



26th EBES CONFERENCE - PRAGUE

PROGRAM AND ABSTRACT BOOK

OCTOBER 24-26, 2018
PRAGUE, CZECH REPUBLIC

HOSTED BY



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AND ADMINISTRATION

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EBES - Eurasia Business and Economics Society

It is my pleasure to mention that 2018 is our 10th anniversary of *EBES* which was established with a vision of inspiring collaboration among academicians around the world. *EBES* is a scholarly association for scholars involved in the practice and study of economics, finance, and business worldwide. *EBES* was founded in 2008 with the purpose of not only promoting academic research in the field of business and economics, but also encouraging the intellectual development of scholars. In spite of the term “Eurasia”, the scope should be understood in its broadest term as having a global emphasis.



EBES aims to bring worldwide researchers and professionals together through organizing conferences and publishing academic journals and increase economics, finance, and business knowledge through academic discussions. Any scholar or professional interested in economics, finance, and business is welcome to attend *EBES* conferences. Since our first conference in 2009, around 10,510 colleagues from 97 countries have joined our conferences and 6,035 academic papers have been presented. *EBES* has reached 1,933 members from 84 countries.

Since 2011, *EBES* has been publishing two academic journals which are both indexed in **Scopus** and **Emerging Sources Citation Index**. One of those journals, **Eurasian Business Review - EABR**, is in the fields of industrial organization, innovation and management science, and the other one, **Eurasian Economic Review - EAER**, is in the fields of applied macroeconomics and finance. *Eurasian Economic Review* is published thrice a year and *Eurasian Business Review* is published quarterly and they have been published by **Springer** since 2014.

Furthermore, since 2014 Springer has started to publish a new conference proceedings series (**Eurasian Studies in Business and Economics**) which includes selected papers from the *EBES* conferences. The 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th and 19th *EBES* Conference Proceedings have already been accepted for inclusion in the **Conference Proceedings Citation Index - Social Science & Humanities (CPCI-SSH)**. The 18th, 20th and subsequent conference proceedings are in progress.

On behalf of the *EBES* officers, I sincerely thank you for your participation and look forward to seeing you at our future conferences. With your continued support *EBES* will remain at the forefront of finance and economics fields and we very much look forward to the next 10 years.

In order to improve our future conferences, we welcome your comments and suggestions. Our success is only possible with your valuable feedback and support.

I hope you enjoy the conference and Prague.

With my very best wishes,

Jonathan Batten, PhD
President

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- **John Rust**, *Georgetown University*, U.S.A.
- **Marco Vivarelli**, *Università Cattolica del Sacro Cuore*, Italy
- **Klaus F. Zimmermann**, *UNU-MERIT, Maastricht University*, The Netherlands

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- **Wing-Keung Wong**, Department of Finance, *Asia University*, Taiwan
- **Naoyuki Yoshino**, Faculty of Economics, *Keio University*, Japan

Welcome to the 26th EBES Conference - Prague

We are excited to organize our 26th conference on October 24th, 25th, and 26th, 2018 at the *University of Finance and Administration in Prague, Czech Republic* with the support of the *Istanbul Economic Research Association*. We are honored to have received top-tier papers from distinguished scholars from all over the world. We regret that we were unable to accept more papers. In the conference, 238 papers will be presented and 439 colleagues from 46 countries will attend the conference.



We are pleased to announce that distinguished colleagues **Jonathan Batten** from the *University Utara Malaysia, Malaysia*, **Peter G. Szilagyi** from *Central European University, Hungary*, and **Roman Mentlík** from *University of Finance and Administration* in Czech Republic will join the conference as keynote speakers.

Throughout the years, EBES conferences have been an intellectual hub for academic discussion. Participants have found an excellent opportunity for presenting new research, exchanging information and discussing current issues. We believe that our future conferences will improve further the development of knowledge in our fields. In addition, based on the contribution of the paper to the field, the *EBES Award Committee* has selected one of the papers for the *Best Paper Award*. The *Best Paper Award* winner will be announced during the conference.

On behalf of EBES, I would like to thank to the *University of Finance and Administration* for their hospitality and our sponsor *Istanbul Economic Research Association*, all presenters, participants, board members, and keynote speakers.

I am looking forward to meeting you in person in Prague and seeing you all again at the upcoming EBES conferences.

Best regards,

Ender Demir, PhD
Conference Coordinator

SCIENTIFIC COMMITTEE

- **Sagi Akron**, *University of Haifa*, Israel
- **Hasan Fehmi Baklaci**, *Izmir University of Economics*, Turkey
- **Adam P. Balcerzak**, *Nicolaus Copernicus University*, Poland
- **Marco Bisogno**, *University of Salerno*, Italy
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- **Tipparat Laohavichien**, *Kasetsart University*, Thailand
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- **Roman Mentlik**, *University of Finance and Administration*, Czech Republic
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- **Manuela Tvaronavičienė**, *Vilnius Gediminas Technical University*, Lithuania
- **Sofia de Sousa Vale**, *ISCTE Business School*, Portugal

KEYNOTE SPEAKERS

Jonathan Batten is professor of finance and CIMB-UUM Chair in Banking and Finance at *the School of Economics, Finance and Banking at the University Utara Malaysia, Malaysia*. Prior to this position, he worked at *the Monash University, Australia, Hong Kong University of Science and Technology, Hong Kong, and Seoul National University, Korea*. He is a well-known academician who has published articles in many of the leading economics and finance journals and currently serves as the Editor of *Emerging Markets Review (SSCI)*, *Journal of International Financial Markets, Institutions & Money (SSCI)*, and *Finance Research Letters (SSCI)*. He is currently the President of EBES. His current research interests include: Financial market development and risk management; spread modelling arbitrage and market integration; and the investigation of the non-linear dynamics of financial prices.



Peter G. Szilagyi is an Associate Professor of Finance and Director of the MSc in Finance at *CEU Business School in Central European University, Hungary*. He maintains a fellowship at *Judge Business School, University of Cambridge*, where he served in 2007-2014. He has been an external fixed-income consultant to *the World Bank and the Asian Development Bank*. His research interests include corporate finance, corporate governance, international finance, and law and economics. His researches are published in journals such as *Journal of International Finance Markets, Institutions & Money*; *Emerging Markets Review*; *Journal of Corporate Finance*; *European Financial Management*; and *Quantitative Finance*. Furthermore, he is the Editor of Elsevier's *Journal of Multinational Financial Management (SSCI)*, and Subject Editor of *Emerging Markets Review (SSCI)* and *the Journal of International Financial Markets, Institutions & Money (SSCI)*. He holds a PhD in Finance from *Tilburg University*.



Roman Mentlík is a senior executive with more than 25 years of experience, both at strategic and operational levels, with strong track record in developing, driving and managing business improvement and development, change management and turn-around (subordinated staff up to 350 people). He managed international teams in multicultural environment across Central and Eastern Europe. He got extensive experience with working across different cultures and in dynamically changing political and economic environments as well as company structures (both private to public). He has broad experience in financial industry (retail - eBanka, corporate - Česká spořitelna, treasury/investment banking - Komerční banka, WestLB) and also in IT and consulting industry (Associate Partner-IBM, Managing director-Logica CEE). Furthermore, he has been teaching and since 2016, he has been acting as a Vice-rector for International Relations at *University of Finance and Administration in Prague*.



PUBLICATION OPPORTUNITIES

After the conference, participants can submit their papers to:

- **The EBES journals (*Eurasian Business Review - EABR* and *Eurasian Economic Review - EAER*).** EBES journals are published by Springer and indexed in the SCOPUS, EBSCO EconLit with Full Text, Google Scholar, ABS Academic Journal Quality Guide, CNKI, EBSCO Business Source, EBSCO Discovery Service, EBSCO TOC Premier, Emerging Sources Citation Index, International Bibliography of the Social Sciences (IBSS), OCLC, ProQuest ABI/INFORM, ProQuest Business Premium Collection, ProQuest Central, ProQuest Turkey Database, Research Papers in Economics (RePEc), Summon by ProQuest. There is no submission or publication fee for EBES journals.
- **The Springer’s series *Eurasian Studies in Business and Economics*.** This will also be sent to Clarivate Analytics in order to be reviewed for coverage in its Conference Proceedings Citation Index - Social Science & Humanities (CPCI-SSH). Please note that the 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th and 19th EBES Conference Proceedings are accepted for inclusion in the Conference Proceedings Citation Index - Social Science & Humanities (CPCI-SSH). The 18th, 20th and subsequent conference proceedings are in progress. There is no submission or publication fee for *Eurasian Studies in Business and Economics*.



GENERAL INFORMATION

Conference Venue

University of Finance and Administration
Estonská 500, 101 00 Prague 10
Czech Republic

All conference rooms are equipped with a computer and a projector with screen for power-point presentations; also wireless internet will be available during the conference to participants free of charge.

Registration Desk

DAY 1: REGISTRATION: 08:45-17:00
DAY 2: REGISTRATION: 09:00-17:00
DAY 3: REGISTRATION: 09:00-14:30

Participants will be able to register at above given times during the conference days at the registration desks.

Best Paper Award

Sponsored by
John P. Rust, Georgetown University
DAY 1 - Room: E007 - 13:00-13:20

While submitting full papers is not required for EBES Conferences, only submitted full papers has been considered for the Best Paper Award. The Best Paper Award is selected by our Award Committee and EBES will award 500 Euros and "Best Paper Award Certificate" to the winner. The award winner, the runner-up, and the third papers will be published in either EAER or EABR after very fast review process.

Catering / Refreshment

Tea, coffee and water will be served during the breaks and lunch will be served at midday, as indicated in the conference program.

WELCOME RECEPTION

Day 1: 19:00-20:00

There will be a welcome reception on the first day (October 24, 2018) at 19:00 at the conference venue. It is free of charge to all conference participants

Social Activity - City Tour

We will organize a bus tour at the night of the second day (October 25, 2018) for only those who have chosen to attend while registering for the conference.

Gala Dinner

Gala Dinner will be at the night of the third day of the conference (October 26, 2018) for only those who have chosen to attend while registering for the conference.

Parallel Sessions

All presenters may upload presentations in either MS PowerPoints or pdf format. You are responsible for ensuring that your presentations are uploaded in advance of the start of the sessions. Each presenter will have 15 minutes for presentation and 5 minutes for discussions. The session chair is responsible for directing any Q & A and for ensuring that the session starts and ends on time.

Dress Code

The dress code for the conference is smart casual.

CONFERENCE PROGRAM

WEDNESDAY, OCTOBER 24 (DAY 1)

REGISTRATION: 08:45-17:00

OPENING SPEECH: 09:30-10:00

Room: E007

Mehmet Huseyin Bilgin, *Vice President of EBES and Istanbul Medeniyet University, Turkey*
Bohuslava Senkyrovai, *Rector, University of Finance and Administration, Czech Republic*

COFFEE BREAK: 10:00-10:30

DAY 1 - SESSION I: 10:30-12:30

INTERNATIONAL TRADE

Chair: Pedro Jose Gutiérrez Diez

Room: E104

Structure Demand Estimation of the Response to Food Safety Regulations in the Japanese Poultry Market

Qizhong Yang, Osaka University, Japan; Keiichiro Honda, Prefectural University of Kumamoto, Japan; and Tsunehiro Otsuki, Osaka University, Japan

Importing Inequality: Trade Liberalization, Technology, and Women's Employment

Dainn Wie, National Graduate Institute for Policy Studies, Japan

Specific Non-Tariff Measures and Trade

Hea-Jung Hyun, Kyung Hee University, Korea

What Factors Motivate Foreign Countries to Initiate an Antidumping Investigation against China?

Xiaolei Wang, Shanghai University, China and Yao Shen, Shanghai University, China

The Silk Railway and China-EU trade - What's Next?

Curt G. Nestor, University of Gothenburg, Sweden

Measurement of Turkey and Italy's Marble Sectors' Export Competitiveness with Comparative Export Performance Index

Bulent Altay, Afyon Kocatepe University, Turkey and Nihat Onur Asikoglu, Afyon Kocatepe University, Turkey

HUMAN RESOURCES I

Chair: Duminda Roshan Rajasinghe

Room: E127

The Workplace Learning: Exploring the Strategies among Adult Gen Y

Fadilah Puteh, Universiti Teknologi MARA, Malaysia; Ahmad Naqiyuddin Sanusi Bakar, Universiti Teknologi MARA, Malaysia; Suseela Devi Chandran, Universiti Teknologi MARA, Malaysia; Azizan Zainuddin, Universiti Teknologi MARA, Malaysia; and Zuraidah Abu Bakar, Universiti Teknologi MARA, Malaysia

Teamwork Behaviors and Work Motivation of UAE Public Sector Employees

Hanan Saber AlMazrouei, United Arab Emirates University, U.A.E.

A Mixed-Method Study Examining Social Stressors in Teams and the Effects on the Wellbeing

Katrin Leifels, RMIT University, Australia

Talent Management: A Systematic Review on its Conceptualizations

Eszter Daruka, Eotvos Lorand University, Hungary and Katalin Pádár, Eotvos Lorand University, Hungary

Organizational Structure and Counter-Productive Behavior: The Mediating Role of Job Satisfaction, Procedural Justice and Work Alienation

Ghulam Mustafa, NTNU-Norwegian University of Science and Technology, Norway; Hans Marius Martinsen, NTNU-Norwegian University of Science and Technology, Norway and Martin Saure Bogen, NTNU-Norwegian University of Science and Technology, Norway

Integration of Occupational Safety and Health Training on the Relationship between Sustainability Practices and Sustainability Performance: A Conceptual Framework

Dina Azleema Mohamed Nor, Universiti Teknologi Malaysia, Malaysia; Tan Owee Kowang, Universiti Teknologi Malaysia, Malaysia; Mohd Saiful Izwaan Saadon, Universiti Malaysia Terengganu, Malaysia; Mohd Noor Azli Ali Khan, Universiti Teknologi Malaysia, Malaysia; and Fahirah Syaliza Mokhtar, Universiti Malaysia Terengganu, Malaysia

INDUSTRIAL ORGANIZATION

Chair: Cherng George Ding

Room: E128

The Significance of Transformational Leadership and Team Support on Team Trust and Team Contextual Performance: A Case of Malaysian Healthcare

Azlyn Ahmad Zawawi, University Technology MARA, Malaysia and Aizzat Mohd. Nasurdin, Universiti Science Malaysia, Malaysia

Does Diversification Increase the Survival Probability of an Enterprise under Financing Constraints?

Shaokai Li, Jinan University, China

Measures of the Size and Importance of the State-Owned Enterprise Sector in the Economy

Grzegorz Kwiatkowski, Maria Curie-Skłodowska University in Lublin, Poland

Upstream Market Structure and Downstream Cross Holding

Jie Shuai, Zhongnan University of Economics and Law, China; Mengyuan Xia, Zhongnan University of Economics and Law, China; and Chenhang Zeng, Zhongnan University of Economics and Law, China

Evaluating the Effects of Consolidation of Macedonian Mobile Markets

Daniela Mamucevska, Ss. Cyril and Methodius University in Skopje, Macedonia and Predrag Trpeski, Ss. Cyril and Methodius University in Skopje, Macedonia

Industry 4.0 - Challenge for Today's Manufacturing Enterprises

Iwona Lapunka, Opole University of Technology, Poland; Katarzyna Elzbieta Marek-Kolodziej, Opole University of Technology, Poland; and Piotr Wittbrodt, Opole University of Technology, Poland

Organic Farming as a Specialization in Selected Regions of Poland

Anna Małgorzata Rydz-Żbikowska, University of Lodz, Poland

CORPORATE FINANCE

Chair: Yudhvir Seetharam

Room: E129

Real Activity Management in the Presence of Labor Unions

Kiyong Chang, University of South Florida Sarasota-Manatee, U.S.A.; Young Sang Kim, Northern Kentucky University, U.S.A.; and Ying Li, University of Washington University of Washington Bothell, U.S.A.

The Effects of Non-European Takeover Bids on Targets in Europe

Wolfgang Bessler, Justus Liebig University Giessen, Germany and Gerrit Henrich, Justus Liebig University Giessen, Germany

The Strategic Rationale of Mergers and Acquisitions on Emerging Markets: Evidence from Romania
George Marian Aevoae, Alexandru Ioan Cuza University of Iasi, Romania; Roxana Dicu, Alexandru Ioan Cuza University of Iasi, Romania; and Daniela Mardiros, Alexandru Ioan Cuza University of Iasi, Romania

Economic Analysis of the Recent Laws on Corporate Reorganization Methods in Hungary
Eva Palinko, Eotvos Lorand University, Hungary and Kinga Judit Petervari, Eotvos Lorand University, Hungary

The Influence of a Group Purchasing Organization on the Management of Company Receivables
Grzegorz Zimon, Rzeszow University of Technology, Poland

Cross-Border Acquisitions by Emerging Markets: A Study of Indian Corporates
Samta Jain, Indian Institute of Technology Delhi, India; Smita Kashiramka, IIT Delhi, India; and P.K. Jain, IIT Delhi, India

The Impact of Corporate Taxation on Capital Structure and Profitability of Innovative Firms
Elena Makeeva, School of Finance, National Research University Higher School of Economics, Russian Federation and Ilona Murashkina, Center for Corporate Finance Research, National Research University Higher School of Economics, Russian Federation

KEYNOTE SESSION: 12:30-13:00

Room: E007

Czech Universities and Internationalism
Roman Mentlík, University of Finance and Administration, Czech Republic

BEST PAPER AWARD CEREMONY: 13:00-13:20

Room: E007

LUNCH: 13:30-14:30

DAY 1 - SESSION II: 14:30-16:30

EMPIRICAL STUDIES ON EMERGING ECONOMIES

Chair: Didar Erdinc
Room: E104

Employment Protection and Export Product Quality: Evidence from China's Labor Contract Law
Han Wu, Jinan University, China

The Impacts of Oil Price Shocks on Economies and Mining Index in Indonesia Using VECM
Sudarso Kaderi Wiryono, Insitut Teknologi Bandung, Indonesia and Marla Setiawati, Insitut Teknologi Bandung, Indonesia

The Impact of Internal Brand-to-Brand Citizenship Behaviors of Employees in Aviation Industry: The Case of Domestic Airport Service Providers in Vietnam
Dung Quang Truong, Ho Chi Minh City University of Technology (HUTECH), Vietnam; Thang Quyet Nguyen, Ho Chi Minh City University of Technology (HUTECH), Vietnam; and Quynh T N Phan, Vietnam Aviation Academy, Vietnam

Macroeconomic Resilience of Emerging Economies to Global Financial Conditions
Hyunju Kang, Korea Capital Market Institute, Korea and Ahrang Lee, The Bank of Korea, Korea

The Moroccan Money Market Instruments: Characteristics and Dynamics

Hicham Meghouar, ENCG, Morocco; Mohamed Lotfi, ENCG Settat, Morocco; Youssef Oubouali, ENCG Settat, Morocco; and Mourad Maataoui Belabbes, ENCG Settat, Morocco

Security Continuity of Funding Processes in Czech Tax System Environment, Part 1: The Model of Major Tax Financial Flows

Burianová Olga, University of Finance and Administration, Czech Republic and Urbánek Jiří F., University of Finance and Administration, Czech Republic

LABOR ECONOMICS

Chair: Tomas Evan

Room: E127

How Labor Costs Contribute to Participation in Global Value Chains? Comparative Analysis and Conclusions for Poland

Magdalena Kapela, Warsaw University of Technology, Poland

The Tradeoff between Work and Higher Education: Evidence from the Introduction of Public Transportation to Arab Communities within Israel

Aamer S. Abu-Qarn, Ben-Gurion University of the Negev, Israel and Shirlee Lichtman-Sadot, Ben-Gurion University of the Negev, Israel

The Theory of Externalities as a Solution to the Problem of Compensation for Occupational Diseases

Albert Mushai, University of the Witwatersrand, South Africa and Robert William Vivian, University of the Witwatersrand, South Africa

Why the Poor Keep Living Poorly? A Study about Poor Workers in Aceh Province, Indonesia

Teuku Zulham, Syiah Kuala University, Indonesia; Chenny Saftarita, Syiah Kuala University, Indonesia; Tasdik Ilhamudin, Central Bureau of Statistics (BPS), Indonesia; and Teuku Bahran Basyiran, Syiah Kuala University, Indonesia

The Impact of High-Skilled Immigration on Unemployment in OECD Countries

Monika Didzgalvyte, Vytautas Magnus University, Lithuania and Violeta Pukeliene, Vytautas Magnus University, Lithuania

To the New Czech Legal Regulation of the Contract of Work

Karel Marek, University of Finance and Administration, Czech Republic

PUBLIC ECONOMICS

Chair: Paweł Smaga

Room: E128

Managing the Transparency Process in its Strategic, Cognitive and Institutional Perspectives. The Meijer's Model Applied to an Italian Local Government

Eleonora Cardillo, University of Catania, Italy

Analysis of Turkish Tax System in terms of Compliance with Taxation Principles

Ihsan Cemil Demir, Afyon Kocatepe University, Turkey

Action Plan on Vat, Creating a Single Vat Area in the EU

Benjami Angles Juanpere, Open University of Catalonia (UOC), Spain

Public Spending: Is It Importance for Poverty Reduction in Indonesia?

Teuku Zulham, Syiah Kuala University, Indonesia; Said Muhammad, University of Syiah Kuala, Indonesia; Diana Sapha, University of Syiah Kuala, Indonesia; Fitriyani, University of Syiah Kuala, Indonesia; and Said Jubran, University of Syiah Kuala, Indonesia

The Determinants of Effective Retirement Age - The Cross-Country Analysis

Tomasz Andrzej Jedynak, Cracow University of Economics, Poland

Economic Benefits of the Mediation Process from Legal Disputes
Gulsum Gunbala Guven, Gaziantep University, Turkey

Development of the Concept of Digital Transformation of the System of Management of Social and Economic Advancement of the Far North

Irina Zaychenko, Peter the Great St. Petersburg Polytechnic University, Russia and Anna Smirnova, Peter the Great St. Petersburg Polytechnic University, Russia

MANAGEMENT I

Chair: Ghulam Mustafa

Room: E129

The Effects of Leader-Member Exchange Relationships on Employee Attitudes toward Newly-Introduced Information Systems

Paul Chou, Minghsin University of Science & Technology, Taiwan and Ann Lin, Chang Gung University of Science and Technology, Taiwan

The Compatibility of Outside-In and Inside-Out Strategic Approaches

Slobodan Adzic, Arab Open University, Kuwait

Business Performance Evaluation of Thailand Specialized Financial Institutions during Economic Downtrend

Tidathip Panrod, Silpakorn University, Thailand

Nurse on Nurse Bullying

Vincent F Maher, Iona College, U.S.A.

Impact of Corporate Social Responsibility on Customer Satisfaction in Retail Enterprises in the Baltic Countries

Iveta Linina, Turiba University, Latvia and Velga Vevere, The University College of Economics and Culture, Latvia

The Effects of Tourism Information Quality on Customer E-Loyalty with Online Travel Brands in Thailand: The Mediation Role of Satisfaction in Tourism

Thadathibesra Phuthong, Silpakorn University, Thailand

COFFEE BREAK: 16:30-16:40

DAY 1 - SESSION III: 16:40-18:40

HEALTH ECONOMICS I

Chair: Vincent F Maher

Room: E104

Tobacco Expenditure: Does it Need to Be Reduced?

Diana Sapha, University of Syiah Kuala, Indonesia; Cut Zakia Rizki, University of Syiah Kuala, Indonesia; Fitriyani, University of Syiah Kuala, Indonesia; and Reni Aprida, University of Syiah Kuala, Indonesia

Open Standards for Budgetary Software Used by a National Health Assurance House: A Must Have?

Antonio Clim, The Bucharest University of Economic Studies, Romania and Razvan Daniel Zota, The Bucharest University of Economic Studies, Romania

Cybernetic Analysis of Emergency Medical System

Ionut Costinel Nica, The Bucharest University of Economic Studies, Romania and Nora Chirita, The Bucharest University of Economic Studies, Romania

Digitalization, Remuneration, and Pay for Performance in the Inpatient Sector in Germany - Tapping the Full Potential based on International Experiences

Christian Maier, University of Bayreuth, Germany

A Bibliometric Analysis of Blood Donation

Iria Paz Gil, Rey Juan Carlos University, Spain; Jessica Paule-Vianes, Rey Juan Carlos University, Spain; Alicia Blanco-González, Rey Juan Carlos University, Spain; and Alberto Prado-Román, Rey Juan Carlos University, Spain

Medical Beauty Product and Cosmetic Product Criminal Liability in Malaysia: Justice to Women

Fahirah Syaliza Binti Mokhtar, UMT-Universiti Malaysia Terengganu, Malaysia; Mohd Saiful Izwaan Saadon, Universiti Malaysia Terengganu, Malaysia; and Dina Azleema Mohamed Nor, Universiti Teknologi Malaysia, Malaysia

SMALL AND MEDIUM-SIZED ENTERPRISES

Chair: Fadilah Puteh

Room: E127

Impact of Basel III on Industrial SMEs - Results of an Empirical Study

Claudia Brandstätter, FH JOANNEUM Kapfenberg, Austria and Johannes Pamsl, IWI, Bahamas

Does Microfinance Deepen Socioeconomic Wellbeing of Micro and Small Entrepreneurs? Results from a Developing Country

Jeyanthi Thuraisingham, Monash University, Malaysia; Mahendhiran Nair, Monash University, Malaysia; and Santha Vaithilingam, Monash University, Malaysia

Controlling as a Tool for SME Process Auditing

Premysl Písar, University of Finance and Administration, Prague, Czech Republic

A Chance for Thailand Western Provinces SME on the Road to Startup Way

Taninrat Rattanapongpinyo, Silpakorn University, Thailand

The Use of IT Tools in Small Businesses in Poland

Magdalena Ratalewska, University of Lodz, Poland

Forms of Control in Business Advice Contracts in Small Firms: Case of Poland

Paweł Glodek, University of Lodz, Poland

BANKING

Chair: Paweł Smaga

Room: E128

Deposits as a Crucial Source of Financing Cooperative Banks: The Case of Deposit Activities of the Group Cooperative Banks in Poland

Maria Magdalena Golec, WSB University in Poznan, Poland

Support Vector Machines with Kernel Functions Used in Classification Problems and Financial-Banking Applications

Oona Scarlat Voican, The Bucharest University of Economic Studies, Romania and Emil Scarlat, The Bucharest University of Economic Studies, Romania

Cross Border Banking: Pull-Push Effects of Parent Banks on Subsidiaries' Credit Extensions

Luca Gattini, European Investment Bank, Luxembourg and Angeliki Zagorisiou, Universitat Jaume I, Spain

European Banking Integration and Economic Growth

Oprea Otilia-Roxana, Alexandru Ioan Cuza University of Iasi, Romania and Ovidiu Stoica, Faculty of Economics and Business Administration, Romania

The Impact of Macroprudential and Monetary Policies on Credit Growth Rate: Bank Size and Credit Type

Osman Furkan Abbasoglu, Central Bank of the Republic of Turkey, Turkey; Serife Genc Ileri, Ibn Haldun University, Turkey; and Yasin Mimir, Norges Bank, Norway

Equilibrium Credit in Bulgarian Banking: Determinants of Credit Booms and Busts, 2004-2016
Didar Erdinc, American University in Bulgaria, Bulgaria

MANAGEMENT & HUMAN RESOURCES

Chair: Mohd Saiful Izwaan Saadon

Room: E129

The Organization of Facility Management in Europe in 2016 and 2017
Alexander Redlein, TU Wien (Vienna), Austria and Eva Stopajnik, TU Vienna, Austria

Managers' Roles that Empower Employee Self-directed Learning in Lithuanian Services Sector
Nida Kvedaraite, Kaunas University of Technology, Lithuania and Brigita Stanikuniene, Kaunas University of Technology, Lithuania

Healthcare Project Management Model Approach
Tadeusz A. Grzeszczyk, Warsaw University of Technology, Poland and Marek Zawada, Warsaw University of Technology, Poland

Physical Activity Assessment of Polish Academic Staff and the Directions of its Promotion in the Workplace
Agata Basińska-Zych, WSB University in Poznań, Poland and Agnieszka Springer, WSB University in Poznań, Poland

Knowledge Sharing: Review on Determinants and Future Research among Knowledge Workers
Mohd Saiful Izwaan Saadon, Universiti Malaysia Terengganu, Malaysia; Mohd Zarir Yusoff, Netherland Maritime Institute of Technology, Malaysia; Nurul Haqimin Salleh, Universiti Malaysia Terengganu, Malaysia; and Fahirah Syaliza Mokhtar, Universiti Malaysia Terengganu, Malaysia

Influence of Social Media and Marketing Mix Affecting Decision to Use the Services on Seafood and Restaurants in Cha-Am Beach Phetchaburi
Noppadol Towichaikul, Silpakorn University, Thailand

WELCOME RECEPTION: 19:00-20:00

THURSDAY, OCTOBER 25 (DAY 2)**REGISTRATION: 09:00-17:00****DAY 2 - SESSION I: 09:20-11:20****ECONOMICS OF INNOVATION****Chair:** Razvan Daniel Zota**Room:** E104

The Effects of R&D Input and Trade Openness on Innovation Capacity in High-Tech Industry: Evidence from China

Xiaodan Hu, Jinan University, China

Multiple Perspectives of Value Co-Creation: A Comprehensive Literature Review

Shuie Sun, Université de Lille, CNRS-CLERSE, France

Fixed Investments Significance and Impact on Lithuania Economy

Lina Martirosianiene, Aleksandras Stulginskis University, Lithuania

Research on the Regional Low Carbon Innovation Resource Allocation Efficiency based on Super-SBM Model

Jianzhong Xu, Harbin Engineering University, China and Yanan Zhao, Harbin Engineering University, China

Green Technology Innovation and Energy Intensity with Different Types of Environmental Regulations: Evidence from China

Jianzhong Xu, Harbin Engineering University, China and Manman Wang, Harbin Engineering University, China

Competitiveness, Productivity and Spillover Effect in ICT: Evidence from OECD

Filiz Cayiragasi, Gaziantep University, Turkey and Asli Ozpolat, Gaziantep University, Turkey

Digitalization and Its Influence on Economic Development of the Russia

Galina Chernova, Saint-Petersburg State University, Russia and Vladimir Khalin, Saint-Petersburg State University, Russia

EDUCATION**Chair:** Ghulam Mustafa**Room:** E127

The Role of South African Universities in Driving Sustainable Development: The Student's Perspective

Tshedu Matiwaza, University of the Witwatersrand, South Africa and Suvera Boodhoo, University of the Witwatersrand, South Africa

Learning Taxonomy Based Education Game Design to Deploy Learning Objectives to Game Design: A Case Study of Leadership Education

Nur Budi Mulyono, Bandung Institute of Technology, Indonesia; Nur Arief Rahmatsyah Putranto, Bandung Institute of Technology, Indonesia; and Aria Bayu Pangestu, SBM ITB, Indonesia

Benefits and Risks of Artificial Intelligence Incorporation in the Field of Education

Christos Manolopoulos, Computer Technology Institute and Press, Greece; Rozina I. Efstathiadou, Computer Technology Institute and Press-Diophantus, Greece; and Celia Roniotes, Computer Technology Institute and Press, Greece

Benchmarking as part of Economics Education in Higher Education Systems in Europe

Jekaterina Kipina, Estonian Entrepreneurship University of Applied Sciences, Estonia

Student Retention: Perspectives of University Academics

Duminda Roshan Rajasinghe, University of Northampton, United Kingdom; Phil Bowen, University of Northampton, United Kingdom; and Dean Brookes, University of Northampton, United Kingdom

Smart Regions' Economical Innovations and Sustainability in relation to Vocational Education and Training and Specific Required Skills: An Approaching Model through qualitative research in Greek Enterprises

Miltiadis Staboulis, University of Macedonia, Greece

BEHAVIORAL FINANCE

Chair: Sagi Akron

Room: E128

Dynamics of Yield Gravity and Money Anxiety Index

Dan Geller, University of Haifa, Israel and Nahum Biger, University of Haifa, Israel

The Effect of Economic Policy Uncertainty and Herding on Leverage: An Examination of the BRICS Countries

Yudhvir Seetharam, University of the Witwatersrand, South Africa and Prudence Makololo, University of the Witwatersrand, South Africa

Crypto-Currencies and the Contagious Effect of Financial Markets

Ionut Costinel Nica, The Bucharest University of Economic Studies, Romania and Simona Craciunescu, The Bucharest University of Economic Studies, Romania

Merger Waves: Are Buyers Following the Herd or Responding to Structural Queues?

Ralph Sonenshine, American University, U.S.A.

Manager Overconfidence Effect on the Investment-Cash Flows Sensitivity: Evidence from Indonesia

Fitri Santi, University of Bengkulu, Indonesia

A Dynamic Analysis on the Relationship between Investor Sentiment and Stock Market Volatility: The Evidence from China

Hanhui Zhao, Shanghai Maritime University, China and Yanhui Chen, Shanghai Maritime University, China

MANAGEMENT II

Chair: Iveta Ludviga

Room: E129

Effect of Organizational Culture on Job Satisfaction and Turnover Intention: An Empirical Study

Mourad Mansour, King Fahd University of Petroleum and Minerals, Saudi Arabia

Business Social Networks (BSN): Is the Business Escape from Reality is Impossible?

Nikolay Hristov Sterev, University of National and World Economy, Bulgaria; Monika Sabeva, University of National and World Economy, Bulgaria; Ralitsa Zlateva, University of National and World Economy, Bulgaria; and Veronika Dimitrova, University of National and World Economy, Bulgaria

TQM'S Theory

Mohammed Belkasseh, ENCG - Hassan 1st University of Settat, Morocco

Enhancing a Competitive Advantage of Tourism through Implementing Logistic and Supply Chain Strategies of Tourism in Palmyra Community and Product at Phetchaburi Province

Phrutsaya Piyanusorn, Silpakorn University, Thailand

Inclination to help other Customers - Insights from Explorative Study among Young Population in China

Anna - Dewalska-Opitek, University of Economics in Katowice, Poland and Maciej Mitręga, University of Economics in Katowice, Poland

Dynamic Marketing Capabilities in Intercultural Environment

Maciej Mitreęga, University of Economics in Katowice, Poland and Anna Wieczorek, University of Bielsko-Biala, Poland

COFFEE BREAK: 11:20-11:30**DAY 2 - SESSION II: 11:30-13:30****MONETARY ECONOMICS**

Chair: Alexis Antoniadis

Room: E104

Drivers of Inflation Expectations in Czechia and Poland. More Similar than Different?

Magdalena Szyszko, WSB University in Poznan, Poland and Aleksandra Rutkowska, Poznan University of Economics and Business, Poland

Co-Movement and Transmission of Japanese REIT Market on Different Property Sector: Comparative Analysis of Different Monetary Policy Regimes

Takayasu Ito, Meiji University, Japan

Anonymity in Cryptocurrencies

Hulya Boydas Hazar, Istanbul Aydın University, Turkey

Importance of Awareness of Default Risk on Conducting Monetary and Fiscal Policies

Eiji Okano, Nagoya City University, Japan and Masataka Eguchi, Komazawa University, Japan

The Real Effects of Deleveraging in the Euro Zone

Pedro Jose Gutiérrez Diez, University of Valladolid, Spain and Tibor P'al, AGH University, Poland

What Would the Economy with Credit-Enhanced Interest Rates Look Like?

Łukasz Kurowski, SGH Warsaw School of Economics, Poland; Karol Rogowicz, SGH Warsaw School of Economics, Poland; and Paweł Smaga, Warsaw School of Economics, Poland

MANAGEMENT III

Chair: Nur Budi Mulyono

Room: E127

Quality Management Systems and Models as a Tool for Small and Medium Enterprises Development and Competitiveness Increase

Zane Drinke, Turiba University, Latvia and Rosita Zvirgzdina, Turiba University, Latvia

Comparative Analysis Police Forces: Portugal and Croatia

Sofia Ramos, University of Seville, Spain; Jose Angel Perez Lopez, University of Seville, Spain; Jelena Legčević, University of J.J. Strossmayer in Osijek, Croatia; and Rute Abreu, Guarda Polytechnic Institute, Portugal

Multi-Criteria Model of Business Network Performance Assessment. Research into Polish Clusters

Beata Barczak, Cracow University of Economics, Poland

Technical Compliance: Closing the Gaps of Compliance Management Systems with Regard to Technology

Astrid von Blumenthal, Ansbach University of Applied Sciences, Germany and Anja Bartsch, Ansbach University of Applied Sciences, Germany

Merger of Family Companies in the Czech Republic as a step in their Continuation and Further Development

Andrea Tomášková, University of Finance and Administration, Czech Republic and Naděžda Petrů, University of Finance and Administration, Czech Republic

Innovation and Creativity as a Source of Competitive Advantage at Start-ups

Miroslav Pavlák, University of Finance and Administration, Czech Republic and Naděžda Petřů, University of Finance and Administration, Czech Republic

Performance of Entrepreneurial Activity and Economic Competitiveness in European Union Countries: A Panel Data Approach

Valentina Diana Rusu, Alexandru Ioan Cuza University of Iasi, Romania and Adina Dornean, Alexandru Ioan Cuza University of Iasi, Romania

INVESTMENT I

Chair: Haim Shalit

Room: E128

Managerial Optimism and Investor Sentiment

Ingolf Dittmann, Erasmus University Rotterdam and Tinbergen Institute, Netherlands; Maurizio Montone, University of Luxembourg, Luxembourg; and Yuhao Zhu, Erasmus University Rotterdam and Tinbergen Institute, Netherlands

Examining the Investors' Preference for Portfolio Selection: A Case Study of the 2017 DJI and its Components

Doron Nisani, University of Haifa, Israel and Amit Shelef, Sapir Academic College, Israel

Is Size an Input in the Mutual Fund Performance Evaluation with DEA?

Sevgi Eda Tuzcu, Ankara University, Turkey and Emrah Ertugay, Ankara University, Turkey

A Methodological Problem with Fama's Formulation of the Research Hypothesis Underpinning the Efficient Market Hypothesis (EMH)?

Robert William Vivian, University of the Witwatersrand, South Africa and Christo Auret, University of the Witwatersrand, South Africa

Information Efficiency of the Asian and European Markets

Maria Bohdalova, Comenius University in Bratislava, Slovakia and Marina Fados, Comenius University in Bratislava, Slovakia

Liquidity and Term Structure Estimation in the Emerging Markets: Case of India

Sudarshan Kumar, Indian Institute of Management, Ahmedabad, India

LUNCH: 13:30-14:30

DAY 2 - SESSION III: 14:30-16:30

CORPORATE GOVERNANCE I

Chair: Yudhvir Seetharam

Room: E104

The Effect of Corporate Governance on Dividend Policy: A Panel Data Analysis in Istanbul Stock Exchange

Yesim Sendur, Adana Science and Technology University, Turkey

E-Disclosure of Non-Financial Information in FinTech Companies and Special Characteristics for Eurasia

Teresa C. Herrador-Alcaide, UNED, Spain and Montserrat Hernández-Solís, UNED, Spain

Board Capabilities and the Mediating Roles of Absorptive Capacity on Environmental Social and Governance (ESG) Practices

Aida Maria Ismail, Universiti Teknologi MARA, Malaysia; Zuria Hajar Mohd Adnan, Times Media Sdn Bhd, Malaysia; Fadzlina Mohd Fahmi, University Teknologi MARA, Malaysia; Faizah Darus, University Teknologi MARA, Malaysia; and Colin Clark, Victoria University, Australia

Executive Compensation, Regulation and Performance

Sagi Akron, University of Haifa, Israel; Samuel Bulmash, University of South Florida, U.S.A.; Nilesh Sah, Northeastern Illinois University, U.S.A.; and Dror Parnes, Texas A&M University - Commerce, U.S.A.

Financial Performance, Corporate Social Responsibility, and Stock Repurchase

Chi-Ping Hou, China University of Technology, Taiwan; Li Chang, Shih Hsin University, Taiwan; Tsui-Jung Lin, Chinese Culture University, Taiwan; and Der-Fen Huang, National Dong Hwa University, Taiwan

RISK MANAGEMENT

Chair: Sudarso Kaderi Wiryono

Room: E128

Risk Management with Convex Shortfall Risk Measures: Subjective Risk Aversion and Optimal Portfolio Choice

Mario Brandtner, University of Jena, Germany; Wolfgang Kuersten, University of Jena, Germany; and Robert Rischau, Friedrich Schiller University of Jena, Germany

Using the Shapley Value of Stocks as Systematic Risk

Haim Shalit, Ben-Gurion University, Israel

Risk of the Pay-Later Options

Ewa Dziawgo, Kazimierz Wielki University in Bydgoszcz, Poland

Forecasting the Risk of Consumer Bankruptcy in Poland

Tomasz Korol, Gdansk University of Technology, Poland

Application of a Coherent Risk Measure to Calculate the Price of an Income Insurance (Annuities)

Montserrat Hernandez Solis, UNED, Spain and Teresa C. Herrador-Alcaide, UNED, Spain

Structured Product as a Solution for Defined Contribution Pension Funds

Elroi Hadad, Holon Institute of Technology (H.I.T), Israel; Zvika Afik, Ben Gurion University of the Negev, Israel; and Rami Yosef, Ben Gurion University of the Negev, Israel

MANAGEMENT IV

Chair: Stefan Otto Grbenic

Room: E129

Language Capabilities as a Leverage for Non-Native English Scholars' Career

Anna Wieczorek, University of Bielsko-Biala, Poland

On the Use of the Confirmatory Factor Analysis (CFA) Marker Technique for Non-Normal Data

Cherng George Ding, National Chiao Tung University, Taiwan and Chien-Fan Chen, National Chiao Tung University, Taiwan

The Relationship between Career Planning and Motivation in R&D Centers

Banu Ozkeser, Koluman Otomotiv Endustri AS, Turkey

The Factors Determining/Affecting Passenger Satisfaction with Short-Range Air Transport Services Approaches to Value Chain in the Case of Vietnam Airlines

Dung Quang Truong, Ho Chi Minh City University of Technology (HUTECH), Vietnam

Project Risk Culture in Small and Medium Family-Owned Enterprises - A Stakeholder Perspective

Joanna Sadkowska, University of Gdansk, Poland

Double Food Quality: The Comparative Analysis of the On-Line Coverage in the Czech Republic and the Slovak Republic

Miroslav Jurásek, University of Finance and Administration, Czech Republic

COFFEE BREAK: 16:30-16:40

DAY 2 - SESSION IV: 16:40-18:40**INFLATION & EXCHANGE RATES****Chair:** Magdalena Szyszko**Room:** E104*In and Out-of-Sample Performance of Nonlinear Models in International Price Differential Forecasting in a Commodity Country Framework*

Nicola Rubino, University of Barcelona, Spain

Distribution as Expenditure

Alexis Antoniadis, Georgetown University, U.S.A. and Robert Feenstra, UC Davis, U.S.A.

Time-Varying Comovement of Inflation

Adviti Devaguptapu, Indian Institute of Management Raipur, India

An Empirical Analysis of Consumer Price Index and Producer Price Index: Evidence from the CEEs

Asli Ozpolat, Gaziantep University, Turkey and Filiz Cayiragasi, Gaziantep University, Turkey

Testing the Validity of Purchasing Power Parity Using Cointegration Techniques: Evidence from Visegrad Countries

Martin Pažický, Comenius University in Bratislava, Slovakia

Empirical Evidence of the Interest Rate Transmission Channel of the ECB's Unconventional Monetary Policy in the Visegrad Group Member States

Silvia Trifonova, University of National and World Economy (UNWE), Bulgaria

The Rationality of Foreign Exchange Forecasts

Ben-Zion Zilberfarb, Bar Ilan University, Israel and Nathan Goldstein, University of California, U.S.A.

INVESTMENT II**Chair:** Sagi Akron**Room:** E127*The Impact of News Releases, Credit Ratings, and Anti-Crisis Measures on the Sovereign Bond Spreads of the So-Called Southern Euro-Area Countries*

Ewa Stawasz-Grabowska, University of Lodz, Poland and Wojciech Grabowski, University of Lodz, Poland

Mean and Volatility Transmission for White Maize Futures

Ayesha Sayed, University of the Witwatersrand, South Africa and Christo Auret, University of the Witwatersrand, South Africa

News Coverage and the Money Left on the Table for Initial Returns of Initial Public Offerings in Thailand

Ravi Lonkani, Chiang Mai University, Thailand and Alichia Treerotchananon, Chiang Mai University, Thailand

The Fama-French Five-Factor Model: Evidence from the JSE

Shaun Paul Cox, PwC, South Africa and James Britten, University of the Witwatersrand, South Africa

Peer Pooling in Private Firm Valuation

Stefan Otto Grbenic, Graz University of Technology, Austria

Commodity Market and Financial Derivative Instruments: Which Variable Determines the Others?

Maria Leone, Università Politecnica delle Marche, Italy; A. Manelli, Università Politecnica delle Marche, Italy; and Roberta Pace, Università degli Studi dell'Aquila, Italy

ENERGY STUDIES**Chair:** Astrid von Blumenthal**Room:** E128*Effect of Carbon Emissions Trading on Regional Green Development: Evidence from a Quasi-Natural Experiment in China*

Yayun Ren, Jinan University, China and Jingyan Fu, Jinan University, China

Decoupling and Decomposition Analysis of Energy-Related Emissions: Evidence from Taiwan

Kuan Yao Chen, Taiwan Research Institute, Taiwan and Chun Shen Lee, Taiwan Research Institute, Taiwan

Internalizing the Cost of Environmental Pollution Control: Effects of Environmental Regulation on Labor Demand and Wages in China

Guanglai Zhang, Jinan University, China

Evaluating the Benefits on Industrial Decarbonizing Transition for the Industrial and Energy Saving Policies in Taiwan

Yu-Xiu Huang, Taiwan Research Institute, Taiwan and Chun-Shen Lee, Taiwan Research Institute, Taiwan

The Importance of Renewable Energy and Energy Investment Incentives: Case of Turkey

Cem Gokce, Afyon Kocatepe University, Turkey

TOURISM**Chair:** Ender Demir**Room:** E129*Millennial Travelers from Selected Countries of Central and Eastern Europe and Their Attitude towards Security Measures Applied in Tourist Infrastructure in the Context of Increased Terrorist Risk*

Rafal Nagaj, University of Szczecin, Poland and Brigita Žuromskaitė, Mykolas Romeris University, University of Applied Sciences, Lithuania

The Study of Tourism Promotion of Bangkok National Museum, Thailand

Nitikorn Muangsoornkhiaw, Silpakorn University, Thailand

A Gender Perspective on the Human Capital Returns of Hospitality Firm's Managers

Alejandro García Pozo, University of Malaga, Spain and Jose Luis Sanchez Ollero, University of Malaga, Spain

Recognition and Perception of Latvia as a Tourism Destination in Different Segments of European Target Markets

Kristine Berzina, University of Latvia, Latvia and Ilze Medne, University of Latvia, Latvia

Can We Create a Tourist Intention to Visit Cultural Heritage in North Sumatera Indonesia?

Zulkarnain Siregar, State University of Medan, Indonesia; Nurul Wardani Lubis, State University of Medan, Indonesia; Tengku Teviana, State University of Medan, Indonesia; and Armin Rahmansyah Nasution, State University of Medan, Indonesia

Consumer Protection of Tourist Services in Poland in Relation to the Regulations of the European Union in the Field of Tourism

Katarzyna Marak, Wroclaw University of Economics, Poland

BUS TOUR: 19:00-22:00

FRIDAY, OCTOBER 26 (DAY 3)**REGISTRATION: 09:00-14:30****DAY 3 - SESSION I: 09:20-11:20****MARKETING I****Chair:** Codrin Chiru**Room:** E104*Big Data Applications in Services Marketing*

Hilal Inan, Cukurova University, Turkey; Nuriye Gures, Iskenderun Technical University, Turkey; Mutlu Yuksel Avcilar, Osmaniye Korkut Ata University, Turkey; and Seda Arslan, Iskenderun Technical University, Turkey

Emotions, Personality Traits and Satisfaction: Assessment and Model Development

Anita Ciunova-Shuleska, Ss. Cyril and Methodius University in Skopje, Macedonia and Nikolina Palamidovska-Sterjadovska, Ss. Cyril and Methodius University in Skopje, Macedonia

Underestimated Radio in the Latvian Market

Jelena Salkovska, University of Latvia, Latvia; Anda Batraga, University of Latvia, Latvia; and Ilgvars Rukers, University of Latvia, Latvia

Contagion in Consumers' Behavior - An Agent-Based Modeling Approach

Camelia Delcea, Bucharest University of Economic Studies, Romania and Ramona-Mihaela Paun, Webster University Thailand, Thailand

Earned or Owned Media: Which Effects Performance Better?

Eda Kalayci, Marmara University, Turkey and Irem Eren Erdogmus, Marmara University, Turkey

Using Cryptocurrency to Buy and Sell Products Online

Zoltan Ban, University of Finance and Administration, Czech Republic; Jan Lansky, University of Finance and Administration, Czech Republic; Stanislava Mildeova, University of Finance and Administration, Czech Republic; and Petr Tesaf, University of Finance and Administration, Czech Republic

SMES/ENTREPRENEURSHIP**Chair:** Iveta Ludviga**Room:** E127*Organizations feat. Social Entrepreneurs: An 'Engagement Model' Suggestion for Social Well-Being*

Duygu Acar Erdur, Beykent University, Turkey and Mine Afacan Findikli, Beykent University, Turkey

The Experts' Opinion: Defining Success in Entrepreneur Development Programs

YiLing Ooi, Taylor's Business School, Taylor's University, Malaysia; Mass Hareeza Ali, University Putra Malaysia, Malaysia; and Mohd Mursyid Bin Arshad, University Putra Malaysia, Malaysia

Resilience and Entrepreneurship: Aligning Theoretical and Methodological Approaches

Maria Azucena Perez Alonso, Universidad Isabel I, Spain and Blanca Astrid Moreno de Castro, Stockholm University, Sweden

Leaders with Social Missions: Diamonds of Our Societies

Cigdem Asarkaya, Istanbul Commerce University, Turkey

Cooperation of Enterprises with Business Support Institutions in the Aspect of Absorption the Support under the Financial Perspective 2014-2020 - Analysis of Survey Results

Monika Fabińska, University of Lodz, Poland

Innovative Behavior as a Determinant of Growth and Development of Small Enterprises

Renata Lisowska, University Lodz, Poland

How Cloud Computing Software Adoption Changes of Business Models in Manufacturing Enterprises in the SME Sector

Renata Lisowska, University of Lodz, Poland and Anna Pamula, University of Lodz, Poland

ACCOUNTING/AUDIT

Chair: Jeyanthi Thuraisingham

Room: E128

Impairment of Ethical Considerations and Distortion of Information by Financial Analysts in an Emerging Market

Charles J. P. Chen, China Europe International Business School, China; Zhi Jin, China Southwest University of Finance and Economics, China; Oliver Rui, China Europe International Business School, China; and Xijia Su, China Europe International Business School, China

The Analysis of the Appliance of Fair Value Concept in Croatian Companies from Real Sector

Hrvoje Percevic, University of Zagreb, Croatia; Mirjana Hladika, University of Zagreb, Croatia; and Ivana Valenta, University of Zagreb, Croatia

The Impact of Fair Value Concept Appliance on Corporate Profit Tax - Case of Croatian Companies from Real Sector

Danimir Gulin, University of Zagreb, Croatia; Hrvoje Percevic, University of Zagreb, Croatia; and Marina Mićin, University of Zagreb, Croatia

A Descriptive Comparative Analysis of Methods Used in Determining Fraud Financial Statements

Jale Saglar, Cukurova University, Turkey and Goksen Akcali, Turkey

The Link between Accounting Measures of Biological Assets and Financial Standing of the Agricultural Enterprises: Evidence from Lithuania

Neringa Stonciuviene, Aleksandras Stulginskis University, Lithuania; Danute Zinkeviciene, Aleksandras Stulginskis University, Lithuania; and Dalia Juociuniene, Aleksandras Stulginskis University, Lithuania

The Practice of IFRS: Financial Information for the Foreign Venture Capitalist

Mohamed Makhroute, Hassan 1st University of Settat, Morocco and Mounime El Kabbouri, Hassan 1st University of Settat, Morocco

PUBLIC ECONOMICS/REGIONAL STUDIES

Chair: Roman Mentlík

Room: E129

The Economics of the European Union: A General Equilibrium Simulation on the Efficiency and Fairness

Toshitaka Fukiharu, Kansai University of International Studies, Japan

What about Coordination, Transparency and Anticipation in Projects? A Systematic Review of "Controlling" of Projects, Especially of Public Infrastructure Projects

Pia Herrmann, University of Kassel, Germany and Konrad Spang, University of Kassel, Germany

Electronic Taxation: Internet Tax Office in Turkey

Ali Serdar Aksoy, Cukurova University, Turkey

Housing Prices and Current Account Imbalances; Credit Channel and Institutions

Sariye Belgin Akcay, Henley Business School, United Kingdom and Gianluca Marcato, Henley Business School, United Kingdom

Case Study for Social Responsibility of FDI in Vietnam: Formosa Steel and Samsung Electronics

Byunghun Choi, Kongju National University, Korea

The Politics of Strategic Environmental Standard within a North-South Trade
Panbing Wan, Jinan University, China

Stages of Development Hypothesis during an Era of Global Imbalances
Konrad Sobanski, Poznan University of Economics and Business, Poland

COFFEE BREAK: 11:20-11:30

DAY 3 - SESSION II: 11:30-13:30

GROWTH AND DEVELOPMENT I

Chair: Pedro Jose Gutiérrez Diez

Room: E104

Testing for Structural Breaks in Macroeconomic Processes of Growth - A Case of Ireland, Spain, Turkey and Netherlands

Marcin Fałdziński, Nicolaus Copernicus University, Poland; Magdalena Osińska, Nicolaus Copernicus University, Poland; Jerzy Boehlke, Nicolaus Copernicus University, Poland; and Maciej Gałęcki, Nicolaus Copernicus University, Poland

Long Cycles versus Time Delays in a Modified Solow Growth Model

Joao Teixeira, Universidade de Lisboa, Portugal; Maria Joao Borges, Universidade de Lisboa, Portugal; and Maria Fatima Fabiao, CEMAPRE - ISEG/ULISBOA, Portugal

The Impact of Workforce Ageing on Productivity and its Channels: An Empirical Investigation in Taiwan
Han-Pang Su, Taiwan Research Institute, Taiwan; Yu-Ting Lu, Taiwan Research Institute, Taiwan; and Chun Shen Lee, Taiwan Research Institute, Taiwan

Economic Growth with Locked-in Fertility: Under- and Over-Investment in Education

Masao Nakagawa, Hiroshima University, Japan; Asuka Oura, Daito Bunka University, Japan; and Yoshiaki Sugimoto, Kansai University, Japan

Factors and Prospects of Sports Activities and Infrastructure Development in Poland and China in the Twenty-First Century

Jolanta Maroń-Zajac, Cracow University of Economics, Poland and Mariola Katarzyna Mamcarczyk, Cracow University of Economics, Poland

Enhancing Business Development by Transformation of Communication Services into Cloud-Based: IT-Company Case-Study

Aleksandr Lepikhin, Peter the Great St. Petersburg Polytechnic University, Russia; Alexandra Borremans, Peter the Great St. Petersburg Polytechnic University, Russia; and Alissa Dubgorn, Peter the Great St. Petersburg Polytechnic University, Russia

Comparative Analysis of the Happiness Impact on the Development of Colombia for the Period 2014-2018

Helga Ofelia Dworaczek Conde, Corporación Universitaria de Asturias, Colombia; Victor Hugo Juárez Chacón, Corporación Universitaria de Asturias, Colombia; and Camilo Andres Martinez Delgado, Corporación Universitaria de Asturias, Colombia

CORPORATE GOVERNANCE II

Chair: Stefan Otto Grbenic

Room: E127

Making Non-Profit Organization's Accountability Transparent

Roshayani Arshad, Universiti Teknologi Mara, Malaysia; Mohd Hisham Mahamud, Universiti Teknologi Mara, Malaysia; Ramesh Nair, Universiti Teknologi MARA, Malaysia; and Aida Maria Ismail, Universiti Teknologi Mara, Malaysia

Corporate Governance Attributes in Fraud Deterrence

Raziah Bi Mohamed Sadique, Universiti Teknologi MARA, Malaysia; Jamal Roudaki, Lincoln University, New Zealand; Murray B Clark, Lincoln University, New Zealand; Aida Maria Ismail, Universiti Teknologi MARA, Malaysia; and Norhayati Alias, Universiti Teknologi MARA, Malaysia

Tax-Motivated Income Shifting and Corporate Governance: Evidence from Korean Business Groups

Seo Young Doo, Korea University, South Korea and Sung Soo Yoon, Korea University, South Korea

Post-Privatization Corporate Governance and Firm Performance: Evidence from Brazil

Jose Eusebio Santos, University of Madeira, Portugal

Law and Finance: Extraterritorial Jurisdiction in the Computer Age

Steven McNamara, American University of Beirut, Lebanon

The Relationship between Firm Characteristics and the Performance of Sustainability Reporting: A Research on Companies Listed on BIST Sustainability Index

Ibrahim Sakin, Osmaniye Korkut Ata University, Turkey and Zeynep Turk, Osmaniye Korkut Ata University, Turkey

HUMAN RESOURCES II

Chair: Joanna Sadkowska

Room: E128

Burnout among Academics: An Empirical Study on the Universities of Poland

Agnieszka Springer, WSB University in Poznan, Poland and Iwona Werner, WSB University in Poznan, Poland

Gamification in Organizational Behavior and Human Resources: A Review of the Studies

Yaprak Kalafatoglu, Marmara University, Turkey

Human Resources Management Disclosure by Banks in Russia: Referent Work Systems

Sofia Kosheleva, Saint-Petersburg State University, Russia and Aleksandra Bordunos, St-Petersburg State University, GSoM, Russia

Do Generation X and Millennials Differ in Perception toward Pay for Performance and Proactive Behavior?

Hastuti Naibaho, Universitas Pembangunan Jaya, Indonesia

Workplace Expectations versus Reality: Are Millennials so Different?

Iveta Ludviga, RISEBA, University of Business, Arts and Technology, Latvia

The Dilemma of the Effectiveness of Performance Appraisal in the Civil Service of Pakistan

Imtiaz Badshah, Østfold University College, Norway and Ghulam Mustafa, NTNU-Norwegian University of Science and Technology, Norway

Workers' Job Satisfaction in Japanese Companies, Tan Thuan Export Processing Zone, Ho Chi Minh City, Vietnam

Nguyen Thu Lan, Waseda University, Japan and Hochiminh City National University, Vietnam

MARKETING II

Chair: Ramona-Mihaela Paun

Room: E129

Source Credibility Perceptions of University Students in Turkey towards Celebrity, Expert and Peer Endorsers and its Effect on Purchase Intention

Ilkem Aydin, Marmara University, Turkey and Emine Cobanoglu, Marmara University, Turkey

Companies Image Evaluation using Social Media and Sentiment Analysis

Liviu-Adrian Cotfas, Bucharest University of Economic Studies, Romania and Ramona-Mihaela Paun, Webster University Thailand, Thailand

Target Group Segmentation and Cluster Analysis of German Equestrians

Celina Rischmann, Royal Agricultural University, United Kingdom; Codrin Chiru, Royal Agricultural University, United Kingdom; and Allan Butler, Royal Agricultural University, United Kingdom

Investigating Benefits of Combining Content Marketing and Viral Marketing - Practical Case Study (Book Summary Videos)

Elvin Mansimov, Masaryk University, Czech Republic and Dusan Mladenovic, Masaryk University, Czech Republic

Possibilities for Expanding the Use of Mean-End-Chains

Georgi Shinkov Zabunov, University of National and World Economy, Bulgaria

LUNCH: 13:30-14:30

DAY 3 - SESSION III: 14:30-16:30

HEALTH ECONOMICS II

Chair: Asuka Oura

Room: E104

The Impact of E-Cigarette Regulation on Illicit Trade in Tobacco in the European Union

Mark A.R. Kleiman, New York University, U.S.A.; Jonathan Kulick, New York University, U.S.A.; and James E. Prieger, Pepperdine University, U.S.A.

Socio-Economic Determinants of Health Status among Older Adults in Poland

Magdalena Kludacz-Alessandri, Warsaw University of Technology, Poland and Malgorzata Cyganska, University of Warmia and Mazury in Olsztyn, Poland

Interaction of Industry 4.0 and Health Policy - Social and Financial Consequences on Healthcare Sector

Kemal Yaman, Mersin University, Turkey; Emine Ozlem Taner Koroglu, Toros University, Turkey; and Kemal Er, Istanbul Gelisim University, Turkey

The Informational Value of Reference Pricing: A Quasi-Experiment

Mikael Moutakis, Gothenburg University, Sweden

Economic Efficiency Estimation of Remote Patient Monitoring System based on Telemedicine Technologies in the Russian Federation

Igor Vasilevich Ilin, Peter the Great St. Petersburg Polytechnic University, Russia; Oksana Yurevna Iliashenko, Peter the Great St. Petersburg Polytechnic University, Russia; and Victoria Mikhailovna Iliashenko, Peter the Great St. Petersburg Polytechnic University, Russia

FOREIGN DIRECT INVESTMENT (FDI)

Chair: Steven McNamara

Room: E127

Threshold Effect of Intellectual Property Protection between FDI and Economic Growth

Hou Jian, Harbin Engineering University, China and Chen Heng, Harbin Engineering University, China

The Economic Specificity of USA Foreign Direct Investments to the Selected European Union Countries

Rasa Daugeliene, Kaunas University of Technology, Lithuania

Location Determinants of Foreign Direct Investment in Services Evidence from Chinese Provincial-Level Data

Feng Yin, Shanghai University, China

Determinants of Foreign Direct Investment from OECD Countries in Poland

Andrzej Cieslik, University of Warsaw, Poland

Cross-Border Mergers and Acquisitions as Growth Strategy

Bongju Kim, Meiji University, Japan

Dependence and Interdependence Factors in FDI Analysis in the EU Area

Liana Eugenia Mester, University of Oradea, Romania; Nicoleta Georgeta Bugnar, University of Oradea, Romania; and Adriana Giurgiu, University of Oradea, Romania

What are the Determinants of Foreign Direct Investment Location Choice? An Evidence from Indonesia
Yuhana Astuti, Waseda University, Japan

GROWTH AND DEVELOPMENT II

Chair: Eiji Okano

Room: E128

Financial Development, Economic Growth, and Institutional Features: Is There a Common Pattern?
Fernando Zanella, United Arab Emirates University, U.A.E.

The Influence of Culture and Institutions & Policies on Economic Development: Evidence from the World
Tomas Evan, Czech Technical University (FIT), Czech Republic and Ilya Bolotov, University of Economics, Prague, Czech Republic

Oil Sector of Russia: Basic Trends under the Terms of Current Macroeconomic Cycle

Svetlana Mihaylovna Beltyukova, Perm National Research Politechnic University, Russia; Natalya Pavlovna Pazdnikova, Perm National Research Politechnic University, Russia; Yuliya Karpovich, Perm National Research Politechnic University, Russia; and Oksana Butorina, Perm National Research Politechnic University, Russia

Multi Criteria Decision Making with Grey Additive Ratio Assessment (ARAS-G) Method: An Application on Evaluating the Logistics Performance Index of OECD Countries

Bahadir Fatih Yildirim, Istanbul University, Turkey and Burcu Adiguzel Mercangoz, Istanbul University, Turkey

Consumption, Investment or Export Led Growth in Least Developed Countries?

Wioletta Nowak, University of Wroclaw, Poland

On the Balance between Economic, Legal and Political Aspects of State Aids on the EU Internal Market Development

Janku Martin, University of Finance and Administration, Czech Republic

Two Speed Europe

Jaroslav Kundera, University of Wroclaw, Poland

MANAGEMENT AND MARKETING

Chair: Iveta Ludviga

Room: E129

The Effect of Anomalous Emotional Scenes in Children Movies on Future Revenues

Ahmad Adel Mostafa Abdeltawab, ESSCA, France

NeuroBarometer - Technology of Consumer Choice Estimation based on the Multimodal Brain Processes

Marina Sheresheva, Lomonosov Moscow State University, Russia; Natalia Galkina, Neurotrend, Russia; Adel Adiatullin, Neurotrend, JSC, Russia; and Svetlana Berezka, Lomonosov Moscow State University, Russia

Antecedents of Informational Mobile Application's Continuous Usage: A SEM-Cluster Approach

Priyanka Gupta, Indian Institute of Management Raipur, India and Sanjeev Prashar, Indian Institute of Management Raipur, India

Energy Efficiency Clusters and Platforms as a Potential for SMEs Development - Poland Case Study

Anna Pamula, University of Lodz, Poland

Project Prioritizing in a Manufacturing - Service Enterprise with Application of the Fuzzy Logic

Katarzyna Elzbieta Marek-Kolodziej, Opole University of Technology, Poland; Iwona Lapunka, Opole University of Technology, Poland; and Piotr Wittbrodt, Opole University of Technology, Poland

Production Technologies within the Enterprise Architecture Model in View of Digital Transformation

Igor Vasilevich Ilin, Peter the Great St. Petersburg Polytechnic University, Russia; Anastaia I. Levina, Peter the Great St. Petersburg Polytechnic University, Russia; and Aleksandr Lepekhin, Peter the Great St. Petersburg Polytechnic University, Russia

Tax Instruments and the Achievement of Tax Equity

Achille Vernizzi, DEMM, Università degli Studi di Milano, Italy and Simone Pellegrino, ESOMAS, Università degli Studi di Torino, Italy

COFFEE BREAK: 16:30-17:00

GALA DINNER: 19:30-22:00

ABSTRACT BOOK

WEDNESDAY, OCTOBER 24 (DAY 1)

REGISTRATION: 08:45-17:00

OPENING SPEECH: 09:30-10:00

Room: E007

Mehmet Huseyin Bilgin, *Vice President of EBES and Istanbul Medeniyet University, Turkey*
Bohuslava Senkyrovai, *Rector, University of Finance and Administration, Czech Republic*

COFFEE BREAK: 10:00-10:30

DAY 1 - SESSION I: 10:30-12:30

INTERNATIONAL TRADE

Chair: Pedro Jose Gutiérrez Diez

Room: E104

Structure Demand Estimation of the Response to Food Safety Regulations in the Japanese Poultry Market

Qizhong Yang
Osaka University, Japan

Keiichiro Honda
Prefectural University of Kumamoto, Japan

Tsunehiro Otsuki
Osaka University, Japan

Abstract

Since their implementation in 1995, the Agreements on the Application of Sanitary and Phytosanitary Measures and Technical Barriers to Trade of the World Trade Organization have played an increasingly important role in the conduct of international negotiations. This study employs the method of moments estimator proposed by Berry, Levinsohn, and Pakes (1995) and Nevo (2001) to estimate the effect of Japanese pesticide residue standards on poultry consumption with a particular focus on the maximum residue limits (MRLs) on pesticide and veterinary drugs. The results confirm that more stringent MRLs on pesticide and veterinary drugs enhance the demand for poultry imports by ensuring higher food safety. The results shed light on Japanese consumers' robust preference for food safety. Further counterfactual experiments of alternative MRLs show that the demand-enhancing effect may vary among the exporting countries, and appears to be more prominent for imported poultry from developed countries

Keywords: Poultry Consumption, Maximum Residue Limit, Random-Coefficient Model

Importing Inequality: Trade Liberalization, Technology, and Women's Employment

Dainn Wie
National Graduate Institute for Policy Studies, Japan

Abstract

In this paper, we investigate the impact of trade liberalization on demand for female workers using Indonesia's tariff reduction in 1990s as a natural experiment. This paper utilizes both reduction in output and input tariffs to examine the two different channels of trade liberalization on female employment: competition and technology. We employ Indonesian manufacturing census data from 1993 to 1999 to examine the impact of trade liberalization on female employment at firm level. We do not find out any evidence that increased domestic competition by reduction in output tariff increases female employment by driving out discriminating firms. On the other hand, reduction input tariff increases female employment especially among heavy industry. Our results imply that imported technology decreases demand for female workers by favoring more skilled workers.

Keywords: Importing Inequality, Trade Liberalization, Technology, and Women's Employment

Specific Non-Tariff Measures and Trade

Hea-Jung Hyun
Kyung Hee University, Korea

Abstract

Recently published studies stress the negative effect of unilateral non-tariff measures on trade volume through increase in compliance costs on supply side. The increase in demand by introducing new product standards and upgrading quality of product, however, may increase trade. Also, the specific NTMs rather than unilateral global NTMs may have stronger impact on trade. Thus, the effects of NTMs on trade is subject to empirical question. We examine the role of bilateral NTMs on trade in the gravity framework. Our empirical tests using a new data set containing 106 countries and 96 industries at HS2 level spanning 20 years show that the effects of bilateral NTMs on trade may depend on type of NTMs, sectors to which NTMs are applied and income level of destination countries.

Keywords: Bilateral Non-tariff Measures, International Trade

What Factors Motivate Foreign Countries to Initiate an Antidumping Investigation against China?

Xiaolei Wang
Shanghai University, China

Yao Shen
Shanghai University, China

Abstract

This paper uses the data of foreign countries' anti-dumping filings against China during the period 1990-2014, to empirically analyze the determinants of foreign countries' anti-dumping investigations against China, including economic, institutional, and strategic factors, as well as China's foreign investment and trade policy factors, via a Negative Binomial Regression Model with panel data, and to discuss policy coordination and responses of China. The results show that: when foreign countries have trade deficit with respect to China, they would launch more anti-dumping filings against China; when China's exports become important to foreign countries, these countries would significantly reduce the number of anti-dumping filings against China; compared with the rest of the world, countries including U.S., India, European Union, Brazil, etc., tend to initiate more anti-dumping investigations against China than others; when China cannot effectively reduce the number of anti-dumping investigations from foreign countries by launching anti-dumping filings against them as China's trade policy, it can significantly reduce the

number of anti-dumping filings against China by adjusting its foreign investment policy to attract more foreign direct investment.

Keywords: Antidumping, Chinese Trade Policy, Macroeconomic Factors, Foreign Direct Investment

The Silk Railway and China-EU trade - What's Next?

Curt G. Nestor
University of Gothenburg, Sweden

Abstract

This paper provides an overview of the scale and scope of China-EU rail transports in recent years with a discussion on the future prospects of such transports. Over the last several decades, China and the EU developed into significant mutual trade partners. The Chinese Belt and Road Initiative aims at promoting improved logistic connectivity between China and Europe and rail transports is a major feature of this policy. The first regular Europe-bound rail service was initiated in 2011 and more than 6,600 trains had been dispatched by 2017. Reflecting the imbalance in the flow of goods, only about one third of total trips in 2017 were eastbound, i.e. carrying EU exports to China. The geographical coverage has expanded over time and the number of departure cities in China increased to 38 reaching 36 cities in 13 countries across Europe by the end of 2017. Rail transports have gradually become a viable and cost-efficient alternative to sea and air transport with shortened lead times of 10-12 days, i.e. three times faster than sea freight, and at substantially lower costs than air freight. However, the competitive costs of rail transports are contingent on subsidies provided by China. Despite the rapid expansion of rail freight, the current levels in terms of value and volume only represent a few percent of total trade between China and EU. The annual total number of China-EU freight train services is planned to reach 5,000 by 2020. However, future expansion would need to address the issue of imbalanced goods flows and the phasing out of Chinese subsidies.

Keywords: EU, China, Trade, Rail Transports

Measurement of Turkey and Italy's Marble Sectors' Export Competitiveness with Comparative Export Performance Index

Bulent Altay
Afyon Kocatepe University, Turkey

Nihat Onur Asikoglu
Afyon Kocatepe University, Turkey

Abstract

The aim of this study is to measure the competitiveness of Turkish and Italian marble sectors' exports. The concept of competitiveness show that share the world with goods and services trade a country. The concept of international competitiveness, although controversial and elusive, has gained acceptance and continues to attract the attention of both academics and policymakers worldwide. International competitiveness, within the context of trade in goods and services, refers to a nation securing and maintaining a trade advantage vis-a-vis the rest of the world. Different indices have been reported to measure the strength of the competition. Among them, the Balassa Comparative Export Performance Index (CEP) is the most commonly used index. The analysis of comparative advantage of exports has been undertaken using the Balassa Comparative Export Performance (CEP) index. Balassa's index of relative export performance by country and commodity, defined as a country's share of world export of a commodity divided by its share of total world exports. In this study, the comparative advantage and competitiveness of Turkish and Italian marble sectors' exports in the global market will calculate and analyse.

Keywords: Competitiveness, Comparative Export Performance Index

HUMAN RESOURCES I**Chair:** Duminda Roshan Rajasinghe**Room:** E127**The Workplace Learning: Exploring the Strategies among Adult Gen Y****Fadilah Puteh****Universiti Teknologi MARA, Malaysia****Ahmad Naqiyuddin Sanusi Bakar****Universiti Teknologi MARA, Malaysia****Suseela Devi Chandran****Universiti Teknologi MARA, Malaysia****Azizan Zainuddin****Universiti Teknologi MARA, Malaysia****Zuraidah Abu Bakar****Universiti Teknologi MARA, Malaysia****Abstract**

This paper intends to explore on the learning and development needs of Gen Y as adult learners at the workplace. Generation Y or well known as Gen Y is the current and dominant cohort of workforce. Managing Gen Y effectively and efficiently has puzzled many organizations. Gen Y workforce poses great challenges as their characteristics are extremely distinct than the other two cohorts of workforce namely Gen X and Baby Boomers. Due to their unique characteristics, hypothetically, managing Gen Y talents should not be the same as managing the other two cohorts. As adult learners at the workplace, it is hypothesized that the adult learning approach is applicable in meeting their learning and development needs. Nonetheless, literature review indicates that organizations employ the same approaches in determining Gen Y learning and development needs.

Keywords: Workplace Learning, Adult Learners, Learning Strategies, Gen Y

Teamwork Behaviors and Work Motivation of UAE Public Sector Employees**Hanan Saber AlMazrouei****United Arab Emirates University, U.A.E.****Abstract**

The UAE presents an unusual situation in that most are employed in the public sector with many of them working in teams. Their behavior can affect their work motivation. For that reason understanding teamwork behavior in the UAE public sector is essential. This paper investigates the factors affecting the work motivation of staff. The findings present a greater awareness of the differences in teamwork behavior across genders allowing the potential for improved management of teams in UAE public sector organizations. They will also assist HR practitioners to develop better selection and training methods for public sector employees. This proposed study will add to existing knowledge by expanding understanding of teamwork behavior in the UAE public sector and facilitating strategies to improve these behaviors to the benefit of the UAE public sector and the nation. A stronger understanding of work teams in the UAE public sector and their behaviors is needed to assist in the development of stronger, more effective teams. This will benefit these teams and their organizations by strengthening their contributions to the country. The fully validated questionnaire will be distributed to the full sample population of public sector employees during this stage and will take the form of a self-administered drop-off questionnaire. The sample population will be selected by random sampling. It is estimated that the sample population will number between approximately 650 and 800.

Keywords: Teamwork Behavior, Work Motivation, Public Sector, UAE National/Non-Nationals

A Mixed-Method Study Examining Social Stressors in Teams and the Effects on the Wellbeing

Katrin Leifels
RMIT University, Australia

Abstract

The number of absent days as a result of poor mental health, has increased during the last years. These numbers and the financial burden for companies as a result of work-related stress, provide reason for the importance of identifying potential causes of stress and working against them at an early stage. By taking the demands of cultural diversity at the workplace into account, this study analyzes those social stressors, which play an important role within culturally diverse work teams. As part of a mixed-method research, which combined an interview-based qualitative study and questionnaire-based quantitative study, 15 members of culturally diverse work teams were interviewed to investigate social stressors in their teams. The analysis was done by coding methods and frequency analysis. Building on this, data was collected from 720 individuals working in different team compositions. Results show a negative relationship between social stressors and wellbeing, in particular between wellbeing and discrimination and a lack of information sharing. The relationship between discrimination and wellbeing was stronger for members of monocultural teams than for members of multicultural teams. Furthermore, members of multicultural work teams appear to be more vulnerable to a lack of information sharing than members of monocultural teams. The identification of social stressors within work teams gives important implications to prevent stress caused within teams. These findings could support companies by assembling their team compositions and strategies to reduce stress the workplace.

Keywords: Cultural Diversity, Wellbeing, Teams, Stressors, Prevention

Talent Management: A Systematic Review on its Conceptualizations

Eszter Daruka
Eotvos Lorand University, Hungary

Katalin Pádár
Eotvos Lorand University, Hungary

Abstract

Talent management (TM) literature is frequently criticized for an absence of sound theoretical bases. Therefore, the purpose of this article is to present the results of a comprehensive systematic literature review on TM, and to provide a clear picture of the existing conceptualizations of TM and thus to contribute to the advancement of the theoretical literature of the field. We searched for publications in the complete Web of Science (WoS) database with the search string “talent management” in the topic field with no restrictive conditions on the date of publication (until July, 2018), which query resulted in 533 articles. Non-English and non-article items were excluded, thus 418 articles were analyzed. A longitudinal bibliometric data collection and as well as a content analysis were carried out regarding the TM definitions in the relevant articles. The paper gives insight to academics and practitioners in particular on the definition of TM being used throughout the years of TM research. Findings of this article can aid the advancement of the field regarding how future conceptual and empirical researches are planned and implemented (i.e. which conceptualization they build on and why) as well as concerning the design of real-life, prosperous TM programs.

Keywords: Talent Management, Talent, Human Resource Management, Literature Review, Bibliometric Data Collection, Content Analysis

Organizational Structure and Counter-Productive Behavior: The Mediating Role of Job Satisfaction, Procedural Justice and Work Alienation

Ghulam Mustafa

NTNU-Norwegian University of Science and Technology, Norway

Hans Marius Martinsen

NTNU-Norwegian University of Science and Technology, Norway

Martin Saure Bogen

NTNU-Norwegian University of Science and Technology, Norway

Abstract

This paper develops and tests a model of organizational structure effects on counter-productive behavior and explores the role of job satisfaction, procedural justice and work alienation as mediating mechanisms in this relationship. Survey data collected from 124 employees of public and private sector organizations in Norway was used to test the study hypotheses. All the hypothesized relationships were assessed using Partial Least Square (PLS) structural equation modeling technique. The findings suggest that the structural environment of an organization plays an important role in the development of employee job satisfaction and perceptions of procedural justice. Further, our data provides partial support to the direct and indirect effects of organizational structure on counter-productive behavior in which procedural justice acts as a mechanism in explaining the influence of formalization and participation in decision-making on counter-productive behavior. The paper suggests theoretical and practical implications.

Keywords: Organizational Structure, Counter-Productive Behavior, Centralization, Formalization, Specialization, Job Satisfaction, Procedural Justice, Work Alienation

Integration of Occupational Safety and Health Training on the Relationship between Sustainability Practices and Sustainability Performance: A Conceptual Framework

Dina Azleema Mohamed Nor

Universiti Teknologi Malaysia, Malaysia

Tan Owee Kowang

Universiti Teknologi Malaysia, Malaysia

Mohd Saiful Izwaan Saadon

Universiti Malaysia Terengganu, Malaysia

Mohd Noor Azli Ali Khan

Universiti Teknologi Malaysia, Malaysia

Fahirah Syaliza Mokhtar

Universiti Malaysia Terengganu, Malaysia

Abstract

Numerous studies either theoretical or empirical often highlight a positive relation between sustainability practices and sustainability in organisational performance. According to some previous study, the concept of sustainability exploitation and sustainability exploration were chosen to differentiate between types of sustainability practices. However, empirical studies on the multi-dimensional nature of sustainability practices are rather scarce. Therefore, the purpose of this paper is to present a conceptual framework to assist in understanding the role of occupational safety and health training (learning orientation dimension) on the relationship between sustainability practices and sustainability performance. Content analysis was being adopted as the methodology in this study. The findings of this paper can be generalized only to the specific population of online databases selected for this research for a given period of time and not for the universal applicability of sustainability practices. The

conclusion of this paper is that occupational safety and health training were a possible alternative factor that has an impact on sustainability performance other than environmental uncertainty, competitiveness, long-term orientation and institutional approaches. Hence, this paper proposes a new sustainability practices and sustainability performance framework that explore the impacts of learning orientation dimension towards organisation's achievement.

Keywords: Sustainability Practices, Sustainability Performance, Organisational Performance, Occupational Safety, Health Training

INDUSTRIAL ORGANIZATION

Chair: Cherng George Ding

Room: E128

The Significance of Transformational Leadership and Team Support on Team Trust and Team Contextual Performance: A Case of Malaysian Healthcare

Azlyn Ahmad Zawawi
University Technology MARA, Malaysia

Aizzat Mohd. Nasurdin
Universiti Science Malaysia, Malaysia

Abstract

Successful service-oriented organizations are made of proficient employees who are willing to give their best to achieve the organizations' objectives either as an individual or part of a team. The use of teams to accomplish tasks denotes that the members are more energetic, synergized, and active in collective surroundings. Nurses in particular, are highly dependent on teams because high-performing nursing teams will lead to a higher degree of members' satisfaction, decreased stress, increased quality of healthcare, reduced medical errors, and increased patient safety. Based on that notion, this study sought to examine the indirect relationship between team leaders' transformational leadership, team support and team contextual performance via the mediating role of team trust. Team contextual performance was conceptualized as the activities that affect the organization's social and psychological environment, such as teammates' helping behavior, acceptance towards suggestions or criticisms, and cooperation. A total of 1436 individual nurses (300 nursing teams) from seven healthcare institutions in Malaysia participated in this study. Data were collected using two sets of questionnaires which were distributed to the team leaders and team members respectively. Individual responses were combined and data were then merged and aggregated to the team level to get the team's final score. Analysis of the hypotheses were done using Partial Least Squares (PLS) and results indicated that team trust mediates the relationship between perceived team support and team contextual performance ($\beta = 0.175$, $p < 0.01$). The results from the mediation analysis also showed that team trust mediates the relationship between transformational leadership and team contextual performance ($\beta = 0.057$, $p < 0.05$). Discussion on the findings is provided.

Keywords: Team Contextual Performance, Transformational Leadership, Perceived Team Support, Malaysia

Does Diversification Increase the Survival Probability of an Enterprise under Financing Constraints?

Shaokai Li
Jinan University, China

Abstract

Based on the database of China's industrial enterprises from 1998 to 2009, this paper analyzes the influence of diversification on the company's survival time through propensity score matching and Cox risk proportion model, and examines the regulatory effects of financing constraints. The results show:(1)

the diversification of non-listed companies effectively increases the probability of survival by Cox semi-parametric estimation model and Weibull, Gompertz parameter estimation.(2) Mitigating the financing constraints can reduce the risk of failure of diversified companies, and the probability of survival of diversified companies under the constraint of low internal and exogenous financing is significantly higher than that of companies with high internal and external financing constraints.(3) Further robustness tests found that the survival risk of vertical diversified companies was significantly lower than that of horizontal diversified ones. The survival risk of state-owned diversified companies was significantly higher than that of non-state-owned enterprises. The survival risk of new diversified companies is significantly higher than that of incumbents. This paper reveals the microscopic internal mechanism of the rational choice of business models and the continuation of market survival time for non-listed companies, which provides a strong practical value for the sustainable development of modern enterprises.

Keywords: Diversified Operations, Business Survival, Financing Constraints, Enterprise Heterogeneity, Cox Risk Model

Measures of the Size and Importance of the State-Owned Enterprise Sector in the Economy

Grzegorz Kwiatkowski
Maria Curie-Skłodowska University in Lublin, Poland

Abstract

In recent years, we have seen some signs that many countries are returning to a more active role of the state in the economy. This article is focused on one of the dimensions of the state's activity in the economy - on the ownership of enterprises. Some researchers suggest that we are dealing with so-called the return of state-owned enterprises (SOEs). However, the size and importance of the state-owned enterprise sector can be determined using various measures. An additional problem in the empirical verification of the abovementioned hypothesis on the return of state-owned enterprises is the lack of available, standardized data from many countries, as well as differences in defining state-owned enterprises, so comparing the results of different studies is problematic. The objective of this article is to systematize knowledge about the measures of the size and importance of the state-owned enterprise sector and to review the literature on SOEs from recent years with the emphasis on the information on the size of the state enterprise sector. The research results show that in the literature of the subject, approximate, far from scientific precision and often outdated data are commonly used. In addition, the research results suggest that the SOEs share in the economies of particular countries is often underestimated (this also applies to the share of SOEs in the global economy). The conclusions relate to conducting research based on a strict set of measures and definitions (both narrow and broad approach to SOEs). The article also contains a postulate to create international standards for public statistics institutions relating to state-owned enterprises.

Keywords: State-Owned Enterprises, Measures, Public Enterprises

Upstream Market Structure and Downstream Cross Holding

Jie Shuai
Zhongnan University of Economics and Law, China

Mengyuan Xia
Zhongnan University of Economics and Law, China

Chenhong Zeng
Zhongnan University of Economics and Law, China

Abstract

Existing studies on cross holding usually overlook the effects of vertically related markets. Our paper, by considering different upstream market structures, highlights the importance of upstream market on downstream firms' incentives to engage cross holding and the consequent welfare implications. In the main model, we assume there are three firms in the downstream market, two of which may engage

cross holding. We find that first, the two firms will engage cross holding if the upstream market is oligopoly (triopoly or duopoly). Second, cross holding may stimulate the total production, as well as consumer welfare and social welfare. This happens when the upstream market consists of duopoly and the two firms involved in cross holding are supplied by different suppliers. Third, the common free-rider in the literature may become a victim of cross holding. More specifically, the firm that is not involved in cross holding, outsider, suffers a loss from cross holding when the upstream market is triopoly, or the upstream market is duopoly and the outsider shares the same supplier with the acquired firm. Our main results are robust to a general n-firms framework.

Keywords: Cross Holding, Vertical Market, Antitrust

Evaluating the Effects of Consolidation of Macedonian Mobile Markets

Daniela Mamucevska

Ss. Cyril and Methodius University in Skopje, Macedonia

Predrag Trpeski

Ss. Cyril and Methodius University in Skopje, Macedonia

Abstract

In the last two decades regulatory framework and structures of European telecom markets have significantly changed. The final goal of these changes was to increase competition in the telecoms industry, forcing operators to raise quality of services and reduce their prices. But on the other hand, as a result of the liberalization of the telecommunications market, application of new telecommunication technologies, and as well as the effects of regulatory pricing intervention, telecom operators are faced with shrinking revenues and profitability. Despite traffic growth in the period 2014-2018, revenue levels of telecom companies has remained stagnant. Therefore it is not a surprise the fact that over the period 2002 - 2015 a total of 1024 competition policy cases have arisen in EU telecoms markets, where more than a half are merger control cases. Results from a number of empirical studies for ex-post evaluation of merger decisions, suggest that a merger may have negative price effects and positive effects on investment transformed into better quality of services for consumers. Macedonian telecommunications market was not excluded from this trend of merging between mobile operators. The proposed merger between mobile operators VIP and ONE was cleared with remedies in July 2015. In the public, there is an open debate about the effects of this competition authority's decision on consumer welfare and market performances. Hence, the main objective of this paper is to quantify the impact of the approved merger decision between the second and third mobile operators on market performance and consumer welfare in the Macedonian mobile market. For the purposes of this research, we applied reduced-form econometric methods using a difference-in-differences (DiD) approach, which is an established and widely used methodology in the ex-post evaluation studies. We compared the evolution of the market competition and performances indicators, both before and after the decision. As a control group we used mobile markets data of selected countries from South East Europe. Analysis Mason DataHub, Eurostat data, OECD, World Telecommunication/ICT Indicators database were the main data sources for our analysis. The key outcomes of this research study are particularly important for the regulatory authorities, in the period that is characterized by the introduction and implementation of costly innovations such as 4G and 5G services, and in a context where mobile operators are lobbying for a bigger market consolidation and for a more lenient merger control in order to be able to invest effectively.

Keywords: Mobile Telecom Markets, Ex-Post Merger Evaluation, Consumer Welfare, Efficiency,

Industry 4.0 - Challenge for Today's Manufacturing Enterprises

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Opole University of Technology, Poland

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Opole University of Technology, Poland

Abstract

In today's highly competitive manufacturing environment, companies face the challenge of coping with large amounts of data, making accurate decisions quickly and being flexible in their production processes. In particular, the aspect of production flexibility is an important element here, since today, in modern industry, we are reaching the limit where performance, productivity, efficiency may be increased by better organization of systems and continuous improvement of production processes, and the nature of production is shaped by changes in the paradigm from mass production to on-demand production. The study presents selected issues related to the implementation of the Industrial 4.0 system in production companies. The areas of implementation of the concept were presented, the potential advantages and disadvantages of the implementation in the production companies were discussed. Attention was paid to the chances of development of the company, which introduces modern technical solutions.

Keywords: Industry 4.0, Complexity, Engineer of the Future, Manufacturing

Organic Farming as a Specialization in Selected Regions of Poland

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Abstract

The purpose of the following scientific study is to determine how the situation of the organic farming sector in Poland is currently shaped, as well as what are the priority objectives and actions necessary for the development of this sector in selected regions of Poland. Particular attention has been paid to defining organic farming and defining the basic principles of this system of agriculture from the point of view of the literature on the subject. In addition, the study includes statistics on the organic farming market in Poland, and also indicates key areas of concentration of this production system, including territorial distribution. The essence of organic farming as a regional specialization favoring the economic development of a given region was also underlined. The research method used for the implementation of the above-mentioned objective was the analysis of available documents and the subject literature, as well as the statistical method through the development of statistical surveys. The deduction method was also used by drawing conclusions from the image of the Polish agricultural sector.

Keywords: Organic Farming, Sustainable Cultivation Methods, Organic Products, High Quality Food, Regional Specialization, Economic Development

CORPORATE FINANCE**Chair:** Yudhvir Seetharam**Room:** E129**Real Activity Management in the Presence of Labor Unions****Kiyoung Chang****University of South Florida Sarasota-Manatee, U.S.A.****Young Sang Kim****Northern Kentucky University, U.S.A.****Ying Li****University of Washington Bothell, U.S.A.****Abstract**

In the presence of labor unions, management has incentives to lower earnings to prevent labor unions from extracting rents (“manipulation hypothesis”) or to boost earnings through overproduction to lower costs of unit production or reducing discretionary R&D expenditures to mitigate employees’ perception of unemployment risk and reduce cost to attract and retain employees (“forced cooperation hypothesis”). Strong union affects manager’s decision in a way that firms end up getting lower abnormal production costs and lower abnormal R&D expenditures. We test these two hypotheses through the lens of real activity management because of labor unions’ particular interest directly linked in real activities. Consistent with the forced cooperation hypothesis, we find that the power of labor unions is positively associated with real activity management, especially through the overproduction channel. The extent of upward real activity varies with union power with a magnitude that is both statistically and economically significant. The positive relation between union power and real activity is stronger when the cost of attracting and retaining employees is high, and when labor unions are valued for job security purpose. In addition, the result is consistent when states’ unemployment insurance benefits suffer negative shocks, when states adopt the “right-to-work” laws, and when firms switch from unionized to non-unionized.

Keyword: Labor Unions, Earnings Management, Real Activities

The Effects of Non-European Takeover Bids on Targets in Europe**Wolfgang Bessler****Justus Liebig University Giessen, Germany****Gerrit Henrich****Justus Liebig University Giessen, Germany****Abstract**

For a sample of 1,865 European M&A targets, we analyze the valuation effects depending on the bidding company being from a European or Non-European country. We provide robust empirical evidence that in the period 1990 to 2016 target’s shareholders experience higher abnormal returns around the announcement for Non-European bidders. Moreover, we find that subsequent to the merger, especially in the period up to one year after the announcement, the valuation effects for the targets do not differ significantly. Protectionist measures do not seem to have a negative influence on the outcome and the valuation effects. Non-European bidders more often pay with cash only and are, on average, larger than European bidders are. Overall, we provide empirical evidence that target shareholders benefit more from the higher premiums offered and paid in Non-European takeover bids. Moreover, the occurrence of these bids are more likely, if the GDP growth in the target’s country is higher than in the Non-European bidder’s country, and if the long-term interest rates are lower than in the domestic market. We interpret these findings with strategic growth opportunities and a more beneficial financing environment being the most important reasons for Non-European bidders bidding for European targets.

Keywords: Mergers and acquisitions, Government Policy, Protectionism, Growth Opportunities, Valuation Effects, Long-run Performance

The Strategic Rationale of Mergers and Acquisitions on Emerging Markets: Evidence from Romania

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Roxana Dicu
Alexandru Ioan Cuza University of Iasi, Romania

Daniela Mardiros
Alexandru Ioan Cuza University of Iasi, Romania

Abstract

External growth operations, such as mergers and acquisitions (M&As), alliances, consortia, are often seen by the companies as a way of expanding their businesses or a way of survival. In the economic literature, there are many papers which focus on the strategies of the companies, and M&As are covering an important part of these strategies. Furthermore, there is evidence that both the theoreticians and the practitioners propose various classifications of M&As, one of them being related to the core activity of the target and how this is related to the one of the acquirer (horizontal, vertical and conglomerate M&As). In this paper, we intend to identify the determinants of the acquirers for choosing one type of merger in the detriment of the other two, considering the core activity of the targets, the premium paid to the shareholders of the target company, the motivations (offensive or defensive) which lead to the combination, their indebtedness, and the retained earnings of the acquirer, reported in the merger balance-sheet. We start from the scientific literature and continue with the proposed research hypotheses which are to be tested on a sample of 737 mergers and acquisitions which took place on the Romanian market and involved both Romanian and foreign companies, on the 2014-2016 period of time. In order to obtain the research results, in the study we use multinomial logistic regression, as a method for data analysis. The main results will show us that the indebtedness and the core activity of the acquiring companies have the most significant influence on the type of merger chosen by the acquirer, given the fact that, in our sample, many acquirers register a negative book value of equity, opposed to the financial situation of the target. Despite the fact that the premium paid to the shareholders of the target companies is considered to be a first manifestation of the synergy from M&As (Sirower, 1997), on the Romanian market, many of the companies decide not to pay this amount, so its influence is not representative.

Keywords: M&As, Horizontal, Vertical and Conglomerate Mergers, Multinomial Logistic Regression, Indebtedness, Retained Earnings

Economic Analysis of the Recent Laws on Corporate Reorganization Methods in Hungary

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Kinga Judit Petervari
Eotvos Lorand University, Hungary

Abstract

This article is based on primary research focusing on the effect of bankruptcy regulatory changes in Hungary after the 2008 global financial crisis. It studies the attitudes of Hungarian companies towards reorganization possibilities in a creditor-friendly environment and examines the outcomes of the new procedures. The conclusion is that the financial variables are seemingly irrelevant in decision-making. The bankruptcy procedure has become a useful tactic for the owner-management to keep their position and protected status as long as possible even at the expense of the divergent creditors. In a bank based financial market, dwelled by mostly SMEs not listed at the stock market, information is a precious commodity even for banks, let alone other creditors. The article's conclusion is that there is a genuine need for a different model for bankruptcy procedures in Hungary. A model in which financially rational

decisions are not dysfunctional. We found that time is the most important factor here. It is therefore suggested that the rules should be designed so that the companies be motivated to file for bankruptcy in time. This is the automated mandatory auction bankruptcy procedure or its pre-pack version.

Keywords: Bankruptcy, Corporate Reorganization, Fiduciary Duty, Pre-Pack Bankruptcy Procedure, Auction Bankruptcy Procedure, Time and Information

The Influence of a Group Purchasing Organization on the Management of Company Receivables

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Abstract

Receivables management is a key element affecting the financial security and profitability of companies. Receivables exist in every small and large company and in every industry. Keeping sales for cash is very convenient for businesses, but it appears less and less frequently. Choosing a receivables management strategy and, above all, the effectiveness of collecting receivables from customers, is very important for managers. An effective debt collection process means an availability of cash that allows regulating current liabilities to suppliers and implementing new investments. There are a number of tools that allow speeding up the process of obtaining cash from recipients. However, it should be remembered that too much emphasis on the recipient during the process of collecting the receivables may result in the loss of the contractor. The policy of managing receivables is a very sensitive issue and should be well thought out. Large opportunities in this area appear in companies operating in purchasing groups. Joint operation allows applying certain tools that effectively enable to manage our receivables policy. The purpose of the paper is to present strategies and tools that facilitate the management of receivables in companies operating in purchasing groups. The article aims at presenting and explaining the influence of the purchasing group on receivables management. The analysis of the receivables management strategy was presented on a group of 45 Polish companies. The research period covered the years 2014-2016. Companies subject to research were commercial companies whose revenues ranged from PLN 10 million to PLN 100 million. The analysis of the receivables management policy in companies was carried out on the basis of literature and using the initial and indicative financial analysis. The conducted analysis showed how the purchasing group influenced the policy of managing receivables in companies forming purchasing groups.

Keywords: Receivables from Recipients, Strategy, Purchasing Group

Cross-Border Acquisitions by Emerging Markets: A Study of Indian Corporates

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Smita Kashiramka
IIT Delhi, India

P.K. Jain
IIT Delhi, India

Abstract

During the recent two decades, the global economy has seen an unprecedented growth of multinational enterprises (MNEs) from emerging markets. These enterprises have been vigorously exploring cross-border acquisitions (CBAs) as a major component of their international expansion strategy. Despite the magnitude of foreign investments made by multinational companies from emerging markets, an important question as to what is the likely impact of such acquisitions on the market valuation of the acquiring firm remains unanswered. It has been argued that foreign acquisitions by emerging economy firms are, primarily, guided by their quest for strategic assets and capabilities that are not easy to

transact through conventional trade channels. The objective of this article is to bridge this critical gap in the extant literature; this article has appraised whether overseas acquisitions by Indian corporates (India being the representative emerging economy) enhances or depletes the wealth of the acquiring firms. Furthermore, a disaggregated analysis has been carried out to determine the impact of various factors, namely, a method of payment, development status of the target country on the returns of the bidding firm. For the purpose, this research involves the analysis of 579 cross-border acquisitions announced by Indian companies over the time period from 2004-2017. Event study methodology has been employed to measure the abnormal returns for the shareholders of the acquiring firm. The results indicate that cross-border acquisitions undertaken by emerging market MNEs enhance the wealth of the acquiring firms. On the day of the announcement, acquirers earn statistically significant and positive average abnormal returns (AAR) of 0.77 percent. The finding is revealing as such transactions involving bidding firms from developed markets have, by and large, yielded negative returns to the bidders. Thus, acquirers from emerging markets can proceed with the objective of acquiring such strategic assets by means of cross-border acquisitions to enhance their overall competitiveness.

Keywords: Abnormal Returns, Acquiring Firms, Cross-Border Acquisitions, Emerging Economies, India

The Impact of Corporate Taxation on Capital Structure and Profitability of Innovative Firms

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Iлона Murashkina

Center for Corporate Finance Research, National Research University Higher School of Economics, Russian Federation

Abstract

This study investigates the impact of corporate taxation on the capital structure and performance of innovative firms. The importance of the effect of corporate tax rate on the capital structure has been documented by many researchers. However, due to special traits of innovative companies the determinants of the capital structure can vary significantly. For example, recent studies conclude that excess cash and intangible assets are main determinants of the innovative companies. Corporate tax rate has not yet been tested as a determinant of the innovative companies, which is the main contribution of the present study. The fact that knowledge is not completely excludable discourages companies to invest in R&D, so governments implement the R&D tax incentive programs that can reduce the tax rate or tax base of the companies. There are different types of R&D incentive programs in different countries, but the effectiveness of these programs is not covered by scientific literature. This study analyzes the impact of these programs both on capital structure and profitability of the companies. The result is important for public entities that wish to optimize the programs and increase the efficacy of the policies. In addition, companies could also use the results in order to choose the most effective R&D tax incentive program. This study is based on the data from European developed and emerging countries between 2007 and 2016. The panel data was analyzed using the fixed effect models with firm-specific variables, macro and industry controls. The results indicate that corporate tax rate is a significant determinant of the capital structure but an insignificant one for profitability. R&D tax incentive programs significantly and negatively influence the level of debt of innovative companies and increase their profitability. This common understanding of impact of the R&D tax incentive programs on the financial results of the companies is important for companies both from developed and emerging countries. Further development of the topic could be devoted to the analysis of the impact of R&D tax incentives on companies from emerging markets because in contrast to developed one, there is a higher number of companies, where Super Deduction program is available.

KEYNOTE SESSION: 12:30-13:00**Room:** E007*Czech Universities and Internationalism*Roman Mentlík, *University of Finance and Administration*, Czech Republic**BEST PAPER AWARD CEREMONY: 13:00-13:20****Room:** E007**LUNCH: 13:30-14:30****DAY 1 - SESSION II: 14:30-16:30****EMPIRICAL STUDIES ON EMERGING ECONOMIES****Chair:** Didar Erdinc**Room:** E104**Employment Protection and Export Product Quality: Evidence from China's Labor Contract Law****Han Wu**
Jinan University, China**Abstract**

Using the matched data of Chinese customs transaction database and Chinese listed firms from 2003 to 2012, we explore how employment protection affects export product quality for labor-intensive firms and the underlying mechanism through difference in differences method. We find that labor-intensive firms in China significantly increase their export product quality following the enactment of China's Labor Contract Law in 2008, and the evidence is significant only for non-state-owned enterprises; other contemporaneous shocks do not seem to drive the finding. Further mechanism analysis shows that employment protection influence export product quality for labor-intensive firms through increasing per capital wage and hiring more skilled workers.

Keywords: Employment Protection, Export Product Quality, Labor Intensity**The Impacts of Oil Price Shocks on Economies and Mining Index in Indonesia Using VECM****Sudarso Kaderi Wiryono**
Insitut Teknologi Bandung, Indonesia**Marla Setiawati**
Insitut Teknologi Bandung, Indonesia**Abstract**

Indonesia is a net oil importer country and oil price has mitigated dramatically over the past ten years. The purpose of this research is to assess the impacts of oil prices shock on economies and mining index. It is surprising that little research has been conducted on the relationship between oil price shock and mining index directly especially in emerging market like Indonesia. In order to fill this gap, we conduct the research. This research is using Vector Error Correction Model and look in-depth with Impulse Reaction Function and Granger Causality. First, we find mining index gives significant impact to oil prices in Indonesia but the causality is not bi-directional both that variables. Second, mining index gives significant impact to GDP and exchange rate in Indonesia. Shock of oil price will decrease the

value of inflation whereas increase the value of mining index and GDP. Impulse reaction function shows that the reaction of that shock happens in the long run which is about two years and a half. The practical implication of this research is very useful not only for government but also the investors to see the impact of the role Indonesia as a net oil importer.

Keywords: Oil Prices Shock, Mining Index, Vector Error Correction Model, Impulse Reaction Function, Granger Causality

The Impact of Internal Brand-to-Brand Citizenship Behaviors of Employees in Aviation Industry: The Case of Domestic Airport Service Providers in Vietnam

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Thang Quyet Nguyen
Ho Chi Minh City University of Technology (HUTECH), Vietnam

Quynh T N Phan
Vietnam Aviation Academy, Vietnam

Abstract

Internal brand and brand citizenship behavior are studied in numerous service providing fields. However, there is a shortage of researches on airport service, although this field is specific due to the unique in its ability to approach the sector of customers with high income, which requires a higher standard comparing to other transportation field. The scope of this research is within Vietnam's domestic aviation industry. By combining the quantity and quality method, the authors carried out the survey with 376 employees in different levels such as senior managers, junior managers, and employees. The results show that internal brand enhances the brand commitment and enhances the brand citizenship behavior of the employees. The different point from the other researches are brand communication and brand leadership have more significant impact on brand commitment than factors belonging to human resource activities. Brand commitment positively and equivalently impacts different parts of brand citizenship behavior. The research confirms that the theoretical model is compatible with practical data collected from Vietnam's domestic aviation industry. In addition, the research indicates that aviation enterprises should focus on the approach to deliver brand messages and to make employees to understand the brand values and firm values.

Keywords: Aviation Industry, Brand Citizenship Behavior, Internal Brand, Brand Commitment, Vietnam

Macroeconomic Resilience of Emerging Economies to Global Financial Conditions

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Abstract

This paper explores the macroeconomic resilience of emerging market economies (EMEs) to global financial conditions over time. For this purpose, we employ a time-varying parameter VAR model to analyze the non-constant effects of global financial shocks on EME aggregate variables. Based on the analysis of data from Brazil, Korea, Mexico, South Africa, Taiwan, and Thailand, the main findings are: (1) While the global financial risk shock has a negative impact on EMEs, we did not find evidence that the US interest rate shock is countercyclical. Thus, we find that the global risk shock is a more important risk factor than the US interest rate shock to EMEs. (2) The adverse impact of the global risk shock on EMEs has been noticeably mitigated in the majority of sample countries.

Keywords: Time-varying parameter VAR, Emerging economies, Resilience

The Moroccan Money Market Instruments: Characteristics and Dynamics

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Youssef Oubouali
ENCG Settat, Morocco

Mourad Maataoui Belabbes
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Abstract

The capital market provides financing for economic activity whether in the short term (money market) or in the long term (financial market). It is only from the middle of the 1990s, that it is possible to talk about the market of negotiable debt securities as the second compartment of the Moroccan money market. Thus, economic agents were able to issue short-term assets (certificates of deposit, commercial paper, negotiable treasury bills, finance companies bonds). The purpose of this paper is to present the characteristics and analyze the dynamic of the negotiable debt securities in Morocco in recent years and explain the decline in the issuance of certain securities compared to others.

Keywords: Firm, Bank, Negotiable Debt Securities, Money Market

Security Continuity of Funding Processes in Czech Tax System Environment, Part 1: The Model of Major Tax Financial Flows

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Abstract

Continual flows of the funds from different sources are necessary condition for correct securing of all functions in the territorial and local self-governing organizations and their subjects, fulfilling public service according their professional focus. The ensuring funding, effectiveness of tax collection, redistribution of public finances-they continue to be ongoing processes across the territories and among the different environments. Here, the institutions and individual actors should play their roles in accordance with national and transnational, legal and sub-legal standards. A security of financial cycles continuity in the public budget system, respectively the Czech budgetary systems or off-budgetary systems, they are complicated processes at all levels. Then, the financial management must assume responsibility for procedural operations of disruptive events in each given branch of public administration. The tax assignment, fiscal responsibility rules, budget structure, state budget, funds and other fees are addressed through many legislative and methodological standards. Perfect orientation in the Czech tax legislation is not a simple task. The aim of this paper is to create a model map of major financial flows in the budgetary systems according to Czech and European legislative frame.

Keywords: Czech Tax System Environments, State Budget, Assurance of Finance Flows Continuity, Dynamic Vector Logistics of Processes Method.

LABOR ECONOMICS**Chair:** Tomas Evan**Room:** E127**How Labor Costs Contribute to Participation in Global Value Chains? Comparative Analysis and Conclusions for Poland****Magdalena Kapela**
Warsaw University of Technology, Poland**Abstract**

Labor costs in Poland are relatively low in comparison to other European Union countries. After long period of functioning Poland in closed economy, conditions significantly weakened the level of its competitiveness in the international market. When, in 1989 the boards were opened, it became clear, that cheap work force was one of the most important factors to attract foreign investments. At the same time globalization and internationalization of production created opportunity for entrepreneurs to establish global value chains. Participation in GVC of Poland can extend international trade and increase GDP. On the other hand, low wages attract investments in low-tech industries and moreover puts Poland in the middle of value chains, where semi products are assembled and new value added is exiguous. The aim of the article is: 1)to present polish participation in global value chain 2)to analyze how much low labor costs contribute to degree of share in global value chain 3)to show how level of labor costs contribute to position in value chain and how does it influence on benefits from participating in GVC. In the paper analysis were based on quantitative and qualitative assessment of Eurostat and OECD statistics data (TiVA included) and research on labor costs carried out in Poland. The research tools include a critical analysis of literature and descriptive analytical method. More than fifty percent of polish exports takes place within the global value chains. Low labor costs attract investors to allocate part of their production in Poland. Nevertheless, great part of export constitute semi products which does not create so much new value added so benefits from participation in GVC are not so considerable as it is expected to. It is desirable to shift Poland toward beginning or the end of value chains, where profits are higher.

Keywords: Labor Costs, Wages, Global Value Chains, Value Added in Trade, Poland

The Tradeoff between Work and Higher Education: Evidence from the Introduction of Public Transportation to Arab Communities within Israel**Aamer S. Abu-Qarn**
Ben-Gurion University of the Negev, Israel**Shirlee Lichtman-Sadot**
Ben-Gurion University of the Negev, Israel**Abstract**

The tradeoff between time allocated to work for pay and investing in higher education has long been a foundational assumption in the economics discipline. Nevertheless, empirical evidence of this tradeoff, as a result of increased access to work and/or education, is scarce. Furthermore, the question of what is actually chosen when both become more accessible, has not been investigated empirically. In fact, studies assessing policies that increase access to either work or education often disregard the interplay between the two, despite potentially important equilibrium implications. We present evidence of the tradeoff between education and work when work opportunities become more accessible by exploiting the introduction of public transportation networks to Arab communities in Israel, among the most disadvantaged communities in Israel. These bus networks increased substantially access to both work and education opportunities to the disadvantaged young adults, and our detailed data enables us to isolate the effect of buses that provided access solely to work opportunities and not to higher education opportunities. We then proceed to evaluate the effect of bus lines that provide access to both work opportunities and higher education institutions, which allows us to determine which is chosen when accessibility to both increases. We find that young adult females in our disadvantaged population

increase investment in education and decrease labor force participation when both become more accessible, thus choosing investment in education over work for pay. For males in this population, the actual choice between the two is less concise, although the tradeoff between the two is still observed.

Keywords: Public Transportation, Time Allocation, Educational Attainment, Human Capital Formation, Labor Force Participation

The Theory of Externalities as a Solution to the Problem of Compensation for Occupational Diseases

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Robert William Vivian
University of the Witwatersrand, South Africa

Abstract

The South African business community was somewhat taken aback in 2011 when, in the case of *Mankayi Thembekile v Anglogold Ashanti Ltd 2011 3 SA 237 CC* the Constitutional Court overturned the Supreme Court of Appeal and the High Court ruling that miners who contracted occupational diseases were not barred from suing their employers despite already receiving statutory workers compensation. It had been accepted for over a hundred years as confirmed by the High Court and Supreme Court that statutory compensation precludes employees from suing their employers for common law damages. The Constitutional Court itself had previously confirmed that this is indeed the legal position. This decision has created a lacuna in the law and practice since all employees other than miners with occupational diseases remain precluded from suing their employers. To this day no employee has ever succeed in suing as a consequence of contracting an occupational disease. It is unclear that this action can succeed in the common law. After protracted negotiations lasting some seven year an agreement was reached between the employees and employers to set-up a multibillion rand trust fund to provide compensation. For various reasons the outcome remains unsatisfactory and rational solution to the problem remains elusive. This paper will suggest the economic theory of externalities if applied to the problem of compensation for occupational diseases (and other similar problems) does indeed provide a rational framework to resolve this problem

Keywords: Workers Compensation, Theory of Externalities, Occupational Diseases

Why the Poor Keep Living Poorly? A Study about Poor Workers in Aceh Province, Indonesia

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Syiah Kuala University, Indonesia

Tasdik Ilhamudin
Central Bureau of Statistics (BPS), Indonesia

Teuku Bahrhan Basyiran
Syiah Kuala University, Indonesia

Abstract

This study aims to analyze the determinants of income for poor workers in terms of social demographic variables by looking at comparisons between 2007 and 2017. It uses the primary data of the National Socio-Economic Survey (Susenas) in 2007 and 2017 from the Central Bureau of Statistics (BPS) with the samples of 5.787 and 981 workers, respectively. We apply test of independence and Multiple Classification Analysis as the models. The results show that during the period of 10 years, there are

merely slight changes in the welfare experienced by the poor workers in Aceh. Social demographic variables are the most plausible determinants in affecting the income level of working poor in which variable age, marital status, employment, and the number of family members have strongly significant impacts. This estimation results are highly relevant to the government's task to accelerate economic growth and to effectively implement family planning programs in encouraging the delay of marriage age and population control.

Keywords: Income, Poor Worker, Socio-Economics, Labor, Social Demography, Regional

The Impact of High-Skilled Immigration on Unemployment in OECD Countries

Monika Didzgalvyte
Vytautas Magnus University, Lithuania

Violeta Pukeliene
Vytautas Magnus University, Lithuania

Abstract

This paper examines the impact of high-skilled immigration on unemployment by level of educational attainment. The aim of the paper is to analyze the theoretical aspects of immigration and unemployment; to develop an econometric model that would help measure the impact of high-skilled immigration on unemployment by level of educational attainment; and to carry out empirical research in selected 20 OECD host countries. For the empirical analysis of the study, we apply data conducted by the ILO (2016) and Brücker et al. (2013), which provide a global database on the bilateral stock of migrants, by educational attainment. A System Generalized Method of Moments (System GMM) framework is employed by using the lagged variables as instruments on panel data over a thirty-year period from 1980 to 2010. The dependent variable consists of unemployment rate by level of educational attainment. The independent variable is the ratio of high-skilled immigration. The results of the empirical research show that high-skilled immigration has a positive and statistically significant impact on unemployment of low-skilled and medium-skilled workers. Estimates reveal that a 10% increase in the ratio of high-skilled immigration decreases unemployment of low-skilled and medium-skilled workers respectively by 1.6% and 1.3%. Research results also show that high-skilled immigration has no effect of unemployment of high-skilled employees. We offer explanations for these findings related to the assumption that high-skilled immigrants complement low-skilled and medium-skilled native-workers in the labor market.

Keywords: High-Skilled Immigration, Labor Market, Unemployment Rate, Generalized Methods of Moments

To the New Czech Legal Regulation of the Contract of Work

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Abstract

Contract for work is probably the second most widely used type of contract (next to the purchase contract). Therefore it's complex legal regulation is very important for the unambiguous definition of the rights and obligations of the parties to the contract. By the contract for work, the contractor undertakes to perform certain work and the employer undertakes to pay the price for its performance. Work as defined by the law manufacture specified products (provided the manufacture does not fall under the notion of a purchase contract), the maintenance, repair or modification of certain items or the result of other activities. Fabrication, repair or modification of buildings or parts thereof shall be always covered by contracts for work. The new legislation, given by the Czech Civil Code, Law No. 89/ 2012 Coll and effective from 1 January 2014, replaced the regulation of the contract for work, as contained in the abolished Civil Code of 1964 , as well as the in the Czech Commercial Code of 1991 that was also cancelled by the new Civil Code of 2012. The paper analyses and assesses the most important provisions of the new shape the of contract for work. The article is based on our current work. Basis for

the draft new legislation was taken from the former regulation of this contract by the Commercial Code and having taken regard to certain legal regulations by other countries, because the concept of contract work as contained in the former Civil Code was strongly influenced by its original design from 1964 and the by patterns of the Civil Code of 1950. In some respect certain provisions of former Code of International Trade were also take into account, the normative structure of which was "borrowed" by the later Commercial Code. The new Civil Code regulation, however, should be more precise and clearer than the previous arrangements. In the interest of clarity, the draft legislation is structured so that the introductory rules cover contracts for work in general and thereafter follow rules for deviation from the price of the work according to the agreed budget, for the work carried out on real estate and works concerning intangible assets. In view of the fourth industrial revolution, with the development of automation and the anticipated extensive technology deliveries, the subject is extremely topical.

Keywords: Civil law, Business law, Civil Code, New Civil Code, Commercial Code, Contract for Work

PUBLIC ECONOMICS

Chair: Paweł Smaga

Room: E128

Managing the Transparency Process in its Strategic, Cognitive and Institutional Perspectives. The Meijer's Model Applied to an Italian Local Government

Eleonora Cardillo
University of Catania, Italy

Abstract

Public administrations are introducing managerial innovations, accounting tools and control systems in their organizations directed to enhance economic, financial and organizational performances. The open government approach is based on the principles of transparency, commonly known as the way in which public sector communicates its activity and results not only for legal obligations but also for moral and ethical duties related to its social responsibility. Transparency creates the basis for social control, consensus forming and trust between public organizations and stakeholders but requires to be more openness to the outside. This study investigates transparency processes in public governments, highlighting its complexity and its effects on open governments' activity. To analyze the managerial approach to transparency, we adopt the Meijer's model (2013). The model studies transparency of the public organization according to the strategic, cognitive and institutional perspective and the way in which it is developed through the interactions between governments and stakeholders. The results show in which way power games, cognitive frames and institutional rules influence the construction of government transparency. They highlight the importance of analyzing their interrelation to better understanding the complex dynamics of open public organizations transparency.

Keywords: Transparency, Local Governments, Open Administrations, Management Tools

Analysis of Turkish Tax System in terms of Compliance with Taxation Principles

Ihsan Cemil Demir
Afyon Kocatepe University, Turkey

Abstract

Many taxation principles have been developed to realize the expected fiscal and extra-fiscal functions of taxes. These principles can be classified into classical taxation principles, taxation principles of Adolf Wagner and modern taxation principles. Taxes used for financial, economic, social or political purposes cause the least damage to economic and social life, and that it is in line with the expectations of the state and society, depends on these principles. This study was conducted in order to determine to what extent the Turkish tax system is compatible with the known taxation principles. For this purpose, a survey was conducted in Turkey. The questionnaire was developed by us. The taxpayers' assessment of the Turkish tax system in terms of taxation principles has been interpreted in terms of various demographic

groups. Findings were subjected to regression analysis and differences between the groups were revealed. According to the results of the regression analysis, the Turkish tax system does not comply with justice, certainty, equality, economic, openness principles.

Keywords: Taxation, Taxation principles

Action Plan on VAT, Creating a Single VAT Area in the EU

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Abstract

The aim of Action Plan on VAT is to create a single VAT area in the EU. The plan includes proposals to modify the current common system of VAT. Besides to modernize and simplify the system, other objectives are also pursued, such as decreasing fraud, reducing VAT gap, removing the obstacles for Ecommerce, and simplifying workloads for taxpayers, especially small and medium enterprises. SME face higher proportional costs than large enterprises when complying with the current fragmented and complex EU VAT System workloads. Decreased competition and industry innovation result. The Action Plan is proposing standardized declarations and more efficient VAT regulations for SME to encourage growth and cross-border trade for this essential economic sector. Everyone agrees that it's time to create an authentic single area of VAT in the EU and, for that reason, the tax has to evolve and renew. The current VAT system has been developed in a transitory and fragmented manner, and has not been able to follow the rhythm changes in the global economy, both digital 2 and mobile. The VAT system needs an urgent reform. But, will it be possible? This paper will try to answer that question.

Keywords: EU, Action Plan, VAT, Taxpayer, SME

Public Spending: Is It Importance for Poverty Reduction in Indonesia?

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Syiah Kuala University, Indonesia

Said Muhammad
University of Syiah Kuala, Indonesia

Diana Sapha
University of Syiah Kuala, Indonesia

Fitriyani
University of Syiah Kuala, Indonesia

Said Jubran
University of Syiah Kuala, Indonesia

Abstract

Considering the higher level of poverty rate in Indonesia, the study on poverty reduction is crucial and timely to be conducted. Thus, this study aims to examine to what extent the education and health budgets reduce poverty level in Indonesia by using panel data. The study utilizes an annual data gathered from the Central Bureau of Statistics over the 2007–2017 period. The empirical result finds that budget allocated for education and health significantly reduce poverty rate in Indonesia. Therefore, it is suggested that, to further reducing the poverty level, the government should allocate more budget of education and health for the poor and there is a need to monitor the public service performance with the aim the allocation of expenditure can be more efficient and effective. Besides, it is necessary to increase the number of pro-poor programs such as free public health and education insurance to fulfill the basic needs of the poor.

Keywords: Public Spending, Poverty Rate, Panel Data

The Determinants of Effective Retirement Age - The Cross-Country Analysis

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Abstract

Due to the population ageing, the pension schemes in developed countries nowadays are facing a great deal of challenges. For policymakers who try to maintain the sustainability of pension schemes one of the key issue is to reduce the age dependency ratio by extending the period of professional activity. In order to achieve this goal in recent years many countries have raised the statutory retirement age. Majority of reports, however, point out that there is a significant difference between statutory and actual (effective) retirement age. In fact in most of the developed countries the former is considerably higher than the latter. Thus an important question which underlays this research appears: what factors influence the decision to discontinue the professional activity? or more formally: what are the determinants of the effective retirement age? In order to answer to this questions the following objectives of the study were formulated: 1) to identify potential factors affecting retirement decisions; 2) to estimate the impact of the identified factors on the decision to retire. The research sample consists 34 OECD countries (all members except of Latvia which joined the organization in 2016). Most of the populations and pensions data comes from OECD reports and national statistics bureaus' databases. The economic parameters are based on the Thomson Reuters database. In empirical part of the study a logistic regression model is applied. The model considers different variables like: statutory retirement age, forecasted replacement rate, unemployment rate, life expectancy, average salary and interest rate. As a result of the studies, it was determined that in the analyzed countries there are some common demographic and economic factors that affect people's decisions about retirement age. However, this factors do not fully explain the differences between statutory and effective retirement age in different countries. It leads to the conclusion that apart from the quantitative parameters considered in the model, also other, rather qualitative factors, influence such decisions. The author presumes that they are based on specific psychological, cultural or environmental conditions.

Keywords: Retirement Age, Pension System, Life-Cycle Hypothesis, Statutory Retirement Age, Effective Retirement Age

Economic Benefits of the Mediation Process from Legal Disputes

Gulsum Gunbala Guven
Gaziantep University, Turkey

Abstract

The solution of legal disputes can be achieved by providing the necessary conditions instead of the courts, which are considered to be more disadvantaged in terms of time and materiality, and by using the most appropriate alternative solutions to the demands and expectations of the parties. Especially the increase of trade, the development of the industry, the rivalry of the competition environment brings disputes with them. Trying to resolve each conflict before the judiciary is of course burdened both sides in terms of time and cost. For this reason, in a successful third party administration in a trust environment, it is preferable to resolve the dispute in a short time. Each state shall not impair its jurisdiction or close the front of the judiciary; the mediation process, which takes into account the sociological and cultural structure of the country to which the parties are subject, is often successful. This successful mediation process has prevented the parties from having to go through the legal process complications with economic costs in a less costly manner and also contributed to the economy of the country with decreasing the workload of the courts. In the study, it was tried to evaluate the contribution of the mediation practice, which is one of the alternative solutions that must be obligatory in the legal disputes, to both sides of the conflict as well as the country's economy.

Keywords: Mediation, Economic Benefits of Mediation, Mediation Contribution to the Country's Economy

Development of the Concept of Digital Transformation of the System of Management of Social and Economic Advancement of the Far North**Irina Zaychenko****Peter the Great St. Petersburg Polytechnic University, Russia****Anna Smirnova****Peter the Great St. Petersburg Polytechnic University, Russia****Abstract**

The necessity is substantiated of realization of digital transformation and introduction of advanced information technologies in the system of management of social and economic development of the Far North regions in the article. In accordance with the adopted by the state program "Digital Economy of the Russian Federation" by the Russian Federation, at present the transition to a digital basis for management of not only advanced manufacturing enterprises, but also the socio-economic development of individual regions and territories is carried out. Considering that recently close attention of both state authorities and individual researchers has been paid to the development of the northern territories, the regions of the Far North have been chosen as the object of research as an area where innovative approaches to management are least used. The comparative analysis is carried out and the classification of the basic tools of digital transformation of control systems of the region is made, their advantages and disadvantages are revealed. Based on the application of the classical balanced scorecard as one of the most modern and visual business management tools, as well as the previously discussed tools for digitalization of management systems, the general scheme for the implementation of the digital transformation of the system for managing the social and economic development of the Far North is presented. It is a set of regional indicators, consisting of both economic and non-economic indicators. The possible risks arising during the transition period of the digital transformation of managerial processes are identified and described. The result of the work is the development of a general concept of a set of regional indicators for the development of the Far North regions based on the application of a balanced scorecard in the digital transformation of the economy.

Keywords: Far Nord, Digital Economy, Digital Technologies, System of Regional Indicators

MANAGEMENT I**Chair:** Ghulam Mustafa**Room:** E129**The Effects of Leader-Member Exchange Relationships on Employee Attitudes toward Newly-Introduced Information Systems****Paul Chou****Minghsin University of Science & Technology, Taiwan****Ann Lin****Chang Gung University of Science and Technology, Taiwan****Abstract**

Organizations now commonly adopt new information systems (IS) in order to survive in competitive markets. However, they often fail to utilize and explore the new IS's functionalities when doing so. For decades, Davis' technology acceptance model and other extended models have dominated the field of information technology acceptance and use. Very little effort has been devoted to understanding the determinants of individual's attitude toward new information systems from a social perspective. To make up for this deficiency, the main aim of this study is to investigate the factors that contribute to an individual's attitude toward new information systems from the perspective of leader-member exchange relationships. These results, from a sample of 334 respondents in Taiwan, confirm that leader-member exchanges exert their influences directly and indirectly via perceived organizational support and affective commitment to organization on an individual's attitudes towards new information systems.

Practical implications, contributions and limitations of this study are discussed, along with suggestions for future research.

Keywords: Leader-Member Exchange, Perceived Organizational Support, Affective Organization Commitment, Attitude towards New-Introduced Information Systems

The Compatibility of Outside-In and Inside-Out Strategic Approaches

Slobodan Adzic
Arab Open University, Kuwait

Abstract

The aim of this paper is to reveal the compatibility of the most important strategic approaches. Moreover, through critical discussion of the key literature relating to the issue and a business case analysis, author will suggest a preferred flow of strategic analysis in a business case, based on the compatibility of strategic approaches. The epistemological stance of the author is the critical realism. The two most important strategic approaches in strategic management are the outside-in and inside-out. The outside-in strategy approach puts emphasis on strategic environmental analysis framework, to help businesses to understand how to find fit in the present competitive market. The strategy approach that put the resources of the company in front of the business environment of the company and it requires that company should adapt the environment to itself is the inside-out approach. Author argue that there is enough evidence as theoretical findings and practical implications that the outside-in and inside-out approach in strategy could be compatible. Among those evidence the central point is dedicated to the business case of HIP Petrohemija, as a fine example why the approaches are compatible, as well as the proper flow of strategic analysis. The paper suggests that the flow of strategic analysis in strategic marketing should start with the outside-in environmental analysis, in order to understand the opportunities and boundaries of the market and discover a fit on market, and then it should continue with the inside-out internal audit, in order to find out the inner capabilities and the core competence.

Keywords: Strategic Approaches, Outside-in Approach, Inside-out Approach, Strategic Management

Business Performance Evaluation of Thailand Specialized Financial Institutions during Economic Downtrend

Tidathip Panrod
Silpakorn University, Thailand

Abstract

The purpose of this study were 1) to analyze the financial condition and the operation of financial institutions using CAMEL model 2) to compare business performance of Specialized Financial Institutions with commercial bank sector average ratios. The data used in the study were secondary data during 2014 - 2017 using applied CAMEL analysis concepts. The study indicated that 8 financial institutions tried to keep their financial performance and almost firms succeed. Thai Credit Guarantee Corporation had the financial condition and operating results as the first among financial institutions that followed by EXIM Bank and Government Housing Bank. The lowest rank is iBank because it was the result from higher distressed debt. iBank had operating losses since 2014. Although the performance had improved, iBank couldn't generate profits. Moreover, when considering to key financial ratios Specialized Financial Institutions performance went along with commercial bank sector turnover during the hard time.

Keywords: CAMEL Model, Financial Ratio, Specialized Financial Institutions

Nurse on Nurse Bullying

Vincent F Maher
Iona College, U.S.A.

Abstract

The world beyond the perimeter of the health care profession consistently holds nurses in the highest of professional regard. There is a little known dark underbelly: Nurses bully one another. Nurses have always bullied one another. Mean girls/boys grow up to become mean nurses. Bullying is considered by some in the profession to be a rite of passage not unlike hazing and sororities or the military. It is "justified" by some scholars as displaced aggression resulting from powerlessness felt by nursing professionals in an industry that needs them but keeps them contained, overworked, stressed and underpaid. Bullying has even spawned a well-known phrase first coined in 1986 by Prof. Judith Meissner: "Nurses eat their young." Various authors including MA Lewis (2006), CF Rocker (2008), Johnson et al (2009), Embree et al (2010), Berry et al (2012), Spector et al (2014), Allen et al (2015), and Colduvell (2017) have examined and/or reported this phenomenon. Sadly, it is a worldwide problem. A recent announcement by the US Dept of Labor contained information that by 2020, 43% of the country's registered nurses will retire because of age. The numbers of nurses to replace these retirees is woefully low for any number of reasons including insufficient nurse educators to staff available job openings resulting in smaller than desired nursing school classes, the number of nurses in practice who are either seeking different job opportunities or who are outright leaving the profession due to bullying, chronic short-staffing and hostile work environments. The American Nurses Association promulgated a position statement on the problem of bullying in Nursing in 2015. This paper reports current results of over 460 nurse respondents to a nurse on nurse bullying survey conducted by the authors. It discusses the ramifications of the study for the profession and for the health care industry, and it concludes by proposing some solutions to end the problem.

Keywords: Bullying, Nursing, Hostile Work Environment

Impact of Corporate Social Responsibility on Customer Satisfaction in Retail Enterprises in the Baltic Countries

Iveta Linina
Turiba University, Latvia

Velga Vevere
The University College of Economics and Culture, Latvia

Abstract

Domestic consumption is one of the cornerstones of any national economy. There exist different relations between an enterprise and a buyer in the retail business, but each party has a specific goal to gain from them. For the customer they can be several - to get the necessary product in the necessary place, in the desired quantity and to receive the necessary information, attitude and incentives for the purchase, but for the retail company it is to increase turnover and make a profit. It is very important for these benefits to ensure a balance between these two sides of the same process. Particularly in the retail trade, the corporate social responsibility is a guarantee for the company's sustainable development and its competitiveness. To identify the factors for ensuring corporate social responsibility, the authors have set out to investigate the customer satisfaction from three aspects - customer service quality, marketing activities, as well as product placement and shopping convenience. The authors will examine the theoretical background of customer relationship formation and corporate social responsibility. Then they will describe retail trade development tendencies in the Baltic countries and, by conducting a customer survey (1664 respondents), will determine the main factors underlying the socially responsible relations with customers. This study will give retailers an understanding of the need for a socially responsible relationship with customers and will point to specific aspects of this process in retailing. From the scientific point of view, the novelty of the current investigation lies in formulation of a unified approach to establishing a socially responsible relationship with customers in the retail industry. The authors conclude that by understanding the main principles of customer relationship formation, the retail

enterprise can manage these processes in the socially responsible way and that responsibility can be one of the tools for enhancing business competitiveness.

Keywords: Customer Satisfaction, Corporate Social Responsibility, Retail Trade, Customer Relationship Formation

The Effects of Tourism Information Quality on Customer E-Loyalty with Online Travel Brands in Thailand: The Mediation Role of Satisfaction in Tourism

**Thadathibesra Phuthong
Silpakorn University, Thailand**

Abstract

This study aims to deepen the current understanding of tourism information quality by using the Delone and McLean IS success model and Technology Acceptance Model (TAM). The purpose of this paper is to examine the antecedents of e-customer satisfaction and its consequences on customer e-loyalty in the specific context of online travel brands in Thailand. The tool, which is questionnaire, is developed by reviewing the literature and test the reliability by coefficient alpha. The questionnaire was distributed to 272 samples that have experience of using online travel agency websites by convenience sampling. Partial least squares structural equation modeling (PLS-SEM) was used to test the hypotheses in the research model using SmartPLS 3.0. Findings indicate that there is a significant relationship between perceived ease of use and perceived usefulness and perceived usefulness, information quality and e-customer satisfaction. This positive value will affect favorably customers' e-loyalty. Moreover, the results also confirm that e-customer satisfaction partially mediate the relationship between perceived social media marketing and airline brand loyalty. This study offers importance theoretical contributions, as it provides valuable information to researchers in developing and testing related theories. In addition, the study brings clear practical implications to hotel and tourism operators, online travel agencies, and hospitality technology vendors in developing effective tourism information quality and website quality to increase the customer e-loyalty of online travel brands users in Thailand.

Keywords: Tourism Information Quality, Customer E-Loyalty, Online Travel Brands

COFFEE BREAK: 16:30-16:40

DAY 1 - SESSION III: 16:40-18:40

HEALTH ECONOMICS I

Chair: Vincent F Maher

Room: E104

Tobacco Expenditure: Does it Need to Be Reduced?

**Diana Sapha
University of Syiah Kuala, Indonesia**

**Cut Zakia Rizki
University of Syiah Kuala, Indonesia**

**Fitriyani
University of Syiah Kuala, Indonesia**

**Reni Aprida
University of Syiah Kuala, Indonesia**

Abstract

Consuming cigarette is a serious threat to development because it has resulted in a very significant and massive socio-economic impacts. Considering Indonesia is the third-largest tobacco consumers, the study about per capita consumption of tobacco is important to be examined. Thus, this study aims to

analyze the effect of tobacco production and tobacco excise on per capita consumption of tobacco using the Autoregressive Distributed Lag (ARDL). The data are yearly time series data from 2001 to 2017. The results show that there is a positive and significant effect between tobacco production and per capita consumption of tobacco both in short and long term. Whereas tobacco excise has a negative and significant effect on expenditure of tobacco in the long term. Therefore, it is recommended for the government to increase the tobacco excise with the aim of reducing the amount of tobacco consumption and improving the general health. In addition, the society should reduce the consumption of tobacco and allocated to different needs.

Keywords: Tobacco Consumption, Tobacco Production, Tobacco Excise, ARDL

Open Standards for Budgetary Software Used by a National Health Assurance House: A Must Have?

Antonio Clim

The Bucharest University of Economic Studies, Romania

Razvan Daniel Zota

The Bucharest University of Economic Studies, Romania

Abstract

The National Health Assurance (NHA) is one of the establishments mandated to oversee the quality of health care. To execute its mandate, the organization needs to obtain and process data from distinct data points and channels, an endeavor that can be efficiently achieved using information systems and technologies. One of the channels that can be used to acquire and disseminate information is public software. This paper makes a case for the adoption of open standards in developing such a system. Open standards refer to a set of rules and design methodologies created or adopted by most of the market stakeholders due to their popularity or efficiency. Therefore, there is no need for a governing body to oversee the open standards since any changes to the canons are entirely based on community consensus. The creation or alteration of the standards requires a majority support within the community of stakeholders that it affects. Every standard must effectively remain neutral in its technical features and must be passed through an open acceptance process. The arguments in this essay illustrate why the NHA will effectively contribute to faster innovation and quality improvement in the E.U. health sector through the adoption of open standards.

Keywords: E.U. Health Sector, Open standards, National Health Assurance, Public Policies

Cybernetic Analysis of Emergency Medical System

Ionut Costinel Nica

The Bucharest University of Economic Studies, Romania

Nora Chirita

The Bucharest University of Economic Studies, Romania

Abstract

The explosive development of the human society in contrast to the limited character of resources determines the need for successful implementation of mathematic models in the decision-making process concerning the use of available resources. One of the critical areas where the need for rigorous criteria for resource allocation is strongly felt is the medical field. This issue appears to be currently affecting the great majority of nations in the world, being considered one of the most important challenges for modern states. The limited amount of resources allocated to the medical system brings forward the importance of optimizing the decision-making process concerning this field using models able to reflect the increasing complexity of the medical system, its interactions with the human society and its dynamics, therefore providing the perturbation control and adjustment instruments. From this point of view, the economical and mathematical modeling of the social phenomena provides strong,

elegant and rigorous tools for the description of medical system that appears to be organized as a cybernetic system with a high level of complexity, focused on maximizing the social utility, and allowing the use of cybernetic methods designed for diagnosing, developing automatic medical archives, reducing time consumption and increasing overall efficiency. Through this article, we demonstrated the usefulness and effectiveness of knowing and studying the protocols of the medical systems in the triage room, viewed as a cybernetic system, in order to obtain safe classification, able to manage emergency situations to minimize mortality. For these, we will use agent-oriented programming to model the multiagent system.

Keywords: Markov Network, Poisson Distribution, Cybernetics Models, Optimal Decision, Emergency Medical System

Digitalization, Remuneration, and Pay for Performance in the Inpatient Sector in Germany - Tapping the Full Potential based on International Experiences

Christian Maier
University of Bayreuth, Germany

Abstract

Compared to other developed countries, the status of digitalization in the inpatient sector in Germany does not effectively reflect its potential benefits – e.g. with respect to time savings for clinicians and subsequently their remuneration. Amongst others, the remuneration system employed leads to the fact that quality of inpatient care is currently not adequately in the focus of attention in Germany. Rather, quantitative expansions of services are financially incentivized. Based on an international comparison, this paper provides suggestions on how pay for performance (P4P) could be further developed in Germany. Thereby, experiences from England and the USA are included. These references show that P4P as a remuneration approach can be a very effective tool because of the lack of quality orientation and existing quality variances in the inpatient sector in Germany. However, weak evidence and the high degree of complexity involved when implementing P4P structures have to be taken into account for positive long-term effects. In addition, the lack of both quality competition and valid quality indicators as well as an ambiguous data basis contribute to implementation obstacles of P4P in Germany. Establishing a P4P framework, creating state-initiated pilot clusters and a competitive solution approach are possible solutions for improving P4P. This latter option is intended to give an impulse to a quality competition between sickness funds as well as between hospitals, initiated through decentralized competitive search processes. Despite, the Krankenhausstrukturgesetz (KHSG), a reform law legislated in 2015, aims to promote quality-oriented hospital remuneration, policy makers should implement further tools to flourish P4P in Germany.

Keywords: Digitalization, Pay for Performance, Provider Payment, Quality of Care, Hospital, International Comparison

A Bibliometric Analysis of Blood Donation

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Rey Juan Carlos University, Spain

Alicia Blanco-González
Rey Juan Carlos University, Spain

Alberto Prado-Román
Rey Juan Carlos University, Spain

Abstract

The aim of this paper is to establish the state of research in the field of blood donation, under the perspective of blood donors' behavior. The methodology applied is a bibliometric analysis, based on scientific production and the science mapping analysis (SMA), executed with the software Science Mapping Analysis Software Tool (SciMAT) (Cobo et al., 2012). The tool is applied using a sample of 963 articles, published between 1957 and 2017, in selected databases indexed in the Web of Science (WoS). Results shows three mainstreams (medical and biological, psychosocial and others), that obey to the inclusion in the analysis of papers belonging to medical research, that is the main field of the blood donation topic, and some residual ones belonging to electoral research (because of the word "donor"). It appears a clear increase of articles since 90's decade, coinciding with the spread of AIDS contagion. Recent research focuses more on increasing the knowledge of explaining factors of human blood donation behavior and specific field assays directed towards blood donation raise in many contexts. Future research based on this investigation will allow to better visualize the knowledge structure of donation of blood, making analysis focused on psychological and sociological aspects of blood donor behavior, management and marketing implications, blood donation systems and public policy favoring safe blood self-sufficiency. Finally, this study contributes to the current literature by providing a picture of blood donation, which helps to define the most active journals and authors, among other relevant information, given that there is not more bibliometric analysis of this topic.

Keywords: Blood Donation, Bibliometric Analysis, Scientific Maps, Co-Occurrence Analysis, SciMAT, Web of Science WoS

Medical Beauty Product and Cosmetic Product Criminal Liability in Malaysia: Justice to Women

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Mohd Saiful Izwaan Saadon
Universiti Malaysia Terengganu, Malaysia

Dina Azleema Mohamed Nor
Universiti Teknologi Malaysia, Malaysia

Abstract

Women and beauty are inseparable. A significant number of women are risking their lives at strong desire to look young and beautiful by using and administering cosmetic products that are dangerous unknown to them. Among the commonly reported cases are mixed toxic ingredients to give immediate whitening effects but may cause skin damage, permanent scarring, black-streaked and cancers. Toxic substances that is commonly detected in cosmetics products which were listed in the notice of Poison Act 1952 were mercury, hydroquinone, tretinoin and Azelic Acid which affects directly to consumers especially women when used extensively and frequently. A number of studies have found that consumers, particularly women are unable to differentiate between medical beauty products and cosmetic products which failure to identify the difference complicates the problem of determining who

should perform surgical or non-surgical procedures, who has the qualification to evaluate and inform the consumer about the side effects and who is criminally liable for supplying the products. This study examines the difference between medical beauty products and cosmetic products. This study further examines the regulation and legislation of both products in Malaysia. The findings of this study shows that although the Control of Drugs and Cosmetic Regulation 1984 is in line with the European Directive Cosmetics Regulation 1223/2009/EC, however it is becoming increasingly difficult to ignore the increase and alarming of reported cases in the mainstream media of women suffers injury due to usage of such products. Based on doctrinal research and by adopting content analysis method, this study examines the criminal liability under the Control of Drugs and Cosmetic Regulation 1984 and other legislation related thereto. This study analyses the relevant provisions to see whether the Act needs to be revised in order to give full protection and justice to women in terms of increasing the criminal liability towards manufacturers and suppliers.

Keywords: Consumer Protection, Product Liability, Criminal Liability, Cosmetic Products, Medical Beauty Products

SMALL AND MEDIUM-SIZED ENTERPRISES

Chair: Fadilah Puteh

Room: E127

Impact of Basel III on Industrial SMEs - Results of an Empirical Study

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FH JOANNEUM Kapfenberg, Austria

Johannes Pamsl
IWI, Bahamas

Abstract

Basel III - the current set of rules of the Basel Committee on Banking Supervision, with its major changes concerning equity, liquidity rules and the debt ceiling, affects on the one hand the banking sector itself and on the other hand it has a direct impact on companies. Due to a limited access to the capital market, credit is often the most common form of external financing for SMEs. However, this type of financing may be hampered by the stricter capital requirements under Basel III and the accompanying reduction in credit supply. So SMEs may experience a bottleneck in lending and increased borrowing costs. Often low collateral and poor credit ratings are cited as the main reasons for the rejection of loan applications. As a result, investments are usually postponed or not realized at all. Due to developments in recent years, which can be summarized under the heading of Industry 4.0, more investments in increasing automation and individualization of production are necessary, especially for industrial companies, in order to remain competitive. However, as the capital requirements for credit institutions induced by Basel III change financing conditions for SMEs, the question arises of how to finance investments. Are there alternative forms of financing, such as venture capital, mezzanine capital, silent participations, business angels and external equity, in addition to traditional bank lending? The following article attempts to highlight the impact of Basel III on SMEs and highlights in particular the changes in the types of financing and financing conditions for them. It also shows how well SMEs know about Basel III. Compulsory ratings have been introduced in the course of Basel III. On the one hand these ratings increase the transparency of credit assessments for credit institutions, but on the other hand they mean significant additional expenses for the credit institutions themselves and of course for the companies affected by them. It is therefore also worked out whether companies are making efforts to improve the rating criteria. The research questions presented are analyzed in an empirical survey of 251 Austrian SMEs in the industrial sector.

Keywords: SME, Basel III, Types of Financing, Financing Conditions, Rating Criteria

Does Microfinance Deepen Socioeconomic Wellbeing of Micro and Small Entrepreneurs? Results from a Developing Country

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Monash University, Malaysia

Mahendhiran Nair
Monash University, Malaysia

Santha Vaithilingam
Monash University, Malaysia

Abstract

Microfinance schemes have been used globally as a development tool to raise the economic wellbeing of the poor. However, empirical studies in the literature show that the impact of microfinance schemes on the poor are rather mixed. Some studies show that microfinance schemes have been successful in enhancing the business sustainability of micro and small businesses; while others have shown that these schemes increase the financial burden of these enterprises. This study examines the state of development of micro and small firms for a marginalized segment of the population in a rapidly developing economy, Malaysia. Using a sample of 424 respondents, the study examines the role of the microfinance schemes in impacting the socioeconomic wellbeing of Malaysian Indian micro and small businesses. The study shows that microfinance schemes targeted to this segment of the population has a positive impact on socioeconomic well-being of the community. The study also identifies key factors that hinder the use of microfinance in enhancing business development for micro and small firms for this community. Key policies and strategies to deepen the impact of the role of microfinance in enabling these micro and small firms to move up the economic

Keywords: Microfinance, SME

Controlling as a Tool for SME Process Auditing

Premysl Pizar
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Abstract

Present hypercompetitive environment and globalization create pressure for competitive environment of SMEs, which need be flexible and operate with high efficiency. SMEs are backbone of European economy and their supporting is main task of any government. It is present challenge to find simple ways how boost SMEs business sector. The controlling as a management tool in its highest implementation maturity level should be for SMEs a key, how to improve processes and move them to position of continuous improvement. Controlling is not only ideal tool for enterprise process auditing, but also has wide scale of managerial usability at operational and strategic management. This paper will be focused on controlling implementation process include main crucial implementation and operating points as controlling implementation level in SME and its influence for SMEs process auditing. The research is connecting quantitative and qualitative research and results will be explained on real SMEs examples. The aim of this paper is finding consequences between SMEs performance and controlling as a management tool in enterprise with focus to process auditing. The research results show us possible ways how to improve SMEs processes to higher level.

Keywords: SMEs, Controlling, Management, Process Audit, Information System

A Chance for Thailand Western Provinces SME on the Road to Startup Way

**Taninrat Rattanapongpinyo
Silpakorn University, Thailand**

Abstract

This research purposed to study firstly, definition and components of startup way, then secondly, factors affecting to startup way of Thailand SME and thirdly, criterion for evaluation a success startup firm. Data collecting was questionnaire and interviewing from 400 samples of local entrepreneurs in the western provinces of Thailand and analyzed in the forms of mean, standard deviation, percentage and frequency. Hypothesis assumption was tested by Multiple regression analysis and Pearson's correlation coefficient. Research results showed that startup way means a philosophy that replaces the old-fashioned template currently holding so many companies back, providing a new blueprint of how a modern company should work to create sustained growth through continuous innovation. It composes of Continuous innovation, Startup as atomic unit of work, Entrepreneurship, Change in organization's structure and Continuous transformation. In Thailand SME case, the startup way is influenced by Leadership factors, Management factors, Startup ecosystems and Forces of change. And a success startup firm must be evaluated with the criteria of Idea, Team, Business model, Funding, Timing and ROI. The research was suggested that the government should determine a suitable and obvious policy for startup SME future development direction. Meanwhile all of these firms must work with cooperation not only for knowledge transferring but also for bargaining power of marketing orientation. Moreover, commercial banks ought to play major role in financial support.

Keywords: Startup Way, Startup Ecosystems, Success Startup Firm, SME

The Use of IT Tools in Small Businesses in Poland

**Magdalena Ratalewska
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Abstract

Small businesses, aware of the development trends prevailing in the market and the competition, have begun to use increasingly often the Web and its tools as a place of their business activity and to extend the scope of their activity through virtual reality. The small business sector can benefit a great deal by creating a modern work environment and communicating with the external environment. A higher level of effectiveness achieved with the use of technological tools and innovations is a key factor which, according to managers of companies from the SME sector, will determine who will succeed. The paper is an attempt to analyse the type of IT tools used by small businesses and the level of their use. The analysis has been carried out based on the results of the survey (CATI) of 400 small businesses operating in Poland. The results indicate that the level of the use of IT tools in the surveyed companies depends to a large extent on the entrepreneurial attitude and skills of their managers. The range of tools used is wide and appreciated by managers of small businesses but it still is not sufficient. The respondents see the need for using these tools as well as for the continuous development in this area. The problem is the cost of implementing new technologies and access to qualified advisory staff specialising in new technologies.

Keywords: Small Business, IT, Innovations, Entrepreneurship

Forms of Control in Business Advice Contracts in Small Firms: Case of Poland

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Abstract

The analysis in the article focuses on forms of control used by small firms for the relationships with their different advisers who supply business advice. The use of legal contract and personal trust are compared in this paper. The analysis was carried out using the results of a study of 400 small companies operating in Poland which had used the external business advice in the last three years before the survey. The results indicate that trust and legal contract are most commonly overlapping categories. There is recognized a significant role for trust in the implementation of advisory activities. On the other hand, a high proportion of formal relationships has been identified that are not typical of research results obtained in other EU countries. There are differences between types of advice supplier, as well as between forms of previous interaction between contract parties, which suggest that type of established trust may influence small firms behavior.

Keywords: Small Firm, Business Advice, Business Advice Contracts, Trust

BANKING

Chair: Paweł Smaga
Room: E128

Deposits as a Crucial Source of Financing Cooperative Banks: The Case of Deposit Activities of the Group Cooperative Banks in Poland

Maria Magdalena Golec
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Abstract

Cooperative banks, similarly to other credit institutions, are financial intermediaries, that is they obtain financial resources from entities with finance surplus and satisfy the needs of those entities which suffer from financial deficit. In comparison to commercial institutions, it is the large and stable deposit base which is crucial for financial performance of cooperative banks. However, it is worth asking whether the share of the deposit base in cooperative banks is significantly higher than in other banks? What types of deposits are fundamental for the activities of this group of market entities. The aim of this article is to examine the scale and structure of deposit activities of cooperative banks as compared to the activities of other banks in Poland in 2015-2017. Taking into account selected group of cooperative banks, the second objective is to specify the factors which affect the structure of deposit activities. The study uses quarterly financial data from the years 2009-2016 the selected group of 75 cooperative banks in Poland. The differentiation of the group of banks was assessed by means of descriptive statistics measurement tools and also in research it is used the econometric regression models. Cooperative banks in Poland use the deposits as a source of financing their activities to a greater extend (the share of deposits from the non-financial sector exceeds 80% of the balance sheet total), while in the banking sector this ratio is at the level of around 60%. Cooperative banks tend not to use interbank deposits, but the local government sector is an important source of financing for them (an indicator of share in deposits of around 5%). The selected group of banks reflects market results of deposit structure. Based on the econometric panel models, it was found that the increase in the share of deposits from the non-financial sector in assets is positively affected by the increase in lending, while the negative dependence is on the scale of operations, the capital adequacy ratio and ROA. The share of deposits from local government institutions is negatively correlated with the share of deposits from the non-financial sector and employment, while the increase in this ratio is supported by the increase in the funding gap (measured as the difference in deposits and loans). The diagnosed relationships require more detailed research, in particular, the extension of the subjective scope of the conducted analyzes.

Keywords: Cooperative Banks, Deposits, Deposit Base

Support Vector Machines with Kernel Functions Used in Classification Problems and Financial-Banking Applications

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Abstract

Most supervised learning algorithms are either regression or classification procedures, depending on whether the desired system output is real-valued or binary-valued. Such algorithms belong to important techniques in machine learning, computational intelligence and data mining. Classification systems are used for solving the problems which arise in many fields including pattern recognition, vision analysis and other decision-making purposes. Classifiers must often be created from data because there is not enough expert knowledge to determine their parameters completely. They take as inputs a set of cases (n-dimensional vectors), each belonging to one of a small number of classes. System output must accurately predict the class to which a new case belongs. In such systems, called binary classifiers, one class contains "negative" elements (-1) and the other - "positive" elements (+1). Our goal in this paper is to show that the support vector machine methods can be helpful to obtain very simple classifiers in the form of highly interpretable rule-based systems. The SVM methods discussed in this paper reduce, in the process of their solving, a quadratic programming problem, that is often difficult to solve. The kernel function computes the inner product between two vectors included in a nonlinear space, representing them in the Euclidian space. So, there is a transformation that takes us from the original non-linear space into a space characterized by the properties of the linear spaces (Hilbert space). The problem to be solved will then be transformed from a nonlinear into a linear optimization problem. The kernelization procedure consists of two basic steps. The first step tries to find an expression of the binary algorithm expressed as a function of dot products between the data vectors. This representation of the input space is called a dual representation, in contrast to the primal representation. The second important step consists of the replacing Euclidean dot products with a dot product given by a kernel function. From this point of view, kernel methods are methods that are linear in the parameters. Notational, this transformation is denoted as $\phi: X \rightarrow H$. As an illustration, we apply a kernel-based method of classification to the class of multiple unbalanced classification problems in which it is characteristic that there are more than two types of categories and there is a large difference between the number of members of each sample, particular there is only a small amount of data sampled in each individual group corresponding to a cluster.

Keywords: Support Vector Machine, Kernel Functions, Hyperplane, Classification Algorithms, Scoring

Cross Border Banking: Pull-Push Effects of Parent Banks on Subsidiaries' Credit Extensions

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Angeliki Zagorisiou
Universitat Jaume I, Spain

Abstract

This study contributes to the analysis of cross border banking behavior in CESEE (Central Eastern and South Eastern Europe). It detects potential transmission channels from parent to subsidiary banks based on a newly constructed database (323 banks operating in the region and 84 parent banks over the period 2000-2014), which identifies ultimate ownership over time. On the whole, we find that subsidiary banks provide an extra boost to credit growth at domestic level. However we detect that domestic and subsidiary banks contracted credit similarly after the financial crisis. Moreover, subsidiaries' ability to extend credit is dependent on home country macroeconomic and financial conditions as well as parent bank characteristics such as asset quality. Finally, parents' excessive credit expansions coupled with

reductions of capital jeopardize subsidiaries' lending capacity. Our findings call for home and host actors to continue fostering cross-border coordination and dialogue to support domestic financial stability.

Keywords: Cross Border Banking, Parent-Subsidiary Bank Nexus, Central and Eastern Europe, Asset Quality

European Banking Integration and Economic Growth

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Alexandru Ioan Cuza University of Iasi, Romania

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Faculty of Economics and Business Administration, Romania

Abstract

The existence of an integrated economic system in a economic governance able to respond rapidly and effectively to the negative signals coming from inside the Union, but also from outside, would facilitate the EU comeback towards a sustainable, durable and intelligent economic growth, which should generate jobs (meaning a community system) with a main role which should be directed towards the settlement and monitoring of the financial system. The purpose of this paper is to investigate the impact of the banking market integration on economic growth in the EU countries, particularly in the context of financial integration being needed to achieve economic growth; it is also necessary a good consolidation of the banking market. Also, we wanted to see what are the main factors through which banking market development influences economic growth. We have used Difference in Differences with Difference GMM for the EU 28 countries during 2000-2014. We have noticed that an efficient banking sector decreases transaction costs and the margin between lending and deposit rates. The share of savings allocated to the investments increases and, according to the endogenous growth theory, leads to higher economic growth. Policymakers in this area should pay attention to reduce the volume of non-performing loans, because they are the main factors of the bank crises, to curb the rise in interest rates, to attract reputable and long-established companies and manufacturers, the most credible and sought after bank customers, the banks must offer a complex menu of banking products and services of the highest quality. The originality of this paper is represented by the construction of a composite index which measures different levels of banking integration and its correlation with economic growth, the application of a methodology that has not been applied in the studies analyzed on this topic, namely Difference in differences, the estimation of the influence of different indicators in different periods and by groups of countries. (euro, non-euro, new member states, old member states, pre-crisis and post-crisis period), and the use of bank capital indicator.

Keywords: Banking Sector, GMM, Banking Integration Index, Economic Growth, Difference in Differences

The Impact of Macroprudential and Monetary Policies on Credit Growth Rate: Bank Size and Credit Type

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Serife Genc Ileri
Ibn Haldun University, Turkey

Yasin Mimir
Norges Bank, Norway

Abstract

This study analyzes the effects of monetary policy tools and macro prudential measures on credit growth during 2002Q4-2015Q1 period by using Turkish banking sector balance sheet data and panel data estimation methods. Unlike earlier studies, these effects are examined with an asset size and credit type breakdown. This breakdown is necessary as the differences observed between big and small banks

with respect to their asset and liability composition can cause monetary and macro prudential policies to have asymmetric effects on credit growth rates, depending on the credit type. The estimation results show that a tighter monetary policy manifested by 1 percentage point increase in the policy rate reduces total credit growth rate of big banks by 0.83 percentage points while the consumer credit growth of big banks declines by 1.12-1.18 percentage points. Interestingly we find no significant impact of the policy rate on the credit growth rate of small banks. On the other hand, a tighter macro prudential policy slows down credit growth of these banks for total and commercial credits, whereas for big banks, these policies only have an accelerating impact on commercial credits.

Keywords: Credit Growth, Monetary Policy, Macroprudential Policy, Bank Size

Equilibrium Credit in Bulgarian Banking: Determinants of Credit Booms and Busts, 2004-2016

Didar Erdinc
American University in Bulgaria, Bulgaria

Abstract

Using quarterly data on a panel of 29 banks over the 2004–2016 period, this paper analyses the determinants of the credit boom bust cycles in the Bulgarian banking system by dividing the sample into pre and post crisis periods. Based on system GMM approach, we employ dynamic panel models to account for the deviations of the real credit growth from its fundamental value– the boom as well as the bust scenarios in relation to the macroeconomic factors and bank specific indicators of solvency, profitability and external funding. We measure excess credit growth as the deviation from the long run equilibrium value based on the pooled mean group estimator (PMG). We also assess the relative degree of contraction in lending by foreign and domestic banks during the crisis. Our findings indicate that over-reliant on foreign capital flows for funding, foreign banks fostered excessive credit growth in the pre crisis period but also contracted credit more drastically during the crisis than the domestic banks, which were better positioned to sustain lending through steady reliance on domestic deposits. But this was in response to a drop in credit demand in a recessionary setting rather than a credit crunch, induced by the retrenchment in foreign bank lending. Although some weak banks, of both foreign and domestic origin, registered a surge in nonperforming loans, and suffered capital shortage and low profitability, the distress in banking did not generate a full-blown banking crisis. We also find that notwithstanding a series of downgrades, Greek affiliated banks did not differ systematically from other foreign banks in terms of lending patterns but faced significant withdrawals of deposits, and were forced to merge in the aftermath of the crisis. The crisis triggered bank failures, and a pattern of consolidation in banking, which is likely to continue.

Keywords: Equilibrium Credit, Transitional Banking, Panel Data, GMM, PMG Estimation

MANAGEMENT & HUMAN RESOURCES

Chair: Mohd Saiful Izwaan Saadon
Room: E129

The Organization of Facility Management in Europe in 2016 and 2017

Alexander Redlein
TU Wien (Vienna), Austria

Eva Stopajnik
TU Vienna, Austria

Abstract

In 2006 Facility Management (FM) was a developing business area and the understanding about FM was varying strongly across Europe. As a common understanding was necessary, the European norm EN 15221-1 defined FM as the “integration of processes within an organization to maintain and develop the agreed services which support and improve the effectiveness of its primary activities” (British Standards 2006). Now, 12 years later, it is time for a current analysis on differences and similarities of

FM in European countries. Therefore, the research questions are: - Are there differences in the organization of FM in different European countries in 2016 and 2017? - In which hierarchical level of an organization is the FM department? - What are the goals of FM departments? The method used is the mixed research approach: Based on qualitative interviews a questionnaire has been developed, which is used quantitatively. It is standardized to make research results comparable across countries. The interview partners are the internal Facility Managers in the 500 largest companies of each country (measured by revenue). In 2016 and 2017 the survey was conducted in Austria, Germany, Bulgaria, Spain, Switzerland and Turkey. The sample size varies between 22 and 44 questionnaires per country. Results show that the proportion of companies with their own FM department is very high (between 79% and 96%) in all countries except for Turkey (61%). In Bulgaria and Spain more than 60% of FM departments are staff units, directly under the management, in the other countries most FM departments are on the second level. The strategic goals of the FM departments also differ: In Austria and Switzerland the most important goals are sustainability and value preservation whereas in Bulgaria and Spain cost savings and cost transparency are most important. In Turkey there is a focus on value preservation and increase of service. In Germany flexibility is most important.

Keywords: Facility Management, Organization, Europe, Strategic Goals

Managers' Roles that Empower Employee Self-directed Learning in Lithuanian Services Sector

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Kaunas University of Technology, Lithuania

Abstract

The challenges of knowledge and learning society call for new approaches to employee competence development in organizations with the focus on equipping them with the modern learning methodologies that help them to become more motivated and responsible for their own learning processes. The self-directed learning concept, respectively, has been acknowledged as one of the most relevant approaches that view an individual learner with the certain competencies: self-concept, communication competence, lifelong learning and reflection skills, self-management and self-control competencies. The development of these competencies in business organizations calls for new roles of leaders - mentor, coach and entrepreneur. The analysis of the managers' roles that empower employees' self-directed learning is a phenomenon related to management and educational science. Therefore, the search for the interaction between the managers' roles and the competencies of self-directed learners is interdisciplinary and aims to answer the following research questions: what managers' roles related to self-directed learning could be identified in services sector in Lithuanian? What competencies of self-directed learning are characteristic for the Lithuanian employees in service sector? What managerial roles could be employed for developing relevant competencies of self-directed learners (employees)? Research aim is to explore the roles of managers that empower the self-directed learning of employees in services sector in Lithuania. The empirical investigation was based on quantitative research approach. The survey data were processed with descriptive statistics methods and correlation analysis. The relationship between the competencies of self-directed learner and managers' roles was evaluated with the Pearson correlation coefficient. The research sample was 259 employees of Lithuanian enterprises in services sector. The research results revealed that the competencies of reflection, self-concept and management were most obvious among the employees in Lithuanian services sector. A majority of employees indicate the need to develop their communication skills, lifelong learning and self-control competencies. The managers in Lithuanian service sector that apply the mentorship techniques for their employees assume the role of a teacher, while those who use the techniques for fostering accountability for acting and decision making act as coaches. Meanwhile, the managers involved in entrepreneurship development are viewed as adventurers, new entrepreneurs, innovators and inspirational leaders. The results of correlation analysis enabled to construct the interaction model of managers' roles and self-directed learning competencies of employees that enables the targeted selection of particular role, i.e. mentor, coach and entrepreneur, which best suits the development of relevant competence for self-directed learning.

Keywords: Self-Directed Learning, Managers' Roles, Services Sector

Healthcare Project Management Model Approach

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Marek Zawada
Warsaw University of Technology, Poland

Abstract

The aim of the publication is to present the outline of a model approach for project management in the healthcare sector. As part of the research, a comparative analysis of available project management approaches and models was carried out as well as a research questionnaire was prepared for the analysis of applied methods, methodologies and project management tools for healthcare project management. The authors try to fill the identified gap within research concerning model approaches and methodologies for managing complex and unique projects in the field of healthcare (especially R&D projects). The subject of the research is the problem of improving project management as well as identifying factors of successes and failures of projects in the healthcare sector. The undertaken studies include the following objects: research units (including medical schools), pharmaceutical companies and contract research organizations operating in Poland in the field of R&D. Data used in the research were collected in the form of the results of focused interviews with project managers or persons responsible for their implementation (experts, management staff, researchers), using a questionnaire survey. The following research methods were also used: literature research (approaches, models and methods of R&D project management) and participating observation (completed projects, currently implemented and planned). The results of the presented study are: organizing scientific terminology in the field of healthcare project management, identification of key elements of the model approach to managing this type of projects as well as building a basis for deepening scientific inquiries regarding the issues of improving the efficiency of their management.

Keywords: Project Management, Healthcare Projects, R&D, Project Management Model Approach

Physical Activity Assessment of Polish Academic Staff and the Directions of its Promotion in the Workplace

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Agnieszka Springer
WSB University in Poznań, Poland

Abstract

Background and Objectives: More and more organizations are seeing the problem of deteriorating health, excessive stress and overload of their employees. An interesting solution to this problem are health or wellness programs in workplaces, which in various ways affect the improvement of employees health. An important component of such a program is the promotion of physical activity in the work environment. A very interesting professional group are academics in Poland who, due to the continuous process of legislative changes, the need to meet the growing market expectations, as well as the changing nature of work, are exposed to strong stress and burnout. Dissemination of physical activity among university employees may be a way to counteract the negative effects of both occupational stress and the negative consequences of a sedentary work. To design specific activities in the field of promoting physical activity in the work environment, the necessary step is to diagnose its level. In connection with the above, the aim of the article is to assess the physical activity of Polish scientists and indicate the possible directions of its development in the work environment. **Data and Methods:** The research was quantitative and it was carried out from September till December in 2017. Data were collected by means of an online version of the International Physical Activity Questionnaires – IPAQ (long form) with demographic characteristics as a differentiating variables and additional part: time spend sleeping. The IPAQ questionnaire concerned physical activity of academics in the last 7 days

divided into 1) job-related physical activity, 2) transportation physical activity, 3) housework, house maintenance, and caring for family, 4) recreation, sport, and leisure-time physical activity, 5) time spent sitting, and 6) time spent sleeping. In total, about 1200 invitations to participate in the study were sent out, addressed at the employees of various universities and departments from all over Poland. 340 correctly completed questionnaires were returned, which was subjected to statistical analysis using SPSS software. Results: The sample was dominated by women (59%), PhD degree holders, the average age of the respondents was 42. Results of the study confirmed that the surveyed professional group is diverse in terms of physical activity level. Majority (61,8%) of academic staff demonstrated high PA scores of ≥ 3000 MET-minutes/week. A high level of physical activity results mainly from high physical activity in the home and garden and from walking. Academic teachers are less physically active at work and in their free time. About 33,7% of participants demonstrated moderate PA scores of ≥ 600 MET-minutes/week. Only 3,8% university staff were inactive or their physical activity were on the lowest level. Women are generally more active than men, and physical activity decreases with age. The problem is a large amount of time spent sitting. Almost 53% of academic staff on average sit more than 4 hours a day, including transport, which is inconsistent with the recommendations of WHO. Conclusions: The research results indicate a great need to promote physical activity among academic teachers in the workplace and during leisure time at least 7 times a week according to WHO recommendations. An important tool for promoting the physical activity of this professional group could be a special pro-health program in a workplace based on increasing the frequency of physical exercise, commuting to work on a bicycle, or offering various recreational activities in the workplace.

Keywords: Physical Activity, Assessment, Health Program, Healthy Workplace, IPAQ, Academic Staff, Sedentary Lifestyle

Knowledge Sharing: Review on Determinants and Future Research among Knowledge Workers

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Abstract

Knowledge sharing, which has been comprehend as a part of knowledge management is defined as a willingness between knowledge seekers and knowledge owners.. This effort was practiced to warrant the organization can remain competitive and the continuity of knowledge exist, regardless the availability of the knowledge owner in the organization, including the ports. This paper aims to understand the current determinants on knowledge workers and identifying potential future research from he literature review. The result from the findings will assist the researcher to determine the significant factors from various determinants either individual peer, organization and technology. In addition, the result will also assist researcher in understanding the moderation effect of the SECI model to related determinants in influencing the knowledge sharing intention. The results from the paper also aims in assisting the personnel from the academia in finding the proper channel to reach the knowledge worker and hence gaining the respective knowledge which beneficial to them from the port operator industry themselves.

Keywords: Knowledge Sharing, SECI Model, Individual Factors, Peers Factors, Knowledge Workers, Port Operator Industry

Influence of Social Media and Marketing Mix Affecting Decision to Use the Services on Seafood and Restaurants in Cha-Am Beach Phetchaburi

**Noppadol Towichaikul
Silpakorn University, Thailand**

Abstract

The aims of this quantitative research were 1) To study the social media affecting the decision to use the services on seafood restaurants in Cha-am beach Phetchaburi 2) To study the marketing mix affecting the decision to use the services on seafood restaurants in Cha-am beach Phetchaburi. The samples used in the research were 400 consumers who decided to use restaurants service by using convenient sampling and the instrument was an online questionnaire. The statistics used in this research was descriptive statistics including percentage and the average standard deviation. Independent variables were social media and marketing mix. The dependent variable was affecting the decision to use the services on restaurants by Multiple Regression Analysis. The research found that the influence of social media and marketing factors has influenced the decision to access the restaurant in Cha-am beach Phetchaburi, which is important in responding to the needs of consumers in the future.

Keywords: Social Media, Marketing Mix

WELCOME RECEPTION: 19:00-20:00

THURSDAY, OCTOBER 25 (DAY 2)

REGISTRATION: 09:00-17:00

DAY 2 - SESSION I: 09:20-11:20

ECONOMICS OF INNOVATION

Chair: Razvan Daniel Zota

Room: E104

The Effects of R&D Input and Trade Openness on Innovation Capacity in High-Tech Industry: Evidence from China

Xiaodan Hu
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Abstract

Referencing the theories of “technical innovation”, “innovation-driven growth” and the model of “trade spillover”, this paper builds a static and a dynamic panel model of input-output in high-tech industry respectively based on the modified Cobb-Douglas production function. It exploits the panel data of high-tech industry in China on province level and industry level for the years 1998-2017 to investigate the effects of R&D input and trade openness on innovation capacity and further compare the differences between China’s three regions as well as its various industries. It mainly takes use of panel unit root test, cointegration test and panel regressions including static LS estimation and dynamic GMM estimation, finally conducts the robustness checks via quantile regression. The results demonstrate a long-term equilibrium stably positive correlation of R&D input, trade openness and innovation capacity in high-tech industry, as well as the crucial impact of independent research and development on technical innovation. According to the results, the capital input of R&D and trade openness in eastern region have more positive effects on technical innovation than those in central and western regions, but the human resource input of R&D has more significant effects in central and western regions. Therefore, China should pay more attention to regional economic cooperation, attach importance to independent innovation, expand trade openness, and promote the construction of “One Belt One Road”, all which stimulate the innovation capacity of High-tech industry.

Keywords: R&D Input, Trade Openness, Innovation Capacity, High-tech Industry, China

Multiple Perspectives of Value Co-Creation: A Comprehensive Literature Review

Shuie Sun
Université de Lille, CNRS-CLERSE, France

Abstract

Value co-creation refers to a dynamic process of creating value through service exchange and resources integration by value creation participators, which is a breakthrough of traditional view of firm value creation. With the development of network economy and changes in the competitive environment of market, value is not created by firms alone any more but participators together. Hence, this paper makes a comprehensive analysis of the current value co-creation perspective and combs the theory evolution. By absorbing last service value co-creation theory, we focus on the essential difference of five value co-creation perspectives(value customer experience, early service-dominant, service logic, service science and service ecosystem, respectively) and proposal 9 different service ecosystem models(low servitization and micro-level binary interaction, low servitization and meso-level network interaction, low servitization and macro-level complex network interaction, moderate servitization and micro-level binary interaction, moderate servitization and meso-level network interaction, moderate servitization and macro-level complex network interaction, high servitization and micro-level binary interaction, high servitization and meso-level network interaction, high servitization and macro-level complex network interaction, respectively).

Keywords: Value Co-Creation, Multiple Perspectives, Review

Fixed Investments Significance and Impact on Lithuania Economy

**Lina Martirosianiene
Aleksandras Stulginskis University, Lithuania**

Abstract

Investments are essential for a sustainable economic growth of industrial companies. Recently since the occurrence of the new wave of digitalization (Industry 4.0) huge investments in fixed assets have to be considered. The effective attraction of investments to the national economy is a key factor, which provides favorable conditions to perform structural changes in the national economy. Therefore, investments in the public and the private sectors conduce development of the national economy and provide conditions to increase the overall competitiveness of a country. Moreover, the fact that world economy is going through one of its most successful development periods after the global financial crisis emphasizes the relevance of this research even more. However, the scientists reasonably raise doubts about the effectiveness of marginal capital investments which becomes even smaller once the point of saturation is reached. It raises question in which particular economy cycle the fixed investments should be made. Goal of the research – to provide the theoretical backgrounds for significance of fixed investments, to estimate the changes of fixed investment growth and structure and to explore the efficiency of fixed investments and it impact on Lithuania economy. The research have shown that the level of investments in Lithuania was 21 - 29 % from GDP in 2001-2008. Over the last seven years (2011–2017), investments amounted to 19 % of GDP on average. The growth of investments after the financial crisis is especially high in equipment sector in which the investments in 2017 exceeded the level of investments in 2008 by 23,8 percent. Even more, the investment in dwellings sector in 2017 were even 5,2 times bigger compared to 2001. Results of correlative and regression analysis show that the relationship between gross fixed capital formation and economical growth is strong and almost direct. It is noted that many Lithuanian businesses still hesitate when it comes to making important investment decisions. Firstly, uncertainty in the market causes troubles in evaluating future changes of products and services demand. Secondly, companies seek to accumulate own funds to implement investment projects in order to avoid credit liabilities. However, the axiom says that you must spend money to make money.

Keywords: Fixed Investments, Expenditure, Correlation Analysis, Consumption, Economy

Research on the Regional Low Carbon Innovation Resource Allocation Efficiency based on Super-SBM Model

**Jianzhong Xu
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**Yanan Zhao
Harbin Engineering University, China**

Abstract

Low carbon innovation is an important means to break through resource constraints and promote the sustainable development of economy-environment-society and build a resource conserving and environment friendly society. Aiming at the current situation of regional low-carbon innovation resource allocation under the new normal economic situation, this paper constructs a evaluation index system of regional low carbon innovation resource allocation from five aspects: R&D input and non R&D input and technological achievements expected output and product expected output and undesired output. The modified Super-SBM model is employed to measure the regional low carbon innovation resource allocation efficiency based on China's regional panel data for 2011-2015 years. The panel quantile regression method is used to explore the effect of the environmental factors on the regional low carbon innovation resource allocation efficiency in the whole country and each quantile. Research shows: China's low carbon innovation resource allocation efficiency continued to present an unbalanced situation — East High and West low. The environmental factors have a significant impact on the regional low carbon innovation resource allocation efficiency. The level of industrial agglomeration and policy system support and environmental regulation pressure and intellectual property protection are positive

promoting effects. The increase of FDI knowledge spillover with the number of quantiles is significantly positive impact on the significant negative. The impact of competition imitation pressure is significantly negative. The government should take full consideration of the actual situation in each region and formulate the goal of low carbon innovation resource allocation and the optimization scheme of institutional context according to local conditions.

Keywords: Low Carbon Innovation Resource Allocation Efficiency, Environmental Factors, Super-SBM Model, Kernel Density Estimation, Quantile Regression

Green Technology Innovation and Energy Intensity with Different Types of Environmental Regulations: Evidence from China

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Manman Wang
Harbin Engineering University, China

Abstract

With China's provincial panel data between 2005 and 2015, this article adopts a panel threshold regression model to estimate the threshold effects of green technology innovation on energy intensity. The results indicate that the overall level of energy intensity continues to reduce and there exists a significant imbalance in the development of regional energy intensity. The empirical results show a non-linear relationship, as well as both command-and-control and market-based regulation have two thresholds on regulation stringency, respectively. Moreover, there exists heterogeneity of environmental regulation thresholds in China's provinces, and the environmental regulation stringency in the majority of provinces is not high, especially market-based incentive regulation. Finally, some policies are provided beneficial for the guidance of reducing energy intensity and promoting sustainable green economic growth.

Keywords: Green Technology Innovation, Energy Intensity, Environmental Regulation, Threshold Effects

Competitiveness, Productivity and Spillover Effect in ICT: Evidence from OECD

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Gaziantep University, Turkey

Asli Ozpolat
Gaziantep University, Turkey

Abstract

Developments in information communication technologies cause international competition to change both quantitatively and qualitatively. In the global competitive environment, all these developments as a driving force are creating a change in the competitive tools. The rapid changes in computer technology and the trend of decreasing the cost of computer hardware cause enterprises to be more inclined to computer and communication technologies in the direction of changing competition dynamics. In this context, investments in ICT products will ensure that a significant competitive power both in domestic and foreign markets. In addition, internal and external spillover impact of ICT could be effect on productivity and competitiveness. As a result, the aim of the study is to find that the nexus of competitiveness, productivity and Spillover effect in ICT. The relationship among the variables has been analyzed in 18 OECD countries during the period from 2000 to 2016. The analysis of the paper consists of two phases. In the first phase, the competitiveness of countries has been calculated by the Revealed Comparative Advantages (RCA) method as stated by ICT goods classification (Computers And Peripheral Equipment, Communication Equipment, Consumer Electronic Equipment, Electronic Components). In the second phase, the CIPS unit root test, Pedroni Cointegration test and the

Westerlund Cointegration test have been used to investigate nexus of competitiveness, productivity and Spillover effect in ICT. The long-run relationship among the variables has been predicted by the cointegration tests and then parameters were estimated by FMOLS and DOLS tests. According to our primitive empirical findings of the study, it is expected that a long-time and positive relationship between the variables.

Keywords: ICT, Spillover Effect, Productivity, Competitiveness, Westerlund Cointegration Test

Digitalization and Its Influence on Economic Development of the Russia

Galina Chernova
Saint-Petersburg State University, Russia

Vladimir Khalin
Saint-Petersburg State University, Russia

Abstract

The current stage of world economic and social development is characterized by a significant impact on it digitalization. The purpose of the study is to analyze the features of digitalization as a new trend in effective global development and its impact on the Russian economy. The result of the research is the full description of digitalization as a modern global trend in the development of the economy and society, including the development of Russia, based on the transformation of information into digital form. It is represented by the disclosure of its essence, the features of digital representation of information, the relationship between digitalization and digital economy, coverage by digitalization of a particular country, calls, threats, prerequisites, possible positive and negative consequences, risks of digitalization for Russia, and the tasks of digitalization for the Russian economy. Based on official information on the state of the Russian economy, analysis has shown that digitalization also has a significant impact on Russia's development, but to improve the effectiveness of this influence, it is necessary to solve a number of problems formulated in the report.

Keywords: Digitalization, Digital Economy, Prerequisites for Digitalization, Positive and Negative Consequences of Digitalization, Challenges, Threats and Risks of Digitalization, Tasks of Digitalization in Russia

EDUCATION

Chair: Ghulam Mustafa
Room: E127

The Role of South African Universities in Driving Sustainable Development: The Student's Perspective

Tshedu Matiwaza
University of the Witwatersrand, South Africa

Suvera Boodhoo
University of the Witwatersrand, South Africa

Abstract

Students are seen as future decision makers and leaders of tomorrow. Therefore, this study addressed the perceptions of student's on sustainable development. As universities are instrumental in educating future leaders and decision makers, it is imperative for universities to play a critical role in educating students to carry out research that facilitates sustainable practices. This study focused on students at the University of Witwatersrand. The sample was drawn from postgraduate students studying in the School of Economic and Business Sciences. The study was conducted to determine the factors that influence student's perception on sustainable development specifically student's perceptions of environmental development, economic development and social development. The study further

addressed how the university addressed sustainable development through teaching in order to equip student's to be responsible and sustainable individuals. This study adopted a quantitative research design. The quantitative data was assessed using factor analysis. The results indicated that students viewed education and social development as key to sustainable development. However, it is evident that more emphasis needs to be placed on economic and environmental development through the enrichment of curricula.

Keywords: Sustainable Development, Higher Education, Environmental Development, Economic Development, Social Development, Education

Learning Taxonomy Based Education Game Design to Deploy Learning Objectives to Game Design: A Case Study of Leadership Education

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Bandung Institute of Technology, Indonesia

Nur Arief Rahmatsyah Putranto
Bandung Institute of Technology, Indonesia

Aria Bayu Pangestu
SBM ITB, Indonesia

Abstract

This paper aims to propose educational games development to facilitate learning and maximizing pleasure during the learning process of leadership education. An educational game can take forms such as board, card and digital form emphasized on the direct player interaction and scale of implementation, respectively. The educational game can improve the learner's involvement in a learning process and at the same time improving their behavior towards the learning itself. By Using board game people can increase the effectiveness of learning and teaching process in many levels of education. Educational game effectiveness has been tested in many subjects of teaching and most of the subject shows an improvement in the effectiveness of learning process. However, developing a proper education game require a proper analysis and methodology and in order to create a suitable game for a specific game is not a simple task. The methodology of developing an education game combines expertise in explicit knowledge area regarding learning objectives and content of the game including rules, rewards, challenges, difficulty, and environment. Despite the growing research related to leadership, an application of experiential learning for leadership education to corporate participants is currently limited. This paper presents the methodology of development and implementation of an educational game "chaotic company" to a corporate participant having learning objectives of Execution Focus, Concern for Order, Adaptability and Organization Awareness. The developing process starts from analyzing the knowledge area and determining the learning objectives and delivery strategies. These analysis linked to the concept of the game environment, elements of game used and the levels of the game. That whole concept combined into a whole game design. This study will explore the concept and process of developing an educational game and test its implementation effectiveness. The study revealed that the developed game, "chaotic company (CC)" has direct relevance in increasing understanding and analysis of the learning objectives.

Keywords: Corporate Participant, Development Methodologies, Education Game, Leadership, Learning Objectives

Benefits and Risks of Artificial Intelligence Incorporation in the Field of Education

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Rozina I. Efstathiadou
Computer Technology Institute and Press-Diophantus, Greece

Celia Roniotes
Computer Technology Institute and Press, Greece

Abstract

Artificial Intelligence (AI) is both a new concept and a technological revolution. Due to rapid expansion, concerning digital tools and advances AI reorganizes all sectors of the economy, state policies, people's perception and behavior, as well as societal structures. The consequences of this rapid expansion of AI cause new research work and forecasts from researchers of diverse disciplines, managers, policy makers etc. Consequently this research, ranging from ethics to labor market reorientation and from industry to public health and education procedures, brings on a debate between optimists and pessimists involved, recalling concepts similar to utopias and dystopias which came up during the first decades of the 20th century. In this paper we cite recent research work and forecasts about AI's possible consequences concerning the reorientation of labor markets, industry's trends and state's policies, particularly within the field of education. We examine emerging new tools, statistics and trends which transform either educational process at the main core of educational system or in the field of administrative tasks, procedures, schedules and control. We list similar transformations in the Greek education system. We also distinguish between the discrete phases of AI's embodiment in the field worldwide. Since machines replace human labor and professional structures, we discuss potential benefits and enormous risks under the assumption that technological improvement as new technological features emerge, destabilize current equilibrium within economy and state- public or societal institutions and for these reasons effective responses are defined as those lead towards the specification of possible new institutions which may guarantee social rights and consequent opportunities for all citizens and particularly for education system as a whole guarantee effectual social reproduction.

Keywords: Artificial Intelligence, Innovation, Institutions

Benchmarking as part of Economics Education in Higher Education Systems in Europe

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Abstract

The article examines theoretical and practical methods of benchmarking in terms of economics education in higher education systems in Europe based on the partnership between Estonian and Russian universities under the dual diploma program. Today, universities strive to be successful, highly efficient establishments that continuously work on improving their service quality and increasing demand for their services in accordance with brand expectations and the needs of the target audience. All of this is facilitated by benchmarking methods. In higher education systems, benchmarking refers to the process of identifying, understanding and adapting existing and innovative practices for the effective functioning of organizations in order to improve the educational process. According to this perspective, the theoretical and practical application of benchmarking lies in the sequential application of the following steps: 1) deep understanding and in-depth analysis of the features, competitive advantages of the management and marketing processes in terms of educational and scientific work of a European partner university, 2) analysis of the educational and scientific work of the comparable Russian universities, 3) introduction of changes and their analysis in order to reduce the gaps and differences between the higher education systems of various countries. As a result of the research based on the theoretical and practical experience of an Estonian university, and conducted using descriptive statistics, it can be stated that medium- and long-term application of benchmarking contributes to an increase in the

sustainability of the functioning of educational institutions in the context of international partnership, considering the needs of the economies of individual countries in highly qualified specialists.

Keywords: Benchmarking in Higher Education, Best Practices to Improve Higher Education Quality, Entrepreneurship Education, Models of Universities, Joint Degree Program, Education Economy

Student Retention: Perspectives of University Academics

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Phil Bowen
University of Northampton, United Kingdom

Dean Brookes
University of Northampton, United Kingdom

Abstract

Student retention continues to be a concern for higher education organizations (Berger, Ramirez & Lyon, 2012). There has also been a rise in Government and organizational interest in student retention in the last 10 to 20 years (Dougherty & Callender, 2018; Kahu & Nelson, 2018). Successive Governments have made efforts to incentivize universities in England that include financial rewards for student completion together with greater focus on improving social mobility of disadvantaged students (Dougherty & Callender, 2018). Studies are regularly carried out associated with student retention (For example: Crosling, Heagney & Thomas, 2009; Harackiewicz & Priniski, 2018; Kahu & Nelson, 2018; Thomas, 2002). However, there is increasing evidence to support escalating dropout levels (HESA, 2018; Keohane & Petrie, 2017). It appears seldom that there is a single reason for student deciding to drop out. Reasons for dropout can include a combination of reasons. For example: lack of commitment, lack of social integration, financial pressures, personal circumstances, lack of course match, poor preparation for university life (Jones, 2008). It is therefore of interest to find out the views and thoughts of academics at university that can help add to existing literature. This study is undertaken at a university in the UK, using mixed methodology- quantitative followed by qualitative as a two-phase study (Bryman, 2012; Creswell, 1995, 1999, 2013). However, the focus of this paper is to discuss the initial findings of the qualitative data analysis. The first phase of the study (questionnaire) captured some qualitative data from the seventy five participants that responded. The captured qualitative data, through the questionnaire, are subjected to thematic analysis and 5 semi structured interviews were undertaken to develop further understanding of the initial themes that are developed. The key themes that impact student retention according to this study are engagement, attendance, mental health, workload and family pressure. The paper discusses these themes in line with the extant literature and develops further understanding of how the student retention should be addressed within the content of this study. The findings are not generalizable due to its sample size and also the case study approach taken for the study. However, the findings may be transferable to other context which needs further investigations and analysis

Keywords: Student Retention, UK Higher Education

Smart Regions' Economical Innovations and Sustainability in relation to Vocational Education and Training and Specific Required Skills: An Approaching Model through qualitative research in Greek Enterprises

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University of Macedonia, Greece

Abstract

This paper talks about the recent evolvement of smart regions' innovations that monitor, manage and enhance key infrastructure and public services such as transport and traffic management, energy, water and waste management, healthcare and community services. As digital transformation genuinely

requires full participation of citizens and communities, the matter of suitable vocational training arises in addition to the formation of general required skills such as flexibility, adoptability, mobility, critical thinking, team spirit, etc. As a result possible changes might be necessary in typical and vocational educational systems. A basic initial thought derives from a research undertaken by the Institution of Engineering and Technology (IET, 2016, Smart Cities: Time to involve the people?). IET has found that, despite considerable investment by the UK government, local authorities and businesses, there is a basic lack of awareness among the British public about what a smart city is, does, and its potential to improve citizens' quality of life. Similar results are also available in different countries in Europe and even worldwide. Yet several smart skills are required and they are even just as important as the technology installation itself, in order to ensure the consistency and the performance of the near future's integrated smart city, which is a basic social necessity. As a result, our latest research includes sample regions of Greece that have been using smart cities' technologies for the past few years. The research studies the improvements in terms of economics as well as general well-being of all the stakeholders even though the country is still in recession. The statistical methods used, compare basic elements before and after the establishment and the use of the integrated technological facilities. The study results include that full use of technological innovations depends entirely upon the quality of vocational education of all the stakeholders (citizens, communities, authorities, etc.) and that specific skills are definitely required. Concluding, the study aims to gradually develop an approaching model that refers to the analytical ways of improving educational and personal skills in order to best use the present form of smart cities' innovations as well as prepare the communities for the future integrated smart cities attitudes. This model could be useful to all typical and non-typical educational institutions that wish to adopt flexible and adoptable courses in order to facilitate all the above requirements, providing better living conditions in the cities of tomorrow.

Keywords: Smart Regions, VET, Skills, Modeling, Sustainability, Crisis Management, Regional Economic Activities, Education and Economic Development

BEHAVIORAL FINANCE

Chair: Sagi Akron

Room: E128

Dynamics of Yield Gravity and Money Anxiety Index

Dan Geller

University of Haifa, Israel

Nahum Biger

University of Haifa, Israel

Abstract

The ability of yield to attract and direct deposits is the cornerstone of the banking system. However, as the findings in this paper demonstrate, the level of financial stress and anxiety of depositors mediate the gravitational pull of yield during times of economic downturn and stagnation. We describe an innovative Money Anxiety Index and the estimation of this index on a monthly basis. We find that interest rates on deposit accounts are much less effective in attracting and shifting deposits to term accounts. The dynamics of yield gravity increases interest expense on liquid accounts and hampers the ability of banks to comply with Basal III Net Stable Funding Ratio (NSFR) requirement of one-year liquidity.

Keywords: Term bank balances, Liquid bank balances, Yield changes, Money Anxiety Index

The Effect of Economic Policy Uncertainty and Herding on Leverage: An Examination of the BRICS Countries

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University of the Witwatersrand, South Africa

Prudence Makololo
University of the Witwatersrand, South Africa

Abstract

This study examines the role of economic policy uncertainty in influencing firm financing decisions in the presence of herding in the emerging markets Brazil, Russia, India, China and South Africa (BRICS). This study tries to answer the questions of: During times of economic policy uncertainty, how do firms rationalize making leverage financing decisions; and do they herd their leverage financing decisions towards what the market or other firms have decided? The sample firms are selected based on the Top 80 listed firms by market capitalization in their respective country stock exchanges. These firms will be split into two sub-groups of the first 40 listed firms and the next 40 listed firms, however, in the case of Russia it will be first 25 listed firms and the next 25 listed firms. The change in EPU in Brazil, Russia and South Africa yield a negative relation to the firms leverage ratio as expected. However in India and China, change in EPU is found to be statistically significant though the sign is not what is expected by the theory. The negative relationship is vast for firms that borrow on a short-term basis mainly from local banks in Brazil, Russia and South Africa. This means that firms in these countries are more prone to react when there is uncertainty and more so it is evident that they tend to mimic other firms in the presence of uncertainty. Firms in India and China on the other hand take the opportunity of cheaper debt when there is uncertainty in the market. This implies that firms in these countries are not intimidated by EPU but rather use it to their advantage in growing their businesses knowing that EPU is only temporary in the market. The herding effect in all the BRICS countries is negatively related to the leverage ratio of firms in the presence of EPU. The overall results show that Brazil, Russia and South Africa are more prone to react to EPU than India and China in the presence of herding. These findings contribute to the body of knowledge on the role of policy in influencing firm performance and corporate decisions in emerging markets.

Keywords: Capital Structure, Herding Behavior, Emerging Markets

Crypto-Currencies and the Contagious Effect of Financial Markets

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Simona Craciunescu
The Bucharest University of Economic Studies, Romania

Abstract

Economics, defined as a set of economic activities, can be described as a network, with companies (bank, nonbanking), public entities, non-governmental organizations. Any changes made to this complex network can generate shocks that are not very visible at the macroeconomic level, but can greatly affect both this level and the microeconomic level. The most common example demonstrating that small changes can produce large, very significant changes is the "butterfly effect". The complexity of current financial systems around the world makes it difficult to create indicators that accurately assess the systemic risk of any institution. One of the most important issues that have been highlighted in recent years has been the interconnection of banks into the financial network. This has led to an increase in the likelihood of contagion, a scenario in which the small shocks, who initially only affected a part of the institutions in the system, spread throughout the network. Currently, investing in cryptocurrencies can be considered one of the most cost-effective investment options in the world. The research aims to analyze the effect of financial contagion resulting from the investment decision of financial companies in cryptocurrencies, to identify the networks in the banking field formed by the blockchain and to assess the transmission of the contagious effect in the financial companies.

Keywords: Financial Contagion, Neurofinance, Crypto-Currencies, Blockchain, Cybernetics Models, Optimal Decision

Merger Waves: Are Buyers Following the Herd or Responding to Structural Queues?

Ralph Sonenshine
American University, U.S.A.

Abstract

While there has been a significant amount of research covering the causes of merger waves, few papers have rank ordered merger waves based on the causes nor sought to determine which rationale leads to higher bidder payouts. This paper seeks to fill this gap by examining a cross section of large mergers across most industries occurring over a 17 year period. I find that merger waves over this period are caused foremost by changing economic and regulatory conditions. It is the behavioral rationale of mispricing, however, that more often leads to higher bidder payouts or merger premiums among acquirers in merger waves.

Manager Overconfidence Effect on the Investment-Cash Flows Sensitivity: Evidence from Indonesia

Fitri Santi
University of Bengkulu, Indonesia

Abstract

This study investigates the effects of managerial overconfidence on corporate investment decisions in Indonesia for the listed firms in Indonesian Stock Exchange during the period of 1999-2013. This study proposes several hypotheses about the effects of overconfidence on investment and on the investment-cash flow sensitivity. In behavioral finance perspective, it argues that overconfidence bias can cause distortions in corporate investment decisions. Overconfident managers often overestimate returns on their investment projects and overestimates their ability to handle their project, therefore, they tend to make investment more than the investment made by non-overconfident managers. Overconfident CEOs tend to view external financing as unduly costly. They tend to over-invest when the internal fund is available, but hold the investment when the investment projects need external funding. Therefore, the investments made by the overconfident CEOs are more sensitive to cash flow, particularly in the more financially constrained companies. Following Schrand and Zechman (2012), this research uses the index of OC_FIRM4 and OC_FIRM5 as the measurement of overconfidence. These indexes are dummy variables and constructed from five main components of investment policies, financing policies, and dividend policy. Those components are (1) the industry-adjusted excess investment; (2) the industry-adjusted net dollars of acquisitions; (3) the industry-adjusted debt-to-equity ratio; (4) the firm uses risky sources of fund either subordinated debt, convertible debt or preferred stock; and (5) the industry-adjusted dividend payout ratio. Previous studies find that overconfident CEOs are consistently showing overly optimistic and overconfident in all firm decisions contexts. The results of this research indicate several things. First, this study finds the phenomenon of the sensitivity of the investment decision to the cash flow in Indonesian companies. Second, the overconfidence bias has the positive effect on the investment. Third, the overconfidence bias increases the sensitivity of investment to cash flow. Fourth, in the high financially constrained firms, the sensitivity of investment to cash flow shown by the overconfident CEO is higher than the sensitivity of investment to cash flow shown by the non-overconfident CEO. Fifth, the sensitivity of investment to cash flow shown by the overconfident CEO is higher when the company is in the high financial constraint condition than when the company is in the low financial constraint condition.

Keywords: Overconfidence, Behavioral Finance, Firm Investment, Financial Constraints

A Dynamic Analysis on the Relationship between Investor Sentiment and Stock Market Volatility: The Evidence from China

Hanhui Zhao
Shanghai Maritime University, China

Yanhui Chen
Shanghai Maritime University, China

Abstract

Investor sentiment is a research focus in behavior finance. How to establish an index which can describe investor sentiment accurately and scientifically, how to evaluate the impact of investor sentiment to stock market, whether we should use investor sentiment to forecast stock market are three key research questions in this research field. Based on Baker and Wurgler's method this paper chooses five proxy variables according to China's reality to calculate investor sentiment. But in order to keep more information of the proxy variables, we use a two-step principal component analysis in this paper. The five proxy variables are turnover ratio, volume, new stock accounts, margin balance and net inflow of the main investors. Turnover ratio is the same proxy variable in Baker and Wurgler's research who suggested turnover ratio is related with liquidity. Volume represents the trading activity. Different with U.S. market, Chinese stock market is still open with retail investors without any constraints. One person can open a stock account just with his ID and bank account in which there can be no money. So when the market is doing well, more people tend to open an account. Margin trading began from 2010 in China. Margin trading can be going long or short, which increases the liquidity of the market as a whole. If the margin balance increases, investors are optimistic with future and vice versa. Net inflow of the main investors represents the amount of funds in stock market. If the investors turn bullish, more funds will flow into the market. Leadlag relationship is also considered in this research, so both the proxy variables and their one-lag values are included in the first PCA. After the first PCA we choose five indicators, and use linear regression to eliminate the impact from macroeconomic factors. And then we use PCA again on the residuals of linear regressions to get the investor sentiment. In the final part of this research, we investigate the relationship between investor sentiment and stock market volatility based on Thermal Optimal Path (TOP) which was proposed to identify and quantify the time-varying lead-lag structure between two time series.

Keywords: Investor Sentiment, Volatility, Thermal Optimal Path, Dynamic Analysis

MANAGEMENT II

Chair: Iveta Ludviga

Room: E129

Effect of Organizational Culture on Job Satisfaction and Turnover Intention: An Empirical Study

Mourad Mansour
King Fahd University of Petroleum and Minerals, Saudi Arabia

Abstract

Employee turnover is an ongoing and serious problem in most of the organizations. Turnover leads to poor performance and high costs. In order to reduce turnover in organizations it is important to identify the factors that predict work environment and attitude (e.g., job satisfaction, culture) and subsequent turnover intention. The purpose of this study is to investigate the impact of organizational culture on employees' job satisfaction and turnover intention in Saudi organizations. The results showed that the organizational culture significantly predicted job satisfaction based on the first regression. In the second regression, the relationship between organizational culture and turnover intention was not significant.

Keywords: Organization Culture, Job Satisfaction, Intention to Leave, Saudi Arabia

Business Social Networks (BSN): Is the Business Escape from Reality is Impossible?

Nikolay Hristov Sterev
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Monika Sabeva
University of National and World Economy, Bulgaria

Ralitsa Zlateva
University of National and World Economy, Bulgaria

Veronika Dimitrova
University of National and World Economy, Bulgaria

Abstract

The escape from the real business to the digital business is one step closer with establishment and development of social networks. The advantages are very clear: the world is closer on a click distance. But, how the business uses this digitalization except the opportunities to promote or to sell something? The paper aims to explore whether the data transfer could slow down the real digitalization of the real business, including: explanation the state of art for the BSN; identification of attitudes of managers for participation in open source BSN; finding out some solutions for the real business to make the perception of the Business Social Networking closer to them The paper's structure covers: 1. Introduction to Business Social Networking (BSN): state of art of the problem; 2. Methodology of the research: explanation of the content of the deep interviews questionnaire; 3. Research results: the main results that explain attitudes and motivation of the business managers to participate in BSN; 4. Conclusions.

Keywords: Business Social Networks (BSN), Industry4.0, Data Transfer, Social Networking

TQM'S Theory

Mohammed Belkasseh
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Abstract

This paper suggests a literature review attempting to an in-depth look to the scientific thought around quality implementation in organizations. It provides a critical view to the plethora of designations mentioned in many contributions that are not necessarily different in their respective meanings. This would disperse the concentration and slow down the pace of quality theory's scientific evolution. The paper joins a set of contributions to suggest TQM as a unifying concept that would enable to overcome the delay of recognition of quality implementation as a theory.

Keywords: Quality, Management, Theory, Scientific Thought, Epistemology, TQM

Enhancing a Competitive Advantage of Tourism through Implementing Logistic and Supply Chain Strategies of Tourism in Palmyra Community and Product at Phetchaburi Province

Phrutsaya Piyanusorn
Silpakorn University, Thailand

Abstract

The objectives of this research are to 1. To study the logistics model used for tourism in Thailand. 2. To propose ways to develop a logistics model for tourism in the Asean Economic Community. The research will be conducted to improve the competitiveness of the community and the palm tree products. Phetchaburi Province By reducing costs. Develop quality of tourism, community and product to provide better service. Using the application of logistics and supply chain management strategies.

Population and sample 1) The research population was composed of members of Palmary community from 6 pigs at Tambon Tham Rong in Banlad District, Phetchaburi Province. 2) There are 20 experts in quality inspection. Evaluation of logistics management system. To enhance competitiveness, community tourism and Tan Tanot products. Phetchaburi is a professional tourism community. And crafting owner Academic Tourism Community Logistics Management Scholar Related experts Philosopher The government agencies involved are representatives of the Tambon Administration Organization, Banlad District, Phetchaburi Province. Subcommittee 1 Sub-District 1 Product. Phetchaburi is one of the 10 provinces in the creative economy. From the Department of Intellectual Property. Ministry of Commerce It has been selected as a creative city in the "Diamond City of Palmary community Tan", which is considered as the strength of Phetchaburi province has been selected as a creative economy in four areas. 1. The potential of intellectual capital as a factor for creative economy development. 2. Potential of Urban / Prototype Economic Community 3. Sustainable Management and Planning System 4. Involvement of stakeholders. A stakeholder who is a driving force and energy to convey knowledge in the community.

Keywords: Palmary Community, Logistics, Supply Chain

Inclination to help other Customers - Insights from Explorative Study among Young Population in China

Anna - Dewalska-Opitek
University of Economics in Katowice, Poland

Maciej Mitreęga
University of Economics in Katowice, Poland

Abstract

Customer citizenship is treated as one of most promising areas in both: marketing theory and marketing practice. In marketing theory the customer citizenship behavior (CCB) perceived as consumers non-obligatory actions delivering value to the company is addressed under various notions in several research streams, including service dominant logic of marketing, customer engagement and presumption. CCB is also very much utilized in business practices as companies more and more welcome and even encourage moving certain activities connected with product design, product promotion and product delivery towards consumers. In turn, these customers are being treated as value co-creators. CCB is presented in the literature rather as a complex set of many different activities, e.g. providing product feedback, positive word of mouth, mitigating other customers with regard to undesired behavior. A lot of these activities can be undertaken online, which is connected with global popularization of social media. Although there are various factors discussed in the literature as drivers of CCB, our knowledge about mechanism leading consumers to engage in CCB is still weak, especially on empirical level. This paper addresses the gap identified in the literature by presenting the results of empirical study conducted in China among young people that have recently engaged in helping other customers as a specific form of CCB. The research was explorative in nature and conducted among 115 Chinese consumers, mostly students. The study focused especially on some consumer attributes that are hypothesized as drivers of CCB. Except research results we also present some managerial recommendations with regard to the way companies may utilize our findings.

Keywords: Helping Other Customers, Customer Citizenship, Antecedents, Consumer Behavior

Dynamic Marketing Capabilities in Intercultural Environment

Maciej Mitreęa
University of Economics in Katowice, Poland

Anna Wieczorek
University of Bielsko-Biala, Poland

Abstract

The dynamic capabilities approach is nowadays one of most influential schools in management theory and this approach calls for systematic reorganizing company resources and processes due to changing competitive environment. Such management framework is controversial as it is being criticized for too abstract propositions and fuzzy definitions of main terms. It is also not clear to what extent dynamic capabilities may be controlled by management and whether dynamic capabilities are attributes of the whole organizations or attributes of managers and other specific organization members. There were many specific dynamic capabilities discussed on conceptual and empirical level and there is emerging academic area of so-called dynamic marketing capabilities. This area is promising as one would expect marketing to be among most dynamic management functions. However, this area is in very early stage of development. Following gaps identified in the literature with regard to dynamic marketing capabilities, this paper is conceptual in nature and it is aimed at defining dynamic marketing capabilities in intercultural context. To achieve this objective, the paper first discussed the meaning of dynamic marketing capabilities as the specific form of dynamic capabilities. Secondly, the paper proposes some building blocks of dynamic capabilities crucial in case of marketing in intercultural environment, especially while operating on foreign markets. The conceptual propositions are based on the review of relevant literature and selected case studies of companies operating dynamically in foreign markets.

Keywords: Dynamic Capabilities, Marketing, Intercultural

COFFEE BREAK: 11:20-11:30

DAY 2 - SESSION II: 11:30-13:30

MONETARY ECONOMICS

Chair: Alexis Antoniadou
Room: E104

Drivers of Inflation Expectations in Czechia and Poland. More Similar than Different?

Magdalena Szyszko
WSB University in Poznan, Poland

Aleksandra Rutkowska
Poznan University of Economics and Business, Poland

Abstract

The majority of the research suggests that inflation expectations are not rational and cannot be fully explained by inflation itself. Thus, a question about the possible drivers of expectations arises. In this paper, we search for expectations drivers in Czechia and Poland. We aim at comparing the expectations driving factors in these economies. We apply a methodology that consists of several steps. After quantifying consumers' inflation expectations (derived from Business and Consumers Surveys) with extended Carlson and Parkin method we elaborate a structural VAR model to generate impulse responses of expectations to possible shocks of expectations drivers (oil process, real and monetary sphere variables). While interpreting the results we also refer to variance decomposition. We also test Toda-Yamamoto causality to verify the robustness of our results. The results suggest cross-country diversification of expectations drivers in our sample. The most remarkable resemblance refers to the oil prices which affect the consumer's expectations in most of the countries. The results that we provide suggest that monetary policy – related factors have different impact on expectations in our sample. It implies a different central banks' capability to steer expectations. Expectations response to oil prices,

which changes are beyond the central banks' power, is expected but unwelcomed result for policy makers.

Keywords: Consumers' Inflation Expectations, Expectations Formation, Shock Response

Co-Movement and Transmission of Japanese REIT Market on Different Property Sector: Comparative Analysis of Different Monetary Policy Regimes

**Takayasu Ito
Meiji University, Japan**

Abstract

This paper investigates the formation of Japanese REIT market on different property sector by analyzing the co-movement and transmission of three TSE (Tokyo Stock Exchange) REIT Property Sector Indexes. They are REIT Office Index, Residential Index, and Retail & Logistics. In the process of analyses, the entire sample period is divided into two depending on the monetary policy regime adopted by the Bank of Japan (BOJ). The first period runs from February 26, 2010 to April 3, 2013, during which time the BOJ adopted a comprehensive easing policy. The second period runs from April 4, 2013 to September 20, 2016. The BOJ adopted a quantitative and qualitative easing policy. They introduced negative interest rate policy on January 29, 2016. This analysis gives us the implication as for the asymmetrical impact of monetary policy regimes on the formation of Japanese REIT market on different property sector. After the non-stationarity of data are confirmed by unit root test, the Johansen cointegration tests are used to investigate the co-movement among three TSE REIT Property Sector Indexes. Next, Granger causality tests proposed by Toda and Yamamoto (1995) are conducted to check transmission effects among three TSE REIT Property Sector Indexes. Three REIT Indexes on different property sector do not co-move in the period of a comprehensive easing policy. REIT and real estate markets were sluggish after the impact of Lehman shock and East Japan Earthquake. Three REIT Indexes almost independently move with a few mutual transmissions. At the same time, monetary policy was not as powerful as in the period of quantitative and qualitative easing, and negative interest rate policies. On the other hand, co-movement and mutual transmission are confirmed in the regime of quantitative and qualitative easing, and negative interest rate policies. With the introduction of strong monetary policy, REIT and real estate markets became bullish. This point contributes to co-movement and mutual transmission.

Keywords: REIT, Different Property Sector, Co-movement, Monetary Policy Regime

Anonymity in Cryptocurrencies

**Hulya Boydas Hazar
Istanbul Aydın University, Turkey**

Abstract

Cryptocurrencies are defined as anonymous digital currencies. It is widely assumed that the real world identities of the persons who engage in cryptocurrency transactions are secret and will remain secret. Digital signatures serve as identities of the parties involved in cryptocurrency transactions. They are essentially composed of a pair of keys, the secret key and the public key, which are used for signing transactions. These keys are issued as many times as needed thus creating different identities for the same person. Since transactions are recorded with these pseudo names, it is thought that the real identities may not be linked to the transactions. Unlinkability has to be achieved for complete anonymity. However, recent studies show that real life identities can be linked to addresses of these cryptocurrencies and transactions which use them. Therefore, it is safe to say that most cryptocurrencies are pseudonymous rather than anonymous. In this paper the problem with anonymity and its implications in accounting will be discussed. In addition to this, protocols and services, which make it harder or even impossible to link addresses and transactions to their senders and recipients, will be reviewed.

Keywords: Cryptocurrency, Blockchain, Bitcoin, Altcoins, Anonymity, Pseudonymity

Importance of Awareness of Default Risk on Conducting Monetary and Fiscal Policies

Eiji Okano
Nagoya City University, Japan

Masataka Eguchi
Komazawa University, Japan

Abstract

We develop a class of DSGE models with nominal rigidities and investigate importance of awareness of default risk at the point of conducting monetary and fiscal policies. We introduce the default risk in the model. The default mechanism is based on Uribe's who show the trade-off between stabilizing inflation and suppressing default. We assume two policy authorities: the policy authority who are aware of the default risk and it who are not. If the policy authorities are aware of the default risk, the welfare costs function which stems from second-order approximated utility function contains the quadratic term of the premium difference which is difference between the (virtual) government debt yield and its coupon rate. If they are not, the welfare costs function does not contain such a quadratic term. We analyze two policies: the exact and the false policies. The exact is optimal monetary and fiscal policy and conducted by the policy authorities which are aware of default risk. The false is optimal monetary and fiscal policy and conducted by the policy authorities which are not aware of default risk. We solve the LQ problem and the model are solved numerically. Further, we calculate coefficients of simple rules which are a class of Taylor rules and a class of Bohn rule. We find that there is no distinction on simple rules between the exact and false policies if the interest spread is low. However, if the interest spread in the steady state is high, the policy authorities should give up to stabilize inflation and minimize the premium difference. We calculate welfare costs under two policies. if the interest spread is low, there is much difference on welfare costs between two policies. However, if it is high, the difference on the welfare costs are not negligible and is very high. If policy authorities are not aware of the default risk, the policy authorities introduce tighter policy which generates much welfare costs. If the interest spread is high, policy authorities should be aware of the default risk.

Keywords: Sovereign Risk, Optimal Monetary Policy, Fiscal Theory of the Price Level

The Real Effects of Deleveraging in the Euro Zone

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Tibor P'al
AGH University, Poland

Abstract

In this paper we present both a theoretical and an empirical analysis of the role that changes in the financial leverage and in the monetary transmission mechanism have played on real and nominal variables during the crisis initiated in 2008. To do so, we build a limited participation general equilibrium model that explicitly considers the degree of financial leverage and the efficiency of the monetary transmission mechanism as relevant variables explaining the short run and long-run effects of monetary policies. After solving a simple version of this model, we test its main predictions making use of a VAR model and data of two representative EU economies, namely Germany and Spain, and comparing two different periods, the first before the crisis initiated in 2008 and the other after that year. Our findings show that the deleveraging process and/or a loss of efficiency in the monetary transmission mechanism must be considered as possible causes of the crisis and its consequences.

Keywords: Limited Participation Model, Monetary Policy, Deleveraging Process, VAR Model

What Would the Economy with Credit-Enhanced Interest Rates Look Like?

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SGH Warsaw School of Economics, Poland

Karol Rogowicz,
SGH Warsaw School of Economics, Poland

Paweł Smaga
Warsaw School of Economics, Poland

Abstract

The goal of this paper is to verify the potential impact of monetary policy rule extended by including the credit-to-GDP gap on financial and business cycles, credit dynamics and inflation. We test it on a sample of six inflation-targeting countries with quarterly data for 1995–2016. First, we estimate two monetary policy rules (classic and augmented with the credit-to-GDP gap) within a model with time-varying parameters (TVP). Second, we assess the performance of estimated interest rates in a TVP-VAR framework. The results show that differences between the impact of observed interest rates and credit-enhanced interest rates are bigger after the global financial crisis, which marked a structural change in impulse responses. BOK, TCMB and Riksbank, compared to the FED, the BOE and BOC more actively include cyclical systemic risk when conducting monetary policy. We believe this might be due to their credit and business cycles being driven to a greater extent by credit shocks.

Keywords: Monetary Policy, Taylor Rule, Financial Stability, Vector Autoregression, Credit-to-GDP

MANAGEMENT III

Chair: Nur Budi Mulyono

Room: E127

Quality Management Systems and Models as a Tool for Small and Medium Enterprises Development and Competitiveness Increase

Zane Drinke
Turiba University, Latvia

Rosita Zvirgzdina
Turiba University, Latvia

Abstract

The theme "Application of the Quality Management System for Increasing the Competitiveness of Small and Medium Enterprises in Latvia" is determined by the basic concepts included in the topic - small and medium enterprises (hereinafter referred to as "SMEs"); competitiveness and quality. Small and medium-sized enterprises are interested in producing products in which potential buyers can see the qualitative features they need to meet their needs. Thus, the merchant, the quality requirements and competitiveness of the product produced by him coalesce into one system whose function is closely related to the goal of the product buyer to more fully meet their needs. Today, the European Economic System employs more than 23 million small and medium-sized enterprises, which produce goods and services worth more than 4 billion Euros. These companies employ over 90 million economically active people from different European countries (Eurostat, 2018). Object and object of the research: The following object of the study is defined: competitiveness of small and medium enterprises and the subject of this research: improvement of the competitiveness of small and medium enterprises by applying the conformity requirements defined by the quality management system. The purpose of the research: to reveal the positive effects of the implementation of the quality management system on increasing the competitiveness of small and medium enterprises, as well as to identify the most important barriers to the restructuring of production in accordance with the requirements of the quality management system for small and medium enterprises in the national economy of Latvia. Research Hypothesis: Elements of the quality management system applied to increase the competitiveness of SMEs can lead to a

competitive advantage in the market. Research methodology and methods: The research uses analytical and synthesis methods, deductions and induction methods as well as logical approach methods. According to the purpose of the research, respondents' selection and survey methods have been used accordingly. However, appropriate quantitative methods are used to process the data obtained. Result of the research: In the course of the research a model is developed, new definitions are introduced and recommendations for implementation of the quality management system in enterprises are worked out.

Keywords: Small and Medium-Sized Enterprises, Competitiveness, Quality Management System, Management, Competition, National Economy

Comparative Analysis Police Forces: Portugal and Croatia

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Jelena Legčević
University of J.J. Strossmayer in Osijek, Croatia

Rute Abreu
Guarda Polytechnic Institute, Portugal

Abstract

The high number of crimes and violence seen in the wake of globalization and internationalization process in recent years, have become a common indicator, the consequences border controls in the European Union have been eliminated progressively towards greater and free movement of European citizens, with a progressive increase in crime. The scope of action of the authorities and criminal justice systems is limited to the borders of national borders. On the one hand, Gomes (2006) needs to reduce costs and expenses with security and criminal justice and increase the quality of services provided, with better efficiency, effectiveness and economy. On the other hand, Samuel et al (2011), the quality of service in the public sector is one of the main factors of social welfare, which is part of government policies and strategies, where its evaluation is vital for its control, improvement and meeting the needs of society. However, the quality of life of the population has a very significant impact on the number of existing crime cases and in turn the quality of life of the police forces will also influence their level of motivation to work and act before the law. The aim of this investigation is to perform a comparative analysis of the Croatian and Portuguese police forces in order to assess the quantity of adopted practices as a way of improving the work environment, aiming at improving productivity and through satisfaction and in turn reducing the level of crime. The research methodology will be based on two modalities, initially in the theoretical analysis, based on the collection of information relevant to the analysis of working conditions of the police forces in both countries under analysis.

Keywords: Management, Police System, Portugal, Croatia

Multi-Criteria Model of Business Network Performance Assessment. Research into Polish Clusters

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Abstract

Purpose: The paper aims at presenting a multi-criteria model of cluster performance assessment and the manner in which it was verified in empirical research. The purpose of the paper is, therefore, to present the results of empirical research carried out to perform multi-criteria aggregate assessment of 63 clusters operating in Poland. A discussion is based on source literature review, indicating a method of interpretation of basic concepts. **Methodology:** The research starting point was a general model of cluster performance assessment. In particular, the researcher applied an aggregate assessment method, the essence of which is to determine the synthetic value of the organizational process and the process of organization functioning, based on merging single assessment criteria. Criteria and benchmarks to assess cluster performance were established. Interpretation and data presentation were prepared with the use of categorization, scoring and ranking methods. **Research implications:** The presented methodological suggestion is connected with the possibility to use the proposed concept in assessment of many various business networks, which in turn will make it possible to formulate the diagnostic findings and conduct a causal analysis, comparative studies, dynamic and spatial studies within the scope of the cluster analysis. Literature studies and undertaken research indicate the need for further exploration. **Practical implications:** Practical usefulness of the proposed methodology is connected with a possibility of assessing business network performance, which may make it easier for business partners and financial institutions to evaluate its credibility. Furthermore, it may facilitate a decision on joining the network and answer the question when it is the right choice to join the network and when it could be an obstacle to conducting development activity. **Originality/value:** The presented concept is a new proposal at the current stage of scientific reflection. Literature study indicates a lack of comprehensive research on business network performance (including clusters), as well as a lack of instruments to measure this performance. Although there are numerous available performance assessment methods, developed on the basis of different approaches, this matter is still valid. The article also suggests further research opportunities in this field.

Keywords: Performance, Clusters, Business Networks, Assessment Model

Technical Compliance: Closing the Gaps of Compliance Management Systems with Regard to Technology

Astrid von Blumenthal
Ansbach University of Applied Sciences, Germany

Anja Bartsch
Ansbach University of Applied Sciences, Germany

Abstract

Objectives: The work area of technology is affected by lots of rules set up by delegated legislation, such as ISO, EN or DIN, whose adherence is mostly monitored by non-legal, technical experts. Those experts are able to evaluate the work result with regard to technical aspects, but may have a lack of experience in estimating possible risks of liability for their company or themselves that follow a violation of the legal framework – while in turn technical rules are often unknown or inapprehensible to lawyers. The question is whether it is possible to incorporate the adherence to technical law into existing Compliance Management Systems (CMS), or else, what kind of adaptations may be necessary to meet the requirements of e.g. Environmental or Product Safety Law. **Data and Methods:** The authors use legal data bases and literature for research and analyze different CMS for weak points and possible adaptations. **Results:** The term “Compliance” can generally be perceived as the summary of measures implemented by a company with the purpose to satisfy all legal and maybe ethical or moral requirements. While “Compliance” is conventionally used to describe the maintenance of a positive corporate culture, with regard to technology the term is rather connected with the avoidance of civil or

environmental liability – this requires cross-sectoral communication and an increased awareness of potential risks in all areas of the company, from R&D to Sales. In this context especially a consistent documentation of the work process and the related decisions of all participants become important to develop a reproducible work process. But still, even after the implementation of ISO 19600 in December 2014, every CMS needs to be adapted to the specific requirements of the particular company. Conclusions: Companies differ in size, number and connection of departments, type of customers etc. The relevant legal framework deviates according to the products and work processes. Other criteria to be taken into consideration are the range of potentially affected subjects of protection, the probability and dimension of possible damages, legal and financial consequences of a violation and the effort necessary to meet the legal requirements. Weighing up all those points illustrates, that setting up a universally applicable CMS is impossible – the requirements of Technical Compliance need to be determined individually for every company according to the above mentioned parameters.

Keywords: Law, Compliance, Technical Regulations, Liability, Product Safety, Environmental Law

Merger of Family Companies in the Czech Republic as a step in their Continuation and Further Development

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University of Finance and Administration, Czech Republic

Abstract

Family businesses and management of succession strategy are topical themes in the Czech Republic. During twenty nine years after the “Velvet Revolution” in 1989, family companies were restituted or started up and subsequently developed. Now is the time for handing them over to the successor generation. One of the possibilities of their growth, continuation and expansion is a merger. In the Czech Republic a research of family business is at an early stage, as so far it has been carried out mostly using qualitative methods (round table discussions, face-to-face interviews, etc.). The information for this paper was drawn particularly from monographic expert resources, scientific articles contained in the database Proquest. Primary research was carried out by means of the qualitative method. The aim was to gather information from owners of family companies regarding their expectation in relation to a merger implemented as an instrument of further growth of the companies. To evaluate indicators ROE, and ROA before the merger itself, compare results of public limited companies and limited liability companies. The information and data were collected during round table discussions with owners of family companies. In-house materials of companies were analyzed and data from ARES, a public register of economic entities and from the Collection of Documents (Sbírka listin) were processed. Further, the method of synthesis and deduction of conclusions was employed. It has been found out that the family companies prefer a merger, aiming to improve management efficiency, unify company policies, expand business activities, utilize synergic effects, simplify the ownership and organization structure or make them transparent. Mergers are expected to reduce total operating costs and improve efficiency of processes. Mergers are carried out at the national level and the companies continue as family companies. The analysis of final accounts showed that before the merger the companies had both a low return on equity (ROE) and a low return on assets (ROA). The current ratio was either very low, or, on the contrary, high. The low value evokes a high risk of a lack of funds to repay short-term liabilities. The high liquidity indicator implies that companies use unreasonably expensive source of funding. Based on the analyzed factors a hypothesis has been confirmed that better ROE and ROA before the merger were reported by companies with the legal form of public limited company.

Keywords: Family Business, Merger, Czech Republic, Synergies, ROE, ROA, Limited Liability Company, Public Limited Company

Innovation and Creativity as a Source of Competitive Advantage at Start-ups

Miroslav Pavlák

University of Finance and Administration, Czech Republic

Naděžda Petru

University of Finance and Administration, Czech Republic

Abstract

A dilemma in innovation is becoming more and more obvious every day. The ideology of free enterprise and the market economy suggest that policy-makers do not touch the mechanisms of competition or business development. It is held that public interventions, such as subsidies, low-interest loans or grants, deter free competition and cause imbalances in the market. At the same time, the needs of individual enterprises to get support in their pursuit of innovations are acknowledged. The purpose of this article is to report on an inventory of measures employed to overcome barriers to innovation in Czech start-ups (SMEs.) It examines the impact of such variables as actions for continuous improvement, pressures for cost-cutting, aspects of internal management systems, innovativeness, and structures for managing product and process innovation in Czech SMEs.

Keywords: Start-Ups, Innovation Process, Factors Influencing Innovativeness, Support for the Innovation Process

Performance of Entrepreneurial Activity and Economic Competitiveness in European Union Countries: A Panel Data Approach¹

Valentina Diana Rusu

Alexandru Ioan Cuza University of Iasi, Romania

Adina Dornean

Alexandru Ioan Cuza University of Iasi, Romania

Abstract

European Competitiveness Report highlights that economic competitiveness of a country depends on the performance of business sector, on its growth and its employment potential. To increase competitiveness, a country has to outperform its competitors in terms of research and innovation, entrepreneurship, competition, education and training. In this paper, we aim to test the relationship between innovative entrepreneurial activity and the level of overall economic competitiveness for the case of European Union member countries. Our research is carried out on a sample of European Union member countries over the period 2011 - 2016. For testing our hypotheses we use panel data regression models considering as a dependent variable the economic competitiveness of countries, quantified by the value of Global Competitiveness Index. As independent variables, we took into account three groups of indicators: a set of indicators expressing the performance of entrepreneurial activity (innovation rate, as % of Total early stage entrepreneurial activity and high job creation expectation rate, as % of Total early stage entrepreneurial activity) and also a set of macroeconomic (GDP growth, inflation rate, tax rate and foreign direct investments) and business environment indicators (the cost of business start up procedures) which might determine a country's competitiveness. The results obtained show that the business and macroeconomic environment and the performance of entrepreneurial activity are significant determinants of economic competitiveness of countries. Therefore, our study emphasizes that the level of innovative entrepreneurial activities and also high job creation expectation rate are influencing the level of global competitiveness for EU countries. Thus, we identify significant positive relations between those two indicators and global economic competitiveness. Regarding macroeconomic and business environment indicators we find a significant positive association between GDP growth, FDI and economic competitiveness and a negative relationship between inflation rate, tax

¹ This work was supported by a mobility grant of the Romanian Ministry of Research and Innovation, CNCS - UEFISCDI, project number PN-III-P1-1.1-MC-2018-2193, within PNCDI III"

rate and cost of business start-up procedures and competitiveness. Our study completes the literature in the field by testing the relationship between the performance of entrepreneurial activity and the international competitiveness of countries, for an extended sample of countries for a period of six recent years.

Keywords: Entrepreneurship, Global Competitiveness Index, Innovation, Job Creation, Panel Data

INVESTMENT I

Chair: Haim Shalit

Room: E128

Managerial Optimism and Investor Sentiment

Ingolf Dittmann

Erasmus University Rotterdam and Tinbergen Institute, Netherlands

Maurizio Montone

University of Luxembourg, Luxembourg

Yuhao Zhu

Erasmus University Rotterdam and Tinbergen Institute, Netherlands

Abstract

We analyze firms' investment decisions in a world where both managers and investors are affected by sentiment. In equilibrium, we show that higher managerial optimism leads to an increase in employment growth, especially in times of low investor sentiment. If managers are initially overcautious, however, this mechanism is value-enhancing for the firm. Using data on U.S. publicly traded companies, we find evidence consistent with the model's predictions. We also show that the stocks of companies with optimistic managers yield positive and robust risk-adjusted returns, which lends support to the view that the stock market does not price managerial skills correctly.

Keywords: Managerial Optimism, Investor Sentiment, Employment, Stock Returns

Examining the Investors' Preference for Portfolio Selection: A Case Study of the 2017 DJI and its Components

Doron Nisani

University of Haifa, Israel

Amit Shelef

Sapir Academic College, Israel

Abstract

Portfolio selection has become the most common investment strategy, as it allows to reduce the investments' financial risks using diversification. However, is the optimal portfolio coherent with the investor's preferences regarding risk and return? The answer to this question is not conclusive. On the one hand, an optimal portfolio is the result of minimizing the investments' returns' covariance for every required mean return, and therefore it should be preferred over any of the investments included in the portfolio. But, on the other hand, this kind of portfolio is not coherent with the investor's preference ratio, hence one of the investments could be preferred over the portfolio. This research examines the hypothesis that at least one investment in a portfolio is preferred by the investors over the portfolio itself. The Expected Utility Model and the Stochastic Dominance Rules—which lead to the Lorenz Curve inequality—rigorously describe the investors' preference ratio. In this research, applying the Lorenz Curve Ranking Method (LCR Method) is combined, to the best of our knowledge, for the first time with the use of a statistical test to examine stochastic dominance over the 2017 DJI and its components. The suggested procedure results are an accurate description of the investments' ranking order with a

statistically significant confidence level. This ranking order is later compared with the Sharpe Index (SI)— the ranking method of the Mean-Variance Model—in order to understand the investments' structural part in the investors' preference. This application and procedure could also be found valuable as an efficient ranking method for other kinds of investment funds.

Keywords: Investment Management, Stochastic Dominance, Statistical Test

Is Size an Input in the Mutual Fund Performance Evaluation with DEA?

Sevgi Eda Tuzcu
Ankara University, Turkey

Emrah Ertugay
Ankara University, Turkey

Abstract

It has been a common practice to evaluate the performance of mutual funds with data envelopment analysis (DEA). However, DEA itself is a “black box”, since there are no pre-determined inputs or outputs. This paper aims to add clarification to the “black box” nature of DEA by investigating whether fund size has to be included among DEA inputs in the Turkish mutual fund performance evaluation. Practitioners try to determine the inputs and outputs that are used in the DEA method by looking at the prior literature. The most common inputs are beta, standard deviation and expense ratio, whereas the outputs are various excess return definitions. This choice is expectable from the point of view of investors since two funds are considered equivalent if their risk-return structure and expenses are the same. Fund managers, on the other hand, receive a proportion of fund size as compensation. Economies or diseconomies of scale may also be effective in the fund's performance. For these reasons, the evaluation of managerial skill by using DEA may require fund size as an input. Yet, a few international studies add size as to the DEA. To the extent of our knowledge, it has not been utilized in the Turkish mutual fund performance evaluations. This paper aims to contribute to this literature by examining the linear and nonlinear relations between DEA scores and fund size for the Turkish mutual fund industry. For this aim, linear correlation, and Kendall and Spearman rank correlation coefficients are employed as well as appropriate regression specification. We also compare inefficient small and large funds' DEA scores to understand whether funds benefit from economies of scale. Daily data from equity, mixed and variable mutual funds are used for the years January 2015 to December 2017. The main data sources are the Capital Markets Board of Turkey and Borsa Istanbul. If the results indicate a relation between fund size and DEA scores, it may be suggested to include this variable to the analyses for a more accurate performance evaluation.

Keywords: Mutual Funds, DEA, Size, Performance Evaluation

A Methodological Problem with Fama's Formulation of the Research Hypothesis Underpinning the Efficient Market Hypothesis (EMH)?

Robert William Vivian
University of the Witwatersrand, South Africa

Christo Auret
University of the Witwatersrand, South Africa

Abstract

In 1970 Noble Laureate Eugene Fama set out his now famous Efficient Market Hypothesis that “[a] market in which prices always “fully reflect” available information is called efficient” (Fama 1970, sec. I). The hypothesis is simple enough – prices reflect available information. Despite that nearly 50 years have passed and literally 100 000s empirical tests have been formulated and tested, the hypothesis has not been validated. Indeed a number of well-known unexplained anomalies exist. It is fair to say the hypothesis has taken on the status of being controversial, attracting strident antagonists not least of

whom is another Noble Laureate Robert Shiller (Shiller and Perron 1985; Campbell and Shiller 1988). If after 50 years a hypothesis cannot be validated, this would suggest a problem exists with the original formulation of the hypothesis. This paper examines the original formulation of the hypothesis as a valid research question and concludes a problem does indeed exist with the original formulation of the hypothesis.

Keywords: Efficient Market Hypothesis (EMH), Research Question, Research Methodology, Behavioral Finance, Random Walk

Information Efficiency of the Asian and European Markets

Maria Bohdalova
Comenius University in Bratislava, Slovakia

Marina Fados
Comenius University in Bratislava, Slovakia

Abstract

The aim of this paper is to investigate the information efficiency of markets by analyzing causal relationships between stock markets of selected countries. We chose stock exchanges of developed and emerging stock markets. We have decided to select the markets of five countries from Europe (Germany, Great Britain, Poland, Czech Republic, Hungary) and three from Asia (Japan, Hong Kong, China). During the analysis we took the closing prices of stock indices for the period from 1.1.2010 to 31.1.2017. The results achieved are interesting from the perspective of exploring the transfer of information between world markets. The resulting analysis confirmed the assumption that the developed stock markets are affected with its behavioral markets that are still developing, except for some tricks. We have shown that geographically neighboring countries have close ties to their financial markets and are a considerable dependence among them. At present, the transfer of information is very fast, which is confirmed depending on the markets of developed economies where markets are almost influenced immediately and do not need to change much time.

Keywords: Information Efficiency, Causality Analysis, Random Walk

Liquidity and Term Structure Estimation in the Emerging Markets: Case of India

Sudarshan Kumar
Indian Institute of Management, Ahmedabad, India

Abstract

Term structure estimation in the emerging markets has additional complexity of the infrequent trading in many securities and concentration of the liquidity in few maturity segments. Term structure studies in these markets usually ignore these market specific complexities, and borrow the framework directly from developed market. This study proposes few important modifications to the existing popular dynamic term structure frameworks (Dynamic Nelson Siegel (DNS) and Arbitrage Free Nelson Siegel (AFNS)) to handle above-mentioned inefficiencies. Since, bond prices are non-linear function of the factors, this study extends these term structure models to non-linear state-space setting and estimate using unscented Kalman filter. To incorporate heterogeneous Liquidity of the securities in and across maturity segments, study explores two alternative specifications of the liquidity. In the first, liquidity is defined as a function of the observable proxy variables :- trading volume, age of the security and time remaining to maturity. While in the second framework, study assumes market liquidity as a latent factor and augment it with three latent actors of the Dynamic Nelson Siegel model. Further, Liquidity can impact the bond prices in two ways. First, lack of liquidity can lead to higher volatility in the price of the securities, which can distort the assumed homoscedastic nature of the error terms. Second, liquid securities demand higher return because of the liquidity premium. Existing studies usually focus on the second implication of the liquidity while ignoring the first. This is the first study to consider both the implications of the liquidity in the dynamic term structure modeling. Study empirically evaluates the proposed framework

on the Indian government bond market data for the period 2009-2017. Both the approaches, latent factor approach and proxy variable approach, provides better in-sample fit as well as forecasting performance than the DNS and AFNS models without incorporating the liquidity. Further, likelihood ratio test results provides strong evidence in the support of liquidity induced heteroscedasticity in the measurement error.

Keywords: Term Structure, Indian Government Bond, Liquidity, Non-Linear State Space, Unscented Kalman Filter, Emerging Markets

LUNCH: 13:30-14:30

DAY 2 - SESSION III: 14:30-16:30

CORPORATE GOVERNANCE I

Chair: Yudhvir Seetharam

Room: E104

The Effect of Corporate Governance on Dividend Policy: A Panel Data Analysis in Istanbul Stock Exchange

Yesim Sendur
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Abstract

The aim of this empirical research study is to analyze the effect of corporate governance on the dividend policy of the corporations listed on the Istanbul Stock Exchange, Turkey. The determinants of the dividend policy have been investigated in several types of research by this time. The results of these researches have pointed out varied factors that have an effect on dividend policy as like; the ownership structure of the firm, the profitability, the size, operating risk, corporate governance, liquidity, leverage, the possibility of growth, taxation, and regulations. Due to the reason that the emerging economies have attracted the interest of the international investors more compared to the past, it becomes important to analyze the dividend payout behaviors of the corporations that operate in emerging economies. In this study, the effect of corporate governance on dividend policy is analyzed via using the panel data method. The data of the sample firms were gathered for nine years from 2009 to 2017. The dependent variable of the study is the dividend payout ratio and the independent variable is the corporate governance ratings. The firm size and the firm profitability are determined as control variables. The results show that the corporate governance rating has a statistically significant and positive effect on the dividend payout ratio. The firm profitability has also a positive effect on the dividend payout ratio and statistically significant. On the other hand, firm size isn't statistically significant.

Keywords: Dividend Policy, Corporate Governance, Panel Data Analysis

E-Disclosure of Non-Financial Information in FinTech Companies and Special Characteristics for Eurasia

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UNED, Spain

Montserrat Hernández-Solís
UNED, Spain

Abstract

Objective: Currently, there is a growing commitment to disclose non-financial information, due to the company's requirement with the environment in which they develop their activity. Although, in companies that do not produce goods, such as those of technology applied to finance (FinTech), this type of information is not a priority objective because they do not have direct effects on the environment. However, the funds they manage influence the industrial development. That is why it is a necessary objective to carry out an exploratory analysis on the non-financial e-disclosure carried out by FinTech

companies, focusing specially on the comparison between companies in Eurasia and enterprises out of Eurasia. Data: A Whole of 80 FinTech companies are compared, being classified in two categories, one for Eurasian FinTech, and another one for Non-Eurasian Fintech. For the empirical research, the sample of FinTech companies of Eurasia was selected by using several Tops 10 FinTech Companies list, while that FinTech Companies used as control group were taken of the FinTech 50 2018 List. Method: The methodological objective of the empirical study of this research is to measure the total volume on non-financial disclosed by FinTech companies and FinTech big investors, both two on their website. It has been developed a quantification of the information disclosed in several items, grouped in different dimensions of the non-financial e-disclosure, accordingly to previous studies. The analyses' technical was carried out by the Identification of the websites of the Fintech companies considered in the sample, by establishing of indices to quantify the volume of information disclosed in each index; and by testing the hypotheses to relate the effect that the FinTech zone (Eurasian FinTech versus non-Eurasian FinTech) could be having on the disclosure. Findings: The descriptive results show how the development of the FinTech business is lower in Eurasian zone than non-Eurasian zone and that the Eurasian FinTech is not in the top of world FinTech list yet. The non-financial e-disclosure is not still an important objective for these companies, and even less when it comes the non-financial information.

Keywords: FinTech; FinTech Disclosure, Digital Financial Services; Disclosure Indices, FinTech Market, FinTech Information

Board Capabilities and the Mediating Roles of Absorptive Capacity on Environmental Social and Governance (ESG) Practices

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Universiti Teknologi MARA, Malaysia

Zuria Hajar Mohd Adnan
Times Media Sdn Bhd, Malaysia

Fadzlina Mohd Fahmi
University Teknologi MARA, Malaysia

Faizah Darus
University Teknologi MARA, Malaysia

Colin Clark
Victoria University, Australia

Abstract

Public listed companies in Malaysia have been pressured tremendously to accept the engagement of Environment, Social and Governance (ESG), but the engagement is still low based on previous studies. ESG will enhance company financial performance, image as well as the ability to attract and retain the workplace which contributes to the market value in the economy. This shows that ESG engagement improve company brand image and reputation, increase customer loyalty and sales as well as productivity. Corporate governance is seen to be the key role to ensure that companies engage with ESG practices since it can enhance the value creation and improve financial performance. Even the present investors are bound to look for non-financial performance elements like corporate governance and environmental, social and governance (ESG) practices that the company engaged since it is an evidence of an effective corporate governance. Based on today's global and innovation-driven economy which also include social and environmental matters consisting of welfare distribution and growth, it is said that countries need to be more efficient in finding new ways to enhance the environmental policy promoting greater change and dynamics. Thus, they must find new ways to develop an innovation policy to emphasize the knowledge-driven economy on the capacity to adapt and adopt best practices, create, diffuse and transform innovation and knowledge. The absorptive capacity will recognize the ability of the individual and company in adopting the innovation which play an essential part in determining the characteristics of good corporate governance to ensure best ESG practices in the company. This paper examine the relationship between board capabilities and ESG practices through the mediating role of absorptive capacity. Board size, board diversity and board independent are the board capabilities that

the paper investigate. Collection of information and data was from company's listed in FTSE4Good Bursa Malaysia from the year 2012 to 2016. The results from the regression analysis show that ESG practices have a significant relationship with board size, board diversity, board independence and absorptive capacity. On top of that, absorptive capacity is perceived to have influence on board diversity and board independence towards ESG practices. The results provides an empirical evidence that provides guidance in identifying areas of problems in the current policy and amend it for a better policy in promoting sustainability.

Keywords: Board Capabilities, Board Size, Board Diversity, Board Independence, Absorptive Capacity, ESG Practices

Executive Compensation, Regulation and Performance

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University of Haifa, Israel

Samuel Bulmash
University of South Florida, U.S.A.

Nilesh Sah
Northeastern Illinois University, U.S.A.

Dror Parnes
Texas A&M University - Commerce, U.S.A.

Abstract

One primary objective of executives' regulatory acts is to moderate CEOs' irresponsible behavior towards their shareholders, specifically, managerial monitoring with a severe personal cost to the executives, such as the 2002 Sarbanes-Oxley Act (SOX), intended to create an effective shield for the shareholders. However, it may also initiate a paradox of regulation. On the one hand, this important major regulatory act is implemented in the shareholders' best interest; on the other hand, it violates the shareowners' optimal equity-linked compensation level. The model demonstrates that following such a regulatory act, shareholders' respond to post-regulation managerial conservatism by increasing optimal managerial stock awards. The regulatory act's negative effect on managerial incentive is then alleviated by stock award increases. Nevertheless, post-regulation corporate performance depends on which effect is the most dominant. We empirically examine these effects on US markets between 1992 and 2014. We observe a significant, fundamental long-term executive compensation following the SOX Act, whilst acknowledging the crucial impact of the FAS 123R complementary regulatory act. While stock awards trend increases post SOX, we notice a decrease in the (convex) risk-taking components. Finally, we observe a negative effect of 2002 SOX on the corporate performance (FAS 123R adjusted).

Keywords: Executive Compensation, Corporate Performance, Agency Problem, Corporate Governance, CEO Characteristics, Sarbanes-Oxley Act, FAS 123R, Regulation

Financial Performance, Corporate Social Responsibility, and Stock Repurchase

Chi-Ping Hou
China University of Technology, Taiwan

Li Chang
Shih Hsin University, Taiwan

Tsui-Jung Lin
Chinese Culture University, Taiwan

Der-Fen Huang
National Dong Hwa University, Taiwan

Abstract

The common reason of stock repurchases is to maintain the shareholders' rights and interests. The purpose of this paper is to investigate whether companies which value corporate social responsibility will execute stock repurchases more than others. It examines the relationship between financial performance, the disclosure of corporate social responsibility and stock repurchases. Our samples include firms listed on the Taiwan Stock Market from 2001 to 2013. The results show that financial performance and the CSR disclosure is significantly negative related to stock repurchases respectively. The findings of this study remind investors to evaluate carefully stock repurchase programs. They may make investing decision to use not only financial performance information, but also CSR disclosure information.

Keywords: Financial Performance, Corporate Social Responsibility, Stock Repurchase

RISK MANAGEMENT

Chair: Sudarso Kaderi Wiryono

Room: E128

Risk Management with Convex Shortfall Risk Measures: Subjective Risk Aversion and Optimal Portfolio Choice

Mario Brandtner
University of Jena, Germany

Wolfgang Kuersten
University of Jena, Germany

Robert Rischau
Friedrich Schiller University of Jena, Germany

Abstract

We study the representation of subjective risk aversion with convex shortfall risk measures and their application to optimal portfolio choice. As the well-known class of coherent risk measures (Artzner et al. (1999)) has proven to be too restrictive in this area of application (e.g. Brandtner (2013), Brandtner et al. (2018)), we address the wider class of convex shortfall risk measures (Föllmer/Schied (2002)), which is closely related to the traditional expected utility (EU) functional. First, we show that, unlike EU, convex shortfall risk measures do always imply constant absolute risk aversion. This restricts their scope of application when changing investors' initial wealth but, at the same time, provides additional degrees of freedom beyond EU when initial wealth is fixed, as in returned-based portfolio selection models (Markowitz (1952)). Second, we apply convex shortfall risk measures to the standard portfolio problem between a riskless and a risky asset. Unlike "plunging" with coherent risk measures, convex shortfall risk measures yield diversified portfolios. We provide a procedure that incorporates additional degrees of freedom in modeling subjective risk aversion and, thus, allows more realistic portfolio structures compared to EU. Third, we address the optimal portfolio choice in the presence of an additional

background risk (Gollier/Pratt (1996)). This setting is particularly important since institutional investors like banks regularly face non-hedgeable credit risk within their banking book that needs to be considered by risk management activities within the trading book. We find that risky investment is reduced under background risk, while risk management with coherent risk measures yields, counterintuitively, additional risk-taking. We conclude that convex shortfall risk measures provide a promising basis for corporate risk management.

Keywords: Risk Management, Convex Shortfall Risk Measures, Portfolio Selection

Using the Shapley Value of Stocks as Systematic Risk

Haim Shalit
Ben-Gurion University, Israel

Abstract

Systematic risk as expressed by the relative covariance of stock returns to market returns is an essential measure in pricing risky securities. Although very much in use, the concept has become marginalized in recent years because of the difficulties that arise estimating beta. As an alternative I propose the Shapley value that originates from game theory to quantify the relative risk of a security in an optimal portfolio. The idea is that portfolios can be viewed as cooperative games played by assets aiming at minimize risk. With the Shapley value, investors can calculate the exact contribution of each risky asset to the joint payoff. For a portfolio of three stocks, I exemplify the Shapley value when risk is minimized regardless of portfolio return. Then, I compute the Shapley value of stocks and indices for optimal mean-variance portfolios using daily returns for the year 2016. This results in the risk attributes allocated to securities in optimal portfolios. Shapley values are analyzed and compared to standard beta estimates to determine the ranking of assets with respect to relevant risk and return.

Keywords: Shapley Values, Betas

Risk of the Pay-Later Options

Ewa Dziawgo
Kazimierz Wielki University in Bydgoszcz, Poland

Abstract

Options are a type of derivative financial instrument. They are a very attractive instrument of risk management because the option buyer has the right, not obligation, to exercise the contract. The option gives the holder the right to buy (call option) or sell (put option) an underlying instrument at an agreed-upon price (the strike price) at a certain time (the expiration date). The buyer of the pay-later option has the obligation to perform his option and to pay the premium at the time of exercise only when the option finishes in-the-money. This paper presents the properties of the pay-later option: the instrument's structure, types options, pay-off functions, the impact of selected factors on the option price and the value measures of risk (coefficients: delta, gamma, vega, theta, rho). These coefficients are the sensitivity measures. They define the influence of changes in the risk factor on the price of the option. The sensitivity measures are important in risk management of the option transactions. The objective of this paper is to present an analysis of the impact of the price of the underlying instrument, time to maturity and volatility of the price of the underlying instrument on the risk of the pay-later options. The empirical illustration included in the paper is presented based on the currency pay-later options (on EUR/USD) pricing simulation. Pay-later option is more expensive than standard option. The approaching of the price of the underlying instrument to the strike price narrows down the differences between the prices of the standard and the pay-later options. In the case of a pay-later option the values of the sensitivity measures are significantly volatile over time. Therefore the pay-later options can be used in the speculative transactions.

Keywords: Risk Management, Measures of Risk, Financial Instruments

Forecasting the Risk of Consumer Bankruptcy in Poland²

Tomasz Korol
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Abstract

The aim of the paper is to predict the risk of consumer bankruptcy in Poland in terms of macro and microeconomic approach. In the microeconomic approach, using demographic and behavioral variables of consumers author intends to estimate the consumer bankruptcy forecasting risk models along with the identification of the main factors increasing the risk for the consumers. Models forecasting the risk of bankruptcy for consumers, will be developed using the following methods: • decision trees models, • discriminant analysis models, • models of fuzzy sets. In the macroeconomic approach, the author will develop an early warning system. The purpose of this system will be to identify the overall risk of consumer bankruptcies in the country (the number of such bankruptcies). This system will allow: • to identify macroeconomic factors that may affect the scale of consumer insolvencies in Poland; • to forecast the factors negatively affecting the financial situation of households (this system will be characterized by cause and effect approach) - eg. by forecasting the exchange rate of PLN / CHF, which directly affects the deterioration of the economic situation of borrowers who have opened credit positions in Swiss francs; • to characterize and to evaluate a new economic phenomenon, which is a consumer bankruptcy in Polish literature; • to develop a tool supporting decisions shaping macroeconomic policies (eg. by financial institutions). In the research author will develop a population of consumers, which will be divided into a learning and testing sample. This population will be a balanced one – with the structure: 50% of consumers who regularly repay their obligations and 50% of consumers against, which was declared bankruptcy. The distinguishing feature of this research approach, proposed by the author, is its multi-criterion and multi-factor character. The main assumption is based on the consideration of macroeconomic factors affecting the future economic situation of households in the planned early warning system. The stakeholders will be able to use microeconomic models to assess the risk of bankruptcy of a particular consumer and the macroeconomic system for forecasting the scale of this phenomenon in Poland.

Keywords: Consumer Bankruptcy, Forecasting, Risk Classes, Early Warning System

Application of a Coherent Risk Measure to Calculate the Price of an Income Insurance (Annuities)

Montserrat Hernandez Solis
UNED, Spain

Teresa C. Herrador-Alcaide
UNED, Spain

Abstract

Objective: It is a usual practice carried out by insurance companies to modify the instantaneous mortality rates by applying the principle of net premium to cope with unfavourable deviations in claims. This paper provides a mathematical answer to this matter applying the Wang's distortion power function (1995), but in the life insurance field. Both net premium and Wang's distortion function are coherent risk measures. The main methodological novelty of this research is that Wang's function for the calculation of the single risk premium is applied for the first time. **Method:** Using the Dormoy's laws (first and second), first it is calculated the premium at a general level and in a second part, the principle of premium calculation based on the Wang's distortion power function is applied to calculate the surcharged risk premium. The risk single premium pricing has been applied to a form of survival insurance coverage, called Annuities. **Findings:** The main conclusion obtained is that using the distortion function, the new instantaneous

² Funding: This work has been prepared within the grant project No. 2017/25/B/HS4/00592, "Forecasting the risk of consumer bankruptcy in Poland." Research funded by the National Science Centre in Poland (Narodowe Centrum Nauki).

mortality rate is proportional to a multiple, which happens to be the exponent of this function and makes the longevity risk bigger. For this reason, the recharged risk premium is higher than the net premium.

Keywords: Insurance, Annuities, Coherent Axioms, Coherent Risk Measure, Distortion Function, Implicitly Surcharged, Survival Laws

Structured Product as a Solution for Defined Contribution Pension Funds

Elroi Hadad
Holon Institute of Technology (H.I.T), Israel

Zvika Afik
Ben Gurion University of the Negev, Israel

Rami Yosef
Ben Gurion University of the Negev, Israel

Abstract

This article focuses on managing employees' pension annuity risk, which have significantly increased as a result of higher exposure of Defined Contribution (DC) pension plans to capital markets resulting by recent pension reforms in many OECD member states. We suggest a new Structured Product (SP) that involves investment in government bonds and tradable options on a stock market index (or alternatively on a basket of assets), which provides a floor on the value of the employee's pension investment as well as keeping the potential for upside by investing in the equity market. We perform sensitivity analysis of the SP characteristics to capital market conditions and we compare the SP's risk and return performances to an equivalent equally weight portfolio invested in the equity market using a Monte Carlo simulation. We show that under certain market conditions the SP results in higher return with lower level of risk.

Keywords: Public Pensions, Portfolio Choice, Risk Management

MANAGEMENT IV

Chair: Stefan Otto Grbenic

Room: E129

Language Capabilities as a Leverage for Non-Native English Scholars' Career

Anna Wieczorek
University of Bielsko-Biala, Poland

Abstract

The aim of this paper is to assess the role of English language capabilities in leveraging career of a scholar whose first language is other than English. Nowadays, in the era of dynamic changes in European academia, the productivity of scholars and their networking abilities are a hot topic not only from a perspective of an individual scholars but also from a perspective of human resource management at universities, because HRM systems at universities must somehow implement "publish or perish" culture among employees. At the same time HRM systems at universities from developing countries must face resource boundaries -they must find a way to motivate scholars to become more productive oriented, providing neither much training support nor financial incentives. A contemporary scholar in such countries is more and more expected to publish papers in indexed journals and this entails publishing in English, since the whole Impact Factor world is English. Also networking success, which, in turn, may lead to publishing success, becomes English language dependent there. The paper discusses how scholars, who live in countries where English was not commonly taught in the past (i.e. 20 or 25 years ago), perceive the role of this language as a tool allowing them to meet the criteria of academic success understood now as productivity, membership in international teams and mobility. The issue under investigation is also the well-being of these scholars with relation to foreign language usage

in a professional context and its impact on their careers and how they cope with the dynamic changes we nowadays witness.

Keywords: Language Capabilities, Dynamic Changes, Scholars' Career

On the Use of the Confirmatory Factor Analysis (CFA) Marker Technique for Non-Normal Data

Cherng George Ding
National Chiao Tung University, Taiwan

Chien-Fan Chen
National Chiao Tung University, Taiwan

Abstract

Management researchers are always concerned about common method variance (CMV) when they use same source data. The confirmatory factor analysis (CFA) marker technique is a useful tool for detecting and controlling for CMV. However, the assumption of multivariate normality needs to be satisfied. How the technique performs and how improvements can be made when data are non-normal seem not well addressed in the literature. In this study, we compared by simulation the performance in CMV detection and CMV correction among the four methods (the maximum likelihood method, the asymptotic distribution-free method, the Satorra-Bentler test, and the modified bootstrapping method) used in the chi-square difference test under different degrees of departure from normality and different sample sizes. Based on the simulation results, we suggest that, when using the CFA marker technique for non-normal data, the modified bootstrapping method should always be used for CMV detection, the Satorra-Bentler test could be used for large samples, and the asymptotic distribution-free method should be avoided. Moreover, for the test about the CMV-corrected trait correlations, the modified bootstrapping method should be used when normality is severely or moderately violated, the Satorra-Bentler test could be used for large samples, regardless of whether 2 normality is severely violated, and the asymptotic distribution-free method should be avoided. The estimated CMV-corrected trait correlations are acceptable only for the data with slight departure from normality

Keywords: Bootstrapping, Common Method Variance (CMV), Confirmatory Factor Analysis (CFA), Marker, Non-Normal Data, Satorra-Bentler Test, Simulation

The Relationship between Career Planning and Motivation in R&D Centers

Banu Ozkeser
Koluman Otomotiv Endustri AS, Turkey

Abstract

Generally, career planning means the road map in the way of success. From another perspective, it can also be thought as a hand-book to improve the skills. Thus, career maps are considered as one of the main tools to motivate. Especially, performance management is affected by motivation directly. So, career maps feed the personnel performance strongly. In R&D (Research and Development) centers, the team members are mostly technical people. In this point, technical skill is the first step in developing abilities. While planning the career maps in R&D teams, the ways of improving the technical aspects of the people may be the inputs of career planning. In this paper, it is evaluated that there is a correlation between career maps and motivation or not. The results of the case study, done in an R&D center, confirm the correlation and other details. The results are like a chain of success. Since, motivation also has a strong positive affect in the outputs of R & D projects.

Keywords: R&D Centers, career planning, career map, motivation, organizational climate

The Factors Determining/Affecting Passenger Satisfaction with Short-Range Air Transport Services Approaches to Value Chain in the Case of Vietnam Airlines

Dung Quang Truong
Ho Chi Minh City University of Technology (HUTECH), Vietnam

Abstract

Passenger satisfaction with flights is an essential factor that affects their loyalty and enables air-carriers to stabilize their market share, enhance sales efficiency in a highly competitive airline marketplace nowadays. This research aims to analyze / determine the factors affecting passenger satisfaction towards short distance flights carried out by Vietnam Airlines. The research findings will lay the foundation for shaping up the business strategies for air carriers, especially for Vietnam Airlines to enhance passenger satisfaction level with their flights.

Keywords: Passenger Satisfaction, Air Transport Services, Value Claims

Project Risk Culture in Small and Medium Family-Owned Enterprises - A Stakeholder Perspective

Joanna Sadkowska
University of Gdansk, Poland

Abstract

Literature studies confirm that family-owned enterprises pay special attention to their stakeholders (Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012). This paper investigates whether in the process of building relationships with stakeholders, family businesses use stakeholder analysis and engage stakeholders in projects. Logistic regression was used to survey Polish family businesses as representatives of a developing economy. The results of this study indicate that family involvement is an important factor influencing family firms approach towards using stakeholder analysis in the process of managing project risks. Those family companies which functioned in the market for a long time and have successfully completed the process of succession, more often employed stakeholder analysis to scan their environment. However, stakeholders were not engaged in projects. The findings of this research emphasize the role of owning family in project management processes. They also support the current discussion on family involvement in shaping economic and social behaviors of the studied businesses.

Double Food Quality: The Comparative Analysis of the On-Line Coverage in the Czech Republic and the Slovak Republic

Miroslav Jurásek
University of Finance and Administration, Czech Republic

Abstract

The EU has been facing the problem of double food quality for many years, however, as Jurásek and Velimov (2018) demonstrated, this agenda had been set in the Czech print media mostly in the year 2017. Jurásek and Velimov (2018) suggested one possible explanation of this fact: the Czech Parliamentary Elections held in 2017. This paper develops their analysis further. Since not only the Czech Republic, but other Central and Eastern EU members have been affected by this issue as well, the Jurásek and Velimov's hypothesis can be refuted if it is not confirmed by a similar (comparative) analysis conducted in another country. Therefore, using the media quantitative (content) analysis, the media (online) coverage analysis is carried out for the Slovak Republic where the Parliamentary Elections were held in 2016. The obtained results are compared with the corresponding media outputs in the Czech Republic. On the ground of the business cycle theory the highest number of published media articles concerning the double food quality issue could have been expected in the year 2016 (in the Slovak Republic), resp. in the year 2017 (in the Czech Republic). Nevertheless, the paper findings

show that the issue of double food quality was not medialized for the particular political purposes; other factors (such as consumer preferences or the complexity of the negotiation political process in the EU), that would help understand and explain why this unethical business practice had been tolerated within the EU structures for a relatively long time, will have to be found out yet.

Keywords: Double Food Quality, Media Content Analysis

COFFEE BREAK: 16:30-16:40

DAY 2 - SESSION IV: 16:40-18:40

INFLATION & EXCHANGE RATES

Chair: Magdalena Szyszko

Room: E104

In and Out-of-Sample Performance of Nonlinear Models in International Price Differential Forecasting in a Commodity Country Framework

Nicola Rubino
University of Barcelona, Spain

Abstract

This paper presents an analysis of a group of small commodity exporting countries price differentials relative to the US dollar. Using Unrestricted Self exciting Threshold Autoregressive models (SETAR), we model and evaluate sixteen national Consumers Price Index (CPI) differentials relative to the US dollar CPI. Out-of-sample forecast accuracy is evaluated through calculation of mean absolute errors measures on the basis of monthly rolling window and recursive forecasts and extended to three additional models, namely a logistic smooth transition regression (LSTAR), an additive nonlinear autoregressive model (AAR) and a simple linear Neural Network model (NNET). Our preliminary results confirm presence of some form of non linearity in the majority of the countries analyzed. The parsimonious AR(1) model does not appear to perform any worse than any nonlinear model in the rolling sample exercise. However, its validity in terms of a long run equilibrium driven by Purchasing Power Parity is undermined by the results of the recursive estimates and the outcome of the Diebold-Mariano type tests, which more generally favor the Heckscher commodity points theory. As a policy advice to commodity exporting countries, we find no apparent reason to suggest commodity export price pegging as a generalized exchange rate policy.

Keywords: Transition Regression Model, Real Exchange Rate, Nonlinearities, Price Differentials, Purchasing Power Parity, Commodity Points

Distribution as Expenditure

Alexis Antoniadis
Georgetown University, U.S.A.

Robert Feenstra
UC Davis, U.S.A.

Abstract

Online price data provide a new and rich source of information. But in the absence of information on quantities or on expenditure, researchers average prices and price behavior across all products within a product group. In doing so, they introduce significant measurement error and potential bias. In this paper we address this challenge by presenting a simple methodological innovation that allows researchers to obtain information on expenditure when expenditure is not known. Specifically, we argue that measures of retail distribution – which can be computed solely from prices – provide a good proxy

for expenditure. Through a series of simulations that use scanner-level price and quantity information on about 85% of the Fast Moving Consumer Goods (FMCGs) sold in the GCC countries, we show that treating all products equally introduces substantial measurement error and bias in the calculation of price stickiness, of inflation, and of international price differences. But we also show that adding information on retail distribution reduces measurement error by 71%, 73%, and 75%, in the above estimations, respectively. Our findings also have important implications for the work of the International Comparison Program (ICP).

Keywords: Scanner Data, Online Price Data, ICP, Retail Distribution, Measurement Error

Time-Varying Comovement of Inflation

Adviti Devaguptapu
Indian Institute of Management Raipur, India

Abstract

The international synchronization of inflation or comovement of inflation in the advanced economies has been a topic of interest over the last two decades, given the substantial evidence for the comovement of inflation rates across countries and the consequences for the monetary policy. Given that the headline inflation comovement is majorly driven by comovement in the underlying energy inflation (Altansukh, Becker, Bratsiotis, & Osborn, 2017), the comovement in the domestic and foreign energy inflation (and domestic and foreign headline inflation implied) must be varying over time, owing to the changing nature of energy imports and exports. We test whether inflation comovement is varying with time for a set of five Asia-Pacific Economic Cooperation member countries – USA, Canada, South Korea, Singapore and Taiwan. We use change in monthly consumer price index from February 1993 to September 2016 for the domestic headline inflation and estimate the equations using rolling window regression. Firstly, we find significant and time-varying comovement in the headline inflation for all the countries except Taiwan. The time-varying nature of headline inflation comovement is induced due to the time-varying nature of the comovement of the underlying energy inflation, with the exception of Singapore wherein the core inflation drives the comovement in the headline inflation. The countries with greater dependence on coal are more susceptible to supply shocks and hence find higher comovement in the energy and headline inflation. Given the dependence on coal is on a declining trend, there is a possibility for the comovement in the headline inflation to reduce in the future. The above results suggest strong monitoring of external price developments pertaining to the given set of countries, in particular energy prices. One could also suggest the increasing use of oil and renewable energy sources in order to reduce the comovement and hence the external impact on domestic headline inflation.

Keywords: Globalization, Inflation, Comovement, Rolling Window Regression

An Empirical Analysis of Consumer Price Index and Producer Price Index: Evidence from the CEEs

Asli Ozpolat
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Filiz Cayiragasi
Gaziantep University, Turkey

Abstract

There are many price indexes used to measure the general price level, such as especially the consumer price index, producer price index and GDP Deflator. These indices play an important role in measuring the general condition of the macro economy and forming central bank monetary policies. The Consumer Price Index (CPI) is used to measure price changes in goods and services consumed by individuals, and the Producer Price Index (PPI) is used to measure changes in input prices. With the CPI and PPI, annual inflation value also pursues as widespread. According to the traditional approach, the producer price index follows the consumer price index. However, there are different studies in the literature that

have been made in this area. Accordingly, the relationship among the variables and the direction of the relationship is explained in different ways as following: supply-side approach, demand-side approach, bilateral relationship approach and disconnection approach. While the supply-side approach specifies that PPI is the cause of the CPI, the demand-side approach specifies that CPI is the cause of the PPI. Although the bilateral relationship approach indicates that there is a bi-directional feedback between CPI and PPI, according to the disconnection approach, there is no relationship among them. Therefore, the main purpose of this study is to search the existence of a long-term relationship and the way of CPI-PPI nexus and to contribute to different approaches and discussions in the literature. According to that, the paper has been assessed CPI-PPI nexus for the annual series with data ranging from 1990 to 2018 given the IMF statistics for Central and Eastern Countries (CEEs). In this phase, the long-run nexus of variables has been analyzed by panel cointegration test and parameters have been estimated by FMOLS and DOLS Tests. In the second part of the analysis, the direction of the relationship among the variables has been estimated by the Granger Causality Test. Based on our previous studies, we expect that there is a long run and bilateral nexus of the variables in CEEs.

Keywords: Consumer Price Index, Producer Price Index, Panel Cointegration, Panel Causality, CEEs

Testing the Validity of Purchasing Power Parity Using Cointegration Techniques: Evidence from Visegrad Countries

Martin Pažický
Comenius University in Bratislava, Slovakia

Abstract

This paper deals with the validity of the purchasing power parity (PPP) between the Slovak Republic vis-à-vis the Visegrad countries using Augmented Dickey-Fuller test for unit root and the DurbinWatson, the Engle-Granger and the Johansen techniques for cointegration. We found evidence in favor of the PPP between the Slovak Republic and Hungary and between the Slovak Republic and Poland applying both the Engle-Granger and the Johansen procedures, which is in line with the economic theory. The validity of the PPP was confirmed by the vector error correction model (VECM) confirming a long-run relationship. However, the cointegrating vector was not found between the Slovak Republic and the Czech Republic, which rejects the existence of a long-run equilibrium between exchange rate, domestic prices (i.e. in the Slovak Republic) and foreign prices (i.e. in the Czech Republic).

Keywords: Purchasing Power Parity (PPP), Cointegration, Vector Error Correction Model (VECM), Visegrad Group

Empirical Evidence of the Interest Rate Transmission Channel of the ECB's Unconventional Monetary Policy in the Visegrad Group Member States

Silvia Trifonova
University of National and World Economy (UNWE), Bulgaria

Abstract

Unconventional monetary policy measures have become an important part of the European Central Bank's (ECB) toolkit as a result of the global financial crisis of 2008-2009. By using non-standard monetary policy measures, the ECB is aiming to revive specific market segments, whose normal functioning is disturbed during the crisis, and to strengthen bank lending, financial intermediation and the economic growth. The main purpose of the paper is to analyze the effects from the ECB's unconventional monetary policy on four Central European countries constituting the so-called Visegrad Group (also known as Visegrad Four) which are non-Euro area member states of the European Union (EU). The research is focused on the changes of the ECB's key policy interest rates and their effects on the long-term government bond yields in the four Visegrad Group countries – the Czech Republic, Hungary, Poland and Slovakia. With this regard, the interest rate channel of the monetary policy transmission mechanism is empirically assessed and tested. The econometric study covers the period from January 2010 to December 2016, by using monthly data. The results obtained are compared with

the EU as a whole by using aggregate monthly data from the national statistics of all EU member states. The research methodology covers theoretical and methodological study, econometric analysis, comparative study and critical analysis.

Keywords: Unconventional Monetary Policy, European Central Bank, Visegrad Group, Interest Rate Transmission Channel, Long-Term Government Bond Yields

The Rationality of Foreign Exchange Forecasts

Ben-Zion Zilberfarb
Bar Ilan University, Israel

Nathan Goldstein
University of California, U.S.A.

Abstract

This paper examines the rationality of foreign exchange forecasts under different exchange rate regimes. Using a unique survey of foreign exchange forecasts in periods of managed float and free float regimes we examine whether the foreign exchange regime had an effect on the ability to make 'rational' forecasts. Rationality is tested by 4 different tests: one is the standard bias test and then we apply three different efficiency tests. The survey employed in this study is based on quarterly data for the 1980 - 2009 period.

Keywords: Rational Expectations, Exchange Rate Regimes

INVESTMENT II

Chair: Sagi Akron

Room: E127

The Impact of News Releases, Credit Ratings, and Anti-Crisis Measures on the Sovereign Bond Spreads of the So-Called Southern Euro-Area Countries

Ewa Stawasz-Grabowska
University of Lodz, Poland

Wojciech Grabowski
University of Lodz, Poland

Abstract

This paper investigates the impact of news releases, credit rating announcements, and anti-crisis measures undertaken for the euro area/EU as a whole, as well as at the level of individual countries on the 10-year government spreads (with regard to German bunds) of Greece, Italy, Portugal, and Spain in the period of January 2010–December 2016. By using the VARX-GARCH-BEKK model, we find that the spreads were under the strongest influence of the ECB's bond buying programmes, whereas the initiatives undertaken at the euro area level and bailout packages played a less important role. Regarding rating changes, they turned out to be significant. Nevertheless some discrepancies with the previous studies occurred.

Keywords: Euro Area Crisis, Anti-Crisis Measures

Mean and Volatility Transmission for White Maize Futures

Ayesha Sayed

University of the Witwatersrand, South Africa

Christo Auret

University of the Witwatersrand, South Africa

Abstract

Significant structural changes have taken place in the South African grain futures market over the last two decades. These developments have transformed grain futures markets into a more volatile and faster trading environment, with heightened volatility expected to continue in the foreseeable future. Contagion theory asserts that information shocks in one market often spillover onto the price and volatility of other markets. While volatility in grain futures prices is often found to be time-varying and seasonal, it is equally as important to assess volatility transmissions to and from commodities from external markets. This paper employs a two-step GARCH-M procedure to study spillover effects between white maize futures, currency futures for the Dollar/Rand and Euro/Rand, CBOT corn futures and the JSE Top 40 Index future. Research in the US agricultural markets have found maize (corn) to be the commodity that most broadly received and transmitted both price and volatility transmissions. South Africa is the main emerging market for price discovery of maize in Africa, with white maize being the largest and most liquid agricultural commodity futures contract traded on the South African Futures Exchange (SAFEX). This paper highlights the importance of traders to use both commodity-specific as well as other asset classes' news and information when creating hedging models, while also contributing to research in contagion theory.

Keywords: Price Spillover, Volatility Spillover, Contagion Theory, White Maize Futures

News Coverage and the Money Left on the Table for Initial Returns of Initial Public Offerings in Thailand

Ravi Lonkani

Chiang Mai University, Thailand

Alicha Treerotchananon

Chiang Mai University, Thailand

Abstract

This research proposes the explanation to the anomaly of high initial returns on Initial Public Offerings (IPOs) by relating to news coverage on IPOs prior to the first day trading. News coverage (number of newspapers, number of articles and area of news covered) and the public relations value (coverage area multiplied by the advertising rates), which is the proxy for potential for information dissemination, are used to find the relationship with the initial returns of IPOs. Using the 155 IPOs listed in The Stock Exchange of Thailand (SET) and in The Market of Alternative Investment (MAI) data from 2009 to 2015, results show that number of newspapers, number of articles and areas of articles published on the newspapers have significant negative relation with the first-day returns of IPOs. Similar effect have been found when the public relations value are used. We further find these relationships depend on the type of IPOs covered newspaper. Specific and quality have strongly negative related to the first day returns while popular or generic newspapers do not show such relationships. Further results indicate that the negative relationships between initial returns and news coverage are more pronounce in the MAI market where issuers quality are known to be lower than the IPOs listed on the SET. Results further reveal that the more public relations value on specific newspaper and on quality newspapers, the lower first-day returns of IPOs. We propose the explanation that when information of IPOs have more coverage on newspapers, issuers are less likely to left money on the table.

Keywords: Initial Public Offerings, Initial Returns, News Coverage, Public Relation Value, IPOs

The Fama-French Five-Factor Model: Evidence from the JSE

Shaun Paul Cox
PwC, South Africa

James Britten
University of the Witwatersrand, South Africa

Abstract

This study tests the effectiveness of the Fama and French (2015) five-factor model in explaining returns on the Johannesburg Securities Exchange (JSE). The five-factor model is compared to the traditional Fama-French three-factor model as well as other factor combinations. The results show that the size-value and size-profitability three-factor models best describe time-series returns when comparing models. The five-factor model best explains the cross-section of returns and overall, the results identify a significant inverse size premium and negative relationship between beta and returns but find a significant value premium. The additional factors of profitability and investment contribute to explaining the returns on the JSE. Furthermore, profitability can be viewed as a contributing proxy to the quality factor.

Keywords: Asset Pricing, Investment, Risk Premia

Peer Pooling in Private Firm Valuation

Stefan Otto Grbenic
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Abstract

In valuing private firms using transaction multiples, peer transactions must be identified to generate the synthetic multiple forecast for the firm being valued. Among others, questions arise concerning the definition of the pool of which the peer transactions must be selected from. Generally, based on a regional categorization, the peer pool could be either defined in a broad way consisting of all countries taken into consideration or it could be defined narrowly consisting of countries with certain comparable transaction-related impact factors. Finding the “best” peer pool follows the basic assumption that the selection of the “best” peers leads to a higher accuracy of the synthetic multiple and lowers the valuation error of the forecast. Until date, to my best knowledge, minor related research only exists concerning public firm valuation. As it is widely accepted that the market for private firms differs from the public stock market and therefore valuation procedures applicable to the public stock market cannot be used directly and unchanged in valuing private firms, in line with redefining stock market peer selection rules, also the rules on peer pooling have to be adapted. This paper investigates the procedure to optimally define the peer pool in valuing European private firms. The time period taken into consideration is January 1, 2007 as to December 31, 2016. The transaction data and the related firm data is extracted from ZEPHYR database and ORBIS database. First, I investigate which regionally defined peer pool the peers of firms in different countries should optimally be selected from and if the use of a more accurate peer pool significantly increases the accuracy of the synthetic multiple forecast. Second, I investigate if a closer definition of the peer pool (according to the country GDP, the country specific GDP per capita as well as simply the size of the market measured by the number of transactions recorded) significantly increases the accuracy of the synthetic multiple forecast. Finally, I investigate the existence of statistically significant differences between major industries. All computations are based on the roll-out procedure to define the peer group, minimizing several accepted homogeneity measures (scaled prediction error, scaled absolute prediction error, scaled squared prediction error as well as the scaled natural logarithm prediction error) in combination with bias and error minimizing compression methods (arithmetic mean, harmonic mean, geometric mean, median as well as value-weighted mean). The statistical significance is measured using a nonparametric test procedure. To avoid distortions caused by the use of different multiples, all computations are based on the aggregated results of all major equity and entity multiples.

Keywords: Peer Pooling, Peer Group, Business Valuation, Private Firm Valuation, Market Approach

Commodity Market and Financial Derivative Instruments: Which Variable Determines the Others?

Maria Leone

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A. Manelli

Università Politecnica delle Marche, Italy

Roberta Pace

Università degli Studi dell'Aquila, Italy

Abstract

Over the past decade, agricultural commodity prices underwent wild swings. Periods of high growth in 2008 were followed by periods of sudden decrease in 2009. The excessive increase in food price volatility is a subject of great interest because it has to do with the survival of mankind. Recent academic studies and policy makers have reached sharply different conclusions about the dynamics of such fluctuations. Also, some of them have indicated the main cause in speculative transactions and in the little regulation of futures markets. This paper intends to verify if there exist a co-implication between wheat futures price and some financial 'speculative' variables. The results of cointegration analysis show that there is no evidence that financial derivative instruments determine the fluctuations of wheat futures price.

Keywords: Financial Market, Commodity Market, Speculation, GARCH Model

ENERGY STUDIES

Chair: Astrid von Blumenthal

Room: E128

Effect of Carbon Emissions Trading on Regional Green Development: Evidence from a Quasi-Natural Experiment in China

Yayun Ren

Jinan University, China

Jingyan Fu

Jinan University, China

Abstract

At the end of 2013, China has successively carried out carbon trading pilots in several provinces and cities, aiming to promote green economy and sustainable development. Hence, it's crucial for us to analyze the impact of carbon emissions trading on regional green development, rather than the abatement effect. Using a panel data of 30 provinces in China from 2008 to 2015, this paper first describe the characteristics of the current status of carbon trading in China. Then, we measure the green development efficiency based on a global non-radial directional distance function. Lastly, we utilize a Difference-in-Differences(DID) approach to study the impact of China's carbon trading on green development by using the case of carbon trading pilots policy as a quasi-natural experiment. Empirical results show that: (1) The transaction volume in the pilot areas shows a significant "expiry date" phenomenon and the overall transaction price shows a downward trend; (2) China's carbon trading policies could facilitate the green development of the pilot regions; (3) The main mechanism is that carbon emissions can both reduce carbon dioxide emissions and SO₂ emissions; (4) Regarding other socioeconomic factor, it is proved that investment in pollution reduction, factor endowment, and technology are all conducive to carbon emission reduction and green development. Finally, We conclude the paper with relevant policy recommendations.

Keywords: Carbon Emissions Trading; Green Development; Difference in Difference Method; China

Decoupling and Decomposition Analysis of Energy-Related Emissions: Evidence from Taiwan

Kuan Yao Chen
Taiwan Research Institute, Taiwan

Chun Shen Lee
Taiwan Research Institute, Taiwan

Abstract

To demonstrate the new stage of addressing climate change issues as well as fulfilling the Paris Agreement, Taiwan has promulgated the Intended Nationally Determined Contribution (INDC) and the Greenhouse Gas Reduction and Management Act since 2015. According to the Article 11 of the Greenhouse Gas Reduction and Management Act, regulatory goals to cut down on greenhouse gas (GHG) emissions will be set in stages on a five-year basis. The first stage is to cut GHG emissions by 2% below 2005 levels by 2020, which is equivalent to dropping CO₂ emissions to 260.717 million tons carbon equivalent. The government has also set key targets for the second and third stage. The second stage will last from 2020 to 2025, and is designated to cut GHG emissions by 10% below 2005 levels by 2025. The third stage has a target of cutting GHG emissions by 20% below 2005 by 2030. Additionally, substantial and supplementary measures will be enforced simultaneously to achieve CO₂ reduction goals. Competent authorities of the six sectors, including the Ministry of Economic Affairs, the Ministry of Transportation, the Ministry of Interior, and the Council of Agriculture under the Executive Yuan have contributed to the draft and set specific reduction goals for each sector. The authority hopes these measures will help Taiwan achieve its long-term goal, which is to reduce GHG emissions by 50% from 2005 levels by 2050. Therefore, grasping the changes in energy productivity at this stage is particularly important, since it will aid the reduction of GHG emissions and their impacts as well as lower the exploitation of energy resources. Understanding the decoupling Taiwan's emissions from the economy and identifying the main drivers of emissions at a sector perspective can facilitate to a low-carbon economy that makes economic growth compatible with carbon reduction. This study combined decoupling and decomposition techniques to quantify both the decoupling effects and the driving elements of energy-related emissions in Taiwan's major sectors and shows the relevant indispensable considerations for industrial transition policy.

Keywords: Energy Productivity, Decoupling Indicators, Decomposition, Industrial Transition

Internalizing the Cost of Environmental Pollution Control: Effects of Environmental Regulation on Labor Demand and Wages in China

Guanglai Zhang
Jinan University, China

Abstract

In this study we examine the extent to which firms pass back the cost of pollution regulation to workers, in the form of lower labor demand and wages, using the case of China's Key Cities for Air Pollution Control (KCAPC) policy as a quasi-natural experiment. Using a Difference-in-Differences (DID) approach based on a ten-year firm-level panel data set (1998-2007), We find that China's KCAPC policy effectively lowered firms' labor demand and workers' wages. In addition, heterogeneity effects by industry, firm ownerships and workforce skill are further analyzed in this study. Our results suggest that firms may pass on the cost of tackling pollution by cutting wages and hiring.

Keywords: Environmental Regulation, Labor Demand, Wage, Firm

Evaluating the Benefits on Industrial Decarbonizing Transition for the Industrial and Energy Saving Policies in Taiwan

Yu-Xiu Huang
Taiwan Research Institute, Taiwan

Chun-Shen Lee
Taiwan Research Institute, Taiwan

Abstract

According to the threats of climate changes and the commercial potentialities, governments, researchers and enterprises around the world actively involved to develop new energy generating and saving technologies. In Taiwan, the government formulated several policies to promote industrial transition and GHG reduction, those include "5+2 industrial innovation project", energy saving projects on manufacture and transportation industries and energy transition target. The 5+2 industrial innovation project contains green energy, IOT technology, biomedical sciences, AI machinery, National defense industry, New agriculture and circular economy. The measures for energy saving projects on manufacture and transportation industries include improving energy efficiency, switching from fossil fuel to electricity and increasing the efficiency of production process and transport system. The target of energy transition is to achieve energy mix of 20% for renewable energy, 50% for natural gas and 30% for coal by 2025. The main motivation of this study is trying to answer this question: Do these policies really make the industries greener in Taiwan? To evaluate the benefits for the policy instruments as mentioned above, this paper uses a CGE model to estimate Taiwanese national power consumption in the future according to these policies, then uses a mathematic programming model named the model of Taiwanese power sector to estimate the generating capacity, installed capacity, gross investment, carbon emission and conduct the evaluation of benefits from 2015 to 2050. The scenarios used for this paper are shown as below: Scenario Baseline: all policies mentioned above are not included. Scenario A: introducing the "5+2 industrial innovation project" into account. Scenario B: adding the "energy saving policies on manufacturing industry" to scenario A. Scenario C: adding the "energy saving policies on transportation industry" to scenario B. Scenario D: adding the "energy transition target" to scenario C. The major findings of this paper is that although some of these policies are already focused on the innovation of new energy generation and some focused on reducing the energy consumption, but the benefit of these policies is greater on value-raising than GHG-reducing. Moreover, the growth of economic activities has further increased energy use and greenhouse gas emissions. Therefore, in order to truly achieve the goal of industrial decarbonizing transition, the government needs to focus more on key low-carbon technologies, low-carbon products, and promote these to the corresponding commercialization and technology application fields to make the GHG emissions decoupled from economic growth.

Keywords: Industrial Transition, GHG Emission, Energy

The Importance of Renewable Energy and Energy Investment Incentives: Case of Turkey

Cem Gokce
Afyon Kocatepe University, Turkey

Abstract

Renewable energy consumption is increasing day by day in the world. This increase contributes to the reduction of external dependency in most of the foreign dependent countries in the energy sector. Turkish economy needs investment in renewable energy because of the high external dependency in the energy sector. The aim of this study is to examine the relationship between renewable energy consumption and renewable energy incentives in terms of Turkey's economy. In addition, it will examine the current state of renewable energy incentives and contribute to the creation of new policies by identifying deficiencies. In this study, the effectiveness of renewable energy incentives and renewable energy incentives were examined using time series analysis. There is a positive relationship between renewable energy incentives and renewable energy consumption. The results of the study are suitable

for anticipation. However, renewable energy investments in Turkey are not enough. Renewable energy investments need to grow at an accelerated pace.

Keywords: Renewable Energy Incentives, Renewable Energy Consumption, Time Series Analysis

TOURISM

Chair: Ender Demir

Room: E129

Millennial Travelers from Selected Countries of Central and Eastern Europe and Their Attitude towards Security Measures Applied in Tourist Infrastructure in the Context of Increased Terrorist Risk

Rafal Nagaj

University of Szczecin, Poland

Brigita Žuromskaitė

Mykolas Romeris University, University of Applied Sciences, Lithuania

Abstract

The role of young people, representing the so-called the Millennial generation or Gen Y, in the development of the tourism sector is growing. According to the literature, this generation of people in 2020 will account for about half of the demand for tourism sector services. Millennials have different sociological characteristics and are a group of tourists who differ in their tourist motivation and travel style from previous generations. They are more susceptible to accept the risks associated with tourist travel, they use other sources of information, and as far as tourism preferences are concerned, they prefer international tourism and are characterized by the desire to acquire new cultural experiences.

The object of the study at work are young tourists (Millennial travelers) from selected countries of Central and Eastern Europe (Poland, Lithuania, Slovakia) and their decisions regarding security measures in a tourist destination. On the other hand, the subject of the study is the importance of safety measures in accommodation facilities and tourist facilities. In addition, it will be examined whether at the economic stimulus, in the form of reduced travel costs, the surveyed tourists are willing to accept the increased risk. The aim of the paper is to assess the significance of the level of safety for Millennial travelers from Central and Eastern Europe, measured by the importance of security measures in tourist infrastructure in improving the quality of leisure, during making tourism choices in the context of increased terrorist risk in the world. The implementation of this objective will be accomplished through a critical analysis of literature and analysis of results from surveys conducted by authors among young tourists from Poland, Lithuania and Slovakia. The method of deduction and statistical methods such as descriptive statistics (mean, median, mode, mean rank, sum of ranks) and inferential statistics (Mann-Whitney U test, Kruskal-Wallis test and Chi-square independence test) will be used in the paper. The results of the research indicated that security measures improve the quality of leisure for respondents in the surveyed countries, but there are differences in the type of security measures accepted by tourists between the studied countries and with the appropriate motivation to reduce travel costs, they are willing to lower the level of safety during outgoing tourism. It was also stated that with the right incentive in the form of reduced travel costs, they are willing to accept a lower level of security during outbound tourism.

Keywords: Millennial Travelers, Security Measures, Travel Cost, Safety Level, Terrorism Threat

The Study of Tourism Promotion of Bangkok National Museum, Thailand

**Nitikorn Muangsornkhiaw
Silpakorn University, Thailand**

Abstract

This research on problems and ways to promote tourism of Bangkok National Museum is a qualitative research including in-depth interview. The aims of this research include: 1) to study problems related to tourism of Bangkok National Museum and 2) to provide guidelines for promoting tourism of Bangkok National Museum. Data were collected by interviewing director and curator of Bangkok National Museum. The research results found that problems related to promoting tourism of Bangkok National Museum resulted from the lack of attention paid by the Ministry of Education. Bangkok National Museum is perceived by the Ministry of Education as not so important, consequently there has been no compulsory course for student to visit the museum. Moreover, the government has not helped support or promote the operation of the museum. Therefore, it is the museum that has to work on its own in every task, such as advertising, public relations, and human resource planning.

Keywords: Bangkok National Museum, Guidelines for Promoting Tourism, Ministry of Education, Human Resource Planning

A Gender Perspective on the Human Capital Returns of Hospitality Firm's Managers

**Alejandro García Pozo
University of Malaga, Spain**

**Jose Luis Sanchez Ollero
University of Malaga, Spain**

Abstract

Wage discrimination between men and women is evident in the differentiated treatment of women in access to an occupation, job promotions, wage or working conditions, despite having the same skills, education, training and experience as men. In the case of Spain, there is an extensive literature dealing with differences in human capital returns and wage discrimination due to gender. However, the analysis of these differences among managers, who are supposed to have a better education, in hospitality companies in Spain from a gender perspective has been scarcely studied. Therefore, the aim of this paper is to analyze the evolution of existing differences in human capital returns and in other variables considered in this analysis among the business managers of the hospitality sector, paying special attention to identifying which of these differences are due to being a woman and which are due to differences in productivity between workers of both genders. Data from two waves of the Wage Structure Survey has been used. This is an employer survey of wage earners carried out by the Spanish Institute of Statistics and conducted within the framework of the European Union (EU) using similar methodological criteria and contents. The methodology applied is based on the theory of human capital (Becker, 1964). Specifically, in a first stage a wage function is estimated for each group of managers, men and women, thus expanding the model proposed by Mincer (1974). Subsequently, the well-known methodology of Oaxaca-Blinder (1973) is applied to estimate differences due to gender discrimination and those due to differences in productivity. The results of the descriptive statistics show that between 2010 and 2014 the gross hourly wages of male managers continue to be higher than those of women managers, but there is a significant decrease in the gap between both groups, with women's wages as a proportion of men's wages rising from 67.45% in 2010 to 76.38% in 2014. Moreover, the estimations made using the Mincerian equation indicate that while the returns on education for male managers remain stable in this period, those of women go from not being statistically significant to 4.1% per additional year of education. Finally, the application of Oaxaca-Blinder's decomposition allows us to affirm that wage discrimination based on gender between managers of the hospitality sector has been significantly reduced in this period of economic crisis since in 2010 it was 66% and in 2014 it only reaches 58%.

Keywords: Hospitality, Gender, Human Capital Returns, Occupations

Recognition and Perception of Latvia as a Tourism Destination in Different Segments of European Target Markets

Kristine Berzina
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Ilze Medne
University of Latvia, Latvia

Abstract

Recognition and perception as well as the image of a destination plays an important role in choosing a specific destination for a potential journey. The destination image includes tangible and verifiable destination attributes, as well as perceptions of a more psychological nature and emotions regarding that destination. The aim of the study was to find out the differences in the recognition and perception of Latvia as a tourism destination in different segments of potential travellers in Latvia's target markets in Europe and how they affect their intentions to visit Latvia. The research involved data of three face-to-face surveys conducted in different places of Germany, Switzerland and Austria in 2015, 2016 and 2017. The questionnaire was made to determine the recognition and the perception of Latvia as tourism destination as well as to find out the respondents' intentions to visit Latvia within the next three years. SPSS software tools were used for analysing the data: descriptive statistics, crosstabulation, data correlation. Main results and findings are intended for organisations that are responsible for tourism image development in Latvia, to optimize marketing communication with different tourist segments in countries mentioned above.

Keywords: Destination, Image, Recognition, Perception, Destination Attributes

Can We Create a Tourist Intention to Visit Cultural Heritage in North Sumatera Indonesia?

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State University of Medan, Indonesia

Nurul Wardani Lubis
State University of Medan, Indonesia

Tengku Teviana
State University of Medan, Indonesia

Armin Rahmansyah Nasution
State University of Medan, Indonesia

Abstract

North Sumatera is one of the provinces in Indonesia which is also the entrance for ASEAN countries. This is the advantage of North Sumatera to be the tourist destination to visit the existing cultural heritage. This research is to study how to create tourist intention to visit cultural heritage in North Sumatera. The image destination in this research is studied from the aspect of Resources Based View (RBV). This research is to test whether the destination image, tourist attitude, tourist satisfaction are able to impact the tourist intention. The research is using the questionnaire which is arranged with the Likert scale. The sample is taken by accidental sampling method and the data are processed by Partial Least Square (PLS). The research shows that tourist intention is affected by the Destination Image and Tourist Satisfaction. So, it can be clarified from the research outcome that the Destination Image and Tourist Satisfaction play important role in creating tourist intention to visit cultural heritage, while the tourist attitude doesn't. It can be concluded that the application of RBV theory on Destination Image is able to influence tourist intention to revisit. Besides, the role of tourist satisfaction is also influencing the tourist intention to revisit the existing cultural heritage in North Sumatera.

Keywords: RBV, Tourist Intention, Destination Image, Tourist Satisfaction, Tourist Attitude

Consumer Protection of Tourist Services in Poland in Relation to the Regulations of the European Union in the Field of Tourism

Katarzyna Marak
Wroclaw University of Economics, Poland

Abstract

Legal regulations from the scope of tourist services in the European Union are included in Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC. In the preamble to the above Directive it is emphasized that tourism plays an important role in the economy of the Union, and package travel, package holidays and package tours ('packages') represent a significant proportion of the travel market. The objective of this Directive is to contribute to the proper functioning of the internal market and to achieve a high and as uniform as possible level of consumer protection with regard to laws, regulations and administrative provisions of the Member States. The protection of customers of tourist services has been a part of the consumer protection policy in the European Union for a long time and the increased protection of this consumer group must be reflected in the domestic law of Member States. EU Member States had time to implement the provisions of Directive 2015/2302 till 1 July 2018. The Directive from 2015 is based on the method of maximum harmonization. However, the EU legislator is not completely consistent. On the one hand it introduces a directive based on the method of full harmonization, on the other hand it allows several exceptions, where domestic legislators can regulate certain matters differently. In the paper, the provisions of the Directive concerning package travel and linked arrangements will be analyzed, together with its implementation in Poland. Taking the allowed length of the paper into consideration, it is not possible to completely analyze the regulations of tourist services in Poland. The author of the paper will therefore focus on the regulations with possible domestic adjustments allowed by the EU legislator. Polish legislative solutions adopted under the permitted freedom will be highlighted. Conclusions included in the paper may justify the statement that numerous exceptions to the principle of maximum harmonization must lead to the weakening of the unification of law as far as tourism and consumer protection in the EU are concerned. Thus it is impossible to fully accomplish the objectives of the Directive in question.

Keywords: Tourism, Travel Directive, Consumer Protection, Maximum Harmonization, Package Travel Contract, Linked Arrangement

BUS TOUR: 19:00-22:00

FRIDAY, OCTOBER 26 (DAY 3)**REGISTRATION: 09:00-14:30****DAY 3 - SESSION I: 09:20-11:20****MARKETING I****Chair:** Codrin Chiru**Room:** E104**Big Data Applications in Services Marketing****Hilal Inan****Cukurova University, Turkey****Nuriye Gures****Iskenderun Technical University, Turkey****Mutlu Yuksel Avcilar****Osmaniye Korkut Ata University, Turkey****Seda Arslan****Iskenderun Technical University, Turkey****Abstract**

The rapid development of information technologies has also developed tools such as social media sites, blogs, internet sites and search engines. This has allowed many data to be collected, including the identification of customers' needs and wants, purchasing trends and changes in consumer behavior. However, it is very difficult to transform the collected data into meaningful and strategic information. In this context, the concept of Big Data has emerged. In recent years, although there are different definitions about big data, which are frequently used in different sectors, generally it can be defined as analysis, processing and storage of large data collections obtained from different data sources. By analyzing these collected data, enterprises can gain competitive advantage, make faster and more accurate decisions, develop new products and services, increase productivity and understand changing consumer behaviors more easily. In this context, the aim of the study is to examine the concept of Big Data and the applications in service marketing. In this study, a detailed literature review will be made and in accordance with the results, suggestions will be given to enterprises to benefit from Big Data applications more effectively.

Keywords: Big Data, Qualitative Analysis, Marketing**Emotions, Personality Traits and Satisfaction: Assessment and Model Development****Anita Ciunova-Shuleska****Ss. Cyril and Methodius University in Skopje, Macedonia****Nikolina Palamidovska-Sterjadovska****Ss. Cyril and Methodius University in Skopje, Macedonia****Abstract**

The aim of this paper is to develop a model linking personality traits, emotions and satisfaction in the context of banking services. Namely, we tested and empirically proved the relationship between two personality traits and positive/negative emotions and further between these two types of emotions and satisfaction. A data set of 269 usable responses was used and the dimensionality of each construct was assessed with exploratory factor analysis. Further, confirmatory factor analysis and structural equation modeling were applied in testing the proposed model. The results indicate that neuroticism as a

personality trait is antecedent of negative emotions, while extraversion is antecedent of positive emotions. Both types of emotions (positive and negative) are antecedents of satisfaction. Precisely, negative affect influences satisfaction in a negative way, while the influence of positive affect on satisfaction is in positive direction. The present paper contributes to the existing literature by empirically analyzing the affective part of customer satisfaction, which is still avoided in some of the customer satisfaction studies.

Keywords: Positive Emotions, Negative Emotions, Extroversion, Neuroticism, Customer Satisfaction

Underestimated Radio in the Latvian Market

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Anda Batraga
University of Latvia, Latvia

Ilgvars Rukers
University of Latvia, Latvia

Abstract

The purpose of this research is to reveal reasons, why, after of introducing a new research methodology of radio ratings, audience for lot of stations has even doubled and number of total radio listeners in Latvia has significantly increased. To conduct the research, regular listeners' research empirical data provided by research agency Kantar/TNS Latvia were compared and analyzed, as well as number of major industry experts were questioned. In the article the following research methods were used: academic, industry literature and content analysis, and comparisons between 2017 data with latest 2018 data, and industry expert interviews. The research results indicate clear reasons why "Day-After-Recall" radio research method provides much better results for radio as media comparing with previous "Diary" method. These findings may and probably will fundamentally affect advertisers' media strategy decisions in the Latvian market. With much more precise and objective radio rating research tools, it is proven that radio as media has been undervalued for years. This misperception of radio potential has been based on wrong assumptions that radio is not able to generate enough audience in order to sustain its important role in reaching general audience nowadays.

Keywords: Radio, Rating Research Methods, Media Strategy, Brand

Contagion in Consumers' Behavior - An Agent-Based Modeling Approach

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Bucharest University of Economic Studies, Romania

Ramona-Mihaela Paun
Webster University Thailand, Thailand

Abstract

Consumers' behavior has been extensively analyzed in the literature in areas such as: communication, computer science, business economics, psychology, social sciences, or information science, while in the last years, the focus has been moved to researches in which the main accent was on how the online social media environment is influencing consumers' decision. Flanagan and Metzger (2013) analyzed how people's opinions are correlated with the online ratings information to which they are exposed to while Moe and Schweidei(2012) modeled the impact of online rating on product sales. Both studies concluded that the evolution of posted product opinions is influenced by the underlying customer base. In this context, the current research examines the impact of contagion phenomenon during a decisional process. Specifically, it considers the effects of connecting with other persons before deciding whether to buy or not a certain product and to which extent the consumers are influenced when talking to others

about the product they want to purchase. Thus, an agent-based model is created in NetLogo and simulated based on data extracted from online social media users. NetLogo software has been chosen for implementing and simulating the consumers' contagion as it is an agent-based modelling software extensively and successfully used over the past years in different fields: crowd simulation, transportation, healthcare, environmental sciences, management, decision making, social sciences, consumer behavior, etc. The main advantage brought by the agent-based modeling (compared to equation-based modeling) is that it requires only knowledge of the common sense behavior in order to create heterogeneous agents, which can receive individual rules, making their behavior closer to real-life consumers. A case study has been conducted based on the opinions related to the buying behavior expressed by the consumers acting in an online environment and the results have been used for creating the agents in NetLogo. Two main types of consumers can be encountered here: the first group formed by agents which only have an opinion related to a product and they have or they haven't bought it in the past, and a second group made by a series of consumers who want to buy the product, have their own opinion, but are undecided. Also, for making a decision, the agents in the second group need to speak with persons in the first or in their own group. As a result, the simulations have shown that contagion in consumers' behavior is a real phenomenon, affecting the final buying decisions.

Keywords: Contagion, Consumer Behavior, Online Social Networks, Agent Based Modeling, NetLogo

Earned or Owned Media: Which Effects Performance Better?

Eda Kalayci
Marmara University, Turkey

Irem Eren Erdogmus
Marmara University, Turkey

Abstract

Owned and earned media are two important factors for companies since they try to acquire more traffic to their websites in the competitive online environment. Owned media means media activity related to a company or brand which is generated by the company or its agents in channels that company controls. Earned media is media activity about company or brand which is not directly generated by the company or its agents but by other properties such as customers in the case of word of mouth and journalists in the case of traditional media publicity. Company's own website and social media channels are evaluated within the owned media context in this study. While considering earned media, recommendations and reviews about company on its website and social media channels (Facebook, Instagram etc.) and also on other platforms (forums, blogs etc.) are evaluated as social commerce constructs. In this context the goal of firms to come up with the concept of relationship quality is to improve their existing relationships with these media tools and turn uninterested customers to the loyal ones. Based on Theory of Reasoned Action (TRA), trust was evaluated as an individual's belief effecting behavior in this study. TRA was applied as an essential theory to propose a model shown in below to explain trust and its effects on consumer loyalty in terms of loyalty constructs: purchase intention, word of mouth intention, and social commerce intention. The research model of this study also highlighted the importance of owned and earned media tools which are website quality, social media quality, and social commerce constructs to see which one has more effects on consumer's trust, and eventually on loyalty constructs. We believe that if tested, the proposed model would have beneficial implications both for academicians and businesses to create their marketing strategies accordingly.

Keywords: Owned Media, Earned Media, Website Quality, Social Media Quality, Social Commerce Constructs, Consumer Loyalty

Using Cryptocurrency to Buy and Sell Products Online**Zoltan Ban****University of Finance and Administration, Czech Republic****Jan Lansky****University of Finance and Administration, Czech Republic****Stanislava Mildeova****University of Finance and Administration, Czech Republic****Petr Tesař****University of Finance and Administration, Czech Republic****Abstract**

The great phenomenon of the present era are cryptocurrencies. Cryptocurrencies many sides, they can be scrutinized from the point of view of informatics, economics and financial markets, from the point of view of social consequences or the framework of ethics. The aim of the article is to investigate the issue of cryptocurrencies according to the ways of their spending. The method of solving the research question is to analyze more than 100,000 Bitcoins advertisements. Bitcoin was chosen because it is the most famous and dominant of the cryptocurrencies that exists today. Recently there has been a large increase in the price of this cryptocurrencies, which, of course, attracted the attention of many investors. Analysis of Bitcoin advertisements was done through the development of a custom datamining application using a PHP script that collects information from the BitcoinTalk discussion forum. The result of the analysis has been used by the authors to formulate the population's tendency to spend cryptocurrencies and to estimate future developments. There are some evidence that more than half of the advertisements under examination are bidding. As cryptocurrencies gain popularity, it is to be expected that more and more companies will provide people with the opportunity to pay this way. Here is the purpose and topicality of the article. The originality of the research is obvious, it is not yet sufficiently publicized how much and what for people spend cryptocurrencies, and yet it is obvious that many companies would have welcomed this information.

Keywords: Cryptocurrency, Bitcoin, On-Line Advertisement, Data Mining, ICT Application, Php Skript, Informatics, Finance

SMES/ENTREPRENEURSHIP**Chair:** Iveta Ludviga**Room:** E127**Organizations feat. Social Entrepreneurs:
An 'Engagement Model' Suggestion for Social Well-Being****Duygu Acar Erdur****Beykent University, Turkey****Mine Afacan Findikli****Beykent University, Turkey****Abstract**

Objectives: This study suggests an "engagement model" for organizations through the collaboration with social entrepreneurs in order to create social value and contribute to the well-being of the society. Wellbeing is defined as the "combination of social, economic, environmental, cultural, and political conditions identified by individuals and their communities as essential for them to flourish and fulfill their potential" (Brasher and Wiseman, 2008). However, generating community based solutions and creating, maintaining and fostering well-being is not easy. Even, projects that are realized by global organizations such as OECD, UN and World Bank and also organization's CSR activities may fail to respond the society's needs properly (Easterly, 2009:34). In this respect, we claim that the well-being of the

community can be strengthened and sustained with the collaboration of organizations and social entrepreneurs through an “engagement model”. Data and Methods: In order to reveal the social impact of the engagement model, we preferred the polar case method (Eisenhardt, 1989), which facilitates understanding extreme cases through the questions of “why?” and “how?” (Eisenhardt and Graebner, 2007). Based on this, our research design consists of two phases. First, we tried to identify successful social entrepreneurs through ASHOKA Turkey (Innovators of the Public) which is an international organization that promotes social entrepreneurship by affiliating individual social entrepreneurs. Then, we conducted in-depth interviews with the participants who are currently active and maintain successful projects in Turkey. Sample interview questions were included; “What kind of advantages do you expect from the collaboration with organizations?”, “Do you have any suggestion to strengthen this collaboration?”. Secondly, we conducted and realized interviews with the corporate communication directors of the organizations addressed by participants to reveal and emphasize the dynamics of this collaboration. Sample interview questions were included; “Why do you collaborate with social entrepreneurs?”. “What is the difference between the social entrepreneurship activities and CSR?”. Results and Conclusions: The results of the study demonstrate that unlike CSR activities, a community-centered approach of social entrepreneurs may present a new perspective for organizations to shift the ‘top down’ understanding to a ‘bottom-up’ understanding to develop community-based solutions and well-being of community. In this respect, the “engagement model” may have greater potential to widen social impact than organization’s CSR activities. The detailed findings and suggestions will be discussed in full paper.

Keywords: Social Wellbeing, Organizations, Social Entrepreneurs, Society, Engagement

The Experts’ Opinion: Defining Success in Entrepreneur Development Programs

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Abstract

The aim of this research is to explore the definition of success in the view of entrepreneur development experts in Malaysia. The findings will provide a yardstick to understanding entrepreneurial success or failure, and define more accurately the environmental conditions or process favorable to entrepreneurial success. The ability to quantify or qualify success is often needed for evaluation and comparison purposes, and understanding the definition of “success” will help educators and policy makers better measure and track entrepreneur performance in entrepreneur development programme. There is little commonality in the definition of success amongst researchers and successful entrepreneurs in entrepreneur development. Those which did attempt to define success, do so in the limited context of their study. Although there are many research conducted to explore the ingredients and factors of the entrepreneurial success and the role and contribution of an entrepreneur, there are very little work done in defining what is “success” in entrepreneur development where the directions, structure, size, model and other characteristics of the businesses are generally not pre-determined at the start of the venture, and the application of the definitions identified in the current research is problematic. The phenomenally based research focusing on the view points of the expert respondents’ experiences in entrepreneur development ensures that the context, multidimensionality, richness, nuances and complexity of the responses would be captured in the exploratory exercise. The sample of 10 experts have a minimum of 7 years of experience with proven track record in producing entrepreneurs that have survived beyond 5 years and are at the growth stage of their business. The experts’ methodology, experiences and perceptions is captured in this paper to understand in essence, how or what these experts define as success in entrepreneur development. The findings of the research question explains the confusion in academic literature when it comes to the definition of success in entrepreneurship. In practice, it is difficult and almost impossible to apply the same definition to all businesses, when the businesses operate in different environment, have different resources and consists of different stakeholders that would

influence their starting point, progress and risk factors associated with the business. The entrepreneur development experts seems to be focused on output and use a semi-flexible project management approach where goals and timelines are set for initiatives in the short to medium term in measure entrepreneur successes.

Keywords: Entrepreneur Development, Measurement and Evaluation of Entrepreneur Success, Entrepreneur Education

Resilience and Entrepreneurship: Aligning Theoretical and Methodological Approaches

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Stockholm University, Sweden

Abstract

Independently of the examined statistics and rates on business demographics, the European scene presents a daunting prospect concerning business dynamisms and job creation. Taking into account the most flattering studies, only 40% of new companies surpass the critical seven years of existence and just a 3% of start-ups go on to scale up (European Startup Network). Nonetheless, 45.8% of all founders have failed at least one in the past and therefore they can be nominated serial entrepreneurs. 62% of starters state that if their current business venture would fail they would start a new one. On average entrepreneurs found 2.7 companies before they succeed. Being aware of the arduous way ahead for nascent companies, it raises the intriguing question - why some persons pursue to found a company and, even further, why after a negative trial they tempt fate again? What makes entrepreneurs despite a business failure experience pursue an entrepreneur's career and rebound starting a new? Obviously, the answer is neither simple nor unidimensional. One of the many reasons why nascent entrepreneurs confront the high probability of failure and if failing, face venture enterprise again lays in the inherent ability to manage adversity and to recover of setbacks, this is what we call the capability of resilience. In this article, we analyze the most relevant literature about entrepreneurial resilience, both from the perspective of the individual psychology as from the cognitive and behavioral approaches, in order to offer a comprehensive understanding of the human ability to cope with and overcome entrepreneurial failure. A meta-analysis of the different theories on resilience is conducted in order to identify the main academic discourses on entrepreneurial resilience. Additionally, and what it is a novelty and added value of this article, the different tests on resilience are categorized under the identified academic discourses; we are on the opinion that in many occasions and due to the understudied status of the topic, scholars illustrate a theory focus on resilience but they use surveys designed to underpin other theoretical perspectives; consequently, the methodological tool applied not always results congruent with the postulated theories. Therefore, the main objective of this paper is to establish an alignment between the diverse theoretical conceptions and the methodological approaches when enlightening the entrepreneurial resilience phenomenon.

Keywords: Entrepreneurship, Resilience, Entrepreneurial Resilience, Individual Psychology, Cognitive and Behavioral Approaches, Resilience Measurements

Leaders with Social Missions: Diamonds of Our Societies

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Abstract

Objectives: In this article we refer to the leaders, who have social missions that leads to betterment of society, as 'social leaders'. The purpose of this paper is to offer a potential explanation for the inner transformation process that may lead some people to become gritty social leaders. **Data and methods:** A conceptual evaluation and interpretation was made, based on analyses of the sample of Asarkaya and Keles-Taysir (2017) study, and of the life stories of some other leaders such as Ataturk, Malala, Mujica. By detecting common patterns these life stories offer, a proposal is made about the inner process of people's becoming social leaders. **Results:** I propose that, those who can handle personal hardships better, – by building strong moral values and taking a responsibility- may become social leaders and successfully help those, who face -often similar- problems but are less able to handle them on their own. **Conclusion:** A hardship is obviously negative as it is personally experienced; but it may cause transformations in the person, which may eventually lead to the formation of a high value-adding social leader.

Keywords: Hardship, Grit, Thriving, Social Entrepreneur, Character Formation, Leadership Formation

Cooperation of Enterprises with Business Support Institutions in the Aspect of Absorption the Support under the Financial Perspective 2014-2020 - Analysis of Survey Results

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Abstract

Business support institutions are one of the pillars of innovative socio-economic development of the European Union. And that is why in the current financial perspective 2014-2020 - they are in the group of entities covered by significant support, including financial support from the European Commission. This support is implemented on three levels: macro (member countries, mainly under the Horizon 2020), meso (national) and micro (regional), for which separate programs for financing projects have been developed, the beneficiaries of which are Business Support Institutions. In connection with the above mentioned fields, the question arises whether the support programs implemented by the Business Support Institution in this way influence the development of companies. The purpose of this article is to answer the question whether businesses use the support of Business Support Institutions and how they assess the level of services provided by these entities. The objective will be verified on the basis of surveys conducted as a part of the research project "Conditions for entrepreneurship and innovation in small enterprises" implemented by employees of the Department of Entrepreneurship and Industrial Policy of the Faculty of Management at the University of Lodz in the fourth quarter of 2017. The analysis of questionnaire surveys will also allow to formulate the preliminary proposals, how diagnosed relationships of family businesses with Business Support Institutions can be strengthened.

Keywords: Business Support Institutions, Support Services, Programs for Businesses

Innovative Behavior as a Determinant of Growth and Development of Small Enterprises

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Abstract

Small enterprises operating under conditions of uncertainty should introduce innovative solutions oriented towards their growth and development. As numerous studies indicate, small companies are increasingly intensifying their efforts to enhance their ability to implement innovative changes. These activities include: (i) participation in the innovation market by reporting the need for new ideas, concepts and solutions, (ii) treating knowledge and skillful management as factors of enterprise growth and development, as well as using knowledge of the company and its environment as a strategic resource (knowledge of employees, customers, competitors, etc.), (iii) constant concern for the development of intellectual capital, above all human resources endowed with qualifications and skills valuable for the company, (iv) constant improvement of business standards with regard to the company's internal activities as well as relations with the market, i.e. customers, business partners, suppliers and competitors, and (v) focus the development of innovative awareness. The aim of the article is to assess the impact of small enterprises' propensity for innovative behavior on their growth and development. Therefore, the following research hypothesis was put forward: A strong orientation of small enterprises towards innovative behavior has a positive impact on their growth and development. The implementation of such a goal and verification of the hypothesis required, on the one hand, a literature review and an analysis of previous research on innovative behavior of small enterprises, and on the other hand, conducting own research among small enterprises. Quantitative research was carried out in December 2017 – January 2018 among 400 small enterprises in Poland by means of a survey questionnaire using CATI and CAWI techniques. The surveyed small enterprises were mainly service enterprises – 45.7%, manufacturing enterprises – 39.3%, and less often commercial enterprises – 15.0%. The spatial market structure of the surveyed enterprises was dominated by the domestic market – 40.8%, followed by the regional market – 31.4%, and the international market with the smallest share of 27.8%. The conducted analysis of the obtained research results allowed us to positively verify the research hypothesis on the existence of a positive impact of small enterprises' strong propensity for innovative behavior on their growth and development.

Keywords: Innovative Behavior, Small Enterprises, Process of Growth, Factors of the Company's Growth and Development

How Cloud Computing Software Adoption Changes of Business Models in Manufacturing Enterprises in the SME Sector

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Anna Pamula
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Abstract

Since the middle of the 20th century, phenomena suggesting the entry of civilization into the post-industrial era has been observed in all areas of economic, social and technical life. The technological and civilization breakthrough triggers profound changes and a shift to a new model of economy based on non-material entities, such as ideas, information and connections, deviating from the meaning of material production. The methods of production, communication, trade, education or employment are transformed. The Internet of Things generate new opportunities and influence the development all organizations. Progressive digitization of products and the servitisation trend are changing also manufacturing companies. The paper deliberate the problems of how the implementation of IT software in the cloud computing model affects the business models of manufacturing companies in the SME sector. The applied methodology covered literature review, desk research and quantitative survey methods. The article reviews the literature on new business models design and discuss the results of selected reports on the adoption of cloud computing solutions. The main part of the paper is devoted to

analysis of the data gathered with the use of the CATI technique, conducted among 277 small and medium-sized manufacturing enterprises in Poland in the first quarter of 2018. The analysis of the obtained research results shows that nearly 30% of the surveyed enterprises claimed some changes in the organization business model or operational activity after the introduction IT application available in the cloud computing model.

Keywords: SMEs, Cloud Computing, Business Model

ACCOUNTING/AUDIT

Chair: Jeyanthi Thuraisingham

Room: E128

Impairment of Ethical Considerations and Distortion of Information by Financial Analysts in an Emerging Market

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Zhi Jin
China Southwest University of Finance and Economics, China

Oliver Rui
China Europe International Business School, China

Xijia Su
China Europe International Business School, China

Abstract

Ethical considerations are imperative to the profession of financial analysts as the nature of their work of information processing is highly subjective, and the accuracy of their primary products (investment recommendations and earnings forecasts) cannot be objectively verified at the time of release. This study posits that economic ties between brokerage firms and mutual funds impair ethical considerations of financial analysts who become affiliated with the companies they cover through these ties. It contributes to the literature by reporting that a) the affiliated analysts distort information by releasing overly positive stock purchase recommendations that are accompanied by less optimistic earnings forecasts they issue for the same company; b) the information distortion cannot be attributed to lack of information as earnings forecasts issued by the affiliated analysts are, ex post, more accurate than those by the unaffiliated ones; c) the degree of the information distortion is positively associated with all three of our empirical measures for impairment of ethical considerations; d) stocks recommended by the affiliated analysts under-perform those recommended by the unaffiliated ones over a 180 or 365-day period.

Keywords: Ethics, Information Distortion

The Analysis of the Appliance of Fair Value Concept in Croatian Companies from Real Sector

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University of Zagreb, Croatia

Ivana Valenta
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Abstract

In recent twenty years fair value concept becomes the dominant model of subsequent measurement of certain assets and liabilities in financial statements. The application of fair value concept requires the determination of fair value on the basis of all relevant market information regarding the asset or liability for which the fair value is determining. The fair value concept, as a concept of subsequent measurement of assets and liabilities, is introduced by International Financial Reporting Standards (IFRSs) and is similarly to IFRSs, implemented in Croatian Financial Reporting Standards (CFRSs). Fair value is based on market prices (exit prices), but when market prices are not available, fair value must be determined using the appropriate valuation techniques. IFRSs and CFRSs are prescribing which category of assets and liabilities must be or can be subsequently measured at fair value. The objectives of this paper are: (a) to identify the effects of the appliance of fair value concept according to IFRSs and CFRSs on company's financial position and performance and (b) to identify which categories of assets and liabilities, which can be measured at fair value, are actually measured at fair value in Croatian companies from real sector. Based on the results of literature review, the following categories of assets and liabilities must be subsequently measured at fair value: (a) financial assets at fair value through profit and loss; (b) financial assets at fair value through other comprehensive income; (c) biological assets and agricultural products at the point of harvest and (c) financial liabilities at fair value through profit and loss. The categories of assets that can be subsequently measured at fair value are: (a) properties, plants and equipment; (b) intangibles; (c) mineral resources; (d) investment in properties and (e) investment in subsidiaries, associates and joint ventures. The data for the purpose of conducting the research regarding the appliance of fair value concept in Croatian companies from real sector are gathered from publically available financial statements of large and medium companies from real sector in Croatia that constitute research sample in 2016. In order to achieve research objectives and to present research results, data are processed using the methods of descriptive and inferential statistics. Results of the research indicate to what extent Croatian companies from real sector are using the fair value concept as a concept of subsequent measurement of assets and liabilities.

Keywords: Fair Value, Subsequent Measurement, Market Prices, Real Sector, IFRS, CFRS

The Impact of Fair Value Concept Appliance on Corporate Profit Tax - Case of Croatian Companies from Real Sector

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University of Zagreb, Croatia

Marina Mićin
University of Zagreb, Croatia

Abstract

The application of fair value concepts in measuring company's assets and liabilities results in corresponding accounting and tax effects. Accounting effects of fair value concept application refers to the recognition of difference between fair value of assets or liability at the reporting date and its carrying amount in financial statements. Since the difference between fair value of an asset or a liability at the reporting date and its carrying amount can be either included in profit or loss or in other comprehensive

income, there are two basic accounting effects arising from the application of fair value concept and these are: (a) effects on company's financial performance and (b) effects on company's financial position. Tax effects of the fair value concept application arises from accounting effects and refers to the recognition of accounting effects for the purpose of determining the corporate profit tax base. There are three basic tax effects arising from the fair value concept application: (a) deferred tax assets which refer to the accounting effects (expenses from the fair value decrease) recognized in profit and loss but not included in corporate tax base in the same period; (b) accounting effects included in corporate tax base in the same period as in profit and loss and (c) deferred tax liabilities which refer to the accounting effects recognized in other comprehensive income that will be included in the corporate profit tax base in future period(s). The main objective of this paper is to explore and analyze the interdependence between the accounting effects of the fair value concept application and corporate profit tax liability on the case of Croatian companies from real sector. The data needed to achieve the purpose of the paper are collected from publicly available financial statements of companies from real sector in the period from 2010 to 2016. The interdependence between accounting effects of the fair value concept application and corporate profit tax liability are analyzed by regression analyses. Results of the research indicate to what extent the application of fair value concept have on corporate tax liability in Croatian companies from real sector in the period from 2010 to 2016.

Keywords: Fair Value Concept, Corporate Profit Tax, Croatian Real Sector, Financial Position, Financial Performance

A Descriptive Comparative Analysis of Methods Used in Determining Fraud Financial Statements

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Turkey

Abstract

Presentation of financial statements reflecting true and fair view is rather important both for the company and users of financial statements. Such reasons for fraud could be classified as either "unintended error" or "deliberate deception acts". Due to the development of technology and the increase of the data volume together with the transaction, fraud auditing became rather important. Review of literature on the methods used to determine the fraud indicates that such methods are generally classified into two as reactive and proactive. Proactive methods are intended to take precautions before fraud occurs; and focus on the investigation of whole data base rather than sampling. Therefore, it is possible to examine all data without cost constraint. Proactive methods are grouped into three as data mining, analytical review procedures, and the Benford Act. Even though continuous audit and denunciation lines are considered as among these methods in some studies, they are excluded from the scope of the study due to their nature. Each fraud, in its nature, contains certain anomalies, unusual situations, significant deviations from normally expected and these methods focus on the detection of those deviations. Data Mining is a method used to find out information hidden within the data and identify the methods to be applied to solve the problems. Audits run using Data Mining have less error margin than other methods because it allows to scan 100% of accounting data. However, in this method, it is necessary to pay a significant attention to choose the right and useful information among the large amount of data and to apply the most accurate model. On the other hand, the analytical investigation procedures focus on, by analyzing the significant relationship between financial and non-financial data, assessment of financial information and determined showing inconsistency substantially deviate from showing or other relevant information from the expected value fluctuations or relationships. Analytical review procedures are faster and easier to implement than data mining methods. With this method, a general opinion on the audited data is established and risky areas are identified. Another method, the Benford Law, can be defined as the process of finding the deviations that can occur based on the frequency of appearance of figures by statistical tests. In this method, it is important to note that the database must conform to certain conditions in order to use the method. This limits the use of the method and reduces its effectiveness.

Keywords: Fraud Auditing, Data Mining, Analytical Review Procedures, The Benford Act

The Link between Accounting Measures of Biological Assets and Financial Standing of the Agricultural Enterprises: Evidence from Lithuania

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Dalia Juociuniene
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Abstract

The aim of the research is to conduct a case study based on analytical data from agricultural enterprises and to assess the impact of the choice of a biological asset measuring method on the financial standing, overall performance and financial attractiveness of the undertaking concerned. The research is based on analytic data of biological assets of agricultural enterprises, which are specializing in livestock farming and favor the use cost approach to measure biological assets. The research outlines advantages and disadvantages of both methods used to measure biological assets, reveals changes in reflecting information on biological assets in financial statements, and demonstrates effect of the change in the measuring method on the financial standing, overall performance and financial attractiveness. The practical implications of the research take the form of analysis and comparison of particular data. The research reveal specific issues related to the application of the method of fair value less costs to sell for measuring of biological assets. A change in the biological asset valuation method resulted in a decrease in the cost of produce sold by the enterprises and the general and administrative expenses and an improvement in the performance, profitability and asset turnover ratios. The problems identified by the research undermine confidence in the objectivity of the fair value model for biological asset measurement and suggest a conclusion that the cost model is more relevant for measuring those assets. The research results show that if biological assets are chosen to be measured at fair value less costs to sell, there is a risk to breach the principles of prudence and neutrality and to window-dress the financial statements.

Keywords: Biological Assets, Measurement, Cost, Fair Value

The Practice of IFRS: Financial Information for the Foreign Venture Capitalist

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Abstract

Corporate finance presents specific risks that financial institutions do not assess well because of the lack of suitable methods. In particular, the information asymmetry between donors and managers, raised in these transactions, constitutes a fundamental obstacle for these lenders. Private equity is defined as an alternative financial intermediation to bank indebtedness, consisting of an equity or quasi-equity investment for an average duration of seven years (Lachman, 1999). The IFRS standards have positive effects that would be justified by the improvement of the comparability of the financial statements and the reduction of the acquisition costs of information by the investors, in particular the capital foreign investor. Our thesis highlights the financing of companies by the foreign investor capital, which is interested in the preliminary analysis of the financial statements made by the IFRS to make the decision of financing. In fact, to make our research explicit, we have formulated as a central question: Is IFRS practice a major determinant of financial information for the foreign venture capitalist?

Keywords: IFRS, Private Equity, Information Asymmetry, Neo-Institutional Theory, Agency Theory, Signal Theory

PUBLIC ECONOMICS/REGIONAL STUDIES**Chair:** Roman Mentlík**Room:** E129**The Economics of the European Union: A General Equilibrium Simulation on the Efficiency and Fairness****Toshitaka Fukiharu**
Kansai University of International Studies, Japan**Abstract**

The aim of this paper is to examine the European countries' strategy of becoming one nation from both "efficiency" and "fairness" viewpoints. In this paper, defining their effort as the strategy of "first the integration of (isolated) markets, proceeding to the integration of (isolated) defense: the formation of one nation economically and politically", we compare it with the reversed strategy of "first the integration of (isolated) defense, proceeding to the integration of (isolated) markets, by constructing a primitive general equilibrium model with public goods. We start with the examination of three isolated regions, A, B, and C, facing a common intruder X. It is assumed that their production and utility functions are identical among the three regions, with different populations. The provision of defense is made by the isolated government through the minimum cost principle. In the second, we examine the case of defense integration (without market integration) of Regions A, B, and C. In this integration, it is assumed that the integrated government provide the defense for all the regions, by the Lindahl method. In this case, Pareto improvement is realized, while this case is not Pareto optimum. Furthermore, this integration is rational since the Gini coefficient on GDPs declines compared with "isolation" case. In the third, assuming that the provision of defense for each region is made by the corresponding isolated government, we examine the case of market integration (without defense integration), with the conclusion of Pareto improvement and declined Gini coefficient compared with "isolation" case. In the fourth, assuming that the integrated government provide the defense for all the regions, we examine the case of both defense integration and market integration, with the conclusion of Pareto-improvement and the declined Gini coefficient compared with the third case. This conclusion does not hold when we compare the fourth case and the second. Finally, the robustness of this conclusion is essentially confirmed by expanding the number of examples to ten thousand, with parameters selected randomly. Thus, the EU strategy is rational one. Note, however, that when the "identity assumption" of production and utility functions is discarded, "market integration" is not necessarily Pareto improving. The Brexit might be explained by the "non-identity" of functions.

Keywords: General Equilibrium, Simulation, Lindahl mechanism, EU, Efficiency, Fairness**What about Coordination, Transparency and Anticipation in Projects? A Systematic Review of "Controlling" of Projects, Especially of Public Infrastructure Projects****Pia Herrmann**
University of Kassel, Germany**Konrad Spang**
University of Kassel, Germany**Abstract**

Infrastructure projects are often large, due to the number of stakeholders potentially complex and under public scrutiny. Their management remains challenging, and especially large infrastructure projects are often criticized for cost overruns and time delays. With the help of controlling, a peculiarity of German-speaking countries, project management and thus project performance can be improved, since controlling ensures the necessary transparency within the project and supports coordination and anticipation. Furthermore, controlling can improve the quality of decision-making, the ability to respond and adapt to internal and external changes. However, research on controlling within German-speaking countries has been almost isolated from international research. Consequently, conducting a literature

review requires some preparatory work. Therefore, the purpose of this article is to fulfil three ambitions: First, this article suggests requirement categories for the controlling of public infrastructure projects. Second, it proposes a controlling system framework. Third, based on categories and framework, this article presents a literature review on controlling of (public) infrastructure projects. Thereby, this paper provides a common basis for developing an integrated controlling system. Additionally, it advances the clarification of controlling and links controlling with its corresponding international topics.

Keywords: Project Management, Public Projects, Infrastructure Projects, Accounting, Controlling Research, Project Control

Electronic Taxation: Internet Tax Office in Turkey

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Abstract

Developments in internet technology affect all the sectors in the economy as well as the tax administration for effective and rapid implementation of fiscal policy by the government. Before the internet technology, taxation process (from event giving rise to taxation to collection of tax) was static. After using the internet technology both taxpayer and tax administration sides get some benefits interactively. Accordingly, the purpose of this study is to examine the structure of the internet tax office and to reveal the benefits of this implementation. Expansion of internet technology on taxation and productivity growth may not be occur in the short run and require certain level of investment. Some of these investments are related with human resources, system set up and operations. Especially, for last two decades, structural and technological investments have been given more importance by the tax administration and today, internet technology can be used practically by everyone. Accordingly internet tax office is used interactively. Both income and corporate taxpayers can use internet tax office for various transactions. Some of the services provided by the internet tax office are debt information service, e-declaration, queries, information and payment, etc. There are many advantages of using internet tax office. Convenience and cost and time savings are the important advantages of using internet tax office. By using internet, cost of declaration, payment and collection of tax can be decreased. So this situation support cost saving in terms of fiscal policy. Also taxpayers can use internet tax office either by using computer or mobile devices. So this provides time saving and convenience for the users. **Keywords:** Internet, internet tax office, electronic taxation, fiscal policy.

Keywords: Internet, Internet Tax Office, Electronic Taxation, Fiscal Policy

Housing Prices and Current Account Imbalances; Credit Channel and Institutions

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Gianluca Marcato
Henley Business School, United Kingdom

Abstract

This paper's aim is to examine the relationship of housing price cycles and current account imbalances as well as the role of the institutions in this relationship. The current account imbalances and housing price boom-bust cycles have become one of the defining characteristics of the period of pre-global financial crisis. However, although most of the countries that have experienced housing price boom in the same period have similar trends in their markets (e.g. drop in interest rates and relaxation in the credit standards), the volatility of the housing prices changed from country to country. This also happened when the housing prices began to decline rapidly. This case is valid in respect to the level of current account imbalances. Therefore, it is seen that although these developments in the markets show similar trends in many countries, they have had distinct characteristics. Additionally, their final effects on the economy have varied to a significant degree. The institutional features of the markets can have

the potential to contribute to this differentiation. However, based on the literature review so far, there is literature gap concerning the role of institutional features in the correlation between housing price and current account imbalances. For investigating the relationship between housing price and current account dynamics and the role of institutions in this relationship, 14 European member countries are considered and the simultaneous equations model is used by employing three-stage least squares technique. The findings of the empirical analysis show that there is a strong and negative relationship between housing prices and current account dynamics and that the institutional characteristics of credit markets can cause the differentiation of this relationship.

Keywords: European Union, Housing Prices, Current Account Imbalances, Institutions

Case Study for Social Responsibility of FDI in Vietnam: Formosa Steel and Samsung Electronics

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Abstract

Vietnam emerged as a hot region for Foreign Direct Investment (FDI) in Southeast Asia since the accession to WTO in 2007. The FDI has been a key growth engine of Vietnamese manufacturing & processing industries. So it is difficult to discuss the Vietnamese economy without considering the FDI's contribution. However the rapid industrialization and economic growth by FDI cause many side effects in Vietnam, and they lead to the social expense growing. This study accessed the side effects of the FDI by looking into the marine life disaster by Formosa Steel in 2016. The marine life disaster made the environment conservation a critical issue of corporate social responsibility (CSR), and it gave a real chance to think about the pros & cons of FDI for the sustainable development of Vietnam. In addition the NGO report as to female employees' working condition of Samsung Electronics' two factories in Vietnam received a big attention globally even though Samsung Electronics refuted key findings of report. So this study accessed the cases for Formosa Steel's illegal discharging and labor issues of Samsung Electronics from the FDI's social responsibility perspective. In result it is more and more difficult for FDIs to maintain the cost leadership only through cheap labor or ignoring the environmental expense. Local NGOs and global NGOs began to demand the global standards for local OEM partners' working condition and environment issue. In addition a more strict monitoring system by government and the 'Rule of Law' for all activities of FDIs are also strongly required in Vietnam.

Keywords: Formosa Steel, Marine Life Disaster of Vietnam, Labor Issues of Samsung Electronics Vietnam Corporate Social Responsibility (CSR) of Vietnam, FDI of Vietnam

The Politics of Strategic Environmental Standard within a North-South Trade

Panbing Wan
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Abstract

Under the framework of North-South trade, this paper constructs a duopoly competition model where Northern firm and Southern firm both produce homogeneous products and compete in the North market at the same time. Considering the negative externalities of the environment and the fixed tariffs stipulated by the North-South Free Trade Agreement (NSFTA), this paper focuses on the analysis of the influence of lobbying competition between Northern and Southern firms on the determination of environmental standard for the protection-oriented Northern government and Northern social welfare. The results demonstrate that: 1) The environmental standard set by Northern government under Northern and Southern firms' lobbying competition is laxer than that under Northern firm's lobbying but stricter than that under Southern firm's lobbying, whether it's laxer than that under no lobbying is ambiguous; 2) Northern government's environmental standard under the lobbying competition becomes laxer in the weight Northern government attaches to political contributions (relative to its domestic social welfare) and the initial environmental technology between North and South countries; 3) With the

reduction of the tariff level agreed in NSFTA or the increase of trade liberalization, the environmental standard set by Northern government under the lobbying competition will become stricter accordingly; 4) When Southern government subsidizes Southern firm, the environmental standard set by Northern government may be reduced under the competition lobbying; 5) Under certain conditions, Northern total social welfare under the lobbying competition and under Southern firm's lobbying may be higher than the social optimum level under no lobbying, whereas Northern total social welfare under Northern firm's lobbying is always lower than the social optimum level under no lobbying.

Keywords: North-South Trade, Strategic Environmental Standard, Lobbying Competition, Environmental-Technological Gap, Trade Liberalization

Stages of Development Hypothesis during an Era of Global Imbalances

Konrad Sobanski
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Abstract

The paper analyses the balance of payments (BoP) positions of developing and developed countries to verify whether the stages of development hypothesis (SDH) describes well the current account dynamics of contemporary economies. We conduct a statistical analysis using a time series on BoP and GNI per capita for 80 economies that are divided into five income groups for the years 1992-2016. The data are from the World Bank. The research method includes parametric and nonparametric procedures. Our study yields yet limited support for SDH. The curve representing the relationship between the current account and the income per capita is not typically U-shaped as presumed by SDH. The association seems liner and positive. What is more, it is mainly driven by differences between surpluses of very-high income countries and deficits of low-, lower middle- and upper middle-income countries. Developing countries whose per capita GNI is closer to that of industrialized economies tend to run lower current account deficits. The richer a developed economy the higher its current account surplus. However, the relationship is not confirmed in a dynamic setting of panel data. This means that the current account balance does not necessarily rise with an increase in GNI per capita over time in a given country. This might indicate a relatively high degree of persistency in the current account in individual countries. The findings of the study shed some light on liquidity constraints in developing countries. The departure from SDH for low-income countries indicates that poorest countries are able to gather external financing and run current account deficits. This has important implications for the global economy. On the one hand, the current account deficit allows the poorest countries to develop faster and catch up with more advanced economies. On the other hand, it leads to a more dynamic build-up of foreign liabilities at an early stage of the life cycle, which increases the vulnerability to external conditions in very fragile and immature economies. The results of the study are also indicative with regard to the global imbalances phenomenon. They prove that the global imbalances might be interpreted as an exception (yet very important) to the positive relationship between the stage of development and the current account prevailing across the world.

Keywords: International Finance, Stages of Development Hypothesis, Balance Of Payments, Current Account, Global Imbalances

COFFEE BREAK: 11:20-11:30

DAY 3 - SESSION II: 11:30-13:30**GROWTH AND DEVELOPMENT I****Chair:** Pedro Jose Gutiérrez Diez**Room:** E104**Testing for Structural Breaks in Macroeconomic Processes of Growth - A Case of Ireland, Spain, Turkey and Netherlands****Marcin Faldziński****Nicolaus Copernicus University, Poland****Magdalena Osińska****Nicolaus Copernicus University, Poland****Jerzy Boehlke****Nicolaus Copernicus University, Poland****Maciej Gałecki****Nicolaus Copernicus University, Poland****Abstract**

This paper investigates structural changes on economic growth, using the sample of 4 countries, Ireland, Spain, Turkey and The Netherlands for the period of the 1980 to 2016. In this case, structural breaks are interpreted as large, infrequent shocks switching the economy from one regime to another. In order to search for structural changes the unit-root and the structural breaks testing methodology is applied. Specifically, a pure structural change model with the Andrews-Zivot test and the Bai-Perron test are employed. The paper's findings suggest that most of the structural breaks are country-specific. Nevertheless, the financial crisis of 2007-2009 is indicated as common one for all of the analyzed countries.

Keywords: Structural Breaks, Unit-Root, Stationarity

Long Cycles versus Time Delays in a Modified Solow Growth Model**Joao Teixeira****Universidade de Lisboa, Portugal****Maria Joao Borges****Universidade de Lisboa, Portugal****Maria Fatima Fabiao****CEMAPRE - ISEG/ULISBOA, Portugal****Abstract**

In this work we study the dynamics of the economic growth Solow model, considering that the labor force function, $L(t)$, is solution of some delay differential equation. The motivation for this approach is the fact that there are delays in entering and retiring an individual in the labor market, relative to its birth date

Keywords: Solow Growth Model, Periodic Solutions, Delay Differential Equation

The Impact of Workforce Ageing on Productivity and its Channels: An Empirical Investigation in Taiwan

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Yu-Ting Lu
Taiwan Research Institute, Taiwan

Chun Shen Lee
Taiwan Research Institute, Taiwan

Abstract

In April 2018, Taiwan's Ministry of the Interior announced that Taiwan has officially entered the stage of an "aged society". The proportion of people over the age of 65 to the total population of the country has exceeded 14%, which means one out of every seven people in the country is a senior citizen. According to estimates by the National Development Council, the population of Taiwan is ageing at an alarming rate, with only eight years from the "aged society" stage to the "super-aged society" stage, and working age population will shrink 0.6% per year from 2016-20 and 1.1% from 2021-30. Recent empirical research findings, slower working age population growth implies slower GDP growth, and the productivity of older workers is often lower than that of middle-age, which also has negative implications for potential growth. Based on Tang and MacLeod (2006), this paper studies the direct impact of workforce ageing on Taiwan's productivity growth from 1978 to 2017. Our findings suggest that the aging of the workforce has a modest negative impact on productivity growth, with an average 1% increase in the proportion of older workers may reduce productivity growth by 0.18%. In order to identify the main transmission channels of workforce ageing for productivity, we borrowed from recent empirical literature (Wong, 2007; Feyrer, 2007; Aiyar et al.2016), decomposing the slowdown in productivity into factor accumulation and TFP growth, and find that most of the adverse effects of aging come from its negative impact on capital accumulation and TFP growth.

Keywords: Workforce Ageing, Productivity, TFP Growth

Economic Growth with Locked-in Fertility: Under- and Over-Investment in Education

Masao Nakagawa
Hiroshima University, Japan

Asuka Oura
Daito Bunka University, Japan

Yoshiaki Sugimoto
Kansai University, Japan

Abstract

This research theoretically analyzes the role of irreversible fertility decisions in economic growth in the presence of idiosyncratic ability shocks after childbirth. It argues that the irreversibility constraint delays the growth process by distorting the resource allocation between the quantity and quality of children. In underdeveloped stages, where family size is locked into large levels, education investment places a heavy financial burden on households. The impossibility of ex post fertility adjustment then deprives some competent children of learning opportunities. In more developed stages, by contrast, family size locked into smaller levels facilitates education investment even in some incompetent children. A redistributive policy to enhance aggregate human capital and the growth performance is proposed for each stage.

Keywords: Irreversibility, Over- and Under-Investment, Human Capital, Growth

Factors and Prospects of Sports Activities and Infrastructure Development in Poland and China in the Twenty-First Century

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Mariola Katarzyna Mamcarczyk
Cracow University of Economics, Poland

Abstract

Sport is an essential value in any society and its cultivation affects positively the physical condition, health and quality of life. It is also an area that can have a positive impact on the labor market. Increasingly, it appears as an element of economic considerations at various levels of public life organization, both at home and abroad. It is noted that sport is becoming a motor for the development of various branches of the economy, not to mention that it is a form of spending free time. The ratification of the Treaty of Lisbon has made sport one of the new areas of action of the European Union. Sport and physical activity are actively promoted at the political level for the first time. It is not only about improving the health and physical condition of the Union citizen, but also about strengthening the role of sport in building social cohesion and using its educational values. The issue of sport is increasingly emphasized on the forum of the European Union, especially in the field of legal empowerment. Such perception of sport should also initiate changes in its position in socio-economic life of societies. Through sport, human and social capital is shaped. In addition, the health of the society is improving due to the advantages of sport and recreation, and this affects the labor market and the entire economy. At the same time, it positively influences the upbringing of young people, including the prevention of aggression and addictions or the shaping of entrepreneurial skills. The very idea of sport carries - apart from many positive aspects - also threats in the form of commercialization, doping or violence in stadiums. Despite the existence of these negative phenomena, the impact of sport on various areas of social life and, what is particularly important, on the immediate surroundings of people is positive, but often difficult to grasp. Regular sport is very important because physical activity has a huge impact on human health and mental well-being. In addition, sport allows you to maintain an attractive silhouette. Doctors are constantly reminded that movement is essential for the proper functioning of a human being. It is worth paying attention to the importance of sport for Europeans living in the twenty-first century. According to statistics, 60% of the inhabitants of our continent regularly practice sport. Sport is also promoted by European international organizations. In this case, apart from the aforementioned benefits, the important role is played by the fact that sport struggles facilitate integration between individual European countries.

Enhancing Business Development by Transformation of Communication Services into Cloud-Based: IT-Company Case-Study

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Peter the Great St. Petersburg Polytechnic University, Russia

Alexandra Borremans
Peter the Great St. Petersburg Polytechnic University, Russia

Alissa Dubgorn
Peter the Great St. Petersburg Polytechnic University, Russia

Abstract

Science, society and business tend to be more and more global today. Companies become international and geographically distributed, still trying to follow the path of sustainable development, constantly seeking for technologies to support changing and evolving processes. Cloud technologies are dramatically changing business, supporting it at the same time. Project and processes management within the organizations is enhanced by different types of cloud. Cloud technologies enable possibility of remote access to company's resources, increase speed of data processing, company is able to refut of a large volume of physical resources. But what is more important – cloud technologies enhance communication of internal, external stakeholder and in-between both. This research paper is addressing

a case-study of IT-company, which has changed its telecommunication system to the cloud-based, to analyze the opportunities of cloud for communication and overall business development and sustainable growth. The research is based on an open-ended questionnaire, which was sent among employees of the case-company, and data gathered from it. Gathered data was analyzed and conceptual aspects of cloud technology, which change overall communication strategy, were derived. Aside from communication processes, the potential of derived aspects was analyzed for the other processes of company and overall business development.

Keywords: Business Development, Processes Changes, Cloud Technology, Communication, IT Services

Comparative Analysis of the Happiness Impact on the Development of Colombia for the Period 2014-2018

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Abstract

This research evaluates the contribution of the happiness index to the development of Colombia. To construct this reference point, a tool was built by a design in theoretical frameworks and national statistical data on the contribution of happiness. The main objective is to analyze comparatively the impact of happiness on the development of Colombia for the period comprised between 2014 and 2018. This work is structured in first instance by analyzing the regarding literature models of development and happiness; a second instance is the approach in the design of the theoretical framework; third evaluates happiness, growth and development indicators for the studied period in Colombia; fourth makes the description of the results obtained and finally it presents the conclusions. Data: A theoretical reference point was created for the framework to define direct and indirect variables that are allowed to get results in terms of happiness and development indicators. The sources of these statistical data are: the International Monetary Fund, the World Bank, The United Nations Organization, The Bank of the Republic and The National Administrative Department of Statistics and The National Planning Department. Method: This research has a mixed (qualitative-quantitative) approach; it's descriptive and allows analyzing and determining the relationship between happiness and development for Colombia in the 2014-2018 period. The explanations are tentative taking into account the period of study and analysis of the exogenous and endogenous variables that intervene in the dynamics of happiness and the development of a country. The conclusions of the present investigation are suggested for future investigations. Results: It was observed that happiness and development indicators do not have a direct relationship, it is a complementary relationship. It has also been approved with long-term strategic planning that allows the articulation of the public, private, academic and international organizations in a framework of peace and the world that requires sustainability. Conclusions: The conclusions of the study that show the indicators of happiness have a subjective basis, the quantitative one that illustrates the performance of the country, the strengths and the capacities in the terms of the execution of strategies, the programs and plans in a public policy framework.

Keywords: Development, Happiness, Colombia

CORPORATE GOVERNANCE II**Chair:** Stefan Otto Grbenic**Room:** E127**Making Non-Profit Organization's Accountability Transparent****Roshayani Arshad**
Universiti Teknologi Mara, Malaysia**Mohd Hisham Mahamud**
Universiti Teknologi Mara, Malaysia**Ramesh Nair**
Universiti Teknologi MARA, Malaysia**Aida Maria Ismail**
Universiti Teknologi Mara, Malaysia**Abstract**

The adverse publicity surrounding a number of high profile scandals involving fund misappropriation and organizational inefficiency in the non-profit sector has heightened the need for non-profit organization's accountability. In bridging the trust gap between the NPOs and the relevant stakeholders, this paper contends that public discourse can assist the NPOs in discharging their accountability. Within the public discourse system employed by organizations in the profit and non-profit sectors, the annual reports have been the prominent channel of textually mediated mass communication medium. In recent years, web disclosure has emerged as an innovative strategic initiative employed by NPOs to enhance transparency and accountability. However, identifying the concept and definition of accountability for NPOs can be challenging as there are multiple stakeholders to be considered. Hence, the objectives of this paper are twofold. First, using signaling theory to contextualize and develop a framework of accountability through public discourse for NPOs. Second, employing this framework, this paper examines the extent of accountability disclosures by NPOs in Malaysia on their websites. Using content analysis of web disclosures by 30 NPOs registered with the Companies Commission of Malaysia, this study finds that 98% of the NPOs reported strategic information, 71% reported fiduciary information, 66% reported financial information and 52% reported procedural information. These results indicate that NPOs in Malaysia are recognizing the importance of web disclosures to communicate with their stakeholders. However, the lower extent of certain accountability information highlights potential challenges for preparers and policy makers involved in furthering the social sector agenda.

Keywords: Accountability, Non-Profit Organizations, Signaling Theory, Web Disclosures

Corporate Governance Attributes in Fraud Deterrence

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Abstract

The failures of corporations such as Enron, WorldCom and HIH Insurance, to name but a few, have heightened investor awareness of the need to not only evaluate company performance, but also to consider the possibility that financial statements may not be a true reflection of company results, as fraudulent activities may have occurred during the reporting period. Since parties who are outside of the firm do not have access to pertinent information, they have to rely upon published financial and non-financial data to form an opinion regarding performance and/or the risk that fraudulent activities may have occurred. The prior literature shows a relationship between weak corporate governance and fraudulent activities, although most if not all of this research relates to Western economies. The differences in institutional setting e.g. cultural values and legal environment in Malaysia would not give the same findings with the study in western economies. Composing of many ethnicities, Malaysia is a multicultural country. With each ethnic group upholding its own culture, values and belief, businesses are conducted according to each ethnic's culture. The results of this study could shed some light on the influence of institutional setting regarding corporate governance. Companies that were charged with accounting and auditing offences from year 2003 to 2007 were selected as the fraudulent samples. Data was collected from the years these companies were charged with fraud and the year prior to that. Logistic regression analysis was carried out to determine the significant differences between fraudulent and non-fraudulent companies with respect to corporate governance characteristics. The results indicated that the size of the board and the percentage of institutional shareholdings had significant relationships with the likelihood of corporate fraud occurrences consistently across the two-year period studied. The results of this study will assist public, corporate and accounting policy makers in formulating more effective corporate governance mechanisms.

Keywords: Corporate Fraud, Fraud, Economic Crime, Corporate Governance

Tax-Motivated Income Shifting and Corporate Governance: Evidence from Korean Business Groups

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Abstract

In the wake of the Asian financial crisis in 1997, Korean government adopted a variety of systems to improve the monitoring function of the board of directors. For example, listed companies are mandated to have a certain percentage of their directors from outside, and large listed companies are required to maintain audit committees. There, however, has been considerable criticism as to whether these systems achieve their intended purposes. This study investigates the effectiveness of corporate

governance in tax-motivated income shifting by Korean business groups. Income shifting among affiliated firms may lower the overall tax burden of the firms belonging to a group. Such income shifting, however, does not necessarily benefit all shareholders of participating firms. While the majority shareholders can benefit from aggregate tax savings, the minority shareholders of the firms shifting their income to others can be worse off by the tax strategy. We test whether affiliates' governance systems play a monitoring role for their own shareholders in a situation where the interests of affiliates conflict with those of the business group as a whole. Using a sample of 5,417 firm-years from non-financial firms listed in the Korean stock market for the period from 2001 through 2015, we find that affiliates with high tax burdens shift their income to other affiliates with low tax burdens through internal transactions, specifically through sales and purchase transactions, although these transactions result in a decline in business performance of shifting firms. We also find that the characteristics of the board of directors generally fail to curb tax-induced income shifting activities, except for financial accounting expertise. Specifically, outside directors and audit committees of the firms belonging to Korean business groups do not reduce tax-motivated income shifting which may be harmful to the minority shareholders of affiliates. Directors with financial and accounting expertise play a marginally significant role in preventing tax-motivated income shifting. In sum, our results suggest that the corporate governance system of Korean firms needs improvement to protect the minority shareholders of income shifting firms.

Keywords: Korean Business Group, Tax-Motivated Income Shifting, Corporate Governance

Post-Privatization Corporate Governance and Firm Performance: Evidence from Brazil

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Abstract

Privatization is a discrete event that often leads to a drastic change in the ownership structure allowing to examine how corporate governance mechanisms affect firm performance. In this paper, we analyze the role of ownership structure in post-privatization corporate governance using a sample of 92 privatized Brazilian firms, over a period of 10 years. First, we look at the ownership that results from privatization and its evolution. We find that, over time, the government gives up control to the private sector and that private ownership tends to concentrate to the benefit of local institutions and foreign investors. Second, we investigate the determinants of private ownership concentration. The results indicate that the main determinants are the size of the firm, characteristics of the privatization process, the timing of the sale, market instability and regulation. Finally, we look at the impact of ownership concentration and identity on firm performance. After correcting for endogeneity, we find a positive effect of ownership concentration on firm performance. Ownership identity, in particular local institutions and foreign investors also prove to have a positive impact on firm performance.

Keywords: Privatization, Ownership concentration, Corporate Governance, Brazil

Law and Finance: Extraterritorial Jurisdiction in the Computer Age

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Abstract

The rise of Bitcoin and other crypto-currencies highlight the problem of extra-territorial jurisdiction in financial law: When should the law of one state or jurisdiction be held to apply to activities that would ordinarily be understood to occur outside that state? Traditionally, courts refused to find jurisdiction over persons that did not have some connection with a jurisdiction or whose activities did not substantially affect that jurisdiction. The development of business and financial trading over the internet has greatly expanded the range of activities that can be said to touch or affect a particular jurisdiction. Legislators, courts, and legal academics are all currently grappling with how to reconcile jurisdictional doctrines formulated in the pre-computer age with current business and finance practice. This paper focuses on

jurisdictional challenges relating to digital-age finance, looking at specific problem areas and proposing standards to govern personal jurisdiction determinations in the new, computerized world of finance.

Keywords: Finance, Jurisdiction, High Frequency Trading, Bitcoin, Cryptocurrency

The Relationship between Firm Characteristics and the Performance of Sustainability Reporting: A Research on Companies Listed on BIST Sustainability Index

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Abstract

Over the last decade, sustainability reporting plays a key role in both profit and non-profit environment. The increasing amount of financial and nonfinancial effects of sustainability reporting has provided rising in the number of companies that published the sustainability report in Turkey. The main objective of this paper is to investigate the relationship between firms' characteristics and sustainability reporting information level measured in accordance with Global Reporting Initiative's (GRI) G4.0 Index in Borsa Istanbul Sustainability index companies between the years 2014 and 2016. The guidance of the sustainability reporting organize disclosure into three categories such as economic, environmental and social. Our study finds out whether the level of information disclosure for sustainability performance differs according to firm's characteristics that have been divided into four groups ownership structure measured by free float rate, company size measured by total assets, sector and company age. One-way analysis of variance (ANOVA) method was applied in the research to determine whether there are any significant differences between the firms' characteristics and sustainability reporting information level. The results provide evidence of association between firm size and sustainability reporting information level for all categories of sustainability reporting. Besides, the results indicate that environmental and social categories of sustainability reporting levels were significantly correlated with free float rate and sector. However, we were not able to find any significant relationship between firm age and economic and environmental categories of sustainability reporting levels. This study supports idea that firm characteristics are related to the sustainability reporting performance.

Keywords: Sustainability Reporting, GRI, One-Way Anova Analysis, Economic Disclosure, Environmental Disclosure, Social Disclosure

HUMAN RESOURCES II

Chair: Joanna Sadkowska
Room: E128

Burnout among Academics: An Empirical Study on the Universities of Poland

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Iwona Werner
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Abstract

Professional burnout has been a growing problem not only for employees, but also for their organizations, affecting the organizational costs as well as employee health and well-being. The article is based on the Job Demands-Resources model of burnout (Demerouti & Bakker, 2008; Bakker & Demerouti, 2017). This model consists two dimensions: exhaustion, i.e., general tiredness, bad mood, and fear in reaction to organizational stress, and disengagement, i.e., withdrawal from one's work owing to difficulty in meeting professional requirements. The purpose of the study was to examine the level of

burnout among Polish academics. The sector of higher education in Poland experience significant changes and subsequent major changes are proposed. This evokes the need to permanently adapt to external demands so that to fulfill the expectations of the academic supervisors as well as external stakeholders. Thus, dynamic environment, which requires constant adaptation creates demanding working conditions at the universities. Data was collected from 199 women and 141 men working as academic staff in private and public universities in Poland. To measure the level of occupational burnout The Polish adaptation of Oldenburg Burnout Inventory (OLBI) was used. Analysis of the study showed that employees have higher level of exhaustion than disengagement. Sociodemographic characteristics and job characteristics were used as a differentiating variables.

Keywords: Burnout, Job Demands-Resources Model, Academic Staff, Oldenburg Burnout Inventory

Gamification in Organizational Behavior and Human Resources: A Review of the Studies

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Abstract

With the increasing participation of Millennials to workforce, organizations strive for retaining them by applying new trends. One of the strategies that becomes popular for the last decade is gamification. Gamification refers to “the use of game design elements in non-game contexts” (Deterding et al., 2011). The aim of gamification is to do the routine tasks more engaging by utilizing game characteristics such as challenge and competition and other factors like fun and social rewards (Sarangi & Shah, 2015). Despite its popularity, based on 2018 report, L&D Global Sentiment Survey has shown that it is losing favor in learning and development field in the last four years, which supports Gartner (2012) who predicted that “80 Percent of Current Gamified Applications Will Fail to Meet Business Objectives Primarily Due to Poor Design”. It is believed that better designs are originated from more scientific research. The aim of this review is to gain a thorough understanding about the gamification studies in organizational behavior and human resources area that have been done so far. This study systematically reviewed over 40 conceptual and empirical papers published on gamification in organizational behavior and human resources literature between 2011 and 2018. The review of the literature was done according to the suggestions of PRISMA Checklist (2015). This review indicates that gamification is used in not only in learning and development but also in a variety of fields including personnel selection, training, performance management as well as a trigger for employee well-being. Compared to the conceptual papers, few empirical studies were done which may be a promising avenue for future research.

Keywords: Gamification, Organizational Behavior, Human Resources

Human Resources Management Disclosure by Banks in Russia: Referent Work Systems

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Abstract

The paper reports research on the extent, content and the quality of the HRM disclosure by banks in Russia for the 2016 period. Content, thematic, correlation analyses and methods based on means comparison allowed analyzing voluntarily published annual reports of the top 100 banks in Russia (n=18). This is a qualitative study, although it refers to quantitative techniques to explore referent standards, which banks use to improve perception of HRM success, associated with better banks' performance. Findings suggest that current level of the HRM disclosure by banks in Russia is moderate. The quality varies across the explored themes. The most disclosed aspects and reasons behind their disclosure are discussed. Consistent with the previous research, disclosure is stimulated by the

supervising authorities, showcasing similar to existing in Anglo-Saxon countries latent referent standards for HRM strategies: HPWS, HCWS and HIWS. National specificity lays in the role of HR managers and the reasons for selecting preferable HRM system. Results summarize aspirational approaches to HRM and the reasons for their choice; help understanding priorities in HRM; support debates around measuring and reporting success in HRM

Keywords: Human Resource Management Strategy, Institutional Theory, Banks, Russia, Institutional Voids, Disclosure, HPWS, HIWS, HCWS

Do Generation X and Millennials Differ in Perception toward Pay for Performance and Proactive Behavior?

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Abstract

Generational differences will cause different effects on the way employees view and perceive the policies designed by their organizations to motivate them, one of which is pay for performance. Various interpretations of financial reward as a result of generational differences will then produce diverse employee work motivations and behavior. The purpose of this study is to examine the differing perceptions of pay for performance between employees from Generations X and Y, and the effects of those perceptions on proactive behavior. The total number of respondents in this research is 355 employees, which are made up of 156 respondents from Generation X and 199 Millennial respondents. Results of the t-test show that there are differences in perceptions of pay for performance between Generations X and Y ($p < 0.05$) as well as in intention to demonstrate proactive behavior between these two generations ($p < 0.05$). Generation X give higher positive evaluation on pay for performance compared with Generation Y. Intention to behave proactively is shown more by Generation X compared with Generation Y. Results of the regression test show that pay for performance has a significant effect on employee work motivation for both Generations X and Y ($p < 0.05$).

Keywords: Generation X, Generation Y (Millennials), Financial Reward, Motivation, Proactive Behavior

Workplace Expectations versus Reality: Are Millennials so Different?

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Abstract

Today's conditions in the workplace are frequently characterized as the worst economy since the Great Depression and hunt for a job becomes extremely difficult for candidates, as well as employers, complain that it is impossible to find suitable employees. Currently, the labor market is dominated by three generations of employees – baby boomers; generation X and millennials. For a growing number of employers, understanding the needs and expectations of employees, especially the millennial generation is crucial. The purpose of this research is to determine the gap between expectations and realities in Latvian job market with major focus on generational differences and millennials. The quantitative study is based on secondary and primary data. Survey ($n=1957$) presents the differences between expectations and realities in respect to eight aspects of the work environment (job content and clear aims; management responsiveness; level of job stress; teamwork; career growth possibilities; safety and security; job satisfaction and job search preferences), remuneration and work-life balance as well as identifies major differences between generations. Data is gathered by a structured questionnaire and analyzed using the SPSS21 software. The results highlight significant differences between workplace expectations and reality. The major differences are between the acceptable level of job stress and experienced level of stress; job planning and aims. A significant gap exists between the level of expected salary and reality. Transparency of the remuneration system being the major contributor to this gap, it appears to be more important for generation X than for other generations. Career growth possibilities present a huge difference between expectations and reality and it appears to be much more

important for Millennials than for other generations. Ensuring proper work-life balance is the most important for millennials, still, the reality is not as expected. In relationship to all examined aspects gaps between expectations and reality for Millennial generation employees, however, are not much different from other generations. Conclusions present specific motivational work design related recommendations for millennials. The managerial implications for employers are related to ensuring transparency of HR systems – remuneration, career growth and improving work-life balance.

Keywords: Labor Market, Employee Expectations, Generations, Millennials

The Dilemma of the Effectiveness of Performance Appraisal in the Civil Service of Pakistan

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Abstract

Performance appraisal is an important management tool used for assessing employee job performance, to make decisions regarding employee incentives and rewards, and providing feedback or training to develop employee skills and competencies. It is generally agreed that performance appraisal can benefit employees and organizations, but for that, the performance appraisal techniques and instruments need to be fair and objective. Employees may positively react to the performance appraisal systems if the design of such systems involve employee input and the evaluation corresponds to the respective job descriptions. The current study aims at examining the effectiveness of performance appraisal system in the public sector of Pakistan. The study is qualitative in nature and draws on the literature in 'new public management'. The study led to explore that the process of performance appraisal of civil servants in Pakistan is highly subjective. It is used as a tool for making decisions regarding employee promotions, but the evaluations are mainly based on criteria irrelevant to merit because of the use of subjective and generic evaluative instruments. Since evaluations are entirely secret, that is why one of the core objectives of performance appraisal, which is performance improvement is not achieved through performance appraisal system. More specifically, the study indicates that factors such as an administrative culture rife with cronyism, high centralization, and conflict of interests between policy-makers may contribute to the design of a performance appraisal system that lacks fairness and objectivity. It transpired that the positive effects of the performance appraisal system in the Pakistani public sector are sparse because it is not designed in collaboration with employees, it lacks transparency and its utility for performance improvement is vague. We suggest practical implications and directions for future research.

Keywords: Performance Appraisal, Evaluation, Public Sector, New Public Management

Workers' Job Satisfaction in Japanese Companies, Tan Thuan Export Processing Zone, Ho Chi Minh City, Vietnam

Nguyen Thu Lan
Waseda University, Japan and Hochiminh City National University, Vietnam

Abstract

The purpose of this study are to examine the satisfaction levels of workers who work in Japanese companies in Tan Thuan Export Processing Zone, Ho Chi Minh City and to evaluate the difference in satisfaction between male and female workers with job characteristics, income, benefits, and work environment. The sample size includes 96 male workers and 216 female workers. Besides, the Cronbach alpha and Independent t-test were used to analyze the data in this study. The results and discussions show that there are no significant differences between male workers and female workers in factors: job characteristics, income, benefits, work environment (Sig > 0.05). Following the results, we found that most of the workers were satisfied with the high level of items "the job suits your ability"

(Mean=3.70; Mean=3.67), “the division of work is reasonable” (Mean=3.54; Mean=3.47), “the work you are doing is interesting” (Mean=3.75; Mean=3.70), “work has no pressure, challenge” (Mean=3.76; Mean=3.79), “you feel safe in work” (Mean=3.80; Mean=3.77), “income is at the same level as other Japanese companies” (Mean=3.51; Mean=3.47), “the company offers a full of social insurance policy” (Mean=3.96; Mean=3.95), “day-off and holiday policy are reasonable” (Mean=3.92; Mean= 3.91), “the company has regular medical examinations” (Mean=3.88; Mean=3.90), “you get support form the labor union” (Mean=3.80; Mean=3.74), “the company equips fully with labor protection equipment for workers” (Mean=4.15; Mean=4.05), “work environment is comfortable” (Mean=3.82; Mean=3.77). On the other hand, both male and female workers have the low satisfaction level in items “your income matches the results of your work” (Mean=2.58; Mean=2.44), “you live on a company income” (Mean=2.40; Mean=2.24), “the company’s salary and bonus policy are reasonable” (Mean=2.61; Mean=2.50). Although they have the low satisfaction level in factor income, 81% of workers in the survey still wish to work long term in Japanese enterprises. This study concludes that Japanese businesses should review and adjust policy of salary to be more reasonable and fair for workers. Job satisfaction research is therefore essential to help the companies find ways to retain employees and increase productivity.

Keywords: Job Satisfaction, Working Conditions, Income, Benefit, Work Environment

MARKETING II

Chair: Ramona-Mihaela Paun

Room: E129

Source Credibility Perceptions of University Students in Turkey towards Celebrity, Expert and Peer Endorsers and its Effect on Purchase Intention

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Marmara University, Turkey

Emine Cobanoglu

Marmara University, Turkey

Abstract

Today, the use of social media has become widespread throughout the world. For companies, it is possible to promote their products/services on the social media with lower budgets. Companies often use endorsers as a message source for promoting their products/services in social media. The advice from a credible source can positively affect the purchase intentions of people. It is important for companies to be able to identify the credible source: is it a celebrity, an expert or a peer. If the companies identify this correctly, they can choose the more credible endorser, use their communication budgets more effectively, increase customers' intention to purchase and increase their own profitability. The purposes of this study are; to explore the source credibility perceptions of university students to different kind of endorsers (celebrity, expert, peer) on Facebook and to inquire the relationship between source credibility and purchase intention for different endorsers. An experimental research design is conducted for investigating whether respondents' source credibility perceptions would differ depending on the type of the endorser (A celebrity, an expert or a peer). The sources publish the same positive message about a hotel in their Facebook pages, the respondents are divided into three groups randomly and asked about their perceptions of the source credibility and their intention to purchase that hotel service. The data were collected by face to face survey. The sample of the study consists of 530 university students from five different universities of Turkey. Factor analysis, reliability analysis and regression analysis were used for analyzing the data. According to results of the study, respondents find celebrity more credible than expert and peer. For all endorser groups, source credibility has effect on purchase intention. For companies that want to promote their products in social media, this finding emphasize the importance of using credible endorser in social media.

Keywords: Source Credibility, Purchase Intention, Celebrity, Expert, Peer

Companies Image Evaluation using Social Media and Sentiment Analysis

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Ramona-Mihaela Paun
Webster University Thailand, Thailand

Abstract

While the scientific literature contains many slightly different definitions for the image of a company, they all put a great emphasis on its importance. Constantly monitoring the factors that could positively or negatively influence the image of the company has long been a daunting task, due to both their number and the difficulty in collecting up to date information. However, the last few years have witnessed an amazingly fast-paced growth in the usage of social media networks, including Twitter. Many of the messages posted on these social media networks contain strong sentiment and emotion indications regarding almost any topic, therefore turning them into a rich and almost real-time data source for analyzing the public's opinion on various subjects, including many of the factors that can influence the image of companies. Thus, in the present paper we propose a Natural Language Processing - NLP approach for monitoring and evaluating the companies' image by extracting information from social media messages posted on Twitter. We start by creating a semantic web representation of the factors that can influence the image, under the form of an ontology. The ontology is afterwards used in order to filter from the huge amount of tweets published every minute, only the ones that can prove relevant for the analysis. In the next step, aspect-based sentiment and emotion analysis is employed in order to determine the sentiment or emotion expressed by the social media user regarding the factors influencing the company's image. Sentiment analysis is used to determine whether a text expresses a positive, a negative or a neutral perception, also known as polarity. While knowing the perception of the user is definitely important, analyzing the categories of emotions contained in Twitter messages using emotion analysis can provide even more information, by putting the focus on the actual feelings, such as joy, surprise, sadness or anger. The results of the analysis are stored as semantically structured data, thus making it possible to fully exploit the possibilities offered by semantic web technologies, such as inference and accessing the vast knowledge in Linked Open Data, for further analysis.

Keywords: Company Image, Social Media Analysis, Sentiment Analysis, Semantic Web, Twitter

Target Group Segmentation and Cluster Analysis of German Equestrians

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Abstract

Horse riding is deeply rooted into the European equestrian heritage, triggering a specific consumer behavior based mostly on key values such as fitness, success and social recognition. Riding schools are the main access point to equestrian sports and thus of great importance to the entire industry. This research intends to elaborate on how the horse riding service providers (mainly riding schools) could become more competitive and more sustainable through understanding consumer buying behavior. The first stage of the research was to identify the consumer segments of the German horse riding market, more precisely potential and existing equestrians. A sample of 679 people was investigated via an on-line survey. The main findings of the cluster analysis are that Cluster 1 – formed by the youngest respondents- is driven mainly by the desire to compete, be healthy and fit, be successful and active. Moreover this segment seems to be willing to pay the most for the 'perfect single riding lesson'. Cluster 2 – having the highest income and education - is not driven by new trends but rather by an everlasting and traditional love for equines and partnership with the horse and also by pastime – relaxing opportunities. In this group we can find people interested in other equine activities such as: hacking,

groundwork, horsemanship, endurance riding or working equitation. The last group - Cluster 3 also gives low importance to competition, success and thrill, but values exercising/being active and health and fitness more than the previous cluster. Overcoming fears, sociability and work/life balance are also important motivations, but not as much as for Cluster 1, whilst social recognition and the fact that riding is trendy only play a minor role in their decision. According to the self-evaluation of Cluster 3 equestrians they have the lowest riding skills being also the oldest group. With an average of 40 euros this group would be willing to pay the least for the 'perfect single riding lesson'. Yet, they are the ones who are currently paying the most for their equestrian training.

Keywords: Market Segments, Cluster Analysis, Riding Schools, Equestrians

Investigating Benefits of Combining Content Marketing and Viral Marketing - Practical Case Study (Book Summary Videos)

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Dusan Mladenovic
Masaryk University, Czech Republic

Abstract

Main goal of this paper is to analyze the benefits of combining viral marketing and content marketing on a practical case study and create a knowledge base from the final results. In the first place, as a background check literature review has been implemented to find the similar researches done by other authors in the area and it was confirmed that no author has implemented similar practical case study. This research paper is executed on a specific practical case. However authors believe that results can be also applied to different areas which aim to get higher variety of benefits from combination of viral marketing and content marketing. Expected benefits of this paper for academic community can be divided into 3 parts. Firstly, research results can be applied to the preparation of educational materials specifically for Millennials (born after 1994) that prefer learning from videos (43%) rather than traditional sources such as books and journals. Second, it can help us to understand what combination of features increase the watch time and receives higher level engagement from the audience. Finally, it might lead to further researches in order to find out more effective ways to deliver the message to a target group.

Possibilities for Expanding the Use of Mean-End-Chains

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Abstract

Mean-end-chains are an established tool for investigating consumer motives. This tool, however, has one great constraint. It does not allow comparisons between the motives of representatives of different cultures. The method uses the Rokeach set of values. Research has been conducted among representatives of certain cultural communities, but not among representatives of different cultures. The reason is that the Rokeach value set is not designed for intercultural research. For such purposes, value sets of type "value - anti-value" (value continuum) are appropriate. Such is the system of values by Schwartz. The purpose of this study is to provide certain evidence that the Schwartz system of values can successfully be combined with the mean-end-chain methodology. Since the values by Schwartz have been verified in intercultural studies, mean-end-chains based on these value set will also be suitable for that purpose. A study of the motives for the purchase of residential properties was carried out as an illustration of the feasibility of the proposed approach. The data is collected through a survey of students. The results obtained suggest that the proposed approach is suitable for studying buyers' motives. In the future it is necessary to explore the possibility of using the approach in intercultural marketing research.

Keywords: Mean-End-Chains, Rokeach Value Survey, Schwartz Value Survey, Motives for Purchase, Residential Properties

LUNCH: 13:30-14:30**DAY 3 - SESSION III: 14:30-16:30****HEALTH ECONOMICS II****Chair:** Asuka Oura**Room:** E104**The Impact of E-Cigarette Regulation on Illicit Trade in Tobacco in the European Union****Mark A.R. Kleiman**
New York University, U.S.A.**Jonathan Kulick**
New York University, U.S.A.**James E. Prieger**
Pepperdine University, U.S.A.**Abstract**

E-cigarettes are used as substitutes or complements to smoking, and their popularity in the European Union has increased dramatically in recent years. Regulation of e-cigarettes—and research on it—is still nascent. The effects of product or usage bans and policies impacting tax rates, advertising, and allowable nicotine concentrations for e-cigarettes on prices and purchasing behaviour of e-cigarettes and tobacco and on public health are unclear. Given that countries in the EU recently implemented new harmonized legislation regarding e-cigarettes, which made the products more available in some countries but less available in others (compared to the previous unequal regimes), study of the interplay among e-cigarettes, smoking, and illicit trade in tobacco products (ITTP) is of heightened importance. We empirically examine the potential unintended consequences of e-cigarette regulation on consumer behaviour and ITTP, and econometrically test the hypothesis that regulations designed to restrict the size of the e-cigarette market lead to an increase in the size of the illicit market. We gather information on regulation and taxes on e-cigarettes and tobacco in EU countries over the past decade. Our modelling allows for interdependency between these two markets. Of main interest is whether the availability of e-cigarettes as alternative nicotine-delivery devices reduces the (currently substantial) ITTP. The mechanism examined is whether e-cigarette usage reduces demand for tobacco, which in turn reduces demand for illicitly supplied tobacco. If so, then regulatory policies that negatively impact the price or attractiveness of e-cigarettes will have the indirect, unintended consequence of stimulating (or failing to reduce) smoking and ITTP, with negative consequences for public and private health. Given the various markets involved (e-cigarettes, conventional cigarettes, and illicit cigarettes), the econometric models are multi-part. We estimate the relationships among e-cigarette demand, cigarette demand, and ITTP with IV and GMM single-equation and joint estimators. Results are summarized as estimates, for each country, of the effect on the size of the ITTP market of a 1% change in the price (or tax) of e-cigarettes or a 1% increase in e-cigarette market penetration. The paper concludes with implications for policymakers and public health officials in the EU.

Keywords: Smoking, E-Cigarettes, Harm Reduction, Tobacco, Illicit Trade, Black Markets, Tax Evasion, Tax Avoidance

Socio-Economic Determinants of Health Status among Older Adults in Poland

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University of Warmia and Mazury in Olsztyn, Poland

Abstract

One of the basic needs of the people is a good health that is central to human happiness and well-being. The healthy populations are more productive and live longer. On the other side the health of individuals and communities depends on their circumstances, environment and many other factors. According to the World Health Organization, the determinants of health include: the social and economic environment, the physical environment, and the person's individual characteristics and behaviors. The aim of the study is to investigate the health status of older adults (persons aged 50 or higher) from Poland, and to identify the factors affecting their health among socio-demographic characteristics. The source of information used in the study was the panel data from wave 6 of SHARE (the Survey of Health, Ageing, and Retirement in Europe). This database contains micro data from over 120 000 interviews with people over 50 years old from most of the EU countries and gives a broad picture on their health, socio-economic status, life satisfaction, social and family networks. The main methods used in this study to calculate the associations between socio-economic determinants and health, were analysis of correlation and multiple regression. Main socioeconomic indicators used in the analysis were education, occupational class, wealth and income. Also, gender and age were examined as potential moderators of investigated relation. Health indicators included self-reported physical and mental health statuses, number of chronic diseases and self-perceived health. An understanding the determinants of the health of the ageing populations can be important for health policy and planning of each country.

Keywords: Health Status, Socioeconomic Determinants, Regression Analysis, Share Data

Interaction of Industry 4.0 and Health Policy - Social and Financial Consequences on Healthcare Sector

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Toros University, Turkey

Kemal Er
Istanbul Gelisim University, Turkey

Abstract

The future project Industry 4.0 aims to enable German industry to be prepared for the future of production. So, new chances arise from the fourth industrial revolution for German economy in all sectors. The economy is on the threshold of the fourth industrial revolution. Behind the buzzword Industry 4.0 lies the vision of machines that communicate with each other and inform each other about defects in the production process. Intelligent factory arises. Thus, digitization and the digital economy are currently considered as the drivers of the working society in transition. Customers and business partners are directly involved in business and value creation processes. The production is associated with high quality services. In the first part of the study, Industry 4.0 is described in detail. Second part shows application of digital technologies and the financial situation of German hospitals. The following section examines the application of digital systems in German health sector and finally in conclusions and recommendations are presented.

Keywords: Industry 4.0, Digitization, Healthcare, Business Models, Financial Gap

The Informational Value of Reference Pricing; A Quasi-Experiment

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Abstract

Background: Reference price based reimbursement is a health insurance model. The patient is reimbursed up to a limit; the reference price. The part of the caregiver's price that is above the reference price, the patient pays herself. In addition to capping the insurance provider's costs, a reference price system also influences caregiver prices since differences in reimbursement give patients a monetary incentive to avoid high price caregivers. The previous literature assumed this was the only mechanism behind the effect of reference pricing on caregiver prices. I.e., a change in the reference price only influence demand if it lead to changes in patients' expenses. I argue that there might be additional mechanisms; the relationship between caregiver- and reference price give information on how "reasonable" the caregiver price is. Objectives: A) To test if the Swedish reference price based reimbursement system for adult dental care influenced caregiver's prices. B) To test if the reference price has a larger influence for uncommon treatment items than for common ones. This would indicate the presence of an information effect. Data: Quantities, caregiver- and reference prices for all treatments item covered by the Swedish dental reimbursement system between 2008 and 2016 (N≈130 million). Methods: The reference prices for ≈170 dental treatment changed 8 times between 2008 and 2016. Updates were done because average production costs changed. But for a subset of dental treatments and occasions the reference prices were also re-calculated to correct for past errors. By comparing caregiver prices for the corrected treatment items to synthetic control groups of unaffected items, causal effects of the reference prices were identified. Results: A) A one percent change in the reference price lead to a 0.3 percent change in the market price. B) The less often a treatment was performed, the greater was the effect of the reference price on market prices, when controlling for patients' expenses, the size of the clinic and other predictors. Conclusions: The fact that the effect of the reference price on the dentists' prices was correlated with how common the treatment was, suggests that either patients or dentists use the national reference price as a source of knowledge about the distribution of caregiver prices on the market. This implies that the previous literature missed how the reference prices themselves could influence the health care market.

Keywords: Reference Price Based Reimbursement, Dental Care, Synthetic Control Method, Quasi-Experimental Design

Economic Efficiency Estimation of Remote Patient Monitoring System based on Telemedicine Technologies in the Russian Federation

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**Oksana Yurevna Iliashenko
Peter the Great St. Petersburg Polytechnic University, Russia**

**Victoria Mikhailovna Iliashenko
Peter the Great St. Petersburg Polytechnic University, Russia**

Abstract

One of the most important and promising directions of introducing information and telecommunication technologies into the healthcare system in Russia is the development of a methodology for prolonged monitoring of the patient's condition and remote consultation by the attending physician. This interaction between the doctor and the patient involves the use of telemedicine technology. This is due to the fact that many diseases that hold leading positions in the structure of morbidity, disability and mortality of patients require active monitoring of the patient, including during the period between planned visits to the clinic. The creation of such systems can not only prevent medical errors, facilitate rapid response, but also helps to solve the most global problem in any chronic disease - poor adherence to treatment.

Therefore, the development and implementation of a remote consultation system based on telemedicine technology will reduce the burden on the outpatient unit by reducing the need for visits to the doctor and significantly improve the quality of medical care. However, the use of telemedicine technologies requires a change in the existing business process of medicine center and process of information exchange between participants in this process-regional and federal medical centers. The article analyzes model of information exchange between federal and regional medical centers using telemedicine technologies for remote monitoring in terms of economic efficiency and applicability in the Russian Federation. The possible ways of developing a remote patient monitoring system using telemedicine technologies are indicated.

Keywords: Remote Consulting System, Economic Efficiency Estimation, Telemedicine, Business Processes, Model of Information Exchange

FOREIGN DIRECT INVESTMENT (FDI)

Chair: Steven McNamara

Room: E127

Threshold Effect of Intellectual Property Protection between FDI and Economic Growth

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Chen Heng

Harbin Engineering University, China

Abstract

Foreign direct investment (FDI) is considered as the important factor in technical progress and economic development, which has become the main external economic sources, especially in China. At the same time, under the international competition of knowledge economy and the requirements of agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), intellectual property protection (IPP) has become the most important symbol of knowledge economy. Therefore, the impact of FDI on the domestic economic growth has been paid more and more attention, and a large number of previous researches focus on the linear effects of FDI on economic growth, while studies in view of China's technology and economic development from the perspective of intellectual property protection is very little. This paper selecting panel data of 30 provinces in China during 2002-2012 and using nonlinear panel threshold regression to introduce the nonlinear threshold feature of intellectual property protection into the model, and exploring the mechanism between FDI and economic growth to find out whether the more FDI are the better. The research shows that the impact of FDI on the economic growth is still limited to level of intellectual property protection, which too high or too low is not conducive to the promotion effect of FDI on economic growth in the China's current transition period. On the whole, the threshold effect of regional heterogeneity is obvious and FDI have a nonlinear influence, in particular, changing with the level of IPP.

Keywords: Foreign Direct Investment, Economic Growth, Intellectual Property Protection, Threshold Effect, China

The Economic Specificity of USA Foreign Direct Investments to the Selected European Union Countries

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Abstract

The EU and the US are the biggest economic and military powers in the world, despite the lack of a common EU defense policy. They dominate global trade, they play the leading roles in international political relations and what one says matters a great deal not only to the other, but also to the rest of the

world. And yet they have regularly disagreed with each other on a wide range of specific issues, as well as having often quite different political, economic, and social agendas. The international relations of EU and US are based on some basic points such as economy, politics, law and culture. All of them are connected and no one should be omitted while communicating. In order to maintain good relations between EU and US special attention must be paid on these four points of partnership. Thus, various agreements, meetings, contracts, protocols and etc., require mutual understanding between both sides and understanding of the cultures gradually became an integral part of the communication. Regarding that, the problem examined in the research paper is how economic aspects impacts foreign direct investments to the EU member states? The outcomes of the research is significant and relevant, because it can contribute to further research related to investments and their trends. The aim of the article is to investigate the economic aspects of USA's foreign direct investments to the EU member states. The object of the analysis is USA's investment partnership with the EU. The tasks of the article are: to identify the specificity of EU investment policy with USA; to make the research in order to classify economic investment fields in the EU member states; to generalize the main investment trends in EU member states. The following research methods are applied in this research paper: literature review and synthesis; descriptive analysis of the current investment situation from US to the EU, partnership investment challenges, problems and trend; systemic – quantitative analysis of statistical data. The problem examined in the research paper – how economic aspects impacts investment from US to the EU member states. There are identified TTIP role and specificity of development in bilateral USA-EU relations, later examined agreements and legal basis affecting exports from USA to EU. Classified and investigated the main USA-EU investment trends. Generalized the main aspects of investment trends from USA to EU.

Keywords: Foreign Direct Investments, USA, European Union, TTIP, EU – USA Investment Trends, Economic Aspects

Location Determinants of Foreign Direct Investment in Services Evidence from Chinese Provincial-Level Data

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Abstract

This article analyzes the location determinants of foreign direct investment in services, both theoretically and empirically. Based on the standard theory of FDI, it hypothesizes four sets of factors as the location determinants of FDI in services. These hypotheses on China's foreign direct investment are tested empirically by utilizing panel data for 17 provinces and cities from 2000 to 2010. The estimation results from the empirical analyses provide considerable support for the importance of these four sets of factors in determining flows of foreign direct investment within a country. In addition, the article compares the determinants of inward FDI in services with those of the manufacturing within one framework, and concludes that FDI in services tends to be motivated by market-seeking and client-following purposes as manufacturing FDI. Therefore no particularly new theory for explaining service FDI is required; only an adaptation will do.

Keywords: Foreign Direct Investment, Services, Location, Determinants

Determinants of Foreign Direct Investment from OECD Countries in Poland

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Abstract

The goal of this paper is to study empirically the determinants of foreign direct investment (FDI) coming from the OECD countries over the period 1990–2015 accounting for individual fixed and random effects for particular home countries. The research is conducted with the reference to the so-called new theory of the multinational enterprise (NTME) that allows deriving a number of empirically testable hypotheses and distinguishing between horizontal and vertical motives for undertaking FDI. The assembled empirical evidence shows that Poland attract both horizontal and vertical investment motivated by host

country market access and cost reduction motives, respectively. In addition, empirical evidence shows that multinational enterprises coming from EU member countries are more involved in production activities in Poland compared to investors from other OECD countries

Keywords: Foreign Direct Investment, OECD, Poland

Cross-Border Mergers and Acquisitions as Growth Strategy

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Abstract

This study aims to identify research issues for international mergers and acquisitions (M&A) behavior by conducting a literature review in the field of cross-border M&A. It has been traditionally recognized M&A or corporate restructuring are a big part of the corporate finance sector. This study particularly pays attention to the cross-border M&A by emerging multinational companies, reverse cross-border M&A, as one of the growth strategies rather than corporate restructuring. By reviewing the existing literature in this areas, the paper leads to following two main findings: First, Emerging market companies tend to spend increasingly large amount of money on international M&A. Second, cross-border M&A by those companies serves as one of the most important means of their efficient growth strategies to compete in global market.

Keywords: Mergers and Acquisitions, International Investment Strategies, Growth Strategies, Emerging Market Companies

Dependence and Interdependence Factors in FDI Analysis in the EU Area

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Nicoleta Georgeta Bugnar
University of Oradea, Romania

Adriana Giurgiu
University of Oradea, Romania

Abstract

The study aims to identify the factors that determine the FDI attraction, to analyze the FDI dependence using the respective factors in the economies of the European Union in the period 2010-2016 and to examine the link between FDI – economic growth and impact of FDI on economic resilience. The hypotheses to be tested are: i. Investors place their investments in economies where labor is cheap, nevertheless economies that are growing economically; ii. Investors place their investments in economies where innovation is the factor favoring the level of earnings gained, economies showing economic stability. Considering a set of indicators (independent variables: GDP/capita, innovation, inflation, average wage, business environment) that influence FDI (dependent variable) and applying the multiple statistic regression method, including the significance testing by means of Fisher's exact test, significant results were obtained on attracting FDI in the EU countries in the period 2010-2016: whereas at the beginning of the analyzed period the investors followed the average salary factor, after 2012 this factor was not considered a priority in making investment decisions, being replaced by innovation and stability of the business environment, the protection offered to investors included; these were factors that attracted FDI into the EU economies. The evolution of the EU FDI attracted in the period 2010-2016, together with the factors that led to it, show a good ability of these economies to overcome moments of crisis and to increase their economic resilience. The degree of resistance of the economy to the impact of circumstantial factors will influence the attraction of FDI in the respective economy and the level of FDI attracted by the national economy is influenced by the economic resilience.

Keywords: FDI, Economic Growth, Innovation, Resilience, EU

What are the Determinants of Foreign Direct Investment Location Choice? An Evidence from Indonesia

Yuhana Astuti
Waseda University, Japan

Abstract

The distribution of FDI in Indonesian provinces is not evenly distributed. This study applies a conditional logit model to address two questions: What are the determinants in the selection of locations for foreign direct investments in Indonesia? Does the existence of agglomeration in a province make the area more likely to be chosen as a location for FDI? The estimation results generally support the existing literature that provinces with large market sizes, good infrastructure, and low-cost factors have more opportunities to be selected as FDI locations. Then, the results show that agglomeration through cumulative FDI has a positive sign with high statistical significance in increasing the probability of a province to be selected. This means that the investment decisions of Japanese companies in the past have a significant influence on the locations of new investments. Furthermore, this study compares the FDI locations in primary, secondary and tertiary sectors which concludes that the effects of regional characteristics and agglomeration are not common in all sectors. Therefore, the policy on attracting FDI to Indonesia is proposed to be based on empirical details.

Keywords: FDI, Location Choice, Agglomeration, Sectors, Provinces

GROWTH AND DEVELOPMENT II

Chair: Eiji Okano
Room: E128

Financial Development, Economic Growth, and Institutional Features: Is There a Common Pattern?

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United Arab Emirates University, U.A.E.

Abstract

The literature recognizes a relationship between financial development and economic growth, but its importance is far from clear as it can be illustrated by many contradictory theoretical propositions and empirical findings. This paper objective is to test the relationship by splitting 108 countries in sub-groups that holds a particular common specificity such as level of competitiveness, legal system, new business entry rate, and income level. The pairwise Granger causality tests employed suggest that financial development plays a significant role for high income countries, or countries with high level of innovation which, in turn, correlated with countries with common law legal framework, but such significance cannot be asserted for the remained countries.

Keywords: Economic Growth, Cross-Country Study, Financial Development, Institutions

The Influence of Culture and Institutions & Policies on Economic Development: Evidence from the World

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Ilya Bolotov
University of Economics, Prague, Czech Republic

Abstract

Macúr Olson Jr. wrote influential paper Big Bills left on the Sidewalk: Why Some Countries are Rich, and Others Poor in 1996. In this paper he claims the differences in economic development are not caused by better or worse access to world's stock of knowledge, neither by the ratio of population to land or natural resources, nor by differences in any standard production function. He has, albeit at high level of aggregation, disregarded all of these factors in favor of just two: institutions & policies and culture. We build on his findings and try to prove it econometrically given much longer time series of data at our disposal since his article was published. We use cultural and economic policies indexes and correlate them with economic development of countries. Our results suggest there is indeed statistically significant link between the two.

Keywords: Economic Development, Markets and Institutions, Cultural Values, Hofstede Cultural Frameworks

Oil Sector of Russia: Basic Trends under the Terms of Current Macroeconomic Cycle³

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Yuliya Karpovich
Perm National Research Politechnic University, Russia

Oksana Butorina
Perm National Research Politechnic University, Russia

Abstract

Objectives: The purpose of the research is to determine the current state of Russian oil and gas sector, to identify the negative and positive factors regarding the development of the oil sector of the economy due to the peculiarities of the modern macroeconomic cycle. **Data and Methods:** Methods of mathematical statistics, system approach, methods of visualization of the analyzed data were used to obtain the research results. **Results:** The development of the economy of "resource" countries is largely determined by the state of the oil industry. At the same time, the functioning of the world oil market is a cyclical process that arises as a result of a delay in the world supply when global demand changes. Therefore, there is often a surplus or deficit on the market. The forecast reflects a decline in prices for petroleum products, and, consequently, a slowdown in the growth of hydrocarbon production, which affects the state of the country's economy. The oil industry has an impact on the country's economy as a whole, since it occupies more than 52% of the total Russian economy. **Conclusions:** It should be noted that the oil sector remains one of the most important components of the Russian economy. 10.6 million barrels of oil are produced on the territory of the Russian Federation daily, it covers about 12% of the world's oil needs, Russia is still using its position as an oil supplier. Nevertheless, the market should remain scarce for a sufficiently long time to reduce stocks and create conditions for a steady increase

³ The study was prepared with the financial support of the grant of RGNF "The analysis and model of management of production and investment cycles within the framework of the modern macroeconomic cycle in the economy of the region" No. 17-12-59005.

in prices. Despite some reduction in US inventories, this factor continues to have a negative impact on oil prices. It will take 1-2 years for the deficit to return to sustainable historical levels.

Keywords: Oil Sector, Oil Market, Macroeconomic Cycle

Multi Criteria Decision Making with Grey Additive Ratio Assessment (ARAS-G) Method: An Application on Evaluating the Logistics Performance Index of OECD Countries

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Burcu Adiguzel Mercangoz
Istanbul University, Turkey

Abstract

Multi-Criteria Decision Making (MCDM) methods support decision-making by mathematically expressing the decision making process. These methods provide solutions to the problems involving conflicting and multiple objectives. In this study we evaluate the OECD Countries' logistical performances. The Logistics Performance of most countries is calculated by World Bank (WB) and it is accepted as an important indicator of logistical performance. Different from the World Bank survey, the fuzzy AHP method is used to determine the weighting scores of six indicators of LPI determined by World Bank Survey. For evaluating the logistics performance of OECD countries, Grey Additive Ratio Assessment (ARAS-G) method is used. OECD Countries are ranked according to the logistics performances calculated. This study provides a different area of field for ARAS-G method application.

Keywords: ARAS-G, Fuzzy AHP, Multi Criteria Decision Making, Logistics Performance Index

Consumption, Investment or Export Led Growth in Least Developed Countries?

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Abstract

The paper discusses the decomposition of GDP growth rates in least developed countries (LDCs) over the period from 2002 to 2016. The study covers 37 LDCs (28 countries from Africa, 8 Asian countries, and Haiti) and is based on the data retrieved from the World Bank Database. During the analyzed 15 years, several LDCs had an average annual GDP growth rate more than 7%. There were also least developed countries with negative or very low GDP growth rates. The aim of the paper is to show determinants of economic growth on the demand side in least developed countries. Based on the decomposition of GDP growth rates, LDCs can be divided into four groups i.e. countries with consumption led growth, investment led growth, export led growth and countries with mixed-type growth. Consumption led growth has dominated in the analyzed least developed countries. Growth rate of household consumption had the biggest contribution to GDP growth rate in Bangladesh, Rwanda, Sudan and Uganda. However, in the years 2002-2016, there were several least developed countries that recorded non-consumption led growth. Bhutan, Mozambique, and Senegal experienced investment led growth. Cambodia and Madagascar have become export-dependent countries.

Keywords: Economic Growth, Household Consumption, Investment, LDCs

On the Balance between Economic, Legal and Political Aspects of State Aids on the EU Internal Market Development

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Abstract

Competition policy and its legal framework constitute an inseparable part of the rules for the internal market. Among the competition rules addressed to States belong also regulations concerning the provision of State aids for the undertakings. Providing State support to a specific undertaking operating on a relevant market can give to it a competitive advantage that can distort the competition by placing other competitors to an adverse situation. Therefore in order to secure fair competition in the internal market requires to avoid such situations by placing clear rule that would prevent their occurrence. The purpose of the present paper is to examine the policy considerations that may be supportive for the explanation of the current concept of State aid as perceived within the EU law. The working hypothesis is that the current definition of State aid does not reflect only „economic“ or „legal“ considerations, and therefore, that it may not be fully explained by taking exclusively those factors into account. Instead, we may imply that it is influenced by objectives and priorities set by the EU Commission in relation to the State aid rules, together with the problems that the Commission had faced in enforcing those rules.

Two Speed Europe
Jaroslav Kundera, University of Wroclaw, Poland

Abstract

After more than 60 years of the EU entered in the deepest crisis since its establishment. Until now, considered to be the benefits of integration as the undisputed, which justify its increasingly extending to the new members. Meanwhile, in the last years, the EU passes through a number of crises related to economic downturn in the euro area, Brexit, the crisis of refugees. These crises have given rise to discussions in Europe as to the best methods of overcoming them. One of the possible methods to overcome the crisis and the rescue of idea of European integration is to escape forward through the implementation of the so-called the concept of “Europe two speed” The point is that some European countries see the need for deeper integration as panacea for crisis by improving the existing mechanism for cooperation. The purpose of this article is to analyze the concept of “Europe of two speeds”, its rationale, advantages and benefits and the possibility of its implementation in the context of the further evolution of the EU.

MANAGEMENT AND MARKETING

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Room: E129

The Effect of Anomalous Emotional Scenes in Children Movies on Future Revenues

Ahmad Adel Mostafa Abdeltawab
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Abstract

Studying children consumption behavior is a sensitive topic in general, and in Marketing in specific, because often the decision makers are not the consumers of the value offered, but parents as moderators and the possessors of purchase power. Accordingly, parent's pre-purchase acceptance is a crucial determinant. Several factors regarding children movies' ethical contents affect parents purchase decisions, including the level of emotional scenes displayed in the movie. This research aims to explore the effect of Anomalous Emotional Scenes (AES) in children movies on production company's future revenues, through the parents' acceptance, and, consequently, reactions. 791 participants/parents from 8 different countries participated through a crafted questionnaire for the purpose of the study. Taking into consideration Cultural and Religion factors influence; to ensure cross-

culture results. The findings driven from the quantitative analysis used in this research revealed that Anomalous Emotional Scenes perceived by parents in children movies negatively impact their demand for ethical concerns; influenced by the Culture factor, and not the Religion factor. Consequently reducing potential new and repetitive purchase, which subsequently affect the Incremental Earnings of the company, and thus, reduces the overall revenues of the movie. Accordingly, making AES a new additional factor that affects children movies revenues.

Keywords: Consumer Behavior, Parents Behavior, Decision Making, Revenues, Ethics

NeuroBarometer - Technology of Consumer Choice Estimation based on the Multimodal Brain Processes

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Abstract

Objectives: The NeuroBarometer project aims to create and develop a system of complex evaluation of marketing communications based on consumers' perception physiological data. The system consists of a number of blocks; each block characterizes consumers' reaction to marketing communications (video commercials, logos, billboards, etc.). The system estimates the following parameters: visual attention, audial attention, text complexity, memory retention probability, emotional engagement and quality characteristics of emotional reactions (emotional valence and type of emotion), subconscious interest to content details. The research objective is to determine physiological correlates of the processes mentioned above and to develop metrics that predict consumer behavior after perceiving the advertising materials. For each block, hypotheses regarding physiological reactions and behavioral acts were stated. **Data and Methods:** In order to test the hypotheses, 15 studies with 544 participants were run. Each study had experimental design according to research objectives. The main experimental framework consisted of demonstrating various stimuli types: video commercials, static images, and texts while EEG, GSR, photoplethysmogram, and eye-tracking data were recorded. The subjective self-reports regarding stimuli perception were also collected. **Results:** The collected data were cleaned from artefacts, pre-processed and then aggregated in order to build statistical models predicting visual and audial attention levels, estimate a level of text understanding, logo's and commercial's key message memorability, identify emotions evoked by advertising materials, and implicit associations with perceived stimuli. Statistical analysis using Student's T-test, PCA, EFA, logistic regression, SVM, KNN methods were applied to extract the features and predictors for the various models. IBM SPSS 22 and R environment were used to process the data. The relations between physiological reactions and consumers' behavior, such as reading and viewing patterns, memory retention, emotional experience based on subjective reports, and implicit associations test results were revealed. **Conclusion:** The obtained results allow creation of a complex system that estimates the effectiveness of advertising content by integrating various characteristics of the perceptive process: attention, cognitive processing (understanding and associations), memory, emotional experience.

Keywords: Neuromarketing, Consumer Research, Consumer Behaviour, Marketing Communications, Advertising Content

Antecedents of Informational Mobile Application's Continuous Usage: A SEM-Cluster Approach

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Abstract

The advent of 4G revolution and the increased usage of mobile phones in India lead to subsequent exponential growth in mobile applications, in particular applications focusing on utilitarian benefits. Previous literature postulated that the consumers prefer apps that provide information over entertainment and hence most of the studies focus on apps which provide hedonic benefits (book, shopping, games, music except banking) instead of the apps which provide utilitarian benefits (business, education, healthcare, medical, navigation, news). This study purposes to help the app provider to segment their customers based on the antecedents (information quality, system quality and interactivity) of the users intention to use the informational app continuously. The study has been done in two phases. First phase, is to verify the factors which affect consumers continuous intention to use an app with the mediating effect of perceived usefulness and perceived ease of use. Hence, SEM (structural equation modelling) is used for checking the model validity. The Second phase is to segment the customer by incorporating SOMs (self-organizing maps) and k-means algorithm with the validated factors of the first phase. The data was collected from 274 respondents and consists of students and working executives. The results show that the perceived usefulness is effected by interactivity, and perceived ease of use showed relationship with information quality, system quality and interactivity and finally both the mediating variables leads to continuous intention to use the app. Finally, the validated variable of SEM is taken as an input variable for the cluster analysis. The SOM identified four (a, b, c and d) clusters whereas k-mean identified two cluster (A and B) but the result also shows that the k-mean A (6.18) cluster is the combination of the SOM a (5.92) and c (6.49), and cluster B (4.87) is the combination of the b (3.50) and d (5.0). The 'A' cluster from the k-mean has maximum probability to use the app continuously whereas the B cluster has lesser probability to use the app continuously. The major implication is that the consumer base can be segmented based on the antecedents of the informational app and offered a customized marketing plan, engaging the consumer effectively and continuously with the app.

Keywords: Information Quality, System Quality, Continuous Intention To Use, Informational Application

Energy Efficiency Clusters and Platforms as a Potential for SMEs Development - Poland Case Study

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Abstract

Like in all Europe, SMEs is the dominant part of the Polish business scene. Nowadays, the way the energy is produced and consumed is based on new business models. Not only energy companies are instantly changing, but all sectors integrate innovative sustainability solutions into their business. Many research proved that business model innovation for sustainable development requires collaboration in form of networks and wider partnerships via modern platforms. Looking for new ways to access new technologies, trying to reduce energy consumption and CO2 emission or simply searching a new place on the changing market, SMEs access energy efficiency clusters to be more environmentally friendly and to find new business opportunities. The paper presents main motivators perceived on energy efficiency initiatives and joining energy clusters by Polish SMEs based on the results of the survey conducted in Poland. The study shows that the awareness of Polish SMEs according to collaboration and creating new business models is quite high, while the perception of platforms as a facilitator is still rather weak.

Keywords: SME, Cluster, Platform, Network, Energy Efficiency

Project Prioritizing in a Manufacturing - Service Enterprise with Application of the Fuzzy Logic

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Abstract

Selection of a project for execution constitutes one of the key decisions to be made by an enterprise management board, in an enterprise, performing many projects simultaneously. When selecting a given project for execution, several important factors should be considered, i.e. future profit, conformity of a project with the enterprise strategic plans, project execution cost, project execution time, etc. The above factors constitute major projects prioritizing criteria, and are of measurable and non-measurable character. In view of that, in order to prioritize projects, we should select such a decision process support method, which will standardize the criteria values selected. Fuzzy numbers theory may constitute one of such methods, facilitating decision making in a situation if two data kinds are available. The article includes presentation of fuzzy numbers application in projects prioritizing at manufacturing and service providing enterprises. The following criteria have been applied as a basis for projects prioritizing analysis in enterprise: NPV index, linked with the enterprise strategic aims, project execution cost, project time, project scope and risk. As the criteria selected were of measurable and non-measurable character in projects prioritizing evaluation, the fuzzy decision making system has been developed, in which a linguistic value has been defined for each criterion of projects prioritizing. Knowledge base has been developed afterwards, presenting cause-effect dependencies in projects prioritizing. Knowledge base consisted of conditional rules. Fuzzy system of decision making in project prioritizing has been developed in Matlab application. The system established, has been applied in projects prioritizing in a manufacturing and service providing company, operating in Poland, which provides services in design and implementing of automation systems and industrial electrical installations for technological installations, production halls and office buildings, machinery, manufacturing and processing equipment, power supply structures and water treatment plants as well as environment protection installations. Recently, the company consider execution of three projects: (1) electrical installation execution in an industrial building (2) execution of a lighting system of buildings and production areas (3) and execution of electrical installation in a water treatment plant. Due to the fact, that the enterprise has limited resources, the project has been subject to analysis in the concluding fuzzy system developed. The research conducted indicates, that the enterprise should first of all execute the water treatment electrical installation execution project, as the project received the highest priority rank.

Keywords: Prioritization of Project, Project Priority Criteria, Fuzzy Logic Fuzzy Decision Making

Production Technologies within the Enterprise Architecture Model in View of Digital Transformation

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Abstract

In view of digital transformation of business and reality, modern industrial enterprise is impossible without automation of processes, both production and management. The enterprise efficiency largely depends on effective data processing within a single information space of the enterprise. The implementation of the integrated automated management system of industrial enterprise, aligned with the business model, will allow to eliminate many problems arising in the creation, integration and development of automated systems, to create an effective enterprise management system, and reduce future expenses for the modernization and maintenance of production. Existing approaches to the design of the enterprise management system do not take into account the specific features of industrial enterprises, a significant role in the architecture of which the production technologies play. At the same time, the existing processes automation approaches often pursue the goals of local optimization of activities, not taking into account the requirements of the complexity of the automated system being created as part of a unified management system. The objective of the paper is to form a model of the industrial enterprises architecture, offering a comprehensive vision of business and technological processes, their IT support, IT and industrial infrastructure of industrial enterprises. The model is developed on the basis of the analysis of experience and existing practice of automation of large industrial enterprises in Russia in such sectors as construction, mining and processing industry, engineering. The methodological foundations of the work are business analysis, architectural approach (including the concept of service-oriented architecture) and the process approach. As a result of the adaptation of existing approaches to the modeling and development of the corporate architecture for industrial enterprises, the model representation of the enterprise architecture was complemented by the views associated with production technologies, and the combined effect of business and technological processes on the IT architecture of the enterprise was described. The implementation of a comprehensive industrial enterprise management system according to the proposed model, especially in the early stages of business design, will allow enterprises to improve the efficiency of the management system and reduce the costs for the integration of information systems in the future.

Keywords: Enterprise Architecture, Enterprise Management System, Production Technologies, Information System, Enterprise Efficiency, Digital Transformation

Tax Instruments and the Achievement of Tax Equity

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ESOMAS, Università degli Studi di Torino, Italy

Abstract

Deductions and tax credits are instruments usually adopted by tax systems, in addition to marginal tax rates, to get the desired tax revenue, together with other fiscal policy objectives, respecting vertical and horizontal equity requirements. The effect of marginal tax rates, deductions and tax credits is here

decomposed in order to detect whether and to which extent each of these three instruments violate tax equity.

Keywords: Equity in personal income tax, Equity violation decomposition, Kakwani-Lambert axioms

COFFEE BREAK: 16:30-17:00

GALA DINNER: 19:30-22:00

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