talents, the education level of employees, the state of intellectual property protection, etc.) and especially if we take into account the possibility of connecting of mentioned sector with other economic activities (for example tourism, etc.). One of the main obstacles to the further development is the very low level of institutionalization of the sector. It was concluded that further development requires to build up the institutional framework of creative industries in Serbia. In this sense, the paper presents a proposal (draft) of above mentioned institutional framework and the manner of its management.*

**Key words:** *Creativity, Creative Industries, Research, Serbia*

**JEL Klasifikacija:** *O31, O32*

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<sup>60</sup>Faculty of Business Economy and Entrepreneurship, Belgrade, Serbia, mykrstic@gmail.com

<sup>61</sup>Faculty of Business Economy and Entrepreneurship, Belgrade, Serbia, anaskorup@gmail.com

***ACHIEVING EXCELLENCE IN EDUCATION,  
EMPLOYMENT AND HUMAN RESOURCE  
MANAGEMENT***







## ***EDUCATION IN THE FIELD OF SOCIAL – HUMANISTIC SCIENCE IN THE DIGITAL ERA***

*Zoran Bajic*<sup>62</sup>

*Ana Bajic Predolac*<sup>63</sup>

### ***ABSTRACT***

New epoch (end of 20th century and beginning of the 21st century) is marked by radical reforms of education systems around the world, especially in highly developed countries. In the third scientific and technological wave (information society) and the upcoming fourth ("knowledge society" - "knowledge the function of creativity") it is necessary to enrich the knowledge with new contents, new information, new educational technologies (multimedia systems, smart electronic pads, virtual schools, etc.), new methods of teaching in natural, technical-technological and biotechnological sciences.

The paper discusses the importance of justification and necessity of representation of humanistic sciences in the education system of the new era and indicates the specificity, peculiarity of technological innovations in the methodology of teaching and presents the results of practical studies of students' attitudes about the appropriateness and importance of social and humanistic sciences in education systems of the digital era, including the specifics of new methods of teaching in them.

***Key words:*** *Research, Education, Social Sciences-Humanistic Sciences, Scientific And Technological Development.*

***JEL Classification:*** *D 83, I 25*

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<sup>62</sup>Higher business school of vocational studies "Radomir Bojković PhD", Krusevac, Serbia, bajiczoran53@gmail.com

<sup>63</sup>Hospitality and Tourism School with boarding students, Vrnjacka Banja, Vrnjacka Banja, Serbia, anabpredolac@gmail.com

## ***HUMAN CAPITAL AND DESCENTRALIZATION OF EDUCATION - THE CASE FOR TLAJOMULCO DE ZÚÑIGA, JALISCO***

*José G. Vargas-Hernández*<sup>64</sup>

*Víctor Hugo García Oliva*<sup>65</sup>

### ***ABSTRACT***

*This paper aims to analyze and determine the human capital in the process of decentralization of education in the municipality of Tlajomulco de Zuniga, Jalisco. This objective intends to confirm the positive relationship there is between direct schooling-income intended to measure how variables impact and generate income variations directly in the progress of the project. So, in the initial human capital hypothesis regarding schooling in relation to income a new variable that influences positively integrates. The research is mainly empirical evidence through mathematical, statistical and economic analysis. The results confirm the theory of human capital through the impact of a higher level of education on income of individuals in their work.*

***Key words:*** *Research, Human Capital, descentralization, México.*

***JEL Classification:*** *I210, J240*

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<sup>64</sup> Departamento de Administración University Center for Economic and Managerial Sciences, University of Guadalajara Periférico Norte 799 Edificio G-201-7, Núcleo Universitario Los Belenes CUCEAZapopan, Jalisco C.P. 45100;México, josevargas@ucea.udg.mx, jgvh0811@yahoo.com,jvargas2006@gmail.com

<sup>65</sup> Maestría en Negocios y Estudios Económicos Centro Universitario de Ciencias económico Administrativas, Universidad de Guadalajara

## ***EMOTIONS AND CAREER ANCHORS DURING THE PROFESSIONAL TRAINING IN UNIVERSITIES***

*Yoana Yankulova*<sup>66</sup>

*Yavor Iliev*<sup>67</sup>

### ***ABSTRACT***

*This publication presents the results of the study of the peculiarities of emotions and career preferences (anchors) of students in the learning process and professional training in an academic environment. Two research tools have been implemented in the course of the psychological study, which covered 475 students studying various disciplines in different universities. Their psychometric characteristics and peculiarities of the factor structures have been established as the results show high reliability and validity in Bulgarian conditions. In addition to that, specific dependencies that attest to the dominance of positive emotions in the learning process in the academic environment have been outlined, as well as career preferences, promoting the development of creative thinking and successful resolution of challenging tasks.*

***Key words:*** *Emotions, Positive/Negative affect, Career preferences (anchors), Academic environment, Universities*

***JEL Classification:*** *I20*

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<sup>66</sup> Sofia University “St. Kliment Ohridski”, Bulgaria, yoanayankulova@gmail.com

<sup>67</sup> Sofia University “St. Kliment Ohridski”, Bulgaria

## ***DEVELOPING NONVERBAL INTELLIGENCE: TEENAGERS' CAPACITY OF DECODING AND UTILIZING GESTURES***

*Mihaela Liliana Stroe68*

### ***ABSTRACT***

*Nonverbal Intelligence is a skill that needs to be developed since early age. By definition, nonverbal intelligence is the ability to observe, to decode and to use nonverbal signals in your advantage. Teenagers must develop this survival skill for 21<sup>st</sup> century and in this case study it is described the way in which nonverbal intelligence is developed in different stages of life (in this case we discuss about teenagers with ages between 11 and 18 years old) and it puts stress on the way they decode the significance of the 20 nonverbal hand gestures used in this research (see the annex 2).*

*When we know how the teenagers make their selection of hand gestures from the multitude of nonverbal emblems, their preferences when they give significance to certain gestures, it leads us to extract precious information about their decoding systems according to their age and the cultural background (this research is performed in Romania).*

*This current study is made in comparison with another previous study for pre-school children and it reveals the fact that age is an important factor when it comes to assuming and using certain nonverbal language elements. Most of the times the general accepted meaning is adopted while sometimes different gestures are attributed specific meanings. Therefore, alongside the usual channels of reception and assimilation of certain nonverbal behaviors, such as family, friends, school, an increasing role is played by mass communication means, such as television.*

***Key words:*** *Nonverbal Intelligence, Teenagers, Hand Gestures, Emblems, Cultural Anthropology*

***JEL Classification:*** *I 25*

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<sup>68</sup> IIC University of Technology, Cambodia, [www.mihaelastroe.com](http://www.mihaelastroe.com), [contact@mihaelastroe.com](mailto:contact@mihaelastroe.com)

# **ENTREPRENEURSHIP AND THE IMPORTANCE OF EARLY ENTREPRENEURIAL EDUCATION IN ITS DEVELOPMENT**

*Dusan Garabinovic<sup>69</sup>*

*Marija Markovic Blagojevic<sup>70</sup>*

## **ABSTRACT**

*The society, apart from the way it is considered, represents an interesting compound of different personalities, activities, situations – all of the things that seem usual at first glance, but really point out the beauty of the world – its complexity.*

*The activities that men performed in the past, those going on at the moment and the ones to be undertaken in the future stem from the motives possessed. In order to meet them, there are numerous interesting and not less important business ventures. New ventures are started by individuals or groups led by a vision of a better life, better future where the existing needs will be met, but some new ones will also arise, the needs to move future entrepreneurs to start their own business, more or less innovative ventures.*

*Entrepreneurs are an important part of the entire society. There are just a few real, true entrepreneurs, which makes them very valuable and necessary to nourish. Education plays an important role in creating awareness about the significance of creative and innovative way of thinking which represents the foundation of every entrepreneurial personality. New knowledge and skills should be acquired throughout the whole life, the existing ones should be improved – one should learn continuously. Education has a special importance and influence for young people through directing them into a business they will do. The way of thinking and the attitudes they will adopt during their education remain for the whole life and determine the kind of society in the future – the kinds of people that will make it. The correct way of looking at the reality, the changes appearing in the various areas of a person's life and perceive opportunities for advancement and business success – these are only some of the principles that the young should adopt in order to make a future world a better, entrepreneurship-based society.*

**Key words:** *Entrepreneurship, Youth Entrepreneurship, Education, Early Entrepreneurial Education, Traditional Educational Model, Contemporary Educational Model*

**JEL Classification:** *A20, I20, M50*

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<sup>69</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia,  
dusan.garabinovic.032@gmail.com

<sup>70</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, mmarija@gmail.com

# **IMPACT OF LEADERSHIP STYLE ON THE ORGANIZATIONAL COMMITMENT OF FACULTY MEMBERS IN THE INDIAN HIGHER EDUCATION CONTEXT**

Arun Antony<sup>71</sup>.

N Sandhya<sup>72</sup>

## **ABSTRACT**

*Academic institutions are significantly influenced by the commitment of their faculty members. Various studies have confirmed that high organizational commitment is associated with better productivity, greater job satisfaction and many other positive outcomes for the institution. Leadership style is found to be one of the key antecedent of organizational commitment. This study explores the impact of perceived leadership style of the heads of departments on the organizational commitment of the faculty members in the Indian higher education context. The research is done in the city of Bangalore from the state of Karnataka, India. The sample is drawn from the faculty members teaching in different Universities and affiliated institutions in Bangalore. The leadership style is measured using the Multi-Factor Leadership Questionnaire developed by Bass and Avolio and the organizational commitment measured using the Three Component Model of organizational commitment created by Allen and Meyer. The study has found that there is positive, varies from weak and moderate levels, and significant relationship between various components of leadership style with organizational commitment. The transformational leadership style is found to be influencing both affective and normative commitment of faculty members. The study reveals that effective leadership style exhibited by heads of the departments can have positive impact on the commitment levels of the faculty members which in turn will contribute towards positive outcomes in the institutions within the higher education context of India.*

**Key words:** Leadership Style, Organizational Commitment, Transformational, Transactional, Laissez-faire, Affective commitment, Normative commitment, Continuous commitment.

**JEL Classification:** I00

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<sup>71</sup> Christ Institute of Management, Lavasa, Pune, India, frarun@christuniversity.in

<sup>72</sup> Nagarjuna College of Engineering & Technology, Bangalore, India, nsandhya2016@gmail.com

# **KNOWLEDGE AND SKILLS FOR RE-INDUSTRIALIZATION AND AGRARIZATION IN SERBIA**

*Slavko Karavidic*<sup>73</sup>,

*Marija Cukanovic-Karavidic*<sup>74</sup>

## **ABSTRACT**

*In this paper, we tried to show the importance of education, knowledge and social skills on an institutional basis and creative modernization of industry and agriculture and which, with a growing transition contradictions and interest matrices, were at the complex intersection and facing numerous problems in its development.*

*Science and education are the main drivers of economic development and its values and work (content of work and education) is the pivot that connects many economic activities and represents the whole value of human development - a walk and flow of its development, the source of value. There we find the particular importance of the creative power of knowledge and intellectual potential in the process of re-industrialization and agrarization in Serbia.*

**Key words:** *Education, Knowledge, Skills, Industry, Agriculture*

**JEL Classification:** *I25,I21, I29*

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<sup>73</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, skaravidic@gmail.com

<sup>74</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia,  
cukanovickaravidicmarija@gmail.com

# **CHANGES IN THE HUMAN RESOURCE MANAGEMENT PRACTICES AND WORK MOTIVATION IN ACADEMIC ENVIRONMENT<sup>1</sup>**

*Snezhana Ilieva<sup>76</sup>*

*Irina Topuzova<sup>77</sup>*

## **ABSTRACT**

*The study investigates the effect of Human Resource Management (HRM) practices on the motivation of university professors after changes and reform in the higher education system. It looked at 218 university professors, 55% of which were women and 45% were men, all coming from five established universities in Bulgaria. The study relies on factor analysis in order to establish changes in the Human Resource Management practices. The result was a differentiation in three of the factors – changes in the recruitment, evaluation, and faculty promotion practices, changes in the management styles, and changes in the rewards system. The major motivational factors for the university professors are associated with the content of the job itself, the autonomy and the responsibility. The changes in the management styles and the rewards system are indicative of a strong extrinsic motivation related to the income, the social relations and the management. The intrinsic motivation, associated with the job itself, is influenced by the changes in the recruitment, evaluation and career development practices, and the management styles and it is not affected by the changes in the rewards system. The changes in the rewards system are rated very low, which explains to a significant extent the low level of motivation of the university professors when it comes to remuneration and income.*

**Key words:** *Human Resource Management Practices, Work Motivation, Organizational Changes, Reform In Higher Education System, Academic Staff*

**JEL Classification:** *I 25, J 24, J 28*

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<sup>76</sup> Sofia University “St. Kl. Ohridski”, Sofia, Bulgaria, sn\_ilieva@abv.bg

<sup>77</sup> South-West University “Neofit Rilski”, Bulgaria, irinatopuzova@gmail.com



# **MOTIVATION OF EMPLOYEES IN FUNCTION OF IMPROVEMENT OF INTERNAL COMMUNICATIONS AND ETHICS**

*Djordje Ilic*<sup>78</sup>

*Slavica Andjelic*<sup>79</sup>

## **ABSTRACT**

*The paper deals with the importance and motivation of human resources in the modern organization by pointing out the factors that determine the specific behavior of employees in the workplace. The focus is on strategic planning and implementation of an increase in satisfaction in the workplace through the activation of immaterial factors of motivation and self-motivation, by satisfying the basic needs of the employees. There are proposals for management of the direction in which they could operate, and how to intervene in order to achieve high-quality, creative and productive work in a situation of reduced opportunities for financial rewards, what is currently in country of Serbia. A correlation between motivation and communication in business is presented through the paper, and thus it is shown how to do business competitively in today's market conditions. It is also shown how ethical norms in the organization affect the degree of satisfaction with business, and how to effectively manage the given issue in order to achieve a higher level of motivation and therefore the success in business through the realization of the prestigious results.*

**Key words:** *Motivation, Internal Communication, Ethics, Regression, Correlation*

**JEL Classification:** *D01, C83*

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<sup>78</sup> Higher business school of vocational studies "Radomir Bojković PhD", Krusevac, Serbia, djordje.ilic@indmanager.edu.rs

<sup>79</sup> Higher business school of vocational studies "Radomir Bojković PhD", Krusevac, Serbia, slavica.andjelic@indmanager.edu.rs

## ***ENTERPRISE INNOVATION IMPACT ON EMPLOYEE PERFORMANCE AND SATISFACTION<sup>80</sup>***

*Valeria Vitanova<sup>81</sup>*

*Ramiro Gomez<sup>82</sup>*

### ***ABSTRACT***

*This article aims to present the results of the implementation of Kaizen and Six sigma trainings in a foreign company who operates successfully in the Bulgarian Labor market. The purpose of the study is to find out what exactly are the consequences after that these innovative practices has been introduced at all hierarchical levels of the organization. The expected result is to benefit the development of the psychological capital in the organization and the growth of the company which is trying to strengthen its position as a leader in the competitive field of the Business Process Outsourcing companies, where the process of hiring and retention of personnel with good competencies is a big challenge. The instrument used for the Kaizen culture adoption in the company was the Kaizen roadmap created after the process of analysis and prioritizing the needs of the company's clients on one side and the employees of the company on the other side.*

***Keywords:*** *Innovation, Kaizen, Six Sigma, Employee Satisfaction, Employee Performance*

***JEL Classification:*** *O31, J28*

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<sup>81</sup> Sofia University "St. Kliment Ohridski", Sofia, Bulgaria, [valeriavitanova6@gmail.com](mailto:valeriavitanova6@gmail.com)

<sup>82</sup> Concentrix, Sofia, Bulgaria, [ramiro1978@hotmail.com](mailto:ramiro1978@hotmail.com)

## **INDIVIDUAL AND ORGANIZATIONAL DIFFERENCES IN COUNTER-PRODUCTIVE WORK BEHAVIORS**

*Ergyul Tair*<sup>83</sup>

*Tanya Petkova*<sup>84</sup>

*Kaloyan Velinov*<sup>85</sup>

### **ABSTRACT**

*The paper presented two studies on Counter-productive work behavior (CWB) described typically as intentional behavior that harms the organization or its members, as work place deviance, etc. Study 1 focused on age, gender and organizational (e.g. type, size, climate) differences in CWB based on 255 employees from different Bulgarian organizations. Study 2 trace out age, gender and personality differences in CWB based on smaller sample (N=73) employees aged from 25 to 55 years old. First, results presented significant individual differences as men were more ready to engage in almost all measured dimensions of CWB (withdrawal, sabotage, organizational damage, and verbal aggression) Also, age differences as 30-39 old in the Study 1 and 30-55 old in Study 2 represent a greater willingness for violation of the organizational rules. Among the personality traits as the most significant factor of CWB stood out the introversion, especially in relation to antisocial behavior and verbal aggression, and to a lesser extent in terms of withdrawal. Second, the size and type of organization has no influence on the engagement with CWB but organizational climate has, as clarity of organizational goals and formalizations has significant but little impact on the complaints of the employees. Also, the increased organizational requirements for efforts or increasing organizational rules and procedures lead to the expression of discontent through insults and mockery (verbal aggression). Further, the organizational climate has a significant but little impact on withdrawal, as the ambiguity for the organizational goals and the lack of understanding and cooperation by managers affects absenteeism and delays to work.*

**Key words:** Counter-Productive Work Behavior, Organizational Climate, Personality, Age And Gender Differences

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

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<sup>83</sup>Institute for Population and Human Studies - Bulgarian Academy of Sciences, Sofia, Bulgaria, [ergyul\\_tair@yahoo.com](mailto:ergyul_tair@yahoo.com)

<sup>84</sup> Sofia University St. Kliment Ohridski, Sofia, Bulgaria, [tt.pekova@gmail.com](mailto:tt.pekova@gmail.com)

<sup>85</sup> Sofia University St. Kliment Ohridski, Sofia, Bulgaria, [kaloyan88@gmail.com](mailto:kaloyan88@gmail.com)

# **PROMOTING VALUES AS A STRATEGY TO INCREASE EMPLOYEES' RETENTION IN NON-PROFIT ORGANIZATION, EMPIRICAL STUDY IN KUWAIT**

*Rami Al-Asadi*<sup>86</sup>

*Hesham Gad*<sup>87</sup>

## **ABSTRACT**

*This paper looks at the extent to which human resources professionals in non-profit organizations (NPOs) in Kuwait implement strategies to promote values as a means to retain staff. Much research has been conducted on employee retention strategies; however, few studies have analyzed the relationship between employee values and retention. This study will be pioneering as it is believed that no research has been carried out in this area in Kuwait. With limited budgets, NPOs are negatively impacted when employee turnover occurs, thus requiring NPOs to think of different alternative methods that can be used to retain employees. In order to answer the research question, a qualitative interview with a human resources professional will be conducted. This paper will explore the area of employee and organization value congruence and its effect on employee turnover. In the final section of the paper, recommendations will be provided showcasing various value-based employee retention strategies.*

**Key words:** *Values, P-O Fit, Employee Retention, Non-Profit Organization, Strategy, Kuwait*

**JEL Classification:** *L 31, E 24, J 82*

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<sup>86</sup>HRM Department, College of Business Administration American University of the Middle East, Kuwait, Rami.al-asadi@aum.edu.kw

<sup>87</sup> College of business Administration Higher Institute of Management and Computer Science Port Said University, Egypt, dr.heshamgad@gmail.com

## **THE IMPACT OF CAPITAL OF ILLEGAL ORIGIN USED IN PRIVATISATION ON EMPLOYMENT IN SERBIA**

*Slobodan Radonjic*<sup>88</sup>

*Miodrag Todorovic*<sup>89</sup>

### **ABSTRACT**

*Organized criminal as a negative trend of worldwide process of globalization strives to integrate the capital illegally gained through “money laundering” into legal financial flows, which represents a criminal activity of high degree of social danger. By infiltrating dirty money into legal financial and economic flows, the criminals tend to put certain economic flows under control, in order to have a direct impact on political processes and achieve their interests. Financial system as a whole can be jeopardized by the efforts of criminals to hide the origin of their capital gained through illicit actions, i.e. crime. “Money laundering” has potentially devastating economic, security and social consequences. The economic consequences of “money laundering” are the most significant ones and depending on specific social-economic environment, they can be: undermining the integrity of financial markets, the loss of control over economic policy, economic instability, loss of tax revenues and jeopardizing the process of privatization.*

*The subject of this research is one specific aspect of observing the use of illegal capital in privatization and its role on employment in Serbia.*

*A specific aspect of this contribution is the definition of economic and legal aspects of “money laundering” impact on social-economic system changes under the transition process in which changes of ownership relations arise, when social property is transformed into private through illegal redistribution of capital. This paper will also deal with legality that leads to illicit accumulation of wealth and capital, gained as a consequence of investing illegal capital from “tax havens”, as well as the forms and models of its legalization through privatization.*

**Key words:** *Money Laundering, Privatization, Illegal Capital, Employment*

**JEL Classification:** *K 42, M 54*

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<sup>88</sup> Ministry of Finance, Tax Administration, Belgrade, Serbia, slobodanradonjic@hotmail.com

<sup>89</sup> Ministry of Finance, Tax Administration, Belgrade, Serbia

# **REWARD SYSTEM IN THE SERVICE OF KNOWLEDGE MANAGEMENT**

*Dragana Buvac*<sup>90</sup>

*Ivana Matic*<sup>91</sup>

## **ABSTRACT**

*One of the basic problems of successful knowledge management in modern society is motivation of knowledge employees. In many cultures, it is considered that knowledge gives power so that often employees are not interested in sharing their knowledge with others. In addition, some experts, aware of their knowledge and skills, easily join competitor companies, motivated by better working conditions and remuneration. In this paper, we try to determine whether there is a connection between employee reward systems and effective knowledge management. Presuming that employees' motivation is affected by reward systems and that effective knowledge management is affected by employees' motivation, we have sought to determine how reward systems can be used in order to improve knowledge management. Using historical, description and compilation methods, through the analysis of hitherto studies, we have concluded that there is a strong correlation between reward systems and knowledge management. We have also discovered that these studies manifest significant differences in terms of the impact of rewarding on knowledge acquisition, sharing and retention*

**Key words:** *Reward System, Salary, Motivation, Knowledge Sharing, Knowledge Management.*

**JEL Classification:** *D 83, J 28*

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<sup>90</sup> Belgrade Banking Academy, Belgrade, Serbia, dragana.buvac@gmail.com

<sup>91</sup> Belgrade Banking Academy, Belgrade, Serbia, ivanam@beograd.com

## **IMPACTS OF THE ICT-A ON GLOBALIZATION, THE WAY OF LIVING, CHANGE THE STRUCTURE OF BUSINESS PROCESSES AND EMPLOYMENT**

*Dragan Milosevic*<sup>92</sup>,

*Branko Markovic*<sup>93</sup>

### **ABSTRACT**

*The aim of the paper is to explore the impact of development trends in information and communication technologies (ICT) on four phenomena of human activity. The phenomena that are investigated and can predict where the most significant changes under the influence of ICT development trends are, are the following: the continuation of the process of globalization, lifestyle changes, changes in business processes and changes in the labor market. This study was conducted by content analysis and a comparative analysis of the results of multiple studies on the same subject. The results of comparative content analysis of the conducted surveys indicate significant changes in all four occurrences under the influence of ICT. The process of globalization will continue where more individuals can compete with each other on the global labor market. The introduction of computerized robots in production will result in the coming period to a loss of a large number of jobs. Most routine work processes will eventually be entrusted to robots which are managed by computers networked via the Internet. On the other hand, the development of ICT will unlock the need for many new jobs and occupations that lacked to exist previously. This work should contribute to understanding the importance of the ICT infrastructure and the development of training programs for new occupations and jobs. Countries that fail to devote due attention to investment in ICT infrastructure and the education system will be faced with huge economic and social problems.*

**Key words:** *ICT, Globalization, Processes, Outsourcing, Freelancer*

**JEL Classification:** *O33*

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<sup>92</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, [dmilosevic@ikom.rs](mailto:dmilosevic@ikom.rs)

<sup>93</sup>Printer ITSS, Banja Luka, Republika Bosna i Hercegovina, [markovic\\_m\\_b@yahoo.com](mailto:markovic_m_b@yahoo.com)

## ***YOUTH CO-OPERATIVES IN COURT PRACTICE IN THE REPUBLIC OF SERBIA***

*Zoran Radulovic 94*

*Slavoljub Sljivic 95*

### ***ABSTRACT***

*Youth cooperatives in Serbia is an integral part of the cooperative system, which means that even in the legislative sense, this important social and economic field is regulated by a law which includes all types of cooperatives, which is not the case in all occasions of legal regulation of cooperatives.*

*Regarding the legal regulation of cooperative authorities, as the first question arises: is it better solution for complete substance to be regulated by a law or that, when scaling, emphasizes the specificity of certain forms of cooperatives by adoption of special laws? In Serbia, court practice has certain characteristics as sources of law, although not primary as in the Anglo-Saxon legal system.*

*As contentious situations appear in every field of social life (in the most extreme cases, they lead to litigations), by analysis of the same it can be to obtain relevant answers to a series legal and theoretical and practical issues which can be of importance when performing the most important legal activity – conceiving legislative regulations. In the cooperative – judicial practice we can find the characteristic decisions with a legal effect beyond the scope of the authorities concerned, in this case of cooperatives. Also, it is important to identify decisions, solving the individual case, provide a roadmap for resolving the series of similar contentious situations, as well as the directions of possible legislative amending.*

***Key words:*** *Cooperatives, Youth (Student) Cooperatives, The Court, The Court Decision*

***JEL Classification:*** *L 31, K 31, J 82*

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<sup>94</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zradulovic10@gmail.com

<sup>95</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, sensa037@gmail.com



***SERBIAN ROAD TO THE EU: FINANCE,  
INSURANCE AND MONETARY POLICY***





## **SPECIFICS OF OBSTACLES OF SERBIA ON ITS PATH TOWARDS EU**

*Milan Beslac*<sup>96</sup>

*Jovica Beslac*<sup>97</sup>

### **ABSTRAKT**

*There is no doubt that the EU is currently the largest and economically most powerful regional economic integration. From this point of view, path and joining Serbia to the EU should not be a dilemma. It is always good to be with the best. But the process of Serbia's accession to full membership in the EU, political and economic elite in Serbia represents it as a path without alternative. But there is no doubt that Serbia, on the path to EU, expects many obstacles related to its internal political order (Status of the Autonomous Province of Kosovo and Metohija), the relationship between neighbors and their demands towards Serbia during the accession process (which is best seen when opening chapter 23 and 24) as well as various barrier is to arise because of the relations between the EU member states (as is evident from the attitude towards Russia and attitudes towards migrant crisis) as well as the inevitable transformation of the EU itself in the future. Therefore, there is a reasonable question, whether the Serbia's path and joining to full membership in the EU really has no alternative and whether benefits which will be achieved by joining the EU are the same as victims that will have to be submitted for full membership in the EU. The primary goal of this paper is to show that Serbia's path towards full membership has both economic and political justification, but that that path should be built so that in case of insurmountable obstacles path has an alternative.*

**Key words:** *Accession, EU, Serbia, The obstacles, The transformation of the EU*

**JEL Classification:** *F36,F53*

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<sup>96</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, milan.beslac@galeb.com

<sup>97</sup> Faculty of Civil Engineering Belgrade, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia

## **IMPROVING THE ECONOMY – THE PATH TO THE EUROPEAN UNION**

Vladimir Ristanovic<sup>98</sup>

Stefan Zimonjic<sup>99</sup>

### **ABSTRACT**

*In this paper, attention is focused on the importance of economic integration for a single economy. The theoretical concept of the optimum currency areas suggests that regional or economic integration is an important element in the improvement of the economy, if certain criteria are met! In developed economies, the higher the level of fulfilment of the criteria, the greater the benefits of the integration. Serbia, as underdeveloped economy, will suffer major damages in the integration until it changes the structure of the economy (relying on the horizontal intra-industry trade and through technologically more intensive production process) and adapts to the competitive market. Serbian economy will be faced with unfavourable and imposed deflationary adjustment process, which will deepen the low GDP, low wages and high unemployment. At the same time, a high degree of integration is not a guarantee of overall progress when there is no full coordination of economic policies within the integration, as is the case in the EU. Therefore, Serbia should improve the economy, change the structure of production and trade and take advantage of the open market. By achieving these goals it will be easier and cheaper in the process of adjustment to the EU, and simultaneously a good chance for Serbia to realize greater benefits than costs in the future.*

**Key words:** Strengthen Economy, Economic Integration, Intra-Industry Trade

**JEL Classification:** E06, F04, O03

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<sup>98</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, vmristanovic@gmail.com

<sup>99</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zimonjic.stefan@gmail.com

# ***PUBLIC SECTOR MANAGEMENT AND ECONOMIC COOPERATION WITH EU IN CONTEMPORARY DEVELOPING COUNTRIES***

*Yulianna Voloshyna*<sup>100</sup>

*Berislav Andrljic*<sup>101</sup>

*Mario Hak*<sup>102</sup>

## ***ABSTRACT***

*In the article, authors are aiming to present the management of political system of Ukraine and its connection to international political and economic development possibilities on EU market. In the first part institutions of political system are presented. Special attention is paid to composition, structure and role of the Ukrainian public administration management. In the second part of this text short explanation of current economic events is given. At the end author explains importance of strengthening the economic relations between Ukraine and European Union. In this manner, also global marketing and financial aspects are taken into the considerations. It is clearly visible that Ukraine can benefit from further cooperation with the European Union financially, economically as well as from the perspective of the development of the society.*

***Key words:*** *Management, Market, Development, Structure Of The Government, European Union, Ukraine*

***JEL Classification:*** *F63, X 83*

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<sup>100</sup> Economical Faculty of Uzhgorod National University, Ukraine, voloshynayulianna@gmail.com

<sup>101</sup> Polytechnic in Pozega, Croatia, bandrljic@vup.hr

<sup>102</sup> Tax Office Pozega, Croatia, hak.mario@gmail.com

# ***INSURANCE – KEY STRATEGY FOR MANAGING CATASTROPHIC RISKS***

*Vera Karadjova*<sup>103</sup>

## ***ABSTRACT***

*Risks are inevitable, objective category faced by all people and all business entities and they are widespread in all areas of human existence. Risks as an objective category exist regardless of the people wishes and needs and regardless of the level of the human community development. Despite the fact that by the science and technology development a number of risks belong to history (epidemics, some once-fatal diseases etc.), there are also a number of risks that people in modern conditions cannot resist. In this category the greatest threats are so-called catastrophic risks in which there are two main categories:*

- (1) Climate changes; and*
- (2) Natural disasters (earthquakes, floods, etc.).*

*This paper concerns to the need of insurance against catastrophic risks, as one of the strategies to manage these risks. It is about risk hedging that is not an immediate and technical, but indirect, have an economic nature and is achieved by compensating the damages by association; risk sharing and jointly covering of the damages.*

***Key words:*** *Catastrophic Risks, Insurance, Natural Disasters, Climate Changes, Uncertainty*

***JEL Classification:*** *G22, G32*

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<sup>103</sup>Faculty of tourism and hospitality, Ohrid, Republic of Macedonia, verakaradzo@yahoo.com

# **ACTUARIAL TARIFF FORMATION BASICS FOR LIFE INSURANCE PRODUCTS**

*Dusan Cogoljevic*<sup>104</sup>

*Tatjana Piljan*<sup>105</sup>

## **ABSTRACT**

*Life insurance is the most perfect type of savings and it is of the utmost importance for the economic system of one country. Life insurance is also important for individuals who want to ensure themselves in case of old age, reduction of work abilities, to secure their families in material sense in case of their death, etc. It is in the interest of every state to have as many insurance companies and as good offer of life insurances. Today's modern insurance cannot be imagined without the application of statistical and mathematical methods and actuarial mathematics in the calculation of insurance tariffs.*

*The topic of this paper are actuarial basics of tariff formation for life insurance products which are applied and can be successfully applied in our conditions. Special attention shall be paid to deferred lifelong personal annuity, mixed insurance of capital and family insurance. In addition to individual life insurance, we shall also explain the insurance of two lives.*

*This paper gives a detailed procedure of determining tariffs, i.e. prices for deferred lifelong personal annuity, mixed insurance of capital and family insurance. Within family insurance for two, three or more persons on the basis of the theory of probability, we provided you with different possibilities which can occur in practice and with tariffs calculated based on that.*

**Key words:** *Life Insurance, Statistical And Mathematical Methods, Actuarial Mathematics, Insurance Tariffs*

**JEL Classification:** *I13*

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<sup>104</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia,  
dusan.cogoljevic@vspep.edu.rs

<sup>105</sup>Higher business school of vocational studies "Radomir Bojković PhD", Krusevac, Serbia  
tanja.piljan@gmail.com

## **THE CONFIDENCE OF USERS IN PUBLIC AND PRIVATE HEALTH FACILITIES**

*Tatjana Piljan*<sup>106</sup>

*Milica Zivkovic*<sup>107</sup>

### **ABSTRACT**

*Healthcare system in Serbia should secure an adequate level of health for the citizens of Serbia because health is the foundation of rapid political and economic development. The system is pointed towards securing an easy availability of all healthcare services for the entire population. However, pushed by a difficult economic situation, the healthcare system is facing a number of financial problems, organizational problems and the actual functionality of the healthcare. These problems have a significant effect on the quality of healthcare services and they are the reason for the existing gap between expectations which healthcare users have and the real possibilities of the healthcare facilities which caused the drop of confidence in healthcare institutions.*

*In this paper, we have shown the results of the research about the user's opinion on the healthcare quality and the level of trust in state and private institutions. Research results are shown according to the level of education, age, gender, employment and years of work.*

*Results have shown that the majority of users don't have the trust in healthcare institutions because only 25% said that they trust the state institutions and about 38% that they trust the private sector.*

**Key words:** *Healthcare protection, Healthcare services, Level of trust in healthcare institutions.*

**JEL Classification :** I13

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<sup>106</sup>Higher business school of vocational studies "Radomir Bojković PhD", Krusevac, Serbia, tanja.piljan@gmail.com

<sup>107</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, milicavspep@gmail.com



# **ACTUARIAL ASSESSMENT OF TECHNICAL RESERVES IN NON-LIFE INSURANCE**

*Ivan Piljan*<sup>108</sup>

*Dusan Cogoljevic*<sup>109</sup>

## **ABSTRACT**

*The objective of this paper is to describe from actuarial perspective the calculation methodology and the way of placing funds of technical reserves in non-life insurance. Reserves in insurance are there to ensure normal functioning of insurance companies. Two basic types of reserves are guarantee and technical funds.*

*Survival of insurance companies in a turbulent environment imposes the need for placing surplus of resources. The range of engaging technical reserves is determined by the gravity of risk and by the profit we want to make.*

*Proper and actuarially adequate assessment of reserves is a precondition for ensuring stable and safe business activities of insurers and it will enable them to settle their obligations to the insured in time.*

*Reserves are used to cover negative deviations of greater damages from smaller premium payments, and are formed from the excess of collected premiums in comparison to the paid amounts of damages on the basis of compensation in certain years.*

*Each investment is more or less subject to risk.*

*This paper deals with the researching and proving of the significance of three key factors concerning the guarantee of insurer's solvency: technical reserves assessment, investment of resources covered by the appropriate technical reserves and ensuring the adequate solvency margin.*

*The result of this research was the description and determination of the dependency of financial stability and successful business activities of insurance companies on the actuarially adequate assessment of insurance reserves...*

**Key words:** *Technical Reserves, Reserve Assessment, Insurance Companies, Investments, Risk, Risk Management.*

**JEL Classification:** *I13*

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<sup>108</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, piljanivan@gmail.com

<sup>109</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, dusan.cogoljevic@vspep.edu.rs

## **ASYMMETRIC INFORMATION INFLUENCE ON EFFICIENCY OF CAPITAL MARKET**

*Jelena Minovic*<sup>110</sup>

### **ABSTRACT**

*The paper research issues related to asymmetric information on capital markets. It is realistic to assume that all market participants do not have available all the information. The Serbian capital market is characterized by high informational asymmetry between investors. Therefore, it is necessary to consider asymmetric information on the capital market, and estimate its impact on the expected asset returns. Thus, in this paper we described issues related to asymmetric information on the Serbian capital market. Public reporting in Serbia doesn't have any serious rules, and insider information is widely used. It was happened that people respond on rumours with large investments. The paper presents the probability of informed trading (PIT measure), which would be a useful indicator of liquidity for emerging and frontier markets. Therefore, the main goal of this paper is to examine impact of asymmetric information on efficiency of capital markets. More precisely, it considers market equilibrium with investors who have asymmetrical information. For this reason, the paper presents empirical model in order to examine the impact of asymmetric information on the assets pricing. Generally, capital markets are not perfect. In particular, emerging and frontier markets are not perfect, specifically (for example, the Serbian capital market). However, there is information asymmetry through which borrowers (securities issuers) know more about the risks than the lenders to (securities purchasers). Thus, market participants may be reluctant to trade with these assets, whose characteristics and behaviour under varying economic conditions are not well known. The paper presents all advantages and disadvantages of studied models.*

**Key words:** *Asymmetric Information, Probability Of Informed Trading, Efficiency Financial Market, Expected Eeturn*

**JEL Classification:** *G14, G12, G02*

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<sup>110</sup> Institute of Economic Sciences, Belgrade, Serbia, jelena.minovic@ien.bg.ac.rs

## ***IMPORTANCE OF BANK MARKETING INFORMATION SYSTEM (BMIS) IN MODERN BANKING***

*Sanja Kostevski<sup>111</sup>*

*Nevena Jovanovic<sup>112</sup>*

### ***ABSTRACT***

*Banks collect numerous important information through market research. One of the activities of the bank is to process and systematize all available information about the customer service and competition in the financial sector by using its banking information system before planning marketing activities.*

*Banks use marketing information systems to collect, process, and analyze information collected from internal and external resources with an aim to use this information as guidance and support in decision making process.*

*BMIS is a powerful tool in data collection from internal and external environment and it utilizes Marketing Information System through which banks collect everyday information about events in the marketing environment.*

*The aim of this paper is to highlight the importance of application of Banking Information systems in modern banking.*

***Key words:*** *Banks, Marketing information system, Marketing Intelligence, Internal Environment, External Environment*

***JEL Classification:*** *M31*

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<sup>111</sup> Belgrade Banking Academy, Belgrade, Serbia, sanjakostevski1986@yahoo.com

<sup>112</sup> Belgrade Banking Academy, Belgrade, Serbia, jovanovicnevena989@gmail.com

## ***PUBLIC SECTOR WAGE PREMIUM IN SERBIA: EVIDENCE FROM SILC DATA***

*Marko Vladislavljevic*<sup>113</sup>

*Dragica Jovancevic*<sup>114</sup>

### ***ABSTRACT***

*In many European countries, employees in the public sector have higher average wages than workers in the private sector. This difference can partially be explained by better characteristics of the workers in the public sector, such as higher level of education or more work experience. However, previous research shows that even after we control these characteristics, the public sector pays higher wages i.e. that, in many European countries, there is a public sector wage premium. In other words, workers in the public sector earn more than the workers in the private sector, for the "same" job. Historically, in Serbia, public sector wage premium went from significantly negative, i.e. higher wages in the private sector (in 1995), to moderately positive premium (in 2008).*

*This paper aims to assess the wage gap between the public and private sector in Serbia, using Survey on Income and Living Conditions (SILC) data from 2013 and the wage decomposition methodology. In addition to providing new data on the gap in wages and public sector premium in Serbia, this paper aims to provide a better understanding of how different characteristics of the workers in the private and public sector affect the gap in wages.*

*Results show that in Serbia, in 2013, average hourly wage in the public sector was by 33.4% higher than in the private sector. As public sector workers have higher levels of education and are more likely to work in better paid jobs than workers in the private sector, the estimated value of the public sector wage premium is 17.2%. The estimated value of the public sector wage premium in Serbia is relatively high, when compared to the other European countries.*

***Key words:*** *Public Sector Wage Premium, Wage Differential, Survey on Income and Living Conditions, Serbia*

***JEL Classification:*** *J31, J54, J45*

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<sup>113</sup> Institute of Economic Science, Belgrade, Serbia, marko.vladislavljevic@ien.bg.ac.rs

<sup>114</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, dragica.jovancevic@vspep.edu.rs

# **THE IMPACT OF THE CREDIT POLICY OF BANKS AND INCENTIVE FUNDS ON MSMEs SECTOR GROWTH IN SERBIA**

*Dejan Radulovic*<sup>115</sup>

*Renata Pindzo*<sup>116</sup>

## **ABSTRACT**

*The authors have analyzed financial sources and their structure, credit policy of banking and other financial organizations and their impact on growth and development of micro, small and medium enterprises (MSMEs). The paper analyzes problems and the impact of different sources of financing on the growth and development of MSMEs in Serbia. Problems are reflected in the chronic lack of system regulations and measures that determine and regulate the financial support for the financial organization (especially non-banking) and the MSME sector. The paper contains proposals for resolving the existing problems regarding financing MSMEs and development of the financial market through the introduction of new financial instruments. These measures should facilitate and promote the establishment, development and sustainability of new and existing MSMEs in Serbia which will lead to job creation and encourage educational processes for management and employees (existing and newcomers) in accordance with the MSMEs best practice in the EU.*

**Key words:** *Financial Sources, Banks, Funds, Credit Policy, Micro, Small And Medium-Sized Companies*

**JEL Classification:** *E52, L53*

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<sup>115</sup> Faculty for economics and management engineering in Novi Sad (FIMEK), former assistant minister in the Government of the Republic of Serbia in the period 2010-2014, in charge for the sustainable regional development as well as for the development of SMEs and business infrastructure, radulovic@notard.rs.

<sup>116</sup> Faculty for Economics, Finance and Administration, Singidunum University and Assistant Minister in the Ministry for Trade, Tourism and Telecommunications, Sector for Tourism, (2008-present).

# **FINANCIAL ANALYSIS OF DIFFERENT CATEGORIES OF FARM IN SELECTED AREAS OF MYMENSINGH DISTRICT**

*Limon Deb*<sup>117</sup>

*Mohammad Shajahan Kabir*<sup>118</sup>

*Mohammad Asaduzzaman*<sup>119</sup>

*Mohammad Hodayun Kabir*<sup>120</sup>

## **ABSTRACT**

*This study dealt with the objectives of financial analysis of farms using primary data in two villages of Mymensingh Sadar including socioeconomic investigation and analysis of balance sheet, income statement and ratios. A total of 100 farms including 45 small, 35 medium and 20 large were randomly selected for the study. Socioeconomic analysis showed that indebtedness was higher in large farms than those of small and medium ones. Large farms also engaged more in farm activities than others. All of the asset position, income expenditure and saving were positively related with farm size but non-farm income was negatively related. Analysis of balance sheet depicted that all the farms became able to generate a positive net worth which was the highest in large farms followed by small and medium ones in terms of percentage term. Income statement analysis showed that each of the farms was profitable and earned positive net profit at the end of the accounting year. Net profit had a positive relation with farm size. Results of ratio analysis expressed that none of the farms was fully financially strong. But maximum of seven ratios were favorable to large farms followed by small and medium farms. So, considering overall situation, large farms were relatively strong followed by small and medium farms in the study area. This study suggests for similar studies in other parts of country to develop a benchmark for comparison which is almost absent in present situation of Bangladesh.*

**Key words:** Farms, Analysis, Bangladesh

**JEL Classification:** D13, Q14

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<sup>117</sup> Bangladesh, limondeb.bau@yahoo.com

<sup>118</sup> Bangladesh Agricultural University, Mymensingh, Bangladesh, e-mail: mskabir786@gmail.com shajahan.rs@bau.edu.bd

<sup>119</sup> Bangladesh Agricultural University, Mymensingh, Bangladesh, e-mail: asad.rs@bau.edu.bd

<sup>120</sup> Bangladesh

## ***TOURIST FACILITIES AS A INNOVATIVE FACTORS OF DEVELOPMENT RURAL ENTREPRENEURSHIP IN THE REPUBLIC OF SERBIA***

*Radovan Pejanovic* <sup>121</sup>

*Gordana Radovic* <sup>122</sup>

### ***ABSTRACT***

*The aim of paper is to highlight the importance of developing innovative tourist facilities for the development of rural tourism and rural entrepreneurship in the Republic of Serbia. The development of rural tourism has a double effect on the development of rural entrepreneurship. On the one hand, the development of rural tourism is the result of the growth of entrepreneurial activity, where is the development of innovative tourism facilities of great importance. On the other hand, the development of rural tourism can initiate the development of rural entrepreneurship in order to meet differentiated needs of tourists. Authors consider that in the previous period despite potential resources, tourist facilities were not adequate placed and valued in rural tourism. Also, the authors consider that an innovative tourist facilities should based on tourism resources, to affirm the typical local ethno characteristics, especially ethnographic and gastronomic events that take place in rural areas. In order to develop tourist facilities it is necessary to define the potential modalities of their financing. The modalities of financing tourist facilities are of vital importance for the development of rural tourism because the majority subjects of rural tourism, due to the small tourist turnover, without financial means for self-financing.*

***Key words:*** *Tourist Facilities, Rural Tourism, Rural Entrepreneurship, Financing, The Republic of Serbia*

***JEL Classification:*** *R19*

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<sup>121</sup>Faculty of Agriculture, University of Novi Sad, Serbia, e-mail: pejanovic@polj.uns.ac.rs.

<sup>122</sup>“Dnevnik-Poljoprivrednik” AD, Novi Sad, Serbia, e-mail: gordana.radovic09@gmail.com.

# **PROJECTION ON EXCISE REVENUE GENERATION IN THE BUDGET OF THE REPUBLIC OF SERBIA FROM 2016 TO 2030**

Mirjana Stevanovic <sup>123</sup>

Jelena Barac<sup>124</sup>

## **ABSTRACT**

Throughout history, the state kept on spreading itself and in that way it was spreading its jurisdiction, functions and all of that requires large financial resources. Therefore, the tax administration is the one which should provide those financial resources. That is really hard to pull off in practice, hence there are frequent reforms of the tax system. Frequent changes aren't good for the economic and tax stability. The main reform in Serbia is the tax reform, whose goal is to provide tax payers with a job, salary and to pay their taxes. On the other side, the increase of tax revenue is required to decrease the deficit of the budget, decrease the debt of the state and to provide requirements for encouraging the industrial growth. It is a fact that the majority of tax payers, if not all of them, would like to have lower taxes. Taxes have always presented a load for the ones who pay them and that will always stay that way. Frequent changes of tax regulations, changing the rates of taxes, large tax debts, frequent reprogramming of debts, public costs which are larger than public revenues indicate the instability of our country's tax system. Primary goals of the tax system reform in our state have to be: adjusting to the European regulation, collecting larger taxes, taxation in accordance with the economic strength of the tax payers.

This paper dealt with the analysis of excise crediting in the Republic of Serbia in the period from 2005, up to 2015 with a projection until 2030.

The results of this study should be useful for the understanding of the importance of a large number of tax payers of excise taxes (taxes on products) both in the present and in the future.

The aim of the paper should be to show us and indicate the necessity of: adopting the Law on Excise Tax which would be in effect for decades without requiring any changes and amendments, and with the previous analysis of the efficiency or inefficiency of earlier fiscal policy in our country; the Law se prevents tax evasion. There is the necessity of harmony between economic, financial and tax policy, the need to adopt measures that would be aimed at: increasing excise revenue generation in the budget of the Republic of Serbia, the equality of everybody in front of the Law, reducing gray economy, the elimination of reprogramming.

**Key words:** Tax Policy, Tax Reform, Taxpayers, Tax Principles, Excise

**JEL Classification:** H25, H27

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<sup>123</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, mira.stev@mts.rs

<sup>124</sup> mirjana.stevanovic@indmanager.edu.rs



***STUDENTS ABSTRACTS***





## **TYPES OF DIRECT MARKETING IN CONTEMPORARY BUSINESS CONDITIONS**

*Dusan Garabinovic*<sup>125</sup>

### **ABSTRACT**

*Contemporary business system is characterized by numerous changes that are happening in its various spheres. Constant adjustments and, at the same time, use of those changes as good business opportunities represent a request that is not only desirable but it is also imposed as the basis for the achievement of success in today's business relations that are based on competitiveness. Those who accept that have a chance to get the targeted prize – profit, and individuals who are not ready for a flexible way of doing business, a market-based business, cannot hope for good results.*

*Each participant of this unique business game sets the objectives to which they are striving when performing their activities. On the one hand, they are different in accordance with the differences among organizations and on the other hand, in most cases they are connected by their focus on the achievement and maximization of profit. In order to realize the previously defined objectives it is important to focus on the most important subject that appears on the competitive market, and that is the consumer. Without meeting the needs of the consumer in the conditions of tough competition and consumer society, the interests of the salesmen also won't be met. Marketing has, based on that, become an unavoidable part of the business process and an indispensable part of total activities that lead to the making of profit that is based on consumers' satisfaction.*

*The objective of this paper is to point out to the position and importance of direct marketing among other forms of marketing, as well as to the uniqueness of direct mail, telemarketing, and catalog marketing, personal selling as well as of other types of direct marketing so as to be able to consider its most important characteristics because of which it was and still is one of the most important forms of marketing.*

**Key words:** *Direct Marketing, Direct Mail, Telemarketing, Catalog Marketing, Personal Selling*

**JEL Classification:** *M30, M31*

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<sup>125</sup>Faculty of Business Economic and Entrepreneurship, Belgrade, Serbia,  
dusan.garabinovic.032@gmail.com

## ***THE INFLUENCE OF INNOVATIONS ON THE DEVELOPMENT OF ENTREPRENEURSHIP***

*Natalija Cvrkotic*<sup>126</sup>

*Jovana Mijalkovic*<sup>127</sup>

### **ABSTRACT**

*In the global economy and economics, entrepreneurship represents an important process in the development of world economy because innovations are the crucial characteristic of entrepreneurship and only with the use of innovations can we achieve competitive advantage and survive in the long run on today's market. Individuals who can recognize favorable opportunities and use them by creating something unique and making profit are necessary for entrepreneurship. People who are ready to take the risk and invest their capital into the creation of new goods are entrepreneurs. They are guided by a strong desire to succeed, they are ambitious, have the knowledge, can solve conflicts and can be leaders. Entrepreneurs have to bring their creative ideas to fruition that will be reflected in form of something completely new or significantly altered (product, service, process of production...) However, it isn't enough just to create something new, the objective is that the innovation is accepted on the market and that it brings financial and personal satisfactions to the entrepreneur.*

**Key words:** *Entrepreneurship, Entrepreneur, Innovations, Innovative Organizations*

**JEL Classification:** *L26*

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<sup>126</sup>Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, natalijacvrkotic01@gmail.com

<sup>127</sup>Faculty of Organizational Sciences, Belgrade, Serbia, jovana.mijalkovic96@gmail.com

## ***ENTREPRENEURSHIP – THE FUTURE OF MODERN SOCIETY***

*Jovana Feliks*<sup>128</sup>

### ***ABSTRACT***

The objective of this paper is to explain the notion of entrepreneurship to entrepreneurs, to show them in what to pay their attention when starting a new business, what the obstacles that can occur are and how to develop their own business. In order to start a new business, it is necessary to have a clear vision and an idea, to carry out an assessment of the market, customer requests and the competition and to make a good business plan that would attract investors. For the development of entrepreneurship, the state has to raise awareness about its significance and provide greater support and help for the beginners in business. The market is a dynamic space on which changes occur on a daily basis. In order to survive on the market and develop business, it is necessary to notice those changes and use them in the right way. The causes of crisis could be poor assessments, mistakes in the accounting department, poor marketing, unqualified personnel, weak promotion, tax policies, natural catastrophes, strikes etc. The characteristics of successful entrepreneurs are innovativeness, vision, self-confidence, motivation, being energetic, and desire to learn and make progress. In order to survive on the market, it is necessary to constantly look for new opportunities and challenges, and to have a desire to constantly promote products, processes and personal knowledge. Contemporary entrepreneurs have to keep up with the trends and time we are in and to implement innovations in their business in accordance with the changes in society.

It is necessary to pay more attention to entrepreneurship because it is a precondition for the overall development of the economy and society.

***Key words:*** *Entrepreneurship, Development, Barriers, Changes.*

***JEL Classification:*** *O10*

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<sup>128</sup> Student, the Faculty of Business Economics and Entrepreneurship, Jagodina, Serbia, jovana.feliks93@gmail.com

## **HARMONIZATION AND STANDARDIZATION OF ACCOUNTING AND AUDITING PRACTICE**

*Predrag Suvakov*<sup>129</sup>,

*Vidosava Sekicki*<sup>130</sup>

### **ABSTRACT**

*The objective of the accounting standards is achieved if the financial reports are giving a truthful and objective, the so-called fair, information about a certain economic subject. The application of accounting and auditing standards enables a better, easier and more reliable information about the financial position of a certain economic subject as well as the review of their earning capacity, which is in the interest of potential users of financial information such as: shareholders, management, employees, investors, banks etc. Before we reveal financial reports to the public, they have to be revised by the independent authorized experts such as auditors.*

*Given the fact that the national legislative solutions were significantly different from one another, several initiatives for the harmonization of these issues have been started up at the international level.*

*Accounting standards represent the concepts we use for converting accounting records into reliable accounting reports, i.e. unified rules for external reporting.*

*The purpose of the International auditing standards is reflected in establishing standards and giving directives when defining the objectives and in respecting general principles when carrying out the audit of financial reports.*

**Key words:** Accounting, Auditing, Harmonization, Code of Ethics

**JEL Classification:** M41, M42

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<sup>129</sup>NIS j.s.c, Novi Sad, Serbia, predrag.suvakov@gmail.com

<sup>130</sup>Tax Administration, Novi Sad, Serbia, vida.sekicki@gmail.com

# ***THE FISCAL CHARACTER OF THE EXCISE AND ITS INFLUENCE ON THE CONSUMPTION AND SOCIAL POLITICS IN THE REPUBLIC OF SERBIA***

*Tamara Vesic<sup>131</sup>,*

## **ABSTRACT**

*In the focus of this paper are excises as a specific type of indirect taxes that, in addition to value added taxes, take an important place in the structure of public revenue of the Republic of Serbia. How? The excise doesn't only have a fiscal character and in this paper we paid attention to other reasons for the implementation of excises – the influence on the consumption of certain products harmful to health of the citizens, management of social politics, politics of our environment etc.*

*We also paid special attention to emphasize the excises in the tax system of the Republic of Serbia and their legal regulative through the Law on Excise. We analyzed new legislative solutions of excises on tobacco (the method of calculating excises on tobacco and tobacco products), as well as the rates of some of the most important excise products.*

**Key words:** *Excise, Excise Rate, Taxation through Excises, Tax, Public Revenue*

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

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<sup>131</sup> Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, tamara.vesic@live.com

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