8th International OFEL Conference on Governance, Management and Entrepreneurship

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From Corporations to Social Entrepreneurs: Exploring the Different Faces of Social Innovation

ABSTRACTS OF THE PROCEEDINGS

Edited by:
Darko Tipurić and Mislav Radić

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CIRU

8th International OFEL Conference on Governance, Management and Entrepreneurship

• FROM CORPORATIONS TO SOCIAL ENTREPRENEURS: EXPLORING THE DIFFERENT FACES OF SOCIAL INNOVATION •

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UNIVERSITY OF DUBROVNIK
DEPARTMENT OF ECONOMICS
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All papers are subject to anonymous double-blind peer review.

From the Editors

We are delighted to welcome you to the eighth International OFEL Conference on Governance, Management and Entrepreneurship. This year's OFEL Conference featured theme is *From Corporation to Social Entrepreneurs: Exploring the Many Faces of Social Innovation*.

The conception of the International OFEL 2020 Conference is in adding value through the fields of corporate governance, management, leadership, entrepreneurship, and education. We are very pleased to have a distinguished keynote speaker, professor Nelson Phillips from Imperial College Business School, Imperial College London.

This year's conference has a particular focus on social innovation and the ways that different types of actors can engage in it. This creates a special opportunity for scholars, practitioners' and policy makers alike, to share and discuss their latest research findings. At the time that we are writing this letter, the world is facing a crisis due to the outbreak of the COVID 19 virus, a situation that little of us even imagined possible. As the current crisis is demonstrating, we are in desperate need for social innovation, which can only be achieved through the cooperation of different types of actors.

This years' conference connects authors from more than 25 countries from across the world. The topics of papers include social entrepreneurship, corporate social responsibility, digitization, platform governance, sustainable development and other.

Our collaboration with the Academy of Management Organization and Management Theory (OMT) division continues through a doctoral student and junior faculty workshop. The workshop enables participant to learn from leading scholars in the field, and to receive feedback on their respective work.

On behalf of the Scientific and Organizing Committee, we would like to express our deep gratitude to contributing authors, reviewers and conference participants for their time and effort in finding answers to present challenges and fostering change. We hope that conference papers and events are interesting and beneficial for those engaged in the areas of governance, management, leadership, entrepreneurship, and education from academia and the corporate world.

Professor Darko Tipurić, PhD
Faculty of Economics and Business University of Zagreb

Mislav Radic, PhD
London School of Economics and Political Science.

ACADEMY OF MANAGEMENT ORGANIZATION AND MANAGEMENT THEORY DIVISION

ACADEMIC WORKSHOP

Together with the OFEL 2020 Conference, an academic writing workshop was held by the Organization and Management Theory (OMT) division of the Academy of Management.

The main objectives of the workshop was to strengthen participants' capacity for designing a high quality research paper, get feedback on their work, and to transfer the essential know-how on publishing in top journals.

Throughout the workshop senior editors from leading academic journals helped the participants transform their existing research results toward articles publishable in such outlets. We believe that the workshop has been an incredibly useful contribution for the participants as it provided an opportunity to share and develop research ideas in a critical, but supportive environment.

ACADEMY OF MANAGEMENT

Contents

I – GOVERNANCE

CORPORATE GOVERNANCE GUIDELINE RELEVANCE FOR FAMILY PUBLIC INTEREST COMPANIES: A SMALL-STATE PERSPECTIVE
Peter J Baldacchino, Karl Cachia, Norbert Tabone, Simon Grima, Frank Bezzina 17

THE IMPACT OF BOARD DIVERSITY ON CREDIT RISK: THE CASE OF BANKS IN THE MENA REGION
Sbai Hicham, Meghouar Hicham 18

COMPARING GOVERNANCE ARRANGEMENTS IN SOCIAL ENTERPRISING: THE INTERPLAY BETWEEN FOUNDER(S) AND THE "OTHERS"
Wafa Khlif, Anne Riviere, Marie Boitier 19

THE CHANGING NATURE OF SOCIAL RESPONSIBILITIES OF EMPLOYERS IN HUNGARY
Réka Polák-Weldon 20

CORPORATE RESTRUCTURING – A MATTER OF VALUES?
Nikolaos Kavadis, Jatinder Sidhu 21

GOOD AND TRANSPARENT MANAGEMENT OF STATE-OWNED COMPANIES – REALITY OR UTOPIA?
Janez Balantič 22

WESTERN BALKAN EU ACCESSION PROSPECTS: STILL ALIVE OR A FARAWAY DREAM?
Ritsa Panagiotou 23

SOCIAL STRATIFICATION AND AGING POPULATION: THE CHALLENGES OF THE 21TH CENTURY FOR LATVIA
Ramona Rupeika-Apoga, Inna Romānova 24

LIFE INSURANCE FOR EMPLOYEES: SOCIAL RESPONSIBILITY OF THE COMPANIES?
Inna Romānova, Ramona Rupeika-Apoga, Simon Grima, Pierpaolo Marano 25

THE CHARACTERISTICS OF HUNGARY'S HIDDEN ECONOMY BEFORE AND AFTER THE CHANGE OF REGIME
Éva Fenyvesi, Tibor Pintér 26

RESPONSIBLE GOVERNANCE AND VALUE CREATION FOR A SUSTAINABLE WORLD
Tamas Veress 27

THE COMPLIANCE OF THE ROMANIAN LISTED COMPANIES WITH THE PRINCIPLES AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE
Oana Bogdan, Alin-Constantin Dumitrescu 28

CHALLENGES IN APPLYING QUALITATIVE RESEARCH METHODS TO STUDY BOARD OF DIRECTORS PERFORMANCE
Darko Tipurić, Lana Cindrić 29

THE EXCHANGE RATE PASS-THROUGH BEFORE AND AFTER THE FINANCIAL CRISES: IN CASE OF ALBANIA
Ilira Pulaj 30

COMPARISON OF CORPORATE TAX RATES IN CROATIA AND BULGARIA, CZECH REPUBLIC AND HUNGARY
Fran Galetić, Andrijana Pršir 31

YOUTH POLICY GOVERNANCE: A CASE STUDY IN A BRAZILIAN MUNICIPALITY
Mariana Bezerra Lyra, Lilian Soares Outtes Wanderley 32

OPINIONS AND THOUGHTS OF CROATIAN NATIONAL ARCHIVES DIRECTORS ON NON-GOVERNMENTAL SOURCES OF FUNDING
Domagoj Cingula, Goran Pavelin, Šime Vučetić 33

SUBSTANTIAL VS. FORMAL DIVERSITY
Vito Turšić 34

THE DETERMINANTS OF CORPORATE GOVERNANCE DISCLOSURE LEVEL IN THE INTEGRATED REPORTING CONTEXT
Filippo Vitolla, Nicola Raimo, Michele Rubino 35

DENATIONALISATION IN CROATIA AND TRANSITION ECONOMIES
Gordana Martinović, Vito Turšić, Lucija Lerga 36

II – MANAGEMENT & LEADERSHIP

HOW EMOTIONAL MARKETING AFFECT CUSTOMER DECISION MAKING?
Amir Mashali, Arezoo Akhtarian 39

NON PROFIT ORGANISATIONS AND THE DELIVERY OF SERVICES -LEGAL INNOVATIONS: A COMPARATIVE OVERVIEW
Hadara Bar-Mor, Alceste Santuari 40

TACIT KNOWLEDGE TRANSFER WITHIN THE HOSPITALS OF TRADITIONAL CHINESE MEDICINE (TCM)
Jie Yan, Jie Xiong, Ke Wang 41

CONTEXTUALIZING STRATEGIC INVESTMENTS IN CLEANTECH AS A COMPETITIVENESS PROPULSOR- THE PROPOSED MODEL
Ernest Vlacic, Darko Petricevic 42

THE IMPORTANCE OF CONTEXT IN ORGANISATIONAL COMMUNICATION
Christine-Diana Zelter 43

THE NEW AND EMERGING ROLES OF CHIEF AUDIT EXECUTIVES IN THE ERA OF DISRUPTIVE CHANGES
Boris Tušek, Petra Halar 44

HUMAN BEHAVIOR AS A BASIS TO ENFORCE INFORMATION SECURITY POLICY
Adam Chati, Mohammed Sqalli Houssaïni 45

FIRMS AND CELEBRITY CRISIS MANAGEMENT
Davor Labaš 46

IMPACT OF EMOTIONAL INTELLIGENCE ON ORGANIZATIONAL PERFORMANCE
El Ghazi Safae, Cherkaoui Mounia 47

COLLECTIVE INTELLIGENCE TO NAVIGATE TRANSITIONS: THE NEED OF MULTIDISCIPLINARY ENGAGEMENT IN ADAPTIVE LEADERSHIP
Santina Hovanessian, Lilian Soares Outtes Wanderley 48

ANTECEDENTS OF FIRM'S COMPETITIVE BEHAVIOUR AND PERFORMANCE INDICES
Tereza Barun 49

THE IMPACT OF USERS ACTIVITIES ON PURCHASE BEHAVIOR IN SOCIAL MEDIA ENVIRONMENT
Matea Matić Šošić 50

THE INTERDEPENDENCE OF INTERNATIONAL EXPERIENCE AND THE CHOICE OF THE INTERNATIONALIZATION STRATEGY
Dino Giergia 51

INSTITUTIONAL DISTANCE: CONSTRUCT OF ISOMORPHISM RELEVANT TO MULTINATIONAL COMPANIES
Ana Krajnović 52

THE PUBLIC RESPONSIBILITY OF PLATFORM CORPORATIONS
Mislav Radic, Alessandro Niccolo Tirapani 53

BREAKING THE WHEEL?
INTERNS AND THE REPRODUCTION OF PRECARIOUSNESS
Alessandro Niccolò Tirapani 54

ANALYSIS OF MERGERS AND ACQUISITIONS
IN COMPETITIVE DYNAMICS CONTEXT
Davor Filipović, Najla Podrug, Maja Daraboš Longin 55

ARE WE CREATIVE ENOUGH TO SATISFY THE RETURN CUSTOMERS?
THE CASE OF TOURIST DESTINATION DUBROVNIK
Marija Dragicevic Curkovic 56

ENHANCING POST-TRANSITION ECONOMY COMPETITIVENESS BY DETERMINING ARTIFICIAL INTELLIGENCE INDUSTRIAL USE APPROPRIATENESS - THE PROPOSED ASSESSMENT FRAMEWORK
Ernest Vlačić 57

KNOWLEDGE CREATION PROCESS IN INTERNAL AUDIT FUNCTION - PERFORMANCE IMPROVEMENT BETWEEN EXPLORATION AND UTILIZATION OF KNOWLEDGE
Dragan Vucic, Gerrit Sarens 58

III – ENTREPRENEURSHIP

SOCIAL INNOVATION IN AGRICULTURE: DIGITAL PLATFORMS FOR WHOM?
Hiam Serhan, Martin Kenney 63

REGULATORY CHANGES IN THE LONG-TERM CARE INDUSTRY IN ISRAEL: THE CASE OF THE ISRAELI KIBBUTZIM
Michal Eliahu-Ashkenazi, Yaffa Machnes 64

INCREASING (VOLON)TOURISM THROUGH SOCIAL ENTREPRENEURSHIP – THE CASE OF CROATIA
Mijana Matošević Radić, Ivona Jukić, Antonija Roje 66

SOCIAL BUSINESS AND SOCIAL ENTREPRENEURSHIP BEAT DONOR DEPENDENCY. GENERATING REVENUE - OPTIMISING PROFIT
Corlea Human 67

UNDERSTANDING OF SOCIAL CROWDFUNDING: THE CASE OF AN ITALIAN PLATFORM
Michele Modina, Antonio Minguzzi 68

INTRODUCING FAIRNESS AND TRANSPARENCY FOR BUSINESS USERS
OF ONLINE PLATFORMS
Ivan Akrap, Mirella Rodin, Ivana Puljas 69

SOCIAL ENTREPRENEURSHIP IN THE ŠTRPCE MUNICIPALITY- REAL PRESENT AND POTENTIAL FUTURE
Maja Mladenović, Radica Bojičić 70

PROPOSAL FOR A CONCEPTUAL FRAMEWORK TO QUALIFY THE ENTREPRENEURIAL CONTEXT OF UNIVERSITY RESEARCHERS
Adil Doulabi, Nabil Bouayad Amine . . . 71

CREATING HYBRID CULTURAL ORGANIZATIONS: CULTURAL ENTREPRENEURSHIP AND THE DEVELOPMENT OF THEATRE IN TURKEY
Cigdem Kaya, Nelson Phillips . . . 72

COMPARATIVE ANALYSIS OF FACTORS INFLUENCING EVOLUTION OF RURAL ENTREPRENEURSHIP IN RUSSIA AND CROATIA
Domagoj Hruška, Sergei Polbitsyn, Tihomir Luković . . . 73

ENTREPRENEURIAL BEHAVIOR IN MNC SUBSIDIARIES: TOP MANAGEMENT, KEY ACTORS AND CRITICAL SUCCESS FACTORS
Matea Kovač . . . 74

FACTORS THAT EXPLAIN ENTREPRENEURIAL FAILURE OF MOROCCAN SMES, AN EXPLORATORY STUDY
Amina Asli, Abdelaziz Zohri, Noureddine El Manzani . . . 75

IV - EDUCATION

SOCIAL INNOVATION IN A BUSINESS SCHOOL: TEACHING AND LEARNING WITH AND FOR SOCIAL ENTREPRENEURS
Reka Matolay, György Pataki . . . 79

FOOD FOR THOUGHT: IVE4FSG - INTERNATIONAL VIRTUAL EXCHANGE FOR FOOD SECURITY GOVERNANCE
Amanda Fonseca Savluchinske, Lilian Soares Outtes Wanderley, Cristiane Costa, Ann Giralico-Pearlman . . . 80

GRADUATES EMPLOYABILITY: THE LINKAGE BETWEEN HIGHER EDUCATION SYSTEM AND LABOUR MARKET
Enida Brakaj (Pulaj), Amali Cipi . . . 81

PROMOTING ENTREPRENEURIAL THINKING AND ACTING OF STUDENTS THROUGH COMPETENCY-BASED LEARNING
Anne Heinze . . . 82

HIGH SCHOOL STUDENTS' AND TEACHERS' PERCEPTION OF STUDENTS' AUTONOMY . . . 83
Jelena Pavičić Vukičević, Marko Prpić, Irena Cajner Mraović . . . 83

CONTENT ANALYSIS OF THE UNIVERSITAS FRONT PAGE ARTICLES
Goran Pavelin, Domagoj Cingula, Marija Fridrih . . . 84

STUDENTS AND DEVIANCE: EXPLORING DEVIANT BEHAVIOR IN ACADEMIC ENVIRONMENT
Ivana Načinović Braje, Ana Aleksić . . . 85

IS LEARNING WITH VIRTUAL TECHNOLOGY STIMULATIVE OR DESTIMULATIVE?
Marija Dragicevic Curkovic . . . 86

OFEL 2020 KEYNOTE ADRESS

Nelson Phillips, Ph.D., *Abu Dhabi Chamber Chair in Innovation and Strategy at Imperial College Business School*

Professor Phillips' research interests lie in four main areas. First, he has become increasingly engaged in a program of research looking at a range of different but related issues in entrepreneurship. He is also interested in how new ventures "pivot" as this activity remains highly undertheorized. When studying entrepreneurship, Professor Phillips often uses ideas from organization theory to help him theorize and he has found this approach to be particularly fruitful. Second, Professor Phillips has been working for the last several years on various aspects of technology strategy and innovation. In particular, he is interested in the social dynamics of technology adoption and the ramifications of these dynamics for technology, strategy, and innovation. Third, Professor Phillips has a general interest in organization theory. Much of his work in this area has focused on connecting conventional approaches to understanding institutional processes to other theoretical perspectives such as identity or to new empirical areas of study such as stigma. Finally, Professor Phillips has a strong interest in qualitative research methods and he has published a number of papers, books, and book chapters on various topics in this area. In particular, he is interested in the application of discourse analysis, narrative analysis and other related linguistic methods in the study of organizations. Professor Phillips has published more than 100 academic articles and book chapters. Professor Phillips is currently the Editor-in-Chief of Innovation: Organization & Management and the Editor of the Cambridge Elements Series in Organizational Theory. He is also on the editorial board of the Academy of Management Journal and is the Past Division Chair of the OMT Division of the Academy of Management. Professor Phillips teaches courses in strategy, organisation behaviour, innovation, and leadership at the undergraduate and graduate level.

I

GOVERNANCE

CORPORATE GOVERNANCE GUIDELINE RELEVANCE FOR FAMILY PUBLIC INTEREST COMPANIES: A SMALL-STATE PERSPECTIVE

Peter J Baldacchino, *University of Malta, Malta*

Karl Cachia, *Malta Development Bank, Malta*

Norbert Tabone, *University of Malta, Malta*

Simon Grima, *University of Malta, Malta*

Frank Bezzina, *University of Malta, Malta*

The objectives of this paper are to investigate the relevance of guidelines on good corporate governance (CG) to family public interest companies (PICs) within the small state of Malta and to recommend how existing guidelines may be improved and tailored for such companies. An explanatory mixed-methods empirical approach is adopted with a structured questionnaire being first administered to 17 respondents in 12 PICs owned by different families. This was then followed by semi-structured interviews with the representatives of 11 of these PICs. Findings indicate that there is a need for the existing guidelines to be improved for them to become more in line with the needs of PICs which are characterised by dominant family interests. In this respect, this paper recommends possible principles and guidelines that may be used by the relevant authorities either to improve the existing PIC guidelines or to issue a new set of guidelines aimed specifically for family PICs. Given the peculiarities of such companies, it is clear that the guidelines have to contain elements that address the CG structure, such as the need to formally document a family governance plan. Clearer guidance is needed on the appointment and composition of the Board of Directors, on the employment, conduct, compensation and performance evaluation of managers, as well as on the composition of the ownership of family PICs. Additionally, the paper concludes that a relevant factor for family PICs in carrying out improvements to their CG is that they continue to place more importance than other PICs to their continued existence.

Keywords: *Corporate Governance, Guidelines, Family, Public Interest, Malta*

THE IMPACT OF BOARD DIVERSITY ON CREDIT RISK: THE CASE OF BANKS IN THE MENA REGION

Sbai Hicham, *National School of Commerce and Management EL Jadida – Morocco, Morocco*

Meghouar Hicham, *National School of Commerce and Management EL Jadida – Morocco, Morocco*

This article presents an empirical study on the impact of board diversity on credit risk management. This research was conducted on a sample of 33 publicly traded commercial banks from 11 MENA countries during the period 2012 to 2017. To control endogenous problems, raised in the literature on corporate governance, we use the generalized moments method (GMM) in dynamic panel. Empirical tests show a positive relationship between board size and credit risk. There is also a negative relationship between the combination of functions and non-performing loans. However, the presence of foreign administrators tends to accentuate this risk. Finally, our study reveals the lack of association between the number of risk management committee meetings, gender diversity, the presence of independent directors on the one hand, and credit risk on the other.

Keywords: *credit risk, board of directors, banks, non-performing loans, MENA region*

COMPARING GOVERNANCE ARRANGEMENTS IN SOCIAL ENTERPRISING: THE INTERPLAY BETWEEN FOUNDER(S) AND THE "OTHERS"

Wafa Khlif, *TBS, Spain*

Anne Riviere, *TBS, France*

Marie Boitier, *TBS, France*

Social entrepreneurs differ from other entrepreneurs to the extent that they privilege social value over the generation of economic rents. Literature on such social entrepreneurs questions mainly how they adapt to new institutional contexts to obtain material and immaterial resources and become sustainable. The aim of this article is to understand how central social enterprises embedded in the same emerging field and tackling the same social issue can develop different governance arrangements. In this article, we analyse two social enterprises born at the same time in an original socio-political context: the emerging field of "equal opportunities" in France, where state agencies, ministries, NGOs and corporations strive each to legitimate their vision. Our results show that even evolving within the same field, with comparable objectives, SEs can develop different governance arrangements following different models. For the two social SEs, endorsing a democratic governance system can largely hinder their capacity to gain the dominant field position they want to achieve. The two founders, with different approaches, utilise their management and directors, so, their governance mechanisms, in this ambitious positioning.

Keywords: *NGOs, equal opportunity field, governance arrangements, founder, France*

THE CHANGING NATURE OF SOCIAL RESPONSIBILITIES OF EMPLOYERS IN HUNGARY

Réka Polák-Weldon, *Budapest Business School, Hungary*

Through wage dependency and the externalization of social costs, large-scale organizational activity affects much of society and has become the single greatest power, shaping our society (Perrow 1989:265). Realizing their all-encompassing influence, social sciences have started to focus more and more on the social responsibilities of economic organizations by placing the social dimension of corporate responsibility in the center of inquiry. The aim of current study is to analyze the highly complex set of economic, political and cultural as well as institutional forces in which economic institutions and the social responsibilities of employers in Hungary have evolved since the fall of communism. The radical shift from central planning to market competition took place in a specific economic, political, cultural and institutional environment carrying the legacy of state socialism and has transformed the role of employers considerably. The focus of this study is to highlight the institutional configuration in which companies had to manage the shift. In order to identify the main points of the institutional setting of Hungary the Varieties of Capitalism framework by Hall and Soskice (2001) and the theory of dependent market economies by Nölke and Vliegenthart (2009) will be used. By finding some of the most important characteristics of the market economy that has emerged after 1989 in Hungary, the distinctive aspects of social responsibilities of employers can be analyzed in more depth.

Keywords: *employer resposibilities, varieties of capitalism, double dependent market economy*

CORPORATE RESTRUCTURING – A MATTER OF VALUES?

Nikolaos Kavadis, *University Carlos III Madrid, Spain*

Jatinder Sidhu, *Leeds University Business School, University of Leeds, England*

Corporate restructuring literature has focused mostly on industry and firm-level drivers of change. This study examines the influence of CEOs' value-orientations on two commonplace forms of restructuring: workforce downsizing and foreign relocation. As these have very different consequences for firms' shareholders and stakeholders, we suggest the two present CEOs with a decision-making opportunity involving exercise of value-based preferences. We argue, accordingly, that CEOs' value-orientations on the conservative-liberal spectrum will affect downsizing and foreign relocation by firms, subject to the moderating effect of CEO power. We find supportive evidence in panel data from S&P 100 firms. We discuss the study's contributions.

Keywords: *CEO political ideology; CEO power; corporate restructuring; strategic leadership; upper echelons*

GOOD AND TRANSPARENT MANAGEMENT OF STATE-OWNED COMPANIES – REALITY OR UTOPIA?

Janez Balantič, *Biro B d.o.o., Slovenia*

Certain tasks are in the Republic of Slovenia in the domain of the state or local community. In order to carry out these tasks, the state-owned or public companies are established. Actually, the management of such companies is not always good and transparent and as a result it often comes to the considerable damage to public property. Such situations are mostly caused by poor management by the Management Boards, and rarely by poor and inadequate control by Supervisory Boards. They are also the result of poor and inadequate communication between the Management and Supervisory Board. Unfortunately, the poor governance praxis are not isolated cases and the mismanagement of such companies is often only introduce to the public through affairs, presented in the media. There are, however, also bright exceptions with good and transparent corporate governance that bring adequate profit to the shareholders and, consequently, lower prices of individual services for citizens.

Keywords: *corporate governance, public companies, good practice*

WESTERN BALKAN EU ACCESSION PROSPECTS: STILL ALIVE OR A FARAWAY DREAM?

Ritsa Panagiotou, *Center of Planning and Economic Research, Greece*

The European Council's failure to open accession negotiations with Albania and North Macedonia in October 2019 may be considered a milestone for the EU accession perspective of the Western Balkans. France's veto and subsequent proposals to reform accession procedures brought to the fore key issues and challenges facing the enlargement process today. The first issue is a concern over the methodology of the accession procedure itself, which has not yielded the transformation and the results that many in the EU have expected from the process, especially in the rule of law area. In this context, the French proposal aimed at reforming the process from a "box-ticking" exercise, plagued by reform window-dressing, into a truly transformative process, supporting socio-economic convergence and providing tangible benefits for the region's citizens. Instead of the current 35 negotiating chapters, France proposed seven stages of accession process, each of them representing policy blocks in which candidate countries would gradually be included. The other three principles included more stringent conditions, tangible benefits and reversibility. The second key issue is connected to the future of political and economic reforms in the region if the EU fails to send a timely and clearly motivating message about the perspective of future accession. In light of the confusion, anger and uncertainty that the French veto caused in the Western Balkans and the "accession fatigue" that characterizes the region, there is a very legitimate concern over commitment to continuation of reforms. The third challenge is the fact that the latest developments have created a problem with credibility and unpredictability regarding the EU in the region, which poses a risk for the process. The credibility challenge is illustrated with the case of North Macedonia, which had been led to believe that the Prespa Agreement would be the key step to opening accession negotiations. The fact that it was not, has led to feelings of resentment, betrayal and disillusionment with the EU, further weakening its appeal and its role as an "anchor" of stability. A fourth concern is how to deal with the emergence of non-European powers, such as China and Russia, who are steadily increasing their presence and influence in the region. Although not viable alternatives to EU membership, Russia in particular is a destabilizing and distracting factor that could have a negative impact on the accession process of several Western Balkan countries. Currently, Montenegro and Serbia are in the process of negotiating the relevant accession chapters with the EU, North Macedonia and Albania hope to break the stalemate and start the negotiation process soon, while Bosnia-Herzegovina and Kosovo are still far behind in the accession process. The EU-Western Balkans Summit that is to be held in Zagreb in May 2020 will be another crucial milestone and will determine political and institutional relations between the two parties for the next decade.

Keywords: *Western Balkans, EU Enlargement, Zagreb 2020*

SOCIAL STRATIFICATION AND AGING POPULATION: THE CHALLENGES OF THE 21TH CENTURY FOR LATVIA

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Despite the increasing amount of literature on social stratification and population aging there is still no clear consensus on their impact on the economy. What are the implications of a social stratification and aging population? An older population presents many challenges to labour markets, government tax, government spending and the wider economy. The purpose of this paper is to examine the relationships between social stratification and population aging and the state of economy of a small and post-transition economy - Latvia. We are looking for these relationships and their strength of influence; at what time after shock these variables reach their original levels. We apply standard Granger (non-) causality tests, VAR (Vector Auto-Regressive), IRF (Impulse Response Function) and the prediction error variance analysis by using quarterly data from 2000 to 2018. Research results show that the changes in the level of GDP per capita and the amount of pensions paid imply changes in the number of retired persons. The research results have important contribute to policy debates about the impact of population aging and social stratification on the state of economy in small and post-transition economy.

The research was supported by the project "INTERFRAME-LV"

Keywords: *population aging, population social stratification, post-transition economy, small and open economy*

LIFE INSURANCE FOR EMPLOYEES: SOCIAL RESPONSIBILITY OF THE COMPANIES?

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Nowadays income inequality, regional disparities, social inclusion and aging population became extremely topical all over the world. These tendencies slow down economic development of countries deteriorating well-being of people. The countries of the European Union (EU) are not an exception. Life insurance could help to diminish the negative impact of these tendencies. Nowadays life insurance is a complex product allowing not only to provide financial support to the descendants, but also to ensure wealth building of the people though investment component and tax benefits. This is especially important for the countries of the Central and Eastern Europe (CEE), which have a relatively low level of prosperity: in terms of GDP per capita the countries of the CEE reach less than a half of the EU average. The life insurance market in the CEE countries is still at the early development stage with the 15–20 times lower life insurance density in comparison with the countries of the Western Europe. Taking into account the importance of the life insurance in the provision of personal financial stability, enabling higher pension in the future as well as diversification of investments and building of welfare, it could be seen as a part of social responsibility of employers towards the employees. Taking into account the limited welfare of the workforce as well as the necessity to extend the working life beyond the age of 65 years, inclusion of the life insurance in the employee benefit package would help to improve the financial stability of employees, increasing their satisfaction and thus productivity. With this study we aim to investigate the trends in life insurance development in the countries of the Central and Eastern Europe, and to uncover the advantages and challenges of the life insurance as a component of companies' social responsibility towards their employees. The study is based on the analysis of aggregate statistical data of the insurance sectors of the CEE countries, Eurostat data as well as annual reports of the insurance companies.

The research is supported by the project "INTERFRAME-LV".

Keywords: *CEE countries, employee benefit package, life insurance, social responsibility*

THE CHARACTERISTICS OF HUNGARY'S HIDDEN ECONOMY BEFORE AND AFTER THE CHANGE OF REGIME

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Attendance of economists and policymakers for hidden economy has been increasing recently. It cannot be indifferent for an economy how much money goes into the budget. However, it is necessary to know the nature and forms of the hidden economy for whitening it. In this paper, we attempt to illustrate the characteristics of Hungarian hidden economy before and after the change of regime, with the help of literature on the subject, and to map the steps that have been taken to whiten it. Systematic literature review on the definition, causes and effects of the hidden economy was made prior this publication, and literature on the domestic hidden economy was collected at the same time. Some results of the literature processing: (1) Many forms of hidden economy existed before the change of regime in Hungary. For example: tips, kickbacks, gratuities, not allowed works, botched job, moonlighting, unauthorized rental of real-estate, use of social property for personal gain, proceeds from the violation of customs and foreign currency regulations, tax evasion by craftsmen and retailers, theft of public property, corruption. (2) Not only the dynamics of the hidden economy has strengthened since 1990, but types of activities which can be included in it have changed significantly. These include, although this is not an exhaustive list: omitting part of the revenue from the register, the statements of non-incurred production cost as an expense, the cost of maintaining their own household accounting for an excessive proportion of production costs, arranging business and study trips abroad, acquisition commission, end of year depreciation or ' disposal' of inventories, wages paid out of pockets of unregistered employees, parallel company formation, economic activity and income of unregistered individuals. (3) The following concrete steps have been taken to whiten the Hungarian hidden economy in recent years: Casual Employee Book, Simplified Business Tax, Electronic Road Traffic Control System, direct connection of online cash registers and vending machines to the tax office.

Keywords: *Institutions, hidden economy, economic policy*

RESPONSIBLE GOVERNANCE AND VALUE CREATION FOR A SUSTAINABLE WORLD

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'Responsibility', 'value' and 'sustainability' have become discourse creating terms, not without contested meanings, in cases being subject to over- and abuse. Current paper raises the question: in an ecologically and socially sustainable world what meaning the previously mentioned terms would carry? To whom is business responsible and for what, what is value, who creates it and who takes it, and finally, what does sustainability mean? On the quest to contextualize and address the above set questions the paper draws on wisdom from diverse fields, as ecology, economics, ethics, business, anthropology and history. Our starting point is that current ecological and societal ills are indistinguishably interdependent and call for systemic approaches. Systemic changes, or "revolutions" as anthropologist David Graeber puts it, are transforming our basic assumptions about the fundamental notions guiding our thoughts and actions. We introduce Thomas Donaldson's and James Walsh's attempt to answer "What is the purpose of business?". The first corporations were designed for colonization, to extract value. Marjorie Kelly argues that contemporary corporations' ownership structure and organizational design in many cases is still adjusted for value extraction. But what is value, who creates it and who fences it off in the first place? We rely on Mariana Mazzucato's work to challenge the current meaning of value creation and theorize who are the "makers" and the "takers". Physicist Fritjof Capra and biochemist Pier Luigi Luisi point out, sustainability is not an individual property as all entities are inseparably interlinked in the web of life. It follows that no individual business can be sustainable without context. We will look at organizational cases where actors are deliberately addressing the above introduced issues.

Keywords: *responsibility, value creation, sustainability, business*

THE COMPLIANCE OF THE ROMANIAN LISTED COMPANIES WITH THE PRINCIPLES AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE

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Starting from the research assumption that the Corporate Governance Code issued by Bucharest Stock Exchange (BSE) aims at building an internationally attractive capital market in Romania, based on best practices, transparency and trust that encourages companies to build a strong relationship with their shareholders and other stakeholders, communicate effectively and transparently and show openness towards all potential investors, in this paper we would like to present the degree of compliance of the companies listed on the Bucharest Stock Exchange with the principles and provisions of the Corporate Governance Code.

The aim of this paper is achieved by presenting and commenting on the principles issued by the BSE regarding the corporate governance and by analysing the Corporate Governance Reports of the companies, presenting at the same time the compliance of the listed companies with these principles and provisions, by using the data issued in 2018 by the entities included in our study, namely the listed companies on the main market of the Bucharest Stock Exchange. Our analysis reflects that, although the provisions and principles of the Corporate Governance Code are not mandatory for the listed companies, they are largely implemented in the activity of companies because an efficient corporate governance system can represent a competitive advantage for any economic entity in the context of globalisation.

Keywords: *governance, principles, compliance, BSB*

CHALLENGES IN APPLYING QUALITATIVE RESEARCH METHODS TO STUDY BOARD OF DIRECTORS PERFORMANCE

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The field of corporate governance and board of director performance continues to be dominated by a quantitative research paradigm and studies based on large scale archival data. Although such studies have significantly contributed to this discipline uprising, they are criticized for their disability to capture actual board behavior. Calls for studying actual board activities and directors' behavior are becoming more frequent, as well as the notion that qualitative research methods have strong explanatory power when the above comes into question. Although qualitative research methods have increased in number across organization and management studies, their establishment in corporate governance and board of director studies has been relatively slow. This paper aims to identify and synthesize the major barriers and challenges of carrying qualitative research to study board of director performance. The paper provides an overview of the existing qualitative research practices highlighting the advantages and disadvantages of previously used methods. Further, the paper illustrates identified challenges regarding 1) data access and collection techniques, 2) data analysis, and 3) assuring validity. Increasing the rigor of qualitative studies is recognized as a key precondition for affirmation of such paradigm in the field of corporate governance. Finally, the paper contributes to the emerging dialogue that questions the established research practices and calls for further empowerment of the new research agenda in corporate governance studies.

Keywords: *behavioral corporate governance, board of directors, qualitative research methods*

THE EXCHANGE RATE PASS-THROUGH BEFORE AND AFTER THE FINANCIAL CRISES: IN CASE OF ALBANIA

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The large amount of capital flows characterized by their procyclical component, had a significant impact on the transmission of financial crisis effects between countries. Central bank decision making in developed countries also had a significant impact on decisions of central banks in countries that are dependent by them, especially in developing countries. We can see the mechanism in two phases. First is the spillover of effects between different countries and then the transmission from macroeconomic decisions to economy parameters. After the financial crises is a revalueted the weight of transmission mechanism channels. In Albania is applied a flexible exchange rate. Related on previous literature exchange rate pass-through has been considerable in transmission mechanism. But the use of easing quantitative policies and low interest rates emphasis other channels, like credit channel, asset channel and interest rate channel of transmission mechanism of monetary policy. The differences stand out as we see comparatively this mechanism before and after the financial crisis. In addition to theoretical review is important to make an empirical evaluation through Vector Autoregression model. Exchange rate pass-through to inflation have changed if we compare the period before and after the financial crises. If we take in consideration the total period is evident that exchange rate pass-through to inflation is decreasing over the time.

Keywords: *Exchange rate pass-though, monetary transmission mechanism, VAR, inflation*

COMPARISON OF CORPORATE TAX RATES IN CROATIA AND BULGARIA, CZECH REPUBLIC AND HUNGARY

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The regular trend in most european economies is the process of lowering the rate of corporate income tax. One of the intentions behind the decreasing trend of general corporate tax rates is the strengthening of competitiveness and the capital attraction capability of states. In this paper authors analyze Croatian Corporate Tax system, and compare it with Corporate Tax systems in Bulgaria, Czech Republic and Hungary. All these countries are member of the European Union, but outside the European Monetary Union, which means they all have their own currencies. Additionally, all four countries are similar in the terms of geographic position, population and area.

Keywords: *Corporate Tax, Croatia, comparison*

YOUTH POLICY GOVERNANCE: A CASE STUDY IN A BRAZILIAN MUNICIPALITY

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This present study in Brazil, illustrates a transitory understanding of youth policy from 1. a problem to 2. human rights issue and aims at achieving an institutional approach for 3. strategic actors.* "Youth policy is cross-sectoral and covers all decisions and measures that affect conditions for young people in a number of different areas, such as employment, housing, education, health, leisure, culture and influence." states the Government of Sweden in its English website (GOS, 2020). How is youth policy established in a country – what context defines it? Who is responsible for youth policy at various levels? (For instance, in Croatia, there is a Ministry of Demography, Family, Youth and Social Policy.) What place does youth participation have in youth policy governance? These questions made a study in European countries with data collected in 2016 and 2017 addressing Youth Policy Governance to reach as result that there are five main themes in the YPG agenda out of 11 existing themes. There five themes are Health, Education, Employment, Social Inclusion, Leisure-Time Activities.** Also relevant results in governance are that the European policy plays a strong role in countries which started to write its Youth Policy when entering the EU, governmental organizations and the non-governmental one develop YP initiatives and also that the youngster involvement is YPG is difficult to assess (SERBAN and BARBER, 2020, p. 27). Focusing on Brazilian case study which evolved conversations with seven municipality public managers and three volunteers from the youth residents it elaborates that while these recognize their rights to have access to youth specific policies they seem to refuse to get involved in a political role related to some type of 'activism'. On the other hand, these volunteers report that they feel that municipality public managers usually address the youth as a problem. We finalize this OFEL 2020 conference abstract stating that there is a huge opportunity to conciliate the lack of strategic understanding of how the youth impact the future via good YPG. If in 2014, about 1.8 billion young people from 10 to 24 y.o. made 25% of the world's population (SMITH, 2014), there is a huge gap in our understanding about how young people participation is not perceived as strategic in YPG.

Keywords: *Youth Policy, Governance, Public Governance, Governance for Sustainability*

OPINIONS AND THOUGHTS OF CROATIAN NATIONAL ARCHIVES DIRECTORS ON NON-GOVERNMENTAL SOURCES OF FUNDING

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The paper offers an in-depth look at a variety of non-governmental organizations and parties whose funds directors of Croatian national archives may or may not tap into for budgetary reasons. The aforementioned directors will weigh in on the feasibility and soundness of securing funding from such parties with respect to the current set-up of Croatian archives by means of a specially crafted survey. Furthermore, the paper shines a spotlight on fundraising options that are often taken advantage of by archives management in first world countries and on how far Croatia may have lagged behind. The research carried out also gives readers a thorough rundown on concepts such as sponsorship and donorship which shows in what way the priorities of archives staff change given the introduction of non-governmental backers. The regulatory framework for fundraising is broken down point by point both from a Croatian and an international standpoint. A timeline chronicling the how and why of fundraising for nonprofits starting from its early beginnings as a fringe activity and ending at its full-blown stage is laid out complete with insightful commentary. What is more, careful thought is given to ethical issues arising from making deals with sponsors etc. and whether or not the archives involved could lose sight of their original mission and cause. The aforesaid survey inquires into the directors training and mindset with respect to raising funds from private sector entities in keeping with the national archives, founding documents. It should come as little surprise that the above-described mishmash of government, private sector business and civil society casts doubt on archives nonprofit status. On the other hand, archives are given more leeway with key budget decisions that may greatly further their record-keeping cause to the satisfaction of archive-goers and personnel alike.

Keywords: *Archives, donor, sponsor, finance, ethics, records*

SUBSTANTIAL VS. FORMAL DIVERSITY

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The diversity of perspectives is the cornerstone of the development of every successful company. Unfortunately, in practice, such positive diversity is often confused with the nowadays very popular politically correct diversity. Similarly, when speaking about the diversity in boards of directors as a new developmental stage of corporate governance, the afore mentioned diversity of perspectives should represent the basis for a proper understanding of its necessity. In this research, the focus will be on the key segments of diversity that can enhance the development of corporate governance. In particular, the research will refer to the present tendency of so-called uniformed diversity, which implies a kind of programmed representation of individual representatives, especially when talking about the structure of the boards of directors. In short, it is more important to have prescribed representatives - women, workers or minorities - than members capable to represent different perspectives. This in no way implies that these above-mentioned categories need to be underrepresented, but rather, it emphasizes that nowadays form is generally more important than content, which can indeed be detrimental to good governance. Therefore, this paper will endeavor to present models of structuring governing bodies that should ensure substantive diversity as opposed to formal or illusionary diversity. In this regard, the paper will outline the existing structure of boards of directors in companies across the European Union and outline changes in procedures that Member States had undertaken to align with the rules of equal gender representation in governing bodies. In this context the paper will also analyze the so-called Golden skirt phenomenon in an effort to raise awareness of the need for rational solutions in order to truly fulfill the purpose of representing 40% of women in governing bodies, which nowadays has in some cases become unreachable mainly due to the fact that the number of qualified women is not sufficient to fill the existing quotas. Finally, the paper will endeavor to point out the criteria or indicators that should represent a platform for specific guidelines regarding the appointment procedures of board members, ensuring the basic principle of sound corporate governance according to which the structure of governing bodies should reflect the diversity of shareholders, stakeholders, and generally the environment in which a business entity operates. In a nutshell, this paper will try to show that substantial diversity is what it takes for any company to make a difference.

Keywords: *corporate governance, board of directors, diversity*

THE DETERMINANTS OF CORPORATE GOVERNANCE DISCLOSURE LEVEL IN THE INTEGRATED REPORTING CONTEXT

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In recent years, the analysis of corporate governance aspects is becoming a central element for understanding corporate dynamics and represents a clear indicator of investor confidence in the decisions taken by the management and board of listed firms. For this reason, corporate governance disclosure is receiving more and more attention from both a professional and academic point of view. The advent of integrated reporting represents a new tool for disclosing information relating to corporate governance. The goal of this study is to investigate the factors that can influence the level of corporate governance disclosure within the integrated reports. The analysis, conducted on a sample of 73 international firms, shows a positive effect of the firm size, firm profitability and audit quality. To our knowledge, this is the first study that analyses corporate governance disclosure level in the integrated reporting context.

Keywords: *corporate governance, disclosure, integrated reporting, information quality*

DENATIONALISATION IN CROATIA AND TRANSITION ECONOMIES

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Although denationalization generally implies privatization, it is necessary to emphasize that denationalization should rather be considered a very complex process which, in addition to privatization, embodies ideological, political, economic and sociological elements. Especially if we take into account former transition countries or economies, it could be said that origin of denationalization represents a reversible process which abolishes nationalization. Accordingly, although denationalization is a worldwide phenomenon, which is not in itself related to any particular social system, its presence is visible predominantly in former socialist or so-called transition economies. Therefore, in this research we will primarily focus on comparing denationalization models in different transition countries, with particular emphasis on Croatia. In this regard, we will endeavor to give a comparative overview of the denationalization frameworks and their implementation the respective countries, focusing primarily on the ways of selecting privatization models, their dynamics and their impacts on the overall economy, especially regarding overcoming the so-called transitional depression. Furthermore, we will analyze the Croatian privatization models, as well as the denationalization process itself, which is mainly based on the return of property confiscated during the Yugoslav communist regime. According to the latter, we will primarily refer to the main segments of the denationalization process that relate to the assets that may be subject to repossession, compensation modalities, categories of claimants etc. In this context, we will also analyze the models of denationalization in the former Yugoslav republics, in order to examine their mutual compatibility regarding the return of property to former Yugoslav legal entities or citizens, who nowadays represent the categories of foreign legal entities or nationals. Regarding the denationalization process in Croatia, we will endeavor to give a brief overview of the court practice regarding the rendering of judgments as well as legislation changes regarding laws and bylaws and other acts on restitution of property. Finally, we will give an overview of the institutional framework for conducting denationalization and privatization processes with a particular focus on the Croatian Privatization Fund, as a key institution in the process of denationalization and privatization in Croatia. In this regard, we will also analyze the role of the state in the process of denationalization, and explore the extent to which denationalization, as a process that abolishes the nationalization and confiscation of private property, can lead to the re-nationalization through the acquisition of ownership by the state. The latter is certainly a fair criterion on the basis of which it is possible to determine the true reach of any denationalization, since at the heart of this process there should always be a private owner, while the acquisition of ownership by the state should be an exception limited to cases where it is not possible to determine a private owner, or where a higher social interest is more important than the denationalization process itself, in which case it is necessary to indemnify the private owner.

Keywords: *Denationalisation, Transition Economies, Croatia*

II

MANAGEMENT & LEADERSHIP

HOW EMOTIONAL MARKETING AFFECT CUSTOMER DECISION MAKING?

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Emotional marketing is one of the most important issues in management and marketing for brands and businesses. some kind of newest marketing such as Nero marketing effect on the customer, retailer and end-user decision making. Emotional marketing as a practical way emphasis on emotional empowerment of businesses for extent their market and grow up the share of markets. furthermore, many customers decided by creative and innovation advertisements and buy some products by attractive marketing like emotional marketing. So emotional marketing makes the image of brands and products in the customer's brain with usual emotions, for example, happiness, upsetness, and others. Some items can affect on customer's buy like the quality of products or services, price, appearance, and beautiful design and four scenes influence in buying such as seeing, touching, smelling, and tasting for normal products like groceries. this article focus on emotional decision making instead of rational decision making, and how customer experiences help them to choose one brand or product or service. Coca-cola has a nostalgic emotion for many people around the world, and persons buy it by trusting them in many years as a valuable brand but it is not all of the things, people decision with their emotions for buying Coca-cola. In summary, brands and businesses can boost their business and share of market places and customer wallet with using by emotional thinking.

Keywords: *emotional marketing, sales, customer decision making, brand*

NON PROFIT ORGANISATIONS AND THE DELIVERY OF SERVICES -LEGAL INNOVATIONS: A COMPARATIVE OVERVIEW

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The paradigm of "new public management" aimed at harnessing the mechanisms of market efficiency and competition for the benefit of public services. The exclusivity of the state in supplying services has slipped, and has been replaced by the business sector and the third sector as legitimate suppliers of service – which by means of competition between them are supposed to bring better service to citizens. Flows in the realization of this paradigm promoted the establishment of the New Public Government and one of its main principles is the inclusive policy process according to which the process of design and provision of public service should be based on collaboration among wide range of relevant players. They are governmental agencies but also private and third sector agencies. (Osborne, Radnor & Nasi, 2013). The main aspect of the administrative process described above is the change of the role of the state. While previously both the design and the delivery of services were under the responsibility of the government agencies, today a new division of labor has been created, according to which the duty of the Government is to legislate, determine standards to service programs, to finance, to monitor and control, while the role of non-governmental organizations is to provide the services. However, as far as services of general interest are concerned, these are not fully subject to privatization. In fact, nonprofits and social enterprises have progressively become partners of governments, especially at the local level, not only in the delivery of health care services but also in their programming and organization. (Helen Dickinson, 2016) New public-private non-profit partnerships models have arisen whereby public agencies are called upon to define and implement innovative legal and organizational solutions to match citizens' needs. For instance: which legal regime should be applied on these service providers? Is the application of human rights` laws differs between non-profit service providers and public authorities? Against this background, the paper is aimed to compare the role of the third sector in supplying welfare services in Israel and in Italy, especially underlining the function of public regulation and human rights legislation.

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Keywords: *NPO organizations, New Public Management*

TACIT KNOWLEDGE TRANSFER WITHIN THE HOSPITALS OF TRADITIONAL CHINESE MEDICINE (TCM)

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Hospitals of traditional Chinese medicine (TCM) contain a large amount of tacit knowledge, which is widely considered difficult to be transferred. Modern medical knowledge management systems are not suitable for hospitals of TCM, which highlights the importance to study the key factors that influence tacit knowledge transfer within the hospitals of TCM. From the knowledge management perspectives and social network analysis, we aim to examine the influence of organizational environment, social exchange, network capability and knowledge integration on the effects of tacit knowledge transfer, with the moderating effects of the transfer willingness. Based on 180 valid questionnaires collected form the major hospitals of TCM in China, we conducted the structural equational modelling analysis to test our hypothesis. We found that the social exchange effects and organizational environment positively influence the individuals' knowledge transfer willingness. The transfer willingness, knowledge integration capability of hospitals and interpersonal interactions between staffs have positive effects on the effects of tacit knowledge transfer, while the network density and connection relationship need to be in a reasonable interval.

Keywords: *tacit knowledge; knowledge transfer; transfer willingness, transfer effects, network*

CONTEXTUALIZING STRATEGIC INVESTMENTS IN CLEANTECH AS A COMPETITIVENESS PROPULSOR- THE PROPOSED MODEL

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In the era of 4th industrial revolution and the industry 4.0+ platform reigning, the question arises how the Cleantech – ecological technologies will strategically position themselves, particularly from the optics of propelling the firms' competitive advantage of end users? There are several key drivers/motivators on which the strategic decision making process for the top management of firms relies when the investment in cleantech is in question. Besides the economic ones, which are predominantly based on financial indicators, there are other so called extra-financial considerations, those related to reputation and finally those related to compliance and fiduciary duties. This paper aims to contextualize the frameworks in order to examine the purpose and feasibility of firms' Green investment and the effects that such investments are producing in the optics of their mid-term competitiveness horizon. Thus, the purpose of this paper is to contextualize, design and propose an analytical techno-economic conceptual framework for evaluation of key enabling Cleantech technologies, complemented with recommendations for its translation and generalization on a global scale. Results produced by this paper shell assist scholars to conceptualize furthermore their empirical research around the proposed model. It shell also guide practitioners to assess the Cleantech investment feasibility for the given environment.

Keywords: *strategic investments, cleantech - ecological technologies, firm competitiveness*

THE IMPORTANCE OF CONTEXT IN ORGANISATIONAL COMMUNICATION

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Traditional models of communication comprise the well-known elements such as: sender, receiver, message, code, channel, feedback. However, the study of organisational communication shows that another element is of equal importance and that is the context. The communication context may be defined as the environment for communication interaction which includes not only the specific time and place of the interaction, but also the roles, relationships and status of the communication participants. Having as starting point P.S. Zalabak's research in the field of organisational communication, the purpose of this paper is to show the importance of context in organisational communication and the relationship between the organizational context and the communication context. Is the communication context always shaped by the organizational context in professional interaction? Is communication able to shape or alter the organizational context in any way? Where do mentalities and culture collide with the organizational context creating more difficult circumstances for professional communication? Answers to these questions are sought for in this paper which will comprise a theoretical approach followed by a more practical one in which we are going to analyse the context implications in the professional communication within a department from a public institution in our country.

Keywords: *organisation, context, communication, culture*

THE NEW AND EMERGING ROLES OF CHIEF AUDIT EXECUTIVES IN THE ERA OF DISRUPTIVE CHANGES

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Today's constantly changing external and internal environment of companies requires excellent leaders who will anticipate these changes, be proactive and make right decisions at the right time by adjusting its mission, vision and strategy, innovating business methodologies, implementing and applying new digital technologies and investing in talent. In other words, extraordinary leaders need to transform overall business operations to achieve greater long-term success in the era of disruptive changes. In that process, the internal audit function has prominent role in large, diversified and decentralized companies, as well as in the public interest entities, to provide holistic assurance, advice, insight and foresight. As part of a company, the internal audit function is on several ways impacted by modern, uncertain business conditions and changes in company's business. To achieve mission of internal audit and add value to their stakeholders, chief audit executives have central leading role. Considering that, chief audit executives need to be courageous, agile and innovative leaders of the internal audit functions, competent and objective assurance providers and strategic business partners.

Keywords: *Chief Audit Executive, Competencies, Disruptive and Technological Changes, Internal Audit Function, Roles and Responsibilities*

HUMAN BEHAVIOR AS A BASIS TO ENFORCE INFORMATION SECURITY POLICY

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Research in competitive intelligence (CI) is of growing interest to researchers from different backgrounds. The practice of CI differs from one area to another and has no specific scope. Organizations find in the implementation of CI a better knowledge of their environment, an enhancement of their information and an ability to act on stakeholders. However, companies still face difficulties to apply competitive intelligence due to a wrong implementation of an information protection strategy, Based on the reviewed literature proving that Human capital is a powerful tool in the information protection procedure, we intent through this study to prove that human behavior play a vital role in a successful competitive intelligence strategy and then to incent companies to take into account human resources as a key factor of a competitive intelligence policy. In other words, the purpose of this paper is to question the defensive information process of international SMEs, based on a survey of 92 Moroccan exporting SMEs. The main results show that there is a positive link between the introduction of an information protection policy in which the involvement of human capital is crucial to reach a high level of export commitment.

Keywords: *Human behavior, information security, competitive intelligence*

FIRMS AND CELEBRITY CRISIS MANAGEMENT

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Corporate crisis is visible when portrayed in media. Often times due to increase in social media presence, most visible brand ambassadors, especially for the large corporations, are celebrities. However, once celebrity names are associated with certain firms and their brands, celebrity reputation affects the brand image of those firms. Accordingly, such crises are usually unexpected and in focus of media, whereas mistakes and scandals caused by celebrities can fall into two main categories- criminal and non-criminal activities, which affect the level of severity of crisis and its subsequent response. How should the firms behave when suddenly a celebrity sponsored by the firm due to certain misconduct becomes a target of accusations and shattered reputation? This paper aims to analyze and evaluate the effectiveness of crisis management strategies employed in several celebrity crisis scandals which impacted firms with whom they had marketing and sponsorship contracts. Paper provides insights and guidelines for use of appropriate strategic management and communication strategies in celebrity caused firms crises.

Keywords: *reputation crisis, crisis management, celebrities, crisis management strategies, communication strategies*

IMPACT OF EMOTIONAL INTELLIGENCE ON ORGANIZATIONAL PERFORMANCE

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Within companies, emotions have been forgotten as key elements of successful management systems. Seen as factors which disturb judgment, make reckless acts or affect negatively decision-making (KOTSOU, 2008). Since management systems were influenced by the Taylorist worker image, that made the work regular and plain, and considered employees as executing machines. However, recently, in globalized economy characterized by a variety of uncertainties, emotions are proved as useful elements, even necessary, to attend high-level management. The work of Elton Mayo and Kurt Lewin reveals the importance of emotions (COULON, and LAFITTE, 2016). Since then emotions start to attract considerable attention. These studies have shown that emotions influence, directly or indirectly, many organization processes. For example, the quality of interpersonal relationships, job satisfaction, absenteeism, stress, leadership, performance and team commitment. Emotions became fundamental and indispensable to individual yield and so on to management efficiency. The idea that a person potential is associated to Intellectual Intelligence, measured by the IQ as the main factor of social, professional and even sentimental success, was the main problematic that need to be questioned. The literature on emotional intelligence has made clear that success at work does not only depend on intellectual intelligence but also other factors. Several researches investigating emotional intelligence impact on performance showed that emotionally intelligent managers perform more, attain remarkable results, able to achieve organizational objectives, impact the mood of their subordinates and create a friendly work environment (KOTSOU, 2008). An improvement in the emotional intelligence of managers is therefore linked to the professional development of the organization and not only to the personal development of the manager. In this context, it would be interesting to question the importance of emotional intelligence. Does it impact organizational performance? What is the importance of emotional intelligence and how it impacts organizational performance? The literature highlighted that measurement and conceptualization of emotional intelligence are difficult to define. Efforts to measure emotional intelligence have identified three models that are more prominent: the mixed model, the ability model, and the trait model. The first is considered as cognitive skill, the second relates to the mixing of emotional skills with personality-related aspects and the latter is intertwined with personality traits (Samad, 2014). But, despite strong claims about the importance of emotional intelligence in the workplace, few studies have empirically examined the impact of emotional intelligence on organizational performance, because even though the concept of performance is at the heart of all evaluation processes of companies and organizations, we observe that performance remains a multidimensional concept and many authors insist about the vagueness that surrounds the concept. Given the above, this article provides an overview of the researches related to emotional intelligence, particularly focusing on studies that investigated the impact of emotional intelligence on organizational performance to contribute to the emotional intelligence literature and highlight its importance and show how does it impact companies' performance.

Keywords: *Emotions, intelligence, performance, managers*

COLLECTIVE INTELLIGENCE TO NAVIGATE TRANSITIONS: THE NEED OF MULTIDISCIPLINARY ENGAGEMENT IN ADAPTIVE LEADERSHIP

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The main challenges faced by humanity nowadays are three: nuclear war, economic collapse and technological disruption (HARARI, 2020). Of course there are many others, but let's start with this recent presentation at WEF in Davos. While the presenter focused on the last, justified that we all have more information available about the first two challenges, they all could gain some insights from what we discuss in this OFEL 2020 conference in Dubrovnik. Our research main question is how can we share knowledge and experiences regarding adaptive leadership in nowadays transitions taking place fast and so seemingly unstop? The challenges above are adaptive in nature. These are challenges, which will not be solved by a technical fix or applying strategies, which we knew from the past. Instead, adaptive leadership is required to successfully navigate and make sense of these phenomena (Heifetz, Linsky, 2014). We will open the dialogue about the role of Adaptive Leadership, collective Intelligence (Mulgan, 2017) and empathy (Goleman, 2001) in navigating today's transitions.

In Harari's words (Harari, 2020), the most important skills for the 21st century are:

How to constant learn new things

How to reinvent yourself throughout your life

Emotional intelligence and mental flexibility.

The development for this presentation evolves the three authors, from different countries - Brazil, Canadá, The Netherlands and U.S.A.- and educational backgrounds - Psychology, management and education - exercising their voices while addressing the main question applying therefore personal narratives of individual experiences in the technique called voices of the system (Fridjhon, Rød, Fuller, 2014). Dr. Freeman speaks from dialoguing in education in design thinking, Mrs Hovanessian, from psychological consulting of systems, and Dr. Wanderley from governance for sustainability studies.

Keywords: *Adaptive Leadership, Collective Intelligence, Systems Thinking, Governance for Sustainability, Design Thinking*

ANTECEDENTS OF FIRM'S COMPETITIVE BEHAVIOUR AND PERFORMANCE INDICES

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In the hypercompetitive environment firms constantly need to be aware of unexpected attacks, both from the big as well as small competitors, even from those firms that do not seem to be direct and serious competitors. Hypercompetition is not just something typical for the IT industry, it becomes commonly used term to describe competitive environment in many industries. Hypercompetitive environment is characterized by very aggressive and unpredictable competitive moves and countermoves done by competing firms in order to sustain or improve their performance. There is a general opinion 'the more aggressive you are, the better performance indicators you achieve'. By studying more deeply all available empirical results in competitive dynamics research, we can say that above mentioned thesis makes sense in general, but is not universally promising strategy. Positive impact is especially evident in a newly developed markets and markets with high growth potential. Very aggressive strategy can cause higher costs and destroy firm's performance indicators. Resource rich firms choose to be very aggressive on the market. Contrary, it does not mean that resource poor firms with specialized resources and capabilities cannot be aggressive and successful. Even firms with high performance indicators are not motivated to act aggressively. However, many other characteristics should be taken into account in order to consider why competitive aggressiveness diminishes or increases firm's performance. Above mentioned facts induce to include firm's internal factors (top management, team heterogeneity, firm size, firm age, resources and capabilities, complexity of organizational structure) and external factors (changes in the environment, institutional investors, newly or developed markets, market growth) that impact competitive behavior and consequently, performance indices.

Keywords: *competitive dynamics, competitive aggressiveness, firm performance*

THE IMPACT OF USERS ACTIVITIES ON PURCHASE BEHAVIOR IN SOCIAL MEDIA ENVIRONMENT

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This study analyzed how social media activities have an influence on users' behavior that could determine the purchase decision process. The aim of this paper is to determine the purchase intentions and attitude of social media users as well as repurchase attitudes and satisfaction with the purchase made via social media. Also, the aim of this paper is to define the influence of ads and notifications on their final purchase decision. The research instrument was an online questionnaire on a sample of 504 Facebook users. Confirmatory factors analysis (CFA) and Analysis of variance (ANOVA) were used. Two factors were extracted using factor analysis, named credibility and personalization factors. Results of variance have shown that there is a significant difference between these two factors and purchase attitude, purchase intention, repurchasing and purchase satisfaction of users in a social media environment. Further, significant differences have shown between credibility and personalization factors and the impact of ads and notifications on the user's purchase decision in the context of a social media environment. These findings have significant theoretical and managerial implications.

Keywords: *social media, online purchasing behavior, online repurchase intentions, online purchase satisfaction*

THE INTERDEPENDENCE OF INTERNATIONAL EXPERIENCE AND THE CHOICE OF THE INTERNATIONALIZATION STRATEGY

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Background: Following the theory of the upper echelons, this paper focuses on the implications of international experience on strategic management decisions. The paper condenses the most eminent works of international experience in the upper echelon theory and seeks to draw new conclusions. Objectives: The research aimed to determine the connection between international experience and internationalization strategy. In addition, the secondary objective was to determine whether strategic decisions, in addition to international experience, are influenced by additional moderating variables. Methods/Approach: A statistical research was conducted among top managers in Croatian companies by the primary survey. The survey is aimed at Croatian companies covered by the Register of Exporters with the Croatian Chamber of Commerce. Following the survey, we received 104 responses from companies whose export exceeded 50 percent of the total yearly turnover. Results: Research results show that greater international experience de facto influences greater international exposure of companies - especially in fully controlled internationalization strategies. By identifying which independent and control variables have the greatest influence, we have defined the primary objective of this research. However, it has also been discovered that the moderating variables that influence the decision to internationalize are at work. This also fulfilled the secondary objective of this research and further enriched the basic theory.

***Keywords:** upper echelon theory; international experience; demographic characteristics; content analysis; top management team*

INSTITUTIONAL DISTANCE: CONSTRUCT OF ISOMORPHISM RELEVANT TO MULTINATIONAL COMPANIES

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The institutional environment in which multinational companies act is unique and complex. It is unique in the sense that the subsidiaries of multinational companies are facing dual pressures from both the host country and the country of the parent company. Further, the complexity of the environment presumes the need for global integration and the need for the local adaptation. Although some countries are characterized by a more favorable institutional environment for establishing and expanding business, in other countries the institutional environment is a challenge for multinational companies. In this paper, the author will present the current theoretical knowledge and references in already conducted research regarding the institutional distance in the context of multinational companies and its subsidiaries.

Keywords: *institutional distance, institutional environment, isomorphism, multinational companies*

THE PUBLIC RESPONSIBILITY OF PLATFORM CORPORATIONS

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To capture the innovative ethical and political dimension of the challenges posed by the socalled 'platform corporations', in this paper we develop the concept of 'public responsibility'. Despite the proliferation of research in corporate social responsibility (CSR), existing theories seem to fall short when it comes to the complexities of recent forms of organising. By analysing the concept of a platform business model through a business and society lens, we argue that the responsibilities that these organizations face resemble more the responsibilities of government organizations (public sector) than those of a business firm, yet in the form of a private, technocratic a supra-national organisation. We first identify five sources of this responsibility: tremendous network effects, the centrality of data produced and collected, data monetisation, their global dimension, and finally private policy-setting. Consequently, we argue that global platform corporations combine them in a unique way, which leads them to be 'public responsible' in three ways: first, for managing highly sensitive privacy, second, for acting as gatekeepers to the access of goods, services and information; third, for controlling the interactions of billions of users in a wide range of social settings and industries. Thus, we argue that platform businesses present idiosyncratic characteristics that, brought to an extreme, challenge our existing understanding of public and private interests, and this work suggest a way to effectively capture it.

Keywords: *corporate social responsibility, platform business model, platform corporations*

BREAKING THE WHEEL? INTERNS AND THE REPRODUCTION OF PRECARIOUSNESS

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One of the latest developments of Western job markets is the increasing rate of precariousness, namely across young and early-career individuals. The extraordinary number of interns working in and around the European institutions in Brussels is used as an illustrative case for exploring and theorising how such precariousness is reproduced. By expanding the existent literature on self-entrepreneurship and the self-responsibilisation of workers towards employability, this paper explains how structural conditions, contextualised self-interpretations and the depoliticization of social relations work together to reproduce precarious employment and life conditions. In doing so, this work expands our understanding of precarious work in organisation studies by moving beyond two streams of literature: structuralism, which attributes to institutions, legislation and power dynamics the main cause; and individual analyses of precariousness, which look at how individuals experience it. In contrast, I show here how these factors work together, nurturing each other in a cycle. Overall, this study shows how the fantasy of employability and the enjoyment of being part of an 'interesting, unique' community structure contingent precarious lived experiences, and how the tensions that this creates are kept together by the lack of solidarity and a generalised depoliticization, even vis-à-vis material hurdles and grievances. This in turn makes precariousness bearable and reinforces the status quo. To 'break the wheel' it is therefore necessary to re-establish solidarity as well as to devise for better social protections.

***Keywords:** precariousness, Western job markets*

ANALYSIS OF MERGERS AND ACQUISITIONS IN COMPETITIVE DYNAMICS CONTEXT

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The key objective of the research is to define which competitors' activities can encourage companies towards mergers and acquisitions or increase the risk of a takeover by a global or national competitor. Furthermore, the research includes comparison of mergers and acquisitions in competitive dynamics context in selected industries in the EU and in the Republic of Croatia. Empirical research is conducted on a sample of small, medium and large enterprises in selected industries and selected countries. The data is analyzed by descriptive statistics and multivariate methods to determine the direction and strength of the relationship between competitive dynamics in an industry and merger and acquisition activities.

Keywords: *EU, Republic of Croatia, mergers, acquisitions, competitive dynamics context*

ARE WE CREATIVE ENOUGH TO SATISFY THE RETURN CUSTOMERS? THE CASE OF TOURIST DESTINATION DUBROVNIK

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According to the researches there are different factors influence the revisit of the tourist destination. Some authors as Kozak and Gilbson and Crompton consider that repeat visitor feel more satisfied about the whole experience than firt timers. The aim of the paper is to present the results of the primary research refers to the factors important for the first visit and revisiting tourist destination Dubrovnik. The results of the primary research also refer to the customers satisfaction with the tourist ofer. The aim of the analysis is to respond the question refers to the level of creativity in tourst offer of Dubrovnik stakeholders, due to the findings that the novelity and creativity influence customers return. For the purpose of this paper the primary research has been carried out in Dubrovnik in 2018. including the sample of 420 tourists. According to the data which has been collected int he area of Dubrovnik there is need of improving the level of creativity because of the decline in return service satisfaction levels in Dubrovnik.

***Keywords:** first visit, return, tourists, Dubrovnik*

ENHANCING POST-TRANSITION ECONOMY COMPETITIVENESS BY DETERMINING ARTIFICIAL INTELLIGENCE INDUSTRIAL USE APPROPRIATENESS - THE PROPOSED ASSESSMENT FRAMEWORK

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The fourth industrial revolution has proliferated numerous technology platforms and key enabling technologies, including one of the most influential one, the artificial intelligence (AI). Although considered one of the most influential disruptive technology, usually described as a game changer, it is still not entirely clear in which industry or sector the AI may produce stronger impacts than in the other. On the other side, it is very well known that prime enabler of AI expansion in its intensity and usability is access to and availability of large data quantities. Consequently, according their current data policies the global frontrunners in AI development are nowadays USA and China. The question arises, how do smaller post-transition economies, specifically these belonging to the rather data restrictive and regulated EU environment can benefits from the AI use in their industries or public sector. Almost all of them are preparing or having already in operation their national strategies of AI uptake and use. Nevertheless it is still not entirely clear which particular industries or their niches are appropriate to be favoured and supported through tailored AI industrial expansion policy measures. Thus, the purpose of this paper is to conceptualise an analytical appropriateness assessing framework for the AI industrial or sectorial suitability use in a form of technique relevance heatmap, aiming to enhance the competitiveness of post-transition economies (such as this examined case of Croatia). It will be also complemented with recommendations for its translation and generalization on other similar global environments. Results produced by this paper will assist practitioners to conceptualise and operationalize focused national policies and funding instruments in supporting the development of the AI in their economies. It will furthermore assist scholars to construct and build-up their specific empirical research around the proposed model.

Keywords: *artificial intelligence, strategic positioning, post-transition economy*

KNOWLEDGE CREATION PROCESS IN INTERNAL AUDIT FUNCTION - PERFORMANCE IMPROVEMENT BETWEEN EXPLORATION AND UTILIZATION OF KNOWLEDGE

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In the context of current business environment, where circumstances and conditions of doing business jointly with technology change very rapidly, organizations have to adapt themselves adequately in order to survive. Facing such dynamic environment organizations that actively approach to changes tend to identify and utilize assets they possess or resources they could exploit, create information and knowledge (Lopez et al., 2005), process and transfer them. Skills and knowledge of employees are often treated as a comprehensive potential for improvement of organizations (Gupta and Sharma, 2016), but their adequate utilization, which lead to learning in organization, demand primarily organizational context and strategic orientation, on one hand, and defined process of organizational learning on the other. According to Song et al. (2014) performance of an organizational unit might be identified as an appropriate indicator of the success of organization in balancing between behavioral factors and engagement of employees and organizational context. The role of internal audit has not been fully recognized in the context of learning and knowledge creation as there are significant areas that allow for further improvement through systematic learning and knowledge management. The necessity of identification of possible roles of internal audit is especially important in relation to lessons learned and acquired knowledge from auditing exercises and their successful application within the system at a later stage. Looking at internal audit through this lens there appears a completely new perspective of its role, added value and performance. The paper explores the knowledge creation process in internal audit function, covering explicit and tacit knowledge, as well as relations between knowledge creation process and internal audit performance improvement based on self-reports of internal auditors. The analysis was performed on the responses of 95 internal auditors, comparing results between two regions, Scandinavia and Balkan, not limited to particular industry. The questionnaire was carried out in second semester of 2018.

Keywords: *Internal Audit Performance Improvement, Knowledge Creation Process, Organizational Learning, Dynamic Theory of Knowledge Creation*

III

ENTREPRENEURSHIP

SOCIAL INNOVATION IN AGRICULTURE: DIGITAL PLATFORMS FOR WHOM?

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Digital platforms are reorganizing and transforming ever more businesses and entire industries and creating ecosystems that are comprised of platform-dependent entrepreneurs. Agriculture and farmers are confronted by the possibility that, as has occurred with Amazon and retailers, a platform firm can reorganize an existing market with an "over-the-top" solution that will force farmers to join an ecosystem within which they are subordinated and become platform dependent. The key to digital platforms is the control of data and so as to extract value from it. Through case studies, we explore the ways in which farmers and other stakeholders have built complex organizations – i.e., networks designed to create collective action innovations within which the generators of data, in this case, farmers, can share and capture value, while maintaining control of the data. These platforms are social innovations that require the development of new business models, whose goals are not simply profit, but rather to meet the needs of, and share the value created among a variety of stakeholders. These social innovations are meant to achieve joint governance of an activity system to prevent power imbalances that occur when stakeholders, such as farmers, become dependent to platform.

Keywords: *Agriculture, Platform Economy, Platform-Dependent Entrepreneurs, Data, Collective Action Innovation*

REGULATORY CHANGES IN THE LONG-TERM CARE INDUSTRY IN ISRAEL: THE CASE OF THE ISRAELI KIBBUTZIM

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Nursing care in Israel has undergone a financial and physical revolution in the last two years. Group long term care insurance (LTCI) policies were not extended due to governmental instructions. At the same time, the Ministry of Health introduced quality standards for long - term hospitalization institutions. Only institutions fulfilling these standards can admit patients whose hospitalization is financed by the government. Supervising quality in housing and manpower has led to drastic changes in the industry. This study examines the way 267 Israeli Kibbutzim coped with these changes and describes the nursing care that is given today in the Kibbutzim. The Kibbutzim that underwent a multidisciplinary shock and social structural changes in the 1990s due to financial crisis, are nowadays managed carefully. We hypothesize that they responded to changes in LTCI and nursing care, with judicious consideration following professional advice. By the year 2012, 81 nursing homes were trained and partially financed under the supervision of the Ministry of Health, mainly in large and older Kibbutzim. The new program demands large investments in renovating and adapting the existing nursing homes with new stringent standards for their management. The new program led to the closure of about half of them. Currently, there are only 46 nursing homes in Kibbutzim operating under the supervision of the Ministry of Health. A multinomial logistic regression shows that the older the Kibbutz, established fifty years ago or more, the more likely it is to operate a nursing home, whether it is supervised or just a 'family' nursing home without government financial support The higher the number of the Kibbutz members in LTC need, the more likely it is that a nursing home operates in the Kibbutz. The higher the pension amount, the more likely it is to manage a supervised nursing home. Kibbutzim with low pensions usually offer only home care through a caregiver to the LTC Kibbutz members. In addition to the Ministry of Health new standards, the LTC industry has suffered recently from the revolution of LTCI policies. At the end of 2011, the Supervisor of Insurance announced the cancellation of group LTCI policies within five years which left the insureds without LTCI coverage. During 2016, they were required either to examine continuity in an individual LTCI policy at higher prices or join the group LTCI by their Health Fund that provides a low compensation or to stay uncovered. By 2015, 80% of the 'renewed' privatized Kibbutzim insured their members in commercial group LTCI at an average monthly cost of 16 USD per member. Most of the traditional cooperative Kibbutzim which operate like a family chose to manage an internal financial fund for these needs and save the cost of a risk aversion premium charged by an external insurer. With the implementation of the LTCI reform, most of the renewed privatized kibbutzim continued to insure their younger members by an external individual LTCI policy and the elder members in an internal dedicated fund inside the kibbutz. Some

kibbutzim chose to manage only an internal fund exposing themselves to the risk of their pool to LTC expenses of their members. Young kibbutzim chose to continue to insure their members externally. A multinomial logistic regression for LTCI as a dependent variable shows that the older the kibbutz, the higher the percentage of elderly members and number of members in LTC need, the more likely to face future LTC expenses by a dedicated internal fund rather than an external insurance.

Keywords: *cooperative, LTC, LTCI, elderly, Israel*

INCREASING (VOLON)TOURISM THROUGH SOCIAL ENTREPRENEURSHIP – THE CASE OF CROATIA

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Social entrepreneurship is a relatively new topic of interest within the academic and the literature on it is limited. With the increase of interest in recent years from various interest groups the concept of social enterprise has become much more widespread. The purpose of this paper is to explore the link between social entrepreneurship and voluntourism, as one of the types of special interest tourism, and to examine the Croatian context in this regard. Voluntourism is a combination of volunteering and tourism. Unlike the rest of the European market, the Croatian development of volontourism is still at the beginning. Voluntourism, according to the concept of sustainable community development, relate all the stakeholders of such development. Moreover, social entrepreneurship focusing on the creation of innovative products and procedures that would benefit the entire local community could become an important vehicle for sustainable development of destinations.

Keywords: *social entrepreneurship, volontourism, sustainability, case of Croatia*

SOCIAL BUSINESS AND SOCIAL ENTREPRENEURSHIP BEAT DONOR DEPENDENCY. GENERATING REVENUE - OPTIMISING PROFIT

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Overcoming the mammoth challenge of sustaining a global population of 9,7 billion people by 2050 with natural resources becoming scarcer, calls for urgent action. The current reality in South Africa reflects this threat with 13,8 million people out of a total population of 57 million people living on less than USD1.25 (ZAR 19.29) per day. The not-for-profit skills development organisation "Learn to Earn" has been addressing this sustainability challenge in the Western Cape, South Africa, since 1989, by eradicating unemployment and other legacies of injustice in South Africa and Africa. Learn to Earn has a mixed income stream model of donations as well as creating revenue through the sale of products made and services rendered by trainees that are enrolled in any of the market driven skills development courses. Its customers are both unemployed people and companies that provide contracts for previously unemployed graduates.

Keywords: *sustainability, social entrepreneurship, unemployment, eradicate*

UNDERSTANDING OF SOCIAL CROWDFUNDING: THE CASE OF AN ITALIAN PLATFORM

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Social enterprises play three roles in the promotion of community-friendly initiatives: the offering of innovative solutions to unsolved social problems, the centering of their corporate mission on the concept of shared social value, and their intention of contributing to the progress and sustainability of the global economy (Nel and McQuaid, 2002). Unfortunately, social enterprises suffer the lack of funding opportunities because there are limited sources of financing available to them as they have problems in securing loans and raising equity: they are not profitable or growth-oriented enough to access traditional financial markets, which results in a financial-social return gap (Bugg-Levine et al., 2012). The scarcity of funds allocated to welfare policies has led to address the necessity of identifying innovative funding models capable of attracting private financial resources to be channeled towards the improvement of the sustainability of welfare systems (Azemati et al. 2013). Crowdfunding is a distinct form of venture financing that has recently experienced high growth rates (McKenny et al. 2017). Crowdsourcing favors the co-creation of value through digital technologies (Howe 2006). The use of the web platform and online communities facilitates access to financial resources for businesses, profit and non-profit organizations (NPOs), which need to raise funds through non-traditional channels (Belleflamme et al. 2014; Ordanini et al. 2011; Schwienbacher and Larralde 2010). Our work investigates the emerging practice of social crowdfunding focusing on the role played by an Italian social crowdfunding platform owned by a banking foundation. Examining 140 projects hosted between 2016 and 2018, the study analyzes how the platform acts in enhancing and facilitating the interaction between NPOs and private investors willing to participate in the financing of innovative social projects. In this context, the study also explores the role the Foundation plays in making more virtuous the social investing process aimed at creating a multiplier effect of its traditional philanthropic activity. Our findings help both to assess the effectiveness of a social crowdfunding platform and to identify the conditions that could make the traditional philanthropic activity of an institutional force such as the banking foundation more effective.

Keywords: *Crowdfunding platform, social investment, social leverage, reward mechanism, banking foundation*

INTRODUCING FAIRNESS AND TRANSPARENCY FOR BUSINESS USERS OF ONLINE PLATFORMS

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Online intermediation services are becoming indispensable in the field of online economy and are a crucial step for the success of businesses using these services as they enable them to attract more consumers. Being aware of the dependence on their services, service providers can impose harmful commercial practices on business users and therefore significantly affect the results of their transactions generated through the use of their services. On 20 June 2019, the European Parliament and the Council adopted the Regulation on promoting fairness and transparency for business users of online intermediation services. It seeks to ensure a legal framework that guarantees fair and transparent commercial practices for business users of online intermediation services and online search engines. The aim of this paper is to present and explain the solutions representing the new legal regime of the use of online platforms, define the reasons for adopting these rules at EU level and determine their position within the system of unfair competition law, particulary in B2C and B2B (business-to-consumer and business-to-business) relations.

Keywords: *online intermediation services, online search engines, online platform economy, unfair commercial practices, unfair competition*

SOCIAL ENTREPRENEURSHIP IN THE ŠTRPCE MUNICIPALITY- REAL PRESENT AND POTENTIAL FUTURE

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With the population of about 13,000, the municipality of Štrpce is the largest multi-ethnic community in southern Kosovo and Metohija. Due to its natural characteristics, the Shar Mountain National Park and the Brezovica Ski Center, the economic potential for the development of this area is great. Nevertheless, the level of economic activity is not satisfactory. Unemployment is at a fairly high level, leading to more and more temporary or permanent displacement of people, especially young people, from the area. The aim of this paper is to present the real economic picture of the municipality of Štrpce, as well as to point out the importance of social entrepreneurship as an opportunity to reduce unemployment and poverty, especially marginalized social classes, as well as persons with special needs. The main questions discussed in the paper are: whether and what kind of enterprises can be the driver of social and economic development of the Štrpce Municipality, which industries or activities may be most suitable for the social aspect of the economy, and what are the ways to achieve these goals. Based on the results of the research by direct survey and comprehensive analysis of the data, the authors will, first of all, suggest to the decision-makers at the local and central level, and then to international institutions and organizations, as well as to businessmen from these areas, what measures should be taken in order for social entrepreneurship in the municipality of Štrpce to fulfill their social mission.

Keywords: *social entrepreneurship, social responsibility, Štrpce Municipality, economic development, reduction of unemployment*

PROPOSAL FOR A CONCEPTUAL FRAMEWORK TO QUALIFY THE ENTREPRENEURIAL CONTEXT OF UNIVERSITY RESEARCHERS

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Understanding the phenomenon of academic entrepreneurship consists essentially of the comprehension of three dimensions that constitute it : the entrepreneur – the entrepreneurial activity – the entrepreneurial context. It is clear that the literature has generally focused on the entrepreneurial context, nevertheless, it is worth noting that it remains marked by a disjointed accumulation of knowledge as well as by a lack of conceptual tools that can have a practical impact when it comes to caracterize the entrepreneurial and innovation context of any academic entrepreneurship environment. So, and taking as starting point the difficulty to characterize the context as one of the most important determinant of academic entrepreneurship, we propose in this paper to lay the foundations and instigate a debate around the establishment of a new conceptual grid that would be able to typify the sort of entrepreneurial context of the university researchers entrepreneurship. From two dimensions : (1) the intensity of innovation of an economy and (2) the intensity of the university entrepreneurship, we suggest a conceptual matrix able to describe the entrepreneurial context of university researchers and overall, of academic entrepreneurship. This conceptual framework includes four possible contextual configurations based on the two proposed continuums, each one corresponds to a specific entrepreneurial context. Then, through the proposed conceptual grid, we suggest a reading of the global and academic Moroccan entrepreneurial context surrounding the work of Moroccan university researchers, by trying to position it on our conceptual grid in order to qualify it and to identify its main characteristics, trends, inhibitors and facilitators. Our approach is based on a « constructivist » paradigm and is strongly inductive consisting of an articulatory reading of a plethoric and disparate academic entrepreneurship literature. In addition to its theoretical contribution, the proposed grid, could have a practical contributions for any user who wishes to acquire a tool that would allow him to qualify a specific entrepreneurial academic entrepreneurship context.

Keywords: *Academic Entrepreneurship - Entrepreneurial Context - Entrepreneurial University - Innovation Economics - Entrepreneurial Orientation*

CREATING HYBRID CULTURAL ORGANIZATIONS: CULTURAL ENTREPRENEURSHIP AND THE DEVELOPMENT OF THEATRE IN TURKEY

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Entrepreneurship in creative industries is important socially and economically. In this study, we explore how and why new forms of theatre organizations emerge and the role of cultural entrepreneurs in this process. More specifically, we study the development and growth of different forms of theatres in Turkey to explore the evolution of new hybrid organizational forms, why the total number of theatres is increasing, and who is creating these theatres. Our main focus is on how cultural entrepreneurs create new cultural institutions (in this case theatres) by drawing on tradition and on international theatre, the forms of work they carry out in doing so, and what motivates them to carry out this difficult work. We conclude that much of the story of cultural entrepreneurship in Turkey is a translation story of moving plays and organizational forms from Europe and North America, as well as drawing on the traditional forms of Turkish theatre, but with important forms of local innovation also occurring.

Keywords: *Creative Industries; Entrepreneurship; Cultural Entrepreneurship; Hybrid; Turkey*

COMPARATIVE ANALYSIS OF FACTORS INFLUENCING EVOLUTION OF RURAL ENTREPRENEURSHIP IN RUSSIA AND CROATIA

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The paper compares genesis of functional components and variables of rural entrepreneurship in Croatia and Russia. Rural entrepreneurship is for a long time in the focus of considerable theoretical and political interest in Russia and the European Union alike. Rural entrepreneurship stands not only as a vehicle of achieving sustainable food supply and improving the quality of life in rural communities but also plays an important part in the efforts to preserve country's cultural identity. We propose that the key aggravating features of today's development of rural entrepreneurship in Russia and Croatia alike can be found in history of economic development of these countries. Examination and comparison of antecedents of rural economic development in observed countries are traced back to the last decades of 19th century up until present day, and encompass five key categories: infrastructure, individual factors, social and cultural factors, economic factors and finally, administrative and legal factors. By analyzing and comparing key events and elements of economic development of rural areas we want to achieve better understanding of the present situation in order to devise a better approach to further fostering of rural entrepreneurship in Russia and Croatia.

Keywords: *Rural Entrepreneurship, Rural Entrepreneurship Development, Rural Socio-Economic Development*

ENTREPRENEURIAL BEHAVIOR IN MNC SUBSIDIARIES: TOP MANAGEMENT, KEY ACTORS AND CRITICAL SUCCESS FACTORS

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Subsidiary Entrepreneurship within MNC (multinational corporation) is a type of entrepreneurial behavior that comes from subsidiary managers who have relatively limited resources and/or degrees of autonomy. Consequences of their entrepreneurial behavior for their subsidiaries and for the parent company (HQ – headquarters) as a whole can be quite significant. Subsidiary entrepreneurial behavior is manifested through subsidiary strategic initiatives. In this Paper, three variables have been examined, subsidiary top management contribution, the role of key actors and critical success factors in the process of subsidiary strategic initiatives. The study is based on semi-structured interviews from top managers in subsidiaries located in Europe, Asia, and the USA. It has been investigated how does the process of entrepreneurial behavior takes place towards the HQ and what is the role of the subsidiary top manager in the process, who are key actors, and which are success factors. The results of the research confirmed the role of subsidiary top management as a crucial and omnipresent within the process of entrepreneurial behavior. Moreover, the key success factors are the subsidiary credibility, the openness of the HQ to strategic initiatives and the alignment of proposed strategic initiatives with the strategy of the HQ. The first research question relates to the contribution of top management in the process of initiatives. According to the results, it is visible that in all analyzed initiatives, subsidiary top managers participated. Conclusion on the importance of top managers contribution to the entire process of initiatives is in line with research conducted by Ghoshal and Bartlett (1994) and Bourne et al. (2002). The second research question encompasses key players in the process of initiatives of MNCs. According to the analyzed data of this research, the following actors have been crystallized: the initiator of an initiative, the subsidiary top management, the business area specialist and the HQ's governance. The fact that subsidiary middle-level managers are identified as key players in creating and launching initiatives is in line with previous research (Birkinshaw et al., 1998; Delany, 2000). The last research question is related to key success factors of initiatives. The first three key factors of success are the credibility of subsidiaries, compliance with the HQ's strategy and the quality of the proposal. This is in line with Birkinshaw (1995), according to which the key factors are timing, the credibility of subsidiaries, and compliance with the HQ's strategy. According to Ambos et al. (2010), one of the key success factors is the identity and reputation of subsidiaries, which is consistent with the results of Ling, Floyd, and Baldridge (2005). This paper aims to stimulate subsidiary top managers and HQ managers to re-evaluate existing processes about initiatives and their potential opportunity for enhancing the overall business of an MNC. It is important not to expect from the HQ to initiate and encourage initiative rather than focus on the subsidiary self-initiative activities. To avoid a misunderstanding by emphasizing the sole role of subsidiary top management, the success of the subsidiary strategic initiative is a process of common understanding between the HQ and subsidiary, and a process that cannot be "painless". The purpose of research in this context is to broaden views of different types of subsidiary strategic initiatives and to understand their impact.

Keywords: *MNC, subsidiaries, entrepreneurship*

FACTORS THAT EXPLAIN ENTREPRENEURIAL FAILURE OF MOROCCAN SMES, AN EXPLORATORY STUDY

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The entrepreneurial failure of SMEs involves considerable socio-economic consequences. Yet entrepreneurship research has focused particularly on the success factors of SMEs without further highlighting the multiple factors of their failure. By adopting a multidimensional perspective of entrepreneurial failure, the objective of this article is to contribute to the study of this phenomenon in the Moroccan context. We conducted a qualitative analysis of academic research and public and private surveys, in order to explore and contextualize the factors of the entrepreneurial failure of Moroccan SMEs. The results reveal that the essential determinants of the entrepreneurial failure of the Moroccan SME are its organizational and managerial specificity, the role and profile of its entrepreneur and the constraints imposed by its macroeconomic and institutional environment, as well as the competitive forces of its industry and the external financing of its activity.

Keywords: *Entrepreneurial Failure, Specificity of SME, SME Entrepreneur, SME External Environment, Morocco*

IV

EDUCATION

SOCIAL INNOVATION IN A BUSINESS SCHOOL: TEACHING AND LEARNING WITH AND FOR SOCIAL ENTREPRENEURS

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The aim of our study is to reflect on the role of social entrepreneurs in educating future business decision-makers. Our paper reports about the longitudinal experiences of an MA course on Social Entrepreneurship in a business school in Hungary. By analysing the 14 year-long history of the course we explore: I. the diversity of social enterprises and their problems/projects researched; II. the pedagogical philosophy, teaching and learning methodology of the course: service learning and co-creation; III. the leveraging process: how social entrepreneurs, as well as the service learning and co-creation philosophy, got institutionalised in the business school – the foundation of the science shop, a unit channelling the (research) questions of social entrepreneurs and non-profits to faculty and students. The authors are the initiators and tutors of the course on Social Entrepreneurship as well as two of the five founders of the science shop. The 6 ETCS elective course admits students from all master programmes of the business school. Besides classroom activities, (on conceptual background, local and international eco-system of social entrepreneurship and social innovation) students work with and for social entrepreneurs. Social entrepreneurs bring their questions to the course where a mutual problem framing and problem-solving research and learning process is created together with students and tutors. Not only hands-on, real-life experience and participatory, partnership-based processes are provided for students but also a prompt output is generated for social entrepreneurs, aiming for longer-term social impacts. This set up has been proliferated throughout the business school via the science shop. The unit was opened three years ago, and approximately 800 students have got access to about 40 social enterprises in almost 30 courses so far. The paper looks at how tutors and educators intend to enrich the learning experiences of student via the inclusion of social entrepreneurs and provide room for sensitisation of students toward alternative, social, sustainable ways of entrepreneurship.

Keywords: *science shop, social entrepreneur, co-creation, service learning*

FOOD FOR THOUGHT: IVE4FSG - INTERNATIONAL VIRTUAL EXCHANGE FOR FOOD SECURITY GOVERNANCE

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Food security evolves global awareness and efforts addressing resources, access and consumption of nutritious and balanced meals which sustain each individual in its own needs. In this paper, we share experiences regarding an international virtual exchange and highlight how food security is perceived throughout different cultures and perspectives. BRaVE/UFPE and COIL/SUNY are virtual exchange initiatives in Brazil/UFPE and USA/SUNY. In 2019, about 60 students from both countries engaged in collaborative study focusing on UN's Sustainable Development Goals. FSG is a broad concept and because of that it often raises confusion instead of promoting clear guidelines for healthy eating, production and consumption. The Brazilian Ministry of Health issued a Food Guide for the Brazilian Population which suggests Ten Steps for Healthy Eating. Students in New York state and in Pernambuco state had these Ten Steps in an icebreaker session at separate times when each group selected those most challenging items from easy ones to follow regularly.

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FSG pillars by WHO: resources, access and consumption

Food… A person has the ability to...

▪ Resources: ... secure sufficient financial resources to purchase enough nutritious food to support a healthy diet on a consistent basis.

▪ Access: ... obtain affordable, nutritious, and culturally appropriate foods safely and conveniently.

▪ Consumption: ... prepare and store healthy meals, and the knowledge of basic nutrition, food safety, and cooking.

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Linking the Ten Steps to Healthy Eating to FSG's three pillars it was noticed that consumption, more often than resources and access, play a strong role emphasizing that the "ability to prepare and store healthy meals, and the knowledge of basic nutrition, food safety, and cooking" is a main skill for healthy eating. This finding supports the understanding that FSG request a complexity approach more than jumping into seemingly easy and fast solutions. While most of responsible consumption studies look at behavior patterns and changing habits, there is an urgent need which is more than food for thought.

Keywords: *Food Security, Food Security Governance, BRaVE/UFPE, COIL/SUNY, Healthy Eating*

GRADUATES EMPLOYABILITY: THE LINKAGE BETWEEN HIGHER EDUCATION SYSTEM AND LABOUR MARKET

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Education is one of the main sectors which has a direct impact on social and economic development. The education system in Albania has experienced continuous changes during recent decades. Despite these frequent changes, this phenomenon does not characterize the education system as unreliable and weak but as a state of adapting to the country's social, economic and political conditions. The relationship between education and the environment in general is reciprocal and as a result it is influenced by it. These changes are reflected everywhere, especially in the labor market. Many factors such as: competitive salary levels and knowledge management, job security through employment contracts, liberalization of higher education, and adjustment of curricula according labor market requirements are seen as determinants of the evolution that this market has experienced the last few years. Due to the high level of dynamism and complexity of Albanian environment during the long years of transition and development, the transformation and adaption process of the education sector with the labor market have been very challenging. The purpose: This paper aims to analyze the employment of graduates in Albanian universities and the level in which the education matches the job requirements. The significance of the paper stands not only at the factors 'analysis which impact the employment of the graduates but also the authors give answer to the main research question in this study: Which is the level of mismatches that university graduates reveal? Methodology: The study takes place in Albania, specifically in Vlora region. It is used a questionnaire to collect data from the diploma holders who completed their studies during last 5 years and are employed in one of the public or private organisation in Vlora region. Most part of the questions used Likert scale from 1 to 5, allowing the respondents to answer in a more structured way. Referring to the average number of students graduated from higher education and their employability, 492 questionnaires were completed correctly from the total number of questionnaires distributed. It was not a random sample as the research is targeted according the criteria such as: region, graduated during recent years and being employed. The data were processed through the SPSS software using multivariate regression and other statistical tests. Findings: The main findings of the research reveals that there are a lot of variable which impact the youth graduate employability and it exists a high level of mismatches between education and job which have led to major problems in the labor markets due to its dynamics (saturation and shortage) and programme`s characteristics (skill transferability). Policy-makers and employers have to keep a closer cooperation with educational institutions to develop adaptive curricula for universities in order to make more distinctive the value of higher education diploma.

Keywords: *higher education, graduates, skills, labour market, employability*

PROMOTING ENTREPRENEURIAL THINKING AND ACTING OF STUDENTS THROUGH COMPETENCY-BASED LEARNING

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If we look at recent studies, „helping individuals and organizations of all kinds to create, cope with and enjoy change and innovation" is one of the main goals in entrepreneurship education. All in all, in this way, a "culture of maturity, autonomy, personal responsibility and solidarity" is created among the students. Achieving this objective and encouraging students to think and act entrepreneurially requires complex skills and competencies. These competencies include subject-specific as well as technical and methodological competencies and soft skills. However, to convey these complex skills, most of the university efforts so far have focused on extracurricular entrepreneurship education. The University of Applied Sciences HTW Berlin (HTW) has already launched numerous curricular and extracurricular programs and projects in the field of awareness raising and entrepreneurship promotion - from individual and project courses to lecture series, etc. The resulting ideas and business concepts of HTW students and alumni are often in the areas of sustainability and/or social entrepreneurship. So far, however, there are no consecutive and modular trainings for students addressing exactly the abovementioned skills and competences. The present proposal addresses this research gap by developing a flexible and modular entrepreneurship training plan for higher education. In addition, a step-by-step-implementation of these courses into students´ curricula is required. For this purpose, some implications will also be provided. Building on a literature review on competency-based learning in entrepreneurship and interviews with university teachers at HTW and other entrepreneurship education experts, the training concept, including its implementation into two or more undergraduate degree programs, will be developed. Overall, the paper will provide a systematic guideline for university politicians and entrepreneurship trainers to develop a modular and curriculum-based entrepreneurship training concept in academia. In this way it can also be implemented in other universities and educational institutions.

Keywords: *competency-based learning, entrepreneurship education, modular entrepreneurship training, promoting entrepreneurial thinking*

HIGH SCHOOL STUDENTS' AND TEACHERS' PERCEPTION OF STUDENTS' AUTONOMY

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The aim of this paper is to analyse how students and teachers perceive the students' autonomy in high schools in the Croatian capital Zagreb. The anonymous and voluntary survey was conducted on the sample of 451 senior class students in five high schools in Zagreb and their 102 teachers, in the school year 2017-2018. Students' autonomy was measured by three assertions: (1) In this school students help decide how class time is spent; (2) In this school students participate in the rulemaking (3) In this school students participate in the decision making. The results indicate certain disagreements between students and teachers in the perception of the students' autonomy: students tend to disagree, while their teachers tend to agree. The results of Mann-Whitney U test reveal that these disagreements between students and teachers in the perception of the students' autonomy are statistically significant. Mann-Whitney U test was used due to the discrepancy in the assumption on the normality of distributions and homogeneity of variances for utilized variables and also due to the sample in two groups being not even nearly of the same size. The further research is needed on the origins of such disharmony in students' and teachers' perceptions: whether it is about their lack of objectivity, the different conceptualisation of students' autonomy or different criteria in the evaluation of students' autonomy.

Keywords: *students' autonomy, high school, perception, students, teachers*

CONTENT ANALYSIS OF THE UNIVERSITAS FRONT PAGE ARTICLES

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The paper revolves around a content analysis of front page articles found in the Universitas university paper. The newspaper covers topics related to the University of Split, the University of Zagreb, the University of Zadar, students, professors as well as current national and international topics. The content analysis is carried out on articles featured on a particular issue front page based on the following criteria: subject matter, article genre, geographic extent (local, regional, national and international), article size and editorial features. The aim of the paper is to quantify in both numbers and percentage points the prevalence of news articles according to their subject (education, society, politics, art, sports and others measured in the analysis). Furthermore, the aim is to gain insight into the size of the published articles (small, medium or large), their editorial features (text only or text supplemented with pictures) and the prevailing article genre (news, extended news, report, editorial, feature, interview, employment applications, opinion, announcement). The analysis covers issues published from April 3rd 2009 to December 9th 2019. In total, 121 issues have been analysed.

Keywords: *University newspaper, Universitas, front page, article, content analysis*

STUDENTS AND DEVIANCE: EXPLORING DEVIANT BEHAVIOR IN ACADEMIC ENVIRONMENT

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Deviant behavior, as a form of behavior that violates significant organizational norms, is usually associated with work environment, and connected with various negative work related outcomes on both individual and organizational level. Still, as the literature reveals, academic world is not an exception and different forms of deviance are present among both students and faculty members. Beside theoretical framework, in other to explore the presence of deviance among students, this paper provides results of an empirical research done on a sample of 293 business students. Research was done by using the adjusted instrument for measuring student deviance, and results are analyzed in relation to several demographic (age, gender, work experience) and student specific factors (year of study, type of major study program and grade point average).

Keywords: *deviant behavior, students, academia*

IS LEARNING WITH VIRTUAL TECHNOLOGY STIMULATIVE OR DESTIMULATIVE?

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The goal of the paper is to present the results of the primary research which has been carried out at University of Dubrovnik, Department of Economics and Business and refers to the students' perceptions towards virtual technology (VR) application in learning process. For testing students' attitude the Pine & Gilmore model has been used. According to the Pine and Gilmore model four basic elements have been included in the process of exploring students' attitudes towards virtual technologies, so their perception is classified into four domains, that is in the area of Entertainment, Education, Esthetic and Escapist. Entertainment component referes to the action of occupying a persons' attention agreeably**.** Educational component refers to the consumers' active participation through interactive engagement of one's mind or body. The consumer absorbs and by doing so increases skills and knowledge. Esthetic component referes to the consumers' passive appreciation and does not alter the nature of the environment. The consumer is immersed in or surrounded by the environment. Esthetic experiences entail customer enjoyment of an enriched, unique physical design. The customer enjoys passively appreciating or "just being in a setting" of the business.Escapist element referesto the consumer active participation. He is immersed in an actual or virtual environment. The consumer is been active actor or participant in events or activities. The four experiences vary based on the customer's active or passive participation and on absorption or immersion in the experienceAccording to the results of the primary research which has been carried out in 2020., using the method of personal interview and including the sample of 150 students it is visible that students have positive attitudes towards virtual (VR) and augmented (AR) reality and their implementation in education. There is no significant difference in attitude between students in Erasmus + Mobility Program and students of University of Dubrovnik, Department of Economics and Busines. The research provides the framework for further activities and planning based on virtual tecnology involment.

***Keywords**: Virtual technology, education, attitudes, students, Dubrovnik*

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