

Varazdin Development and Entrepreneurship Agency and  
CIRU – Governance Research and Development Centre  
in cooperation with  
University of Dubrovnik



# Economic and Social Development

110<sup>th</sup> International Scientific Conference on Economic and Social Development -  
"ESG Evolution: Charting the Path to Responsible Governance" (XII. OFEL)

## Book of Abstracts

Editors:

**Darko Tipuric, Antonija Buljan**

**CIRU**

Governance Research and Development Centre

**OFEL**  
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**Darko Tipuric, University of Zagreb, Croatia**  
**Antonija Buljan, University of Zagreb, Croatia**

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**Editors** ■ Darko Tipuric, Antonija Buljan

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## CENTRAL BANK DIGITAL CURRENCY (CBDC) AND DIGITAL EURO

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### **ABSTRACT**

*Present day addiction to modern technologies doesn't only define modern society itself but also its daily lifestyle. Modern technology and the internet are part of almost all daily activities; from basic communication and establishing personal and business relationships, economic transactions, or data (information) storage. Internet and modern technologies have unquestionably raised the standard of living and made the economy, data processing and communication more efficient, while on the other hand, they have opened many questions regarding human rights, especially the right of privacy and personal freedoms, protection from unlawful surveillance, new forms of criminal activities and associations etc. One of the sectors that is likely to benefit most from digital transformation is the international trade and business itself. The choice of adequate financial instrument is also crucial and is closely related to the transaction costs. The main aim of this paper is to investigate and examine this new technology and its impacts on monetary policy and basic human rights by analysing new financial instrument - digital currency, and one of its emerging representatives: central bank digital currency (CBDC) - Digital Euro, that brings new payment method to the international trade and business, while also presents some new challenges for business, government (regulation, control and influence on human behaviour) consumers (privacy protection) and monetary policy.*

**Keywords:** *Central Bank Digital Currency, CBDC, Digital Euro, Distributed Ledger Technology, European Central Bank*

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## MARINA AND DESTINATION IN CONDITIONS OF SOCIALLY RESPONSIBLE BUSINESS ACTIVITIES

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### **ABSTRACT**

*The need for development is constantly present in all social and economic areas. Furthermore, the evolution of thinking focused on achieving better results is continuously examining for and finding new solutions, and in the process, the logic changes and develops. The ancient idea "it cannot be good for me if it is not good for my neighbour" in the sustainable business community has developed a new form known as a socially responsible business. This is not always about business, but also about the wise action of the leadership of the local community, which supports the sustainable development of the environment and creates continuity of cooperation and development. Nautical tourism is extremely important for Croatia, especially marinas, which indirectly or directly influence the development of the destination where they are located. The main research question is: How and under what conditions do the marina's socially responsible operations and the local self-government's socially responsible activities occur on the Croatian coastline? This research will use a local community survey as well as standard statistical and computational methods for data analysis. Furthermore, the results are expected to show a greater degree of socially responsible behaviour related to the local community where the marinas are located. In other words, it can be concluded that the level of evolution of marinas, as high-quality subjects of nautical tourism and tourism in Croatia, significantly contributed to the development of ideas about the need for socially responsible business. In this way, the development of all entities of the local community that are located in the marina environment is encouraged.*

**Keywords:** *high-quality marinas, local community, destination, socially responsible business, development*

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## **STAKEHOLDER THEORY AND CORPORATE SUSTAINABILITY: THE SILENT STAKEHOLDER PROBLEM**

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### **ABSTRACT**

*Stakeholder theory represents a widely used theoretical framework for the study of corporate sustainability. At the same time, the scientific community continuously questions the compatibility of the concept of stakeholders with the concept of sustainability. At the center of this scientific debate is the still unsolved problem of identifying the environment as a stakeholder, within which all the key questions of the compatibility of stakeholder theory and corporate sustainability are sublimated. The fundamental contribution of this overview is in the critical consideration of the compatibility of the stakeholder theory with the concept of corporate sustainability through the prism of the environment as a silent stakeholder. The key conclusion of the paper is that the cohabitation of stakeholder theory and corporate sustainability in the long term looks less and less likely because the operationalization of corporate sustainability requires an approach beyond the stakeholder approach, while the existing stakeholder approach, despite its shortcomings, continues to be used due to its wide acceptance in managerial circles.*

**Keywords:** *stakeholder theory, corporate sustainability*

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## **BUSINESS STRATEGY RISK MANAGEMENT OF MARINAS, CASE OF COVID-19**

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### **ABSTRACT**

*Crisis situations are a fact of dynamic business relationships in which business operations take place. All of this requires changes in management, primarily in the sense of making long-term sustainable crisis-resistant decisions, faster but correct operational decisions, as well as better use of e-technology and education. In the business of Croatian marinas, as a subtype of nautical tourism port, the decisions of the management, as well as the owners, are crucial for business success in times of crisis, such as the COVID-19 pandemic. The COVID-19 pandemic, although it came in waves, caught many off guards, not only entrepreneurs and marina managers, but also states. At the same time, the strategic decisions of the owners and managers of one part of*

*Croatian marinas proved to be resistant to the pandemic, while others showed a high degree of vulnerability. Under these conditions, the reactions of the EU member governments were different when it came to marinas, and through the actions of the governments, significant differences in the macro-national systems of developed countries and countries in transition became apparent. The purpose of this research is to show the differences in the strategies of marinas that contain elements of resistance to crisis situations, such as the COVID-19 pandemic. The research that will be carried out in this paper is focused on the differences between Croatian marinas, that is, management and owners who determine long-term strategies and lay the foundations of risk management. Observed in terms of the macro relationship between the state - marinas, the research will be extended to certain knowledge of the relationship between the German marinas and the state. At the same time, the use of e-technology, specifically SAP capabilities, is a question that this research will answer. The expected results of this research show significant differences between Croatian marinas, in terms of business strategy, the desire for better financial results, and thus an increase in business risk. Also, the comparison between Croatia and Germany shows significant differences arising from macro-national systems as well as the degree of use of e-technology.*

**Keywords:** e-technology COVID-19, marines, state, strategies

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## **EXPLORING THE INTERMEDIARY ROLE OF TOUR GUIDES IN THE DEVELOPMENT OF SUSTAINABLE CULTURAL TOURISM**

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### **ABSTRACT**

*The development of sustainable cultural tourism requires the protection of cultural heritage and integrated management of tourism activities to the benefit of all stakeholders, including entrepreneurs, tourism workers, local communities, governmental authorities and visitors. Identifying environmental, social and governance issues and proposing viable solutions is key to achieving sustainability goals. This paper aims to explore the intermediary role of tour guides in the tourism sector and their contribution to the development of sustainable cultural tourism. Due to their specific position in the overall tourism system, tour guides can act as a link between the various stakeholders they work with. Their primary task is oriented toward fulfilling the needs of visitors. However, it depends on successful coordination with agencies, hosts and local communities as well as adhering to regulations. Exposed to nearly all aspects of cultural tourism, tour guides have insight into the state of affairs in the field and visitors' feedback. Also, they can play an important role in promoting sustainability through activities that raise awareness of destinations' cultural and natural values, foster spending on locally-made products and sustainable use of resources. To obtain insight into licensed tour guides' attitudes toward sustainability, cultural heritage preservation, governance and communication issues, the survey was conducted on 74 respondents working in Croatia. The results indicate that there is room for improvement regarding communication with authorities and travel agencies, the promotion of non-material cultural heritage and environmental protection. The respondents expressed concerns about preserving the authenticity of destinations, overtourism and regulating the tour-guiding profession.*

**Keywords:** cultural tourism, heritage, sustainability, tour guide

## EFFECTIVE LEADERSHIP TRAITS AND STRATEGIES

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### **ABSTRACT**

*The paper explores the importance of leadership, including the range of decisions and responsibilities often faced in such a role, and the kind of traits that makes a leader effective. It considers the fundamental questions of who should lead, and why, as well as strategies for success that are recommended by governing bodies in such sectors as the military establishment, government, academic environment, as well as private enterprise. The research identifies key elements of effective leadership as well as the actions in which strong leaders engage. Through this exploration of the research, we can formulate new ways of promoting our governing bodies and identify tried and true characteristics and skills that help to form effective leaders. While there are natural born leaders, many institutions promote based on seniority, or on an individual's success in their current (non leadership) role. It is suggested that decisions determining who is chosen to be in governance should be made as part of an intentional, thoughtful process rather than as a promotion due to longevity in a position. For example, while university presidents, provosts, and academic deans are selected through a national or international search, department chairs are often filled internally, by existing faculty members. The role of chair is typically not a coveted one, in which faculty are excited to fill and motivated to earn, it is often a dreaded task to be avoided. The faculty member chosen for this important role, then, is often not necessarily the most qualified or appropriate individual. While the chair position is a good opportunity to develop leadership experience, it requires support and training, which is often lacking at this level. Universities have occasion to nurture future leaders through a more structured vetting process and thoughtful succession planning.*

**Keywords:** *Governance, Leadership, Leadership traits*

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## THE IMPACT OF ARTIFICIAL INTELLIGENCE AND OF THE #DEINFLUENCING TREND ON INFLUENCER MARKETING

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### **ABSTRACT**

*New generations use social media to inform themselves. Numerous influencers have recognized this trend and use their influence to promote their goods and services. Research has shown that customers believe influencers' recommendations because they appreciate them and want to imitate them. Various research also shows the development and growth of the social media marketplace and of influencer marketing. The return on investment of influencer marketing pushes companies to find the "right person" who could represent their brand values and the*

*target group. Artificial intelligence (AI) is changing commerce and enabling automated tracking of customer satisfaction, trend predictions and it can create content for numerous promotions on social media. Artificial intelligence helps in finding the “right person” (influencer) for the targeted customers of a brand and creates relevant content on social media. AI can also create virtual influencers who already have millions of followers on social media. The most recent trend in influencer marketing is #deinfluencing, which started on the social media platform TikTok in 2023. #Deinfluencing denotes giving reviews of products which customers should avoid. Numerous researchers also shown positive trends and growth of influencer marketing in the world. The aim of this research is to explain influencer marketing, the impact of artificial intelligence and of the #deinfluencing trend on influencer marketing. Based on the available literature and previous research, this paper will elaborate on influencer marketing, as well as the impact of artificial intelligence and the #deinfluencing trend on influencer marketing.*

**Keywords:** *social media, influencer marketing, artificial intelligence, #deinfluencing*

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## **SDGS IN SUSTAINABILITY REPORTS OF TOURISM COMPANIES IN CROATIA**

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### **ABSTRACT**

*The need for sustainability application in practice has been growing in importance for years now. Sustainability should be seen as a norm to be applied to various areas of activities and business. Out of the stakeholders relevant to tourism, this paper will research tourism companies in Croatia. In 2024, the Corporate sustainability reporting Directive (CSRD Directive) comes into force, and according to it all large companies, and small and medium sized companies that are public interest entities will have the obligation to prepare and disclose corporate sustainability report in upcoming years. However, reports in adherence to the new Directive will be published from 2025 and referenced on the year 2024. Until then, the provisions of Non-financial reporting Directive (NFRD) applies, according to which only large companies with more than 500 employees that are also public interest entities are obligated to prepare and disclose non-financial report containing sustainability information. The focus of the research will be the sustainable development goals (SDGs) disclosure by tourism companies in Croatia, as SDGs can be an integral part of sustainability reports. Considering*

*the potential impact of tourism sector on environment and society, the goal of this paper is to research more in-depth which Croatian tourism companies provide information about SDGs within their sustainability reports and which information they mostly frequently disclose. The results have shown that only a few companies inform the public if their sustainability agenda is in line with SDGs. The main implication of this paper is to contribute to the importance of considering SDGs by tourism sector companies and about sustainability reporting of those companies in general. As for the practical implications of the research, those are reflected in encouraging tourism companies to systematically include SDGs into their business, thus impacting the operation of other stakeholders and consequently benefiting the destination they operate in.*

**Keywords:** *sustainable tourism, SDGs, tourism companies, sustainability reporting, Croatia*

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## **THE IMPORTANCE OF SOFT SKILLS DEVELOPMENT IN BUSINESS ORGANISATION**

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### **ABSTRACT**

*To be successful in a contemporary competitive and dynamic environment, employees must develop and continuously improve their skills, especially soft ones. While hard skills are vital for performing tasks, soft skills are essential for effectively interacting with others and navigating various situations. Increased importance of soft skills is encouraged by development of new ways of work organisation and increasing presence of customers in business processes. To raise work efficiency, the organisation must provide its employees with training and development programs designed specifically to encourage and develop soft skills, which complement technical abilities and often are the ones defining the successful professionals and distinguish him/her from others. These skills are necessary for professional development, effective teamwork, leadership, and handling different aspects of work. This paper analyses data collected through a questionnaire conducted in three countries of the European Union (Italy, Latvia, and Croatia), on a sample of 80 managers. Survey was designed to examine what soft skills firms require and which ones from those employees lack, as well as to investigate whether companies offer training to improve and develop soft skills among employees. The research confirms the importance of soft skills, especially critical thinking, emotional intelligence, creativity, and complex problem solving. Although the majority of examinees admit the importance of soft skills of their workers, there is a large lack of training programmes or any kind of organised activities for their development.*

**Keywords:** *business organisation, soft skills, formal training*

## ESG'S INFLUENCE ON BOARD MEMBERS AND THEIR EVOLVING DUTIES

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### **ABSTRACT**

*Growing concerns about sustainability have catapulted corporate ESG (environmental, social and governance) duties and responsibilities into the spotlight. In this paper, authors will examine the interplay between corporate governance, ESG matters and their effect on decision-making process in companies. Corporate governance extends beyond its role as the "G" pillar in ESG, becoming instrumental in shaping, implementing, and overseeing decisions related to sustainability issues. Corporations must consider the full extent of their environmental footprint. Defining new balanced approach between environment, workforce, consumers and community becomes Board members most significant assignment and duties. Strengthening duty of care and related ESG factors are increasingly being incorporated into company's documentation and core values, to become woven into corporate culture. Recent European law practice opened director's responsibilities for ESG matters, such as Dutch Shell, RWE, BNP Paribas etc. Considering their responsibilities towards community and environmental issues, such as necessary measures to reduce CO2 emissions, harder and faster than the board was currently planning. Behind each breach of a company's environmental or social commitments lies ineffective corporate governance. By their new trend in ruling, courts entered governance decision-making process, and have ruled on board member's obligation to improve company's strategy and plan for cutting carbon emissions. The interaction is multi-faceted, involving both investors and investee companies. A pivotal concept explored is the ESG cascade effect, illustrating how companies, through ESG-oriented decisions, can systematically influence others, including investors, investee companies, and their broader supply chain and community. This analysis contributes to understanding the structural and reciprocal nature of corporate governance's involvement in the ESG regulatory framework.*

**Keywords:** *Board members duties and responsibilities, Corporate governance, Duty of care, ESG, low-carbon economy*

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## THE MAGNITUDE AND PERSISTENCE OF POVERTY AMONG CHILDREN AND FAMILIES WITH CHILDREN IN ROMANIA

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### **ABSTRACT**

*Poverty has always been a real concern and challenge, experiencing significant increases over time. Even if some important decreases were manifested especially in recent years, it was not fully absorbed by the processes of appropriate economic and social developments. Along with the increasing of poverty and its severe and extreme forms, the placement of some segments of the population in the sphere of these social risks has led to continuous vulnerabilities and challenges. Among the groups most affected by poverty and social exclusion on a national level, there were mainly children and families with dependent children who, even if their contingents have decreased compared to the previous decade, remain at high values for year 2022, despite national and local strategies aimed directly or indirectly at reducing poverty. For this reason, it is particularly important to constantly monitor the pulse of poverty, especially where it affects a large mass of the population. In this sense, the high incidence of poverty among children and young people in Romania is well known, since these segments have always been and are still currently the most affected by poverty and social exclusion risks. Considering both the magnitude and the persistence of poverty, which left their mark most significantly compared to other categories of the population (adults or elderly), the incidence among them exceeds the values recorded even at the total population level. This paper aims to create a concise picture of poverty among vulnerable children and families with children and how the magnitude and persistence of poverty have affected their quality of life. The dynamic analyses and the amplitude of juvenile poverty will show how much children are affected, aspects that constitute alarm signals regarding the strategic targets drawn on the horizon of 2027 / 2030 regarding poverty alleviation, the increase of social inclusion and the quality of life, but especially among children and families with dependent children.*

**Keywords:** *Children and Families with Dependent Children, Magnitude and Persistence of Poverty, Poverty Risk and Incidences, Social Indicators in Dynamics*

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## THE ATTITUDE OF THE POPULATION OF ECONOMIC SUSTAINABLE TOURISM DEVELOPMENT TOWARDS DESTINATION BRAND LOYALTY

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### **ABSTRACT**

*In the literature, authors pay special attention to the attitudes of the local population towards tourism and how they perceive the attitudes of sustainable tourism, tourists and tourism in general. Sustainable tourism development enables perceived economic benefits by ensuring a fair distribution of socio-economic benefits to the local population. In the tourist destination, the development of tourism was carried by the local population, which strives to build the brand of the destination and achieve an increasing number of overnight stays. Destinations that successfully integrate sustainability into their operations are often perceived as responsible and environmentally conscious, which serves as a competitive advantage for attracting tourists. The aim of the research is to examine the local population's perception of sustainable tourism development from the economic aspect and loyalty to the city where they live. Destinations that systematically promote sustainability contribute to building a tourist destination brand. The research used a google forms survey, and the SPSS program was used for the research results. The results of the research indicate how much the local population feels a relationship with the brand of the destination where they live, they will support measures that ensure the sustainability of the tourism industry and they will be more loyal to the destination.*

**Keywords:** *loyalty, perceived economic benefits, sustainable tourism development, tourism destination brand*

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## HOW TO PUSH OIL & GAS COMPANIES TO REALISE CLIMATE CHANGE MITIGATION AND LEADING THE SECTOR TOWARDS SUSTAINABLE MARKET TRANSFORMATION?

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*The paper provides an analysis on the modalities that are most influential in bringing about changes in corporate behavior in the Oil & Gas sector related to corporate climate change mitigation. Insights will be discussed whether and how the Oil & Gas sector is realizing a sustainable market transition. Sustainable market transformations are key to creating long-term sustainable development. Markets are embedded in complex socio-economic and socio-technical systems and can move from unsustainable to more sustainable. Simons and Nijhof (2022) introduced their ‘Sustainable Market Transformation Framework’ to reveal how transformations develop through different phases. Changes in the market can be triggered due to several reasons and at different levels, for example new normative measures, innovations, or a changing discourse of what is right or wrong. The dynamics of the phases can be modified via a chain of causal connections. We apply the SMT theory to the Oil & Gas sector in Europe as this sector is among the high-risk sectors as identified by the Taskforce on Climate-related Financial Disclosures (TCFD). Our units of analysis regard five Oil & Gas companies operating in Europe of which we have collected and analyzed publicly disclosed data in the period 2017-2022 (book years 2016-2021), that reflect their ambitions and activities after the 2015 Paris Agreement. To systematically analyze the changes in each company’s behavior, and the motivation therefore, we employ Lessig’s Modalities theory (1998). Lessig identifies four regulators—law, market, norm, and architecture—that influence behavior of individuals and organizations. The research findings can provide guidance to governments, companies, and civil society for real-world sustainable market transformations. Also, they deepen the conceptual understanding of the SMTF-theory by developing a research protocol that can be used by other researchers to examine other (high-risk) sectors and markets and/or the same sector over time.*

**Keywords:** *Sustainable Market Transformation Framework (SMTF), Lessig’s Modalities theory, Oil & Gas Sector*

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## THE IMPACT OF ARTIFICIAL INTELLIGENCE ON ORGANIZATIONAL STRUCTURE TRENDS ANALYSIS AND IMPLICATIONS

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### **ABSTRACT**

*This paper explores the evolution and impact of artificial intelligence (AI) on contemporary business, from its inception to the present day, highlighting key milestones in development and a wide range of applications across various industrial sectors. Through an analysis of literary sources, theoretical considerations, and recent research, the paper demonstrates how AI transforms business processes, decision-making, innovation, and organizational structures, emphasizing its ubiquity and impact on efficiency, cost reduction, and the creation of new market opportunities. Concurrently, the paper addresses the challenges accompanying the implementation of AI, including ethical issues, privacy, data security, and the need for qualified professionals. Using a survey conducted among managers as an example, the paper provides insights into perceptions and attitudes towards the application of AI in business, showing general optimism towards the positive changes AI can bring, along with existing concerns about potential job losses and security risks. The research indicates widespread support for integrating AI into business processes, highlighting the need for ethical and responsible application. In conclusion, AI is identified as a key driver of change in the business world, with the potential to enable organizations to become more efficient, innovative, and competitive. Future progress and application of AI require responsible management and continuous adaptation of business strategies to maximize its benefits while minimizing potential risks and challenges. The paper emphasizes the importance of a balanced approach to integrating and regulating AI technologies as crucial for building a sustainable future in which AI serves the good of society.*

**Keywords:** *Ethical Issues, Innovations, Organizational Culture, Organizational Structure, Business Process, Artificial Intelligence*

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## **ORGANIZATIONAL CHANGE IN CULTURAL CONTEXT: EMPLOYEE PARTICIPATION**

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### **ABSTRACT**

*In the modern business environment, changes in the organization are not a matter of choice but imperative. However, we have witnessed that a large proportion of changes in organizations do not achieve the desired goal. The causes of failure are various, however, in scientific circles, the unwillingness of employees to accept changes is the most discussed. Is that always the case? Are employees even given the chance to participate in the preparation and implementation of the change? The aim of this paper is to investigate to what extent employees in Croatian companies participate in change projects in their organizations, is this participation different in private and public sector, does length of employment affect level of participation and does continuous change predict level of participation. For this purpose, a survey was conducted, which included employees of public and private companies in the Republic of Croatia. The obtained data were analysed using non-parametric statistics, which included descriptive statistics, correlation, and regression. The results of the research showed that employees are regularly informed about the upcoming change, understand the reasons for the change and the goals they want to achieve with it. On the other hand, there is a lack of active employee participation which is reflected in the fact that they are not expected to take a stance on concrete change, let alone an activity aimed at improving business. Furthermore, employees in private companies enjoy a higher level of participation than employees in public companies. Continuous changes are related to the high level of participation. The length of employment does not affect the level of participation.*

**Keywords:** *Organizational change, Employee participation, Continuous change, Croatia*

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## **ARTIFICIAL INTELLIGENCE'S POTENTIAL IN ENHANCING HOSPITAL PERFORMANCE**

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### **ABSTRACT**

*Artificial intelligence (AI) has emerged as a powerful tool with the potential to significantly improve hospital performance, including economic indicators. This review explores various ways AI can contribute to increased revenue, reduced costs, improved resource utilization, and enhanced financial health. Real-world examples showcase its application in revenue optimization, cost reduction, efficiency management, and financial solvency. However,*

*attributing specific numerical results solely to AI implementations is challenging due to complex integrations, multifaceted performance measures, and variations in study designs. While concrete examples from Croatia are currently limited, the growing interest in AI within the Croatian government and academic research suggests future potential for its widespread adoption and impact on hospital performance in the country. As the field evolves, further research and transparency can solidify AI's role in revolutionizing healthcare economics.*

**Keywords:** *Artificial Intelligence, Cost Reduction, Economic Indicators, Hospital Performance, Revenue Optimization*

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## **GENERATION Z: IMPACTS OF CONSUMER ETHNOCENTRISM AND PLACE ATTACHMENT ON PURCHASE INTENTION**

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### **ABSTRACT**

*Globalisation and mobility allow access to a wide range of domestic and foreign products, which has changed consumer perceptions and plays an important role in shaping the purchasing habits and intentions of global consumers. As a result of globalisation, consumer ethnocentrism appears to be one of the main factors that can influence consumer perceptions and purchasing intentions towards domestic and foreign products. Therefore, it is necessary to develop a better understanding of the factors that influence consumers' intentions and perceptions towards domestic products, especially among Generation Z. The main objective of this thesis is to examine the relationship between place attachment, consumer ethnocentrism and purchase intention in relation to respondents' gender, place of study and attitude towards religion. To achieve the main objective of this thesis, an empirical study was conducted with a random sample consisting of Generation Z members. Structural equation modelling was applied to examine which dimensions have an important influence on consumers' ethnocentrism and to explore whether there are some dimensions that have a great influence on Generation Z's purchase intentions. The results of this study contribute to the theoretical background of the literature on consumer ethnocentrism and also provide an empirical contribution for marketers to adapt their strategy for Generation Z buying behaviour.*

**Keywords:** *Consumer ethnocentrism, Generation Z, Place attachment, Purchase intention*

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## ORGANIZATIONAL CULTURE IN PRIVATE EDUCATION

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### **ABSTRACT**

*Organizational culture as an integral part of the environment with the most significant influence on the individual and the organization as a whole implies an education system that should participate in the development of society in an economically coordinated manner. From the aspect of psychological impact, it is important to emphasize the psychological climate, that is, the individuality of employees in the process of giving meaning to their work, colleagues, superiors, salary, opportunities for advancement, and similar. The psychological climate is a direct consequence of the employee's value system and affects the determination of the relevance of certain values in the work environment. Education is a key determinant of an individual's employability and skill set, which directly affects his ability to access the labor market and advance in it. The interdependence of organizational culture and private education should develop in the long term in the direction of increasing students' competencies in terms of acquiring professional knowledge and critical thinking skills to meet the growing demands of various industries and professions, but also to build their psychological foundations. Since the labor market, as a constantly changing variable, poses increasingly complex challenges for the education category, but also the complete profile of a potential employee, it is a challenge for higher education institutions that requires a change of approach. This also means that the emphasis on existing approaches to education and internal organization should be modified. A different approach to human resources and supporting a positive organizational culture can answer such challenges. Such a process is not simple but requires an interactive relationship of several factors. The arguments presented in the paper are the result of observations, research at the table, analysis methods, and comparison.*

**Keywords:** *human resources, labor market, organizational culture, private/public education, psychological climate*

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## **NATURE AS A STAKEHOLDER - INCLUDING NATURE IN CORPORATE GOVERNANCE PRACTICES TO MEET THE EU CORPORATE SUSTAINABILITY REPORTING DIRECTIVE**

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### **ABSTRACT**

*As set out in multiple reports, among others, by the Taskforce on Nature-related Financial Disclosures and the WWF Living Planet Reports, corporate activities impact the state of Nature everywhere in the world. The Planetary Boundaries, developed by the Stockholm Resilience Centre, indicate the boundaries for a safe operating space for humanity. Currently, 6 out of 9 boundaries have been transgressed: biosphere, freshwater change, land-system change, climate change, biochemical flows (phosphate and nitrogen), and novel entities. The EU Corporate Sustainability Reporting Directive (CSRD) requires that companies report on how their 'business model and strategy take account of the interests of [their] stakeholders ...'. Considering the rapid rate of environmental change and rising environmental crises, Nature is to be acknowledged as a stakeholder in business. Frontrunning companies are exploring ways in which to incorporate Nature as a stakeholder in their governance structures. The paper analyses the role of Nature as a stakeholder in corporate practice and identifies various ways in which Nature can participate in corporate governance and in corporate decision-making processes. For the analysis, legal studies were conducted in several European jurisdictions to identify legal options to give Nature a voice. Additionally, by conducting qualitative research, through interviews, best practices were explored and categorised of companies that have structurally included Nature as a stakeholder in their governance structures. Based on the findings, a taxonomy was developed as well as a toolkit for implementing innovative Nature-inclusive governance models. Both are presented in this paper.*

**Keywords:** *corporate governance, stakeholders, CSRD, Nature, environment, Onboarding Nature Toolkit*

## PERSONAL STRATEGIES AS THE BASIS OF DIFFERENTIATION ON THE LABOR MARKET

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### **ABSTRACT**

*Personal strategies as the basis of differentiation represent a current, but insufficiently unified and researched field of personal management. Increasingly intense competition on the labor market has given rise to the need to develop personal strategies for individuals on the labor market in order to stand out more easily and achieve their desired careers. The aim of this paper is to describe the functioning of the labor market and the selection process, and to identify the best elements of the differentiation strategy by which individuals stand out best through the stages of the selection process on the labor market. The research was conducted among the student population to gather information about the elements of the differentiation strategy used by students and which elements they think are the most useful. In order to differentiate themselves on the labor market, students engage in activities that nurture their strengths or correct their shortcomings. However, due to the nature of the selection process, it is important that these activities are relevant to the desired position, credibly certified by a certificate or certificate, and that they are visible in the resume as the first step of the selection process. The paper identified some of the fundamental activities that make up the elements of the differentiation strategy on the labor market such as: volunteering and working in the profession, having a knowledge certificate, participating in the work of student associations, volunteering and working outside the profession, success at the university, enrollment in a postgraduate study as well as open and optimized profile on the social network.*

**Keywords:** *diferentiation, labor market, selection process, personal strategy*

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## UNLOCKING LONG-TERM VALUE: EXPLORING THE DYNAMICS OF ESG PRACTICES IN CORPORATE SUSTAINABILITY

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### ABSTRACT

*This paper delves into the intricate relationship between Environmental, Social, and Corporate Governance (ESG) practices and their impact on value creation within companies. The primary objective is to substantiate the argument that companies emphasizing ESG factors are predisposed to generate enduring value for their stakeholders. The paper aims to explore the challenges associated with implementing ESG strategies and propose recommendations for overcoming these challenges. The research methodology involves a twofold approach. First, an in-depth analysis of internal data from a prominent publicly listed Fast-Moving Consumer Goods (FMCG) company was conducted. Second, comprehensive interviews were carried out with key stakeholders, encompassing employees, customers, investors, and regulators. The study reveals a comprehensive framework outlining five pivotal ways in which ESG practices contribute to value creation within companies. These include:*

- *Facilitating top-line growth by seizing new business opportunities and revenue streams through innovative products addressing environmental and social challenges.*
- *Reducing costs through enhanced operational efficiency, waste reduction, and minimizing regulatory and legal interventions.*
- *Minimizing regulatory and legal interventions, thus averting costly and time-consuming challenges.*
- *Increasing employee productivity by fostering a positive work environment, promoting well-being, and consequently enhancing satisfaction and output.*
- *Optimizing investment and capital expenditures, as companies prioritizing ESG factors tend to make strategic decisions that yield long-term value for stakeholders.*

**Keywords:** *ESG (Environmental, Social, and Corporate Governance), value creation, stakeholder engagement, sustainable business practices and corporate sustainability, employee productivity and talent attraction, long-term value*

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## **IGNORING DIVERSITY IN CRISIS COMMUNICATION ON SOCIAL NETWORKS: THE CASE STUDY OF ORLJAVA D.O.O.**

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### **ABSTRACT**

*Introduction: In the contemporary era of technological digitalisation, social networks have become integral to media communication, rendering their absence inconceivable. Consequently, their position assumes critical significance in achieving a company's success. Social networks facilitate the expeditious and effortless dissemination of messages to many persons and entities. In contemporary society, the advent of social networks has significantly expedited and simplified the process of communication. Diversity in crisis communication refers to including various perspectives, voices, and cultural backgrounds in the crisis communication process. The methodology employed in this study involves a systematic approach to data collection and analysis. This study employs a case study methodology to elucidate the crisis and communication carelessness exhibited by Orłjava d.o.o., a famous textile factory in Croatia. This study examines the factors contributing to the financial decline of the corporation and explores crisis communication strategies with a particular focus on utilising social networks. The analysis offers valuable insights into the intricate processes that contributed to the bankruptcy of Orłjava d.o.o., highlighting the importance of implementing robust crisis communication techniques within organisational environments. Orłjava's bankruptcy highlights notable crisis communication and planning challenges among critical stakeholders, including government and top management. The Government of the Republic of Croatia's lack of responsiveness and withholding of crucial information further intensified employee tension. The absence of effective communication from top management resulted in employee dissatisfaction, while the government's reckless actions further exacerbated the problem. The company needed more engagement on social media sites, while the government's limited involvement could have helped to resolve the situation efficiently. This case study's findings highlight the significance of public awareness regarding corporate crises and the key stakeholders' involvement. The validity of crisis management's beliefs in formulating a crisis communication strategy and swiftly disseminating information to the public has been confirmed. This is particularly relevant when the situation diverges from the intended course and the company's future is still being determined.*

**Keywords:** *social networks, diversity, crisis communication*

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## **BEYOND THE BALANCE SHEET: UNCOVERING ESG CONCEPTS IN CONSTRUCTION COMPANIES THROUGH ANALYSIS AND EVALUATION OF NON-FINANCIAL REPORTS**

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### **ABSTRACT**

*The construction industry is well-known as a traditional sector that is slow to adopt new trends, particularly when it comes to managing construction companies. This was primarily caused by the industry's characteristics and market conditions. Large construction companies play a significant role in developing and implementing new and modern management practices. Since implementing a new environmental, social, and governance (ESG) concept has become a hot topic in recent years, it is appropriate to look into the role of construction companies in achieving ESG goals. The European Corporate Sustainability Reporting Directive (CSRD) has resulted in numerous changes in business practices, including those of construction companies. Given the construction sector's significant influence in climate change and environmental protection, previous practice has shown that construction companies contribute the most to the environmental goals. However, the new European Sustainability Reporting Standards (ESRS) identify other important topics that construction companies may need to consider, such as their own workforce or management transparency. This paper investigates how Croatian construction companies report on ESG practices, how familiar they are with the new directive and standards, and what the biggest challenges and opportunities for them are. The findings of this paper will provide guidance for future steps to improve construction sector development in terms of non-financial reporting and readiness to implement ESG strategies.*

**Keywords:** *ESG concept, construction industry, construction companies, non-financial reporting, ESG strategies*

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## **BEYOND STEREOTYPES: THE CASE OF NEW IMMIGRANT ENTREPRENEURS IN CROATIA**

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### **ABSTRACT**

*This paper portrays the underappreciated benefits of immigrant entrepreneurship in Croatia, emphasizing their role as creators of employment and drivers of innovation. Immigrant entrepreneurs catalyse positive 'spillover effects' for native businesses and enhance local tourism. The removal of prevalent business obstacles faced by foreign entrepreneurs is expected to bolster both local entrepreneurs and digital nomads seeking prolonged residency in Croatia. Additionally, native business owners stand to gain significantly from their foreign counterparts, acquiring strategies for resilience and resourcefulness, particularly beneficial during the ongoing phase of sustained economic and societal challenges, referred to as the 'extended new normal'. By identifying the lessons learned from the cases of new immigrant entrepreneurs in Croatia, this study contributes to a burgeoning global literature on immigrant entrepreneurship and still scarce academic coverage of immigrant entrepreneurship in Croatia.*

**Keywords:** *entrepreneurship, drivers of innovation, immigrant entrepreneurs*

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## **SUSTAINABILITY TRANSPARENCY AS A LONG-TERM BUSINESS STRATEGY FOR HOTELIERS**

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### **ABSTRACT**

*Sustainability has become an integral component of hoteliers' business models and strategies, driven by the recognition that incorporating sustainable practices offers a competitive advantage in the market. Modern guests increasingly value sustainability and are inclined to patronize hotels that prioritize environmental responsibility, fostering guest loyalty and return*

*visits. Regulatory measures are aligning with this trend, emphasizing transparency and standardization in sustainability reporting to combat greenwashing. Consequently, a growing number of hotels are producing sustainability reports to demonstrate their commitment to sustainable practices. This paper assesses the compliance of non-financial sustainability reports from hoteliers in Croatia listed on the Zagreb Stock Exchange with regulatory requirements and the content of these reports. Through this analysis, insights are gleaned into the extent to which hotels have integrated sustainability into their operations and their potential contributions to broader sustainability goals. Additionally, a comprehensive review of domestic and international professional literature in sustainability is provided, along with an examination of forthcoming regulatory changes in the field. While some hotels view the preparation of non-financial reports as an additional cost, others recognize the strategic importance of sustainability and the potential for growth and risk reduction it offers. Environmental, social, and governance (ESG) considerations are emerging as focal points for sustainable development, necessitating a holistic approach from hotel management and employees to foster a sustainable corporate culture. Embedding sustainability into long-term business models and strategies is thus imperative for the continued success of hotels. Limitations of the research include the relatively small number of hotels obligated to produce non-financial reports, the recent introduction of reporting requirements since 2018, and the lack of standardization in report content and format. Furthermore, some hotels subject to reporting obligations fail to fully comply with legal provisions, hindering meaningful comparisons. This paper underscores the intertwined relationship between tourism and climate change, emphasizing the importance of developing sustainable business models and strategies for hoteliers. By offering insights into the current state and emerging trends in sustainability reporting among hoteliers, both within Croatia and on a broader scale, this study contributes to advancing understanding in the field.*

**Keywords:** *sustainability, tourism, climate change, ESG, CSRD*

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## **EXPLORING THE IMPACT OF TEAM CHARACTERISTICS AND TWITTER ACTIVITIES ON THE SUCCESS OF INITIAL COIN OFFERINGS (ICOS): AN EMPIRICAL ANALYSIS**

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### **ABSTRACT**

*Since their inception in 2013, Initial Coin Offerings (ICOs) have empowered individuals and businesses to secure funding by harnessing the revolutionary potential of blockchain technology. Nevertheless, launching an ICO encounters significant difficulties in consistently capturing the interest of investors. This study aims to investigate the determinants of the success of such operations by considering a sample of 320 ended ICO projects published on the ICO Drops website between the beginning of 2021 and the end of 2022. The analysis follows a two-fold perspective: the study firstly intends to analyze the role of team characteristics in obtaining*

*funds to finance a project and secondly, the influence of Twitter activities on the success of ICOs, given the high use of this social network as an information platform for investors. Considering the characteristics of the team, the results show the negative influence of a higher number of members and the positive influence of the presence of women within the team. Considering Twitter activities, the results show the positive impact of the number of followers on the success of ICOs. Hence, findings highlight the relevance of female presence in the team, contributing to a more inclusive organizational and decision-making climate. Findings also reveal the importance of attracting as many Twitter followers as possible, showing that social tools could represent a determinant of positive signals to investors.*

**Keywords:** *Blockchain, Initial Coin Offering, Success, Team characteristics, Twitter*

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