International Scientific Conference

EMERGING TRENDS IN ECONOMICS, CULTURE AND HUMANITIES (etECH2024)

Abstracts Proceedings

Riga 2024

International Scientific Conference „Emerging Trends in Economics, Culture and Humanities (etECH2024)'' – Conference abstracts proceedings. – EKA University of Applied Sciences/ Alberta College, 2024.

The proceedings contain abstracts from the conference sections. The style and language were not edited.

Chief editor: Dr. oec., Professor Jelena Titko, Vice-rector for Science at EKA University of Applied Sciences

SIA EKONOMIKAS UN KULTŪRAS AUGSTSKOLA / SIA ALBERTA KOLEDŽA

ISBN 978-9984-24-262-0 (pdf) / 978-9934-9004-7-1 (pdf)

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EMERGING TRENDS IN

MACROECONOMICS, INTERNATIONAL ECONOMICS, PUBLIC ECONOMICS AND FINANCIAL ECONOMICS

Michał Bernard Pietrzak. ANALYSIS OF REGIONAL POTENTIAL USING THE POTENTIAL QUOTIENT MODEL

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Abstract

Research purpose. The purpose of the study is to analyze the potential of economic development for municipalities of the Kuyavian-Pomeranian region in 2007 and 2017. The study uses the potential model and the potential quotient model to determine the potential of the system of regions.

Design / Methodology / Approach. The potential quotient model is the quotient of the income potential model and the population potential model. The magnitudes of income potential or population potential for selected regions are determined considering the value of the economic phenomenon for all regions and the physical distance between regions.

Findings. Scientific studies presented in the literature have confirmed that physical distance, which determines the degree of accessibility of a selected region to others, significantly shapes the size of potential, where the interaction between closely located regions is the strongest, and then weakens as the distance increases. An equally important determinant of the size of the potential of regions, in addition to physical distance, is their economic similarity, expressed by economic distance. This means that the use of economic distance in the procedure for determining the potential quotient should make it possible to take into account the spatial dependencies between regions that result from their socio-economic interconnections. Accordingly, the article will propose an author's procedure for determining the potential quotient while taking into account physical distance and economic distance simultaneously.

Originality / Value / Practical implications. In the article, the proposed procedure for calculating the quotient potential model is applied to the example of the analysis of regional development of municipalities of the Kuyavian-Pomeranian voivodeships region. Identification of the economic potential of the regions allows you to determine the development strategy of the entire system of regions through a differentiated approach in managing the development of individual regions.

Keywords: potential quotient model, potential model, spatial economic analysis, economic distance, physical distance

JEL codes: O10; C00.

Magdalena Szyszko[1], Aleksandra Rutkowska[2], Olena Motuzka[3]. CENTRAL BANK COMMUNICATION DURING THE WAR. THE CASE OF THE NATIONAL BANK OF UKRAINE

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Abstract

Research purpose. This study compares the National Bank of Ukraine's (NBU) communication sentiment and subjectivity during the pre-invasion and war periods. We hypothesize that the post-aggression sentiments are more negative, and the releases are more subjective. Except for the comparative goal, the study has a methodological goal. We test the applicability of the AI-based ChatGPT to decipher the nuances of NBU communication.

Design / Methodology / Approach. For this study, we collected 40 NBU post-decision releases and 555 Twitter/X posts from 2019-2023. We derived the sentiment and subjectivity of formal releases and social media posts by applying natural language processing methods. We applied dictionary methods using the general Harvard-IV dictionary, economic and financial lexicon and monetary policy-tailored dictionary. Apart from standard dictionary methods, we applied the VADER algorithm, designed to detect micro-blog tone, and ChatGPT. AI-based communication index was generated using the zero-shot GPT3.0. We also created a war dictionary to analyse the occurrence of war expressions. Multiple methods are applied to detect the sentiment and subjectivity. Then, we compared the sentiment and subjectivity before (2019-Jan 2022) and after the invasion (Feb-2022-2023) using statistical methods, including non-parametric tests.

Findings. We found statistically significant differences in the subjectivity and sentiment of policy releases before and after the invasion. The language of releases incorporates more war-related expressions. The VADER algorithm identified the changes in tweets' sentiment and subjectivity more precisely than standard methods. Results are robust regarding the methods applied. The dictionary matters. ChatGPT does not return stable results across multiple attempts; it is the least reliable tool to detect sentiments and subjectivity.

Originality / Value / Practical implications. This study builds on several aspects of the literature on central bank communication. First, we have the first historical possibility to observe the central bank's language when inflation targeting was implemented during the Internet era and the war hit the economy. Such a study is subject to multiple obstacles, like short time series and the observation of ongoing situations – without ex-post perspective. Second, we created a war dictionary to detect the words corresponding to military aggression, which could be applied to further examinations. Third, we compared two releases – more formal post-decision releases and Twitter/X posts of the NBU, which give a broader perspective. Most of the existing studies use only one release. Finally, our study applies multiple natural language processing techniques fed by three dictionaries and ChatGPT. We do not recommend the application of the latter as it returned unstable results.

Keywords: central bank communication; war language; natural language processing.

JEL codes: E58; D83; Z13.

Funding: The Foundation for Polish Science founds the study, grant no. PL-UA/2023/1: Policy communication, tools and effects during the war. The case of Ukraine and Poland

Žaneta Karazijienė[1], Miglė Eleonora Černikovaitė[2]. THE IMPACT OF THE PANDEMIC ON INTERNATIONAL TRADE IN THE NORDIC COUNTRIES

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Abstract

Research purpose. The COVID-19 pandemic had a major impact on international trade worldwide, and the Nordic countries were no exception. This paper analyses the changes in the international trade of the Nordic countries such as Denmark, Sweden, Norway and Iceland during the COVID-19 period, their export and import trends and the correlation of imports with customs policies. The aim of this paper is to shed light on the changes in international trade between the Nordic countries during the COVID-19 period. The Nordic countries stand out as countries with very strong economies, extensive civil liberties and high levels of social trust, which raises the question of whether the international trade processes of strong economies have been affected by the COVID-19 pandemic.

Design / Methodology / Approach. The study started with an analysis of the scientific literature, which identified the main theoretical aspects of exports, imports, international trade policy and customs policy. In order to determine the evolution of international trade in exports and imports of Nordic countries such as Denmark, Sweden, Norway and Iceland, the period 2015-2022 was studied in order to provide a more accurate assessment of international trade trends before and after the COVID-19 pandemic. The methodology of the empirical study included analysis of export and import data and regression analysis.

Findings. An assessment and analysis of international trade trends in the Nordic countries 2015-2022. The study found that Denmark, Sweden and Iceland's export and import flows increased steadily until 2020, before the pandemic affected the decline. However, Norway's international trade market is constantly fluctuating and experienced an increase in imports during the pandemic. The assessment found that in the post-pandemic period 2021-2022, all four countries experienced growth in exports and imports, i.e. the countries did not experience difficulties in returning to the international market.

Originality / Value / Practical implications. The originality of this study lies in its analytical approach to the international trade of the Nordic countries, taking into account the specificities of the countries and the strength of their economies and policy instruments. In addition, the findings and results of this paper may be useful to economists, policy makers and business people interested in international trade trends and in obtaining useful information on market developments in the Nordic countries. In conclusion, the COVID-19 pandemic has had an impact on the international trade of the Nordic countries, but these countries have shown an ability to adapt and rebuild their trade relations. By maintaining stable export and import policies, they can continue to strengthen their economies and ensure sustainable growth in the future.

Keywords: international trade; export; import; customs; Nordic countries.

JEL codes: P45; H25.

Maria Magdalena Golec. INFLATION RATE AND SUPERVISION BUFFERS AS THE EXTERNAL CONDITIONS OF MORTGAGE LOANS AVAILABILITY IN POLAND

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Abstract

Research purpose. The study considers the inflation rate and regulatory safety buffers of interest rates of as external factors of mortgage loans availability. The aim of this work is to assess the impact of these factors on the availability of a mortgage loan for a model household.

Design / Methodology / Approach. A mortgage loans are the main source of financing for the housing needs of households (e.g., purchasing an apartment). However, banks limit the availability of this instrument only to those individuals whose credit risk is not excessive. The issue of assessing the creditworthiness of potential borrowers depends on individual bank decisions, but common procedures of credit institutions can be observed under the influence of external conditions.

Findings. In 2022, a significant restriction of banks' lending activity was observed in Poland, which slowed down the long-term growth trend of the mortgage loan portfolio. The credit index of Poles is 46.5%, with this index for housing loans being 12.1%, 2.3 million Poles have a housing loan (in 2021 it was 2.5 million). The loan portfolio includes PLN 482.7 billion in 2023, and PLN 511.3 billion in 2021. Until 2020, offered housing loans were 100% based on a floating interest rate. The banking supervision obliged banks to present an offer with a periodically fixed rate, currently, most of the new loan agreements are loans with a fixed interest rate. The increase in the inflation rate to nearly 18% (17.9% in October 2022) and also the increase by the supervisory authority of the interest rate buffer (from 2.5 percentage points to 5 percentage points) caused a collapse in the housing loan market in 2022 and the first quarters of 2023. The research carried out showed a significant increase in current and total loan costs under the influence of rising interest rates and required buffers. For most mortgage loan agreements, the negative consequences of the risk of increasing market interest rates were borne by consumers.

Originality / Value / Practical implications. The size of mortgage sales in Poland was largely determined by the increase in costs due to significant inflation, however, the observed limitations were also contributed by financial supervision introducing additional financial burdens in the process of creditworthiness assessment. The situation in terms of credit availability in Poland is changing under the influence of new supervisory recommendations related to the mandatory offering of loans with a fixed interest rate.

Keywords: mortgage loan; creditworthiness.

JEL codes: G17; G21; G28.

Elina Petrovska[1], Gundars Berzins[2]. OVERNANCE FRAMEWORK OF THE CENTER OF GOVERNMENT

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Abstract

Research purpose. The study aims to analyze the existing governance framework within the center of government (CoG) in Latvia, exploring the operational functions of the CoG, including the function implemented by the CoG – to participate in all selection and nomination processes of members of the supervisory boards of state-owned enterprises (SOEs), and to provide proposals for strengthening the governance framework of the CoG.

Design / Methodology / Approach. To compose the framework of the study, the state institutions that constitute the CoG in Latvia were first identified. In the next step of the study, according to the structure defined for the Latvian CoG, a literature review and data analysis were conducted on: (a) governance and its key principles of good governance in public administration and corporate governance, (b) the operational functions performance within the CoG, including its participation in the process of selection and nomination of members of the supervisory board of SOEs. Based on the study results, suggestions for system of criteria for governance framework of the CoG was developed.

Findings. Following the study into the governance framework of the CoG, it is discovered that efficiency indicators are underused and quality indicators need rationalization. The findings of the study suggest that the quality of the operational functions of CoG can be measured through the outcomes of the selection and nomination process for potential members of the supervisory boards of SOEs. Based on the study results, the following additional findings were made: (a) in order to achieve good corporate governance results in the selection and nomination process, it is necessary to utilize several additional criteria, which are essential not only for enhancing the effectiveness of the operational functions of CoG but also for the effectiveness of the supervisory boards of SOEs; (b) to effectively ensure the development planning system's process, thereby strengthening its governance, transparency and compliance throughout public administration, there is a need in Latvia to enhance the effectiveness of the document development, approval, and monitoring processes.

Originality / Value / Practical implications. A practically applicable criteria system is proposed, that allows one to monitor and evaluate the management process at the CoG, thereby timely identifying areas of improvement and enhancing the overall quality of governance. The criteria system developed within the study can be flexibly adapted to governance framework development outside Latvia, particularly concerning issues related to the selection and nomination process and effective policy planning management. An original study approach has been implemented, since the process of selection and nomination of supervisory board members of SOEs is considered in relation to the operational functions of the CoG.

Keywords: governance; center of government; state-owned enterprises.

JEL codes: G34; H83

Lyazzat Sembiyeva[1], Ceslovas Christauskas[2] , Madina Serikova[3]. ISSUES OF ASSESSMENT OF THE EFFECTIVENESS, EFFICIENCY AND ECONOMY OF THE USE OF PUBLIC RESOURCES IN THE FIELD OF PUBLIC AUDIT

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Abstract

Introduction. The study examines the issues of assessing the effectiveness, efficiency and cost-effectiveness of the use of national resources in the field of government audit and are key to the sustainable development of the state. National resources represent various types of assets, including financial, natural, human and information, which are used to ensure the socio-economic development of the country. The purpose of this study is to identify problems and provide direction related to the assessment of the use of national resources, as well as to develop an appropriate methodology and make recommendations for improving the level of control over the effective use of resources. The research methodology is based on a comprehensive analysis and systematization of scientific approaches, identification of features of accounting and control in international practice, analysis of statistical data on assets and indicators in the context of regions and the republican level in order to achieve strategic goals. At the same time, the study is aimed at analyzing aspects of assessing the effectiveness of the use of national resources, such as insufficient transparency or lack of resource accounting data, a unified assessment methodology, as well as the need for the effective use of modern information technologies in order to monitor and promptly respond to possible economic risks and threats. Moreover, the article notes that the use of modern methods of data analysis and information technology will eliminate incompleteness and distortion of the results obtained, as well as increase control over the use of national resources. At the same time, the study notes the lack of transparency and openness of information on the costs and results of activities of government bodies and quasi-public sector entities. This study points to the need to improve the quality of information to improve the efficiency of national resource use. Kazakhstan's dependence on non-renewable natural resources creates specific development challenges, especially in the context of carbon assets, as they are associated with growing risks, including uncertainty about future prices and large-scale initiatives to decarbonize the global economy. This means the country needs to actively develop alternative sources of income and reduce its dependence on carbon assets to secure its economic future and reduce environmental risks.

Research purpose. The study examines the issues of assessing the effectiveness, efficiency and cost-effectiveness of the use of national resources in the field of government audit and are key to the sustainable development of the state. National resources represent various types of assets, including financial, natural, human and information, which are used to ensure the socio-economic development of the country. The purpose of this study is to identify problems and provide direction related to the assessment of the use of national resources, as well as to develop an appropriate methodology and make recommendations for improving the level of control over the effective use of resources.

Design / Methodology / Approach. The research methodology is based on a comprehensive analysis and systematization of scientific approaches, identification of features of accounting and control in international practice, analysis of statistical data on assets and indicators in the context of regions and the republican level in order to achieve strategic goals.

Findings. At the same time, the study is aimed at analyzing aspects of assessing the effectiveness of the use of national resources, such as insufficient transparency or lack of resource accounting data, a unified assessment methodology, as well as the need for the effective use of modern information technologies in order to monitor and promptly respond to possible economic risks and threats. Moreover, the article notes that the use of modern methods of data analysis and information technology will eliminate incompleteness and distortion of the results obtained, as well as increase control over the use of national resources. At the same time, the study notes the lack of transparency and openness of information on the costs and results of activities of government bodies and quasi-public sector entities. This study points to the need to improve the quality of information to improve the efficiency of national resource use. Kazakhstan's dependence on non-renewable natural resources creates specific development challenges, especially in the context of carbon assets, as they are associated with growing risks, including uncertainty about future prices and large-scale initiatives to decarbonize the global economy. This means the country needs to actively develop alternative sources of income and reduce its dependence on carbon assets to secure its economic future and reduce environmental risks.

Originality / Value / Practical implications. This study innovatively assesses the use of national resources in government audits to support sustainable development, highlighting the need for enhanced transparency, methodology, and technology integration. It offers valuable insights for improving resource management efficiency and developing strategies to reduce reliance on non-renewable resources, crucial for economic sustainability and environmental risk mitigation.

Keywords: public resource management; government audit efficiency; sustainability in public sector; transparency and accountability; economic risk assessment.

JEL codes: G38; H11; H61; H83.

Rasa Mažrimienė[1], Daiva Jurevičienė[2]. FACTORS DETERMINING THE ATTRACTION OF INVESTMENTS TO THE REGIONS OF THE COUNTRY

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Abstract

Research purpose. The purpose of the research is to define the factors influencing the attraction of investments to the country's regions.

Design / Methodology / Approach. An analysis of the selected scientific literature was conducted. Systematic and comparative analyses were used to systematize the views and opinions of various scientists to determine the factors influencing the attraction of investments to the regions of the country.

Findings. By implementing the cohesion policy, the European Commission aims to ensure the development of a sustainable economy in EU countries and within the countries' regions. The biggest obstacle to developing the country's regions is the provision of adequate financing, which is not only associated with EU or national budget funds but also with private investments. Scientific literature examines the issue of regions' sustainable development and evaluates regions' development. The authors mainly assess the economic, social and environmental factors influencing the regional development process or analyse the methodology for determining the general state of the regions. However, there needs to be a systematic evaluation of the factors that determine the attraction of various types of investments to the region of the country in the scientific literature. Foreign direct investment and domestic capital investment are less dependent on institutional decisions. However, attracting investments is greatly influenced by the country's regions' investment attractiveness and readiness to accept investments. The coming of investors to the region is determined by the following factors: the economic climate of the region, well-developed infrastructure, availability and quality of the workforce, and environmental sustainability.

Originality / Value / Practical implications. This study analyses the factors determining the country's regions' investment attractiveness. The study also specifies measures for implementing factors that attract investments: preparing strategic and current plans for developing the country's regions and developing investment attraction programs. These measures ensure the improvement of the business environment, the development of the necessary infrastructure, the introduction of innovations, raising the qualifications of the workforce, and environmental sustainability. It improves communication with investors and promotes cooperation between different regions of the country to use resources and optimally create synergy. These factors must be combined and correspond to the specific situation of the country or region.

Keywords: development of regions; attraction of investments, factors promoting investment.

JEL codes: R11; O4.

Gyöngyi Csongrádi[1], Péter Miskolczi[2], Beáta Kádár[3], Anita Kolnhofer-Derecskei[4]. THE IMPACT OF FEEDBACK UNDER INFORMATION ASYMMETRY ON MARKET DYNAMICS A CLASSROOM EXPERIMENTAL MODEL

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Abstract

Research purpose. The paper aims to investigate the impact of three distinctive market structures on interactions between sellers and buyers in a classroom simulation. The three simulated structures were the conditions of perfect information, asymmetric information, and asymmetric information with customer feedback. Feedback is crucial in the online marketplace as it helps new customers make informed decisions and can even serve as a form of payment. Akerlof theorised that information asymmetry can result in the removal of high-quality products from the market. This raises the question of whether this effect can be overcome when customers can rate the products they have purchased or the sellers they bought from.

Design / Methodology / Approach. The classroom experiment was based on a modified lemons market game, where 303 students took part. Both buyers and sellers could earn a profit if they sold above their production cost or bought below their willingness to pay. There were three phases of the game. In the first one, complete information was provided on the quality of products offered, followed by quality concealment in the second phase. In the third phase, buyers were allowed to give feedback based on customer experience. Altogether nine (3*3) Marshall crosses can be drawn, where each model represents different demand and supply curves to identify individual markets under various conditions. Surpluses and profits can be calculated and compared across phases of the game.

Findings. In information-asymmetric rounds, when trust is missing between sellers and buyers, the volume of trade diminishes, and low-quality products gain dominance on the market. In such conditions, both businesses and customers suffer, which leads to additional transaction costs, reduces the chances of new ideas being implemented and thus reduces overall economic potential. However, it has to be emphasized that the level of outright fraud started to decline even before customer feedback was introduced into the game. Feedback, then, helped mitigate customers' lack of quality information, and allowed for better-quality products to reenter the market, and collective wellbeing to rise.

Originality / Value / Practical implications. The game provides new insights into market dynamics in the simulation game. Our analysis determines the market and social optimum under the given initial conditions. When there is information asymmetry, sellers are forced to sell poor-quality goods because buyers will not take the risk of investing in an expensive but low-quality product. In the online marketplace, customer evaluation is increasingly important, as buyers and sellers are physically separated by thousands of kilometers. Where this formalised and institutionalised trust is missing, the whole trade and market will suffer from a lack of reliable good quality and economic benefits of a symmetric business run.

Keywords: behavioral economics; consumer feedback; information asymmetry.

JEL codes: D4; D5; D 82; D9.

Monika Hudáková[1], Viera Papcunová[2], Jarmila Hudáková[3], Michal Levický[4]. CAUSAL ANALYSIS OF LOCAL SELF-GOVERNMENT DEBT INDICATORS (CASE STUDY)

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Abstract

Research purpose. It is very difficult to measure the efficiency of local self-governments because their role is to create public goods and the related satisfaction of their citizens. At present, there are no indicators for assessing the efficiency of local self-governments in Slovakia, but it is possible to use indicators that are typical for the private sector after appropriate adaptation. One of them is the indicators of financial analysis and the related application of model-based approaches. Local self-government has a relatively large amount of property, but is unable to use them efficiently. Financial analysis is one of the tools to determine the efficient use of property.

Design / Methodology / Approach. The aim of the paper is to evaluate the impact of selected debt ratio indicators on the overall liquidity of Slovak local self-governments in the time period 2010-2023. The reason for the choice of this time period was the fact that in 2010 the local self-government was affected by the financial crisis and in 2020 it was the Covid-19 pandemic. The analysis was conducted to answer the question of which had a greater impact on the overall liquidity of local self-governments in Slovakia, the financial crisis or the Covid-19 pandemic.

Findings. The analysis showed that all the indicators showed a fluctuating trend. The overall liquidity of local self-governments was influenced by the level of indebtedness and the return on total capital of local self-governments. The overall liquidity of during the Covid-19 pandemic decreased compared to the period when local self-governments were affected by the economic crisis. The changes in the indicators were mainly influenced by an increase in external resources, in particular rising borrowing. The loans overwhelmingly represented the co-financing of local authorities for the implementation of projects from EU funds. On the one hand, their credit burden increased, but on the other hand, the value of their total property increased.

Originality / Value / Practical implications. The article presents an original approach to the use of financial analysis for the needs of local self-governments. By applying model-based approaches to financial analysis, local self-government management will gain a wealth of valuable information about the anticipated consequences of their decisions. By selecting appropriate indicators, it is possible to ensure the long-term financial equilibrium of local self-governments, as well as to evaluate their financial situation and reveal the causes of financial instability. At the same time, the financial analysis can serve the elected representatives of the municipal council, in particular, as an argument for the forthcoming decision on the use of municipal property.

Keywords: debt ratio indicators; overall liquidity; local self- government; financial analysis.

JEL codes: H83; R53; G28; Y10.

Monika Hudáková[1], Judita Táncošová[2]. FOREIGN DIRECT INVESTMENT AND REGIONAL DISPARITIES IN SLOVAKIA

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Abstract

Research purpose. The aim of the paper is to theoretically define FDI as a form of international business and the form that is most often implemented in economies. Based on the evaluation of their development in the economy and in individual regions of the Slovak Republic, from 2018, point out their importance in the overall economic level of the region in terms of GDP, employment, or the development of unemployment, but also labour productivity and average wages. The examined economic indicators belong to important tools that are directly related to the functioning of the economy as a whole, individual regions and the population. Based on the results achieved, we concluded that it is an effective form of international business implementation, which can significantly contribute to the elimination of regional disparities and advance less developed regions.

Design / Methodology / Approach. In the article, we evaluate the role and development of FDI in the economy and individual regions of Slovakia. We used several scientific methods to obtain specific results and reach conclusions. These are methods of scientific abstraction, analysis and synthesis, induction and deduction, and others such as generalization of knowledge and drawing conclusions and recommendations. We compared FDI in relation to macroeconomic indicators in the industry sector and then compared them in individual regions. Other procedures were also used in the article, e.g. descriptive survey and generalization, further for illustration graphic and tabular method for comparing statistical data and many others that helped to achieve the intended purpose.

Findings. The development of FDI in the Slovak Republic has an increasing trend in the observed period (the exception is the years of the pandemic, which paralyzed all activities and worldwide), there were no significant changes from the point of view of the investor's country, and the most important investors include the Netherlands, the Czech Republic, Austria, and Germany. The state of FDI in the regions is stable, but with large regional disproportions. When comparing the development of FDI inflow in relation to GDP, it is possible to state that any increase in FDI inflow will, with a certain delay, be reflected in an increase in economic growth, which was reflected in a decrease in unemployment. The impact on the average wage is also positive, with a partial impact on its amount. If the entities adapt to rapidly changing market conditions, advance in innovation and technological progress, where FDI is important, labour productivity will also grow. On the basis of the above, it is possible to state that FDIs belong to effective forms of international business, and it is necessary to create suitable conditions for their entry.

Originality / Value / Practical implications. The inevitability of FDI entering the Slovak economy is important, and where they have entered, their impact on increased economic activity has been proven, unemployment has decreased, and the overall level of the region has increased. The disadvantage is the localization and sectoral direction of FDI, which is greatly uneven and does not flow to less developed regions. It is necessary to create such economic, legislative, and political conditions that would lead to the distribution, localization and direction of FDI in such regions. Practical conclusions include the role of SMEs in connection with FDI in the economy and their participation in supplier-customer relations for large enterprises with FDI. This is particularly evident in the automotive industry, which is a key sector for the Slovak economy and with a significant influx of FDI. It is an important industry from a macroeconomic perspective, but also for small and medium-sized businesses, whose activity is mostly tied to this industry.

Keywords: foreign direct investment; gross domestic product; small and medium enterprises; employment and unemployment.

JEL codes: F21; E22.

Algirdas Justinas Staugaitis[1], Česlovas Christauskas[2]. EVALUATING THE FACTORS AFFECTING DAIRY COMMODITY RETURNS: THE CASE OF EUROPEAN DAIRY MARKETS

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Abstract

Research purpose. Motivated by the recent price spikes and booms in major commodities markets around the world, this study looks into the factors that affect the variance in returns from futures contracts. The purpose of the study is to determine whether commodity prices—especially in times of economic turmoil—are being driven away from their fundamental value. The study focuses on European dairy futures markets, which are less studied by other authors in their research and are at a nascent stage of development in comparison to other agricultural commodity markets. The study includes various determinants such as energy prices, major stock indices, as well as market related variables such as financial speculation, in order to test whether returns from dairy commodities can be explained solely by macroeconomic factors or if this impact is amplified by trade volume or financial speculation within these markets. Therefore, the paper aims to assess the determinants of dairy futures prices before and after the COVID-19 pandemic.

Design / Methodology / Approach. The authors analyse dairy commodities traded on the European Energy Exchange (EEX) and employ the Granger non-causality test, the generalised autoregressive conditional heteroskedasticity (GARCH) modelling, as well as the Augmented Dickey-Fuller (ADF) test to test what drives the returns from dairy commodity futures and the direction of this impact. The study consists of two time frames: before and after the COVID-19 pandemic.

Findings. An important finding from the study is that returns from dairy commodities are mostly explained by energy prices, and this impact became even stronger during the post-2020 timeframe. Dairy commodities also experience asymmetric return volatility, showing that in dairy markets, negative returns are followed by reduced volatility. However, the role of trade volume or financial speculation on dairy commodity prices is found to be minimal. The research also suggests that dairy commodities are primarily driven by factors related to the macroeconomic environment.

Originality / Value / Practical implications. The study examines European dairy futures markets, which are relatively new compared to other commodity markets and have not received as much attention in other research. The results of our analysis indicate that there is little indication that market-related activities like financial speculation affect the volatility of dairy futures prices, despite the fact that most commodities experienced an increase in return volatility over the post-2020 timeframe.

Keywords: dairy commodities; dairy futures; financial speculation; return volatility.

JEL codes: C58; G13; Q02.

Etian Boress KEMGOU VOPTIA[1], Yulia STUKALINA[2]. FINANCIAL INCLUSION IN SUB-SAHARAN AFRICA: THE CASE OF MOBILE MONEY

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Abstract

Introduction. Financial inclusion in sub-Saharan Africa: the case of mobile money. The economic literature notes that the idea of financial intermediation was developed by financial intermediation theorists including Gurley and Shaw (1955), Goldsmith (1955) among others. The Gurley and Shaw (1960) model presents

the most synthetic theoretical expression of financial intermediation. This model makes a distinction between direct finance and indirect finance. Direct finance refers to a market in which agents with financing capacity (lenders) directly meet those with financing needs (borrowers) by purchasing securities from them. Indirect finance or intermediated finance is the configuration in which agents in need of financing contact banks to obtain funds. Banks exist to collect funds from agents with financing capacity and make them available to agents with financing needs. This activity highlights the merits of access to financial services and therefore financial inclusion. Financial inclusion is defined as a mechanism to ensure easy access, availability, and use of the formal financial system at an affordable cost to all members of society (Sarma and Pais, 2011).

If Western populations have access to financial services, the same is not true for those in Sub-Saharan African countries. The share of the population over 15 years old having opened a bank account in a formal financial institution in sub-Saharan Africa is 24% and it remains less than 10% in the franc zone (Guérineau and Jacolin, 2014). Central African region has a rate of 28.4% of the population aged over 15 years old having opened an account in a formal financial institution. This proportion is 32.5% in West Africa and 34.3% in East Africa, however in Europe more than 90% of the population aged over 15 have an account in a formal financial institution (Global findex 2017). Furthermore, SME loans from commercial banks represent only 2.9% of GDP, and deposits stand at 4.6% of GDP (European Investment Bank, 2020). Moreover, 15% of the population aged over 15 say they have saved and 7% say they have borrowed from a formal financial institution in sub-Saharan Africa (Global findex 2017).

With the development of mobile telephony, another dimension of financial innovation appears in Africa, namely electronic money. According to the Official Journal of the European Union (2011), electronic money is defined as a monetary value which is stored in an electronic form, including magnetic, representing a claim on the issuer, which is issued against the remittance of funds for the purposes of payment transactions and accepted by a natural or legal person other than the electronic money issuer. There are several types of electronic money, including mobile banking and mobile money. There are several definitions of mobile banking. According to Akturan and Tezcan (2012) or Shih et al. (2010) mobile banking is defined as a communication innovation that links customers and the bank by means of portable devices. However, although very interesting in the context of developing countries where queuing problems are common, and where there is a weak network of bank branches, particularly in rural areas, having access to your bank account through of a mobile phone is a step forward in accelerating access to the financial system. But this innovation does not significantly increase financial inclusion in the African context because its use first requires the opening of a bank account which very few have in the said sub-region. According to Global findex (2017), 8% of the population over 15 years old access a bank account via the telephone.

If there is one area in which economic researchers agree that sub-Saharan Africa is among the leaders in the world, it is that of the adoption of mobile money. Indeed, rapid development of innovations in the information and communication technology sector has allowed a considerable reduction in the costs of acquisition and use of these technologies, more specifically in the mobile telephony sector. This will encourage rapid adoption in developing countries. We therefore easily understand the finding of the World Bank (2016) according to which, among the 20% of poorest households, 7 out of 10 have a mobile phone. And that these households are more likely to have access to a mobile phone than 'to clean water. Given this rapid pace of adoption of mobile telephony, the advent of mobile money in 2007 in Africa was a real success. As part of this study, the authors adopt the definition of mobile money by Mbili and Weil (2013) as a mobile money transfer system allowing economic agents to send, withdraw, reserve money, and pay bills through short messages. It is a social innovation ensuring the expansion of financial services to those excluded from the traditional banking system (Saifullahi and Haeunan , 2020). Mobile money spread very quickly in 2010, becoming the first successful mobile phone financial service in developing countries. After Kenya, other dynamic centres developed, notably Tanzania, Uganda, Ghana, Rwanda, Zimbabwe, Nigeria (GSMA, 2019). In 2014 there were already 255 mobile money services around the world, 55% of which were in sub-Saharan Africa. At the start of 2019, there were 395.7 million active mobile money accounts in sub-Saharan Africa, almost half of the total mobile money accounts worldwide (GSMA, 2019).

East Africa alone represents 56% of registered accounts and 66% of transaction volume. In addition, the East and West Africa regions account for 87% of accounts registered on the continent (GSMA, 2019). Nevertheless, Central Africa is showing growth, especially the transaction value. A BEAC (Bank of Central African States) report (2019) reveals that the number of financial transactions in electronic money in Central Africa amounted to 572 million in 2018, 99% of which came from mobile money. Global electronic money transactions represent a value of 4,700 billion CFA francs in 2017 and exceed 8,296 billion CFA francs at the end of 2018, 96% of which were carried out by mobile money. Many individuals have opened a mobile money account but very few use them. The GSMA report (2019) reveals that in sub-Saharan Africa, 395.7 million mobile money accounts were opened in 2018 but only 145.8 million were active. This gap between registered and active accounts tends to widen from one country to another in Sub-Saharan Africa.

Mobile money therefore appears here as a solution for financial inclusion to the extent that, in terms of infrastructure, the banking system in sub-Saharan Africa is very underdeveloped compared to other regions. In the CEMAC zone, the banking system is made up of 54 banks, representing an average distribution of 2 bank branches per 1000 km2 and 3 branches per 100,000 adults. In the UEMOA zone, the banking system is made up of 128 commercial banks, i.e. 1.75 branches per 1000 km2 and 4 branches per 100,000 adults. In East Africa the banking system is made up of 217 commercial banks, i.e. 4 bank branches per 1000 km2 and 4 branches per 100,000 adults (FAS 2019). Furthermore, banks are concentrated in large urban centres to the detriment of rural areas which are more like banking deserts (Avom and Eyeffa Ekomo, 2007). It therefore appears from these figures that the banking system alone does not make it possible to offer financial services to poor populations and those in remote areas.

In addition, the economic crisis of the 1980s showed the fragile nature of the financial systems of African countries. It was following this crisis that led States to disengage from the financial system. This followed a liberalization of the financial sector as already advocated by Mac Kinnon and Shaw in 1973. It was in this dynamic of liberalization that microfinance establishments emerged in the 1990s, supposed to be local finance, in the aim of increasing the financial inclusion of the poor. Furthermore, it was a question for these establishments to bring the capital kept in the informal financial system back to the formal system. However, the expected effects were not achieved as noted by 2006 Nobel Prize winner Muhammad Yunus.

Research purpose: This research will aim to show how mobile money improves financial inclusion in the central African region.

Design / Methodology / Approach: To conduct this study, secondary data from international organizations is used. These are data from the IMF's Financial Access Survey (FAS) database and data from World Development World Bank indicators. The study sample consists of 17 Sub-Saharan African countries over the period 2010-2021. Our variable of interest, namely financial inclusion, is captured by the index developed by Sarma (2008) and the data for its calculation are extracted from the FAS database (2019). The data on the exogenous variable, namely mobile money, also come from the FAS database (2019). The effect of mobile money use is highlighted on financial inclusion through a dynamic panel model inspired by Uddin et al. (2017) and estimated by the Systems Generalized Moments Method (Sys-GMM) as initially developed by Arellano-Bover (1995)/Blundell-Bond (1998).

Findings: The results show that an increase in the volume of mobile money transactions improves financial inclusion. Likewise, the upward trend in the number of active mobile money accounts improves financial inclusion in sub-Saharan Africa. These results confirm our central hypothesis according to which the use of mobile money improves financial inclusion in sub-Saharan Africa. It is therefore up to States and mobile network operators to intensify the use of mobile money. This intensification would be possible through: the development of mobile money, the regulation and security of mobile money services.

Originality / Value / Practical implications: Although mobile money is a relatively recent innovation, it is the subject of abundant literature. This has developed in two main directions. The first concerns the analysis of mobile money as a factor in improving financial inclusion. The works of Donner and Tellez (2008), Demombynes and Thegeya (2012), Boardi et al, (2007), Morawczynski and Pickens, (2009), Mbiti and Weil (2011), Donovan (2012) and Arestoff and Venet (2013), Fox and Van Droogenbroeck (2017), Ahmad et al. (2020), Camner and Sjöblom (2009), Jack and Suri (2011), Morawczynski , Demombynes and Thegeya (2012), Mushtaq and Bruneau (2019), Sekantsi and Motelle (2016), Francky Ngono (2020) illustrates this trend. Some authors' works show that mobile money helps reduce the cost of access to financial services (Morawczynski and Pickens 2009, Mbiti and Weil 2011, Donovan 2012 and Arestoff and Venet 2013).

Other authors emphasize that mobile money can solve the banking infrastructure shortage problem. (Ahmad et al. 2020, Jack and Suri 2011, Mbiti and Weil 2011). Mobile money helps solve the problem of information asymmetry (Ahmad et al. 2020; Aron, 2018). However, the second wave of schools of thought puts these results into a perspective view. Stuart and Cohen (2011) succeeded in demonstrating that the extension of the ATM network was more effective than mobile money in reaching those excluded from the banking system in Malawi. Cobla and Osei-Assibey (2017) argued that while mobile money supported students' financial purchasing decisions, it risked increasing students' spending behaviour and decreasing the tendency to save among these groups of people. Even more recently, Akomea-Frimpong et al (2019) argue that mobile money in Ghana is used to facilitate fraud due to insufficient internal controls and processes, lack of advanced detection software and absence comprehensive education on the use of services.

This research considers mobile money as a global indicator, not distinguishing registered mobile money accounts from active accounts, or not considering the effectiveness of use of mobile money services to highlight the intensity of financial inclusion. One innovation of this research is the fact of considering how the effectiveness of the use of mobile money affects financial inclusion in SSA. Concretely, it is a question of going more in-depth in the analyses, instead of taking the number of accounts created, the authors opted to measure mobile money by the number of active accounts. This subsequently allowed the formulation of proposals for economic policies aimed at encouraging the use and expansion of mobile money services. Due to the significant amounts that pass through mobile money services every day and the number of people who still remain excluded from the banking sector. A population that has access to banking services is likely to develop economic activities that will allow it to escape poverty.

Mobile money is essentially a mobile money transfer service that uses information and communication technology tools and non-banking channels to offer and extend financial services to subscribers. Unlike formal and traditional financial service providers like banks, it is not cost-effective to achieve by (Upadhyay and Jahanyan,2015). Indeed, mobile money provides basic financial services such as deposit, withdrawal, sending funds and paying bills. Thus, the launch of mobile money services by telecommunications companies in several countries, particularly in sub-Saharan Africa, has boosted the provision of financial services to low-income people. Many lives, especially those of poor rural households, have been transformed by the mobile phone revolution, which has enabled not only communication but also access to basic financial services through the transfer and storage of money by telephone (Donner and Tellez (2008) and Demombynes and Thegeya (2012)). Mobile operators have seized the opportunity offered by mobile phones to expand mobile money services. Medhi et al. (2009) claim that the total number of mobile phone users is greater than the total number of people with a bank account in the world.

Keywords: mobile money; financial inclusion; active mobile money account; transaction volume; GMM.

JEL codes: G29; O57.

Ivana Malá. EMPLOYMENT SPELL DURATION IN EUROPEAN COUNTRIES BASED ON SHARE DATA

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Abstract

Research purpose. The twentieth century brought fundamental changes to Europe in all areas of human existence. Moreover, the century was a very turbulent period. The attitude of the population and their behaviour in the labour market are among the fundamental characteristics of national economies. In the text, we follow the working history of the inhabitants of the European Union who were born before 1967. These individuals were 23 years old or older at the time of the fall of the Iron Curtain.

Design / Methodology / Approach. The Job Panel Database based on information from the European Survey of Health, Ageing and Retirement in Europe provides individual data on the lifespan of respondents with the year of birth to 1967 from their birth to 2017 or their end of life. Our findings are data-oriented, based on this dataset. Lengths and means of employment (and also the shortest and longest periods or years lost in unemployment and for other reasons) are examined. In 2017, when the latest data was obtained, all respondents were already 50 years old, so the results at 50 years are complete. The data at the end of the survey are no longer complete, but the values are incomplete for those still active. In this case, survival analysis methods are used. We prefer a descriptive approach to data analysis (thorough explanatory analysis, figures and tables) with some inferential results.

Findings. There are changes in analysed lengths between founder countries of the EU and countries without communist experience and post-communist members. There is a visible convergence between these two parts of the EU. Moreover, the increasing number of jobs during an active time and decreasing time spent in one job is visible even for these generations, not only for much younger inhabitants. There is a strong impact of education and country, weaker of gender or number of children.

Originality / Value / Practical implications. We are illustrating the issue and trying to quantify differences between different subgroups (in our analysis gender, education, country of residence, and number of children), the relationship between variables and their impact on the behaviour of respondents in the labour market, and development in time. The main task is to show a convergence of the analysed lengths of spells between members of the EU with and without a communist experience.

Keywords: panel data; SHARE survey; job episodes panel; employment spell.

JEL codes: J21; C33.

Inese Sluka. KEY COMPETENCES FOR PUBLIC SECTOR PROJECT MANAGERS IN LATVIA

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Abstract

Research purpose. The competences of project managers are defined in several competence models, but none are tailored to public sector project managers. The size and responsibilities of public sector institutions create complexities that the project manager has to face. Moreover, about 10.5 billion euros will be available for the development of Latvia's economy projects until 2027. The purpose of the research is to investigate which are the key competences to ensure the project manager's performance in public sector, to provide recommendations for training current and future project managers in Latvia.

Design / Methodology / Approach. This study employed a qualitative approach. The primary data were obtained by conducting 53 interviews with public sector project managers in Latvia. The sample of interviewees was created with the support of the Latvian School of Public Administration to represent different institutions and project managers at different levels. All respondents answered open-ended questions: 1) What are the most common situations that project managers encounter in projects? 2) How were they addressed? 3) What knowledge and skills were necessary to address them?

Findings. Public sector project managers most commonly encounter "Procurement" competence, which includes knowledge of procurement procedures, their management, as well as involvement in preparing technical specifications. "Time management" competence is directly related to mastering bureaucratic procedures, while in "Finance" competence, it is important to understand the project budget and the differences in budget planning within the institution. Public sector project managers have to deal with large numbers of stakeholders with various interests and influence on both national and international levels, what indicating the need for "Stakeholder" competence. "Teamwork" competence is also among the most important competences, as the project manager needs to be able to create the team with existing resources, motivate it under limited resource conditions.

Originality / Value / Practical implications. The results of the study have practical value and will be used in the public sector of Latvia for the development of the competence model of project managers, as well as may be used for international public sector competence model development. This research identified areas where additional training or support is needed to enhance project manager's competence.

Keywords: project manager's competence; public sector

JEL codes: J24; H11.

EMERGING TRENDS IN
SUSTAINABLE DEVELOPMENT AND CIRCULAR ECONOMY

Kaspars Šteinbergs[1], Edgars Čerkovskis[2]. IMPLEMENTATION OF CIRCULAR ECONOMY PRINCIPLES IN STEM SUBJECTS

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Abstract

Research purpose. To assess and analyze the possibilities and effectiveness of implementing circular economy principles in STEM subjects in Latvia, aiming to promote sustainable development and efficient resource utilization. Ultimately, to develop a methodology for effectively integrating these principles into the educational process, fostering the development of sustainable practices and thinking within the Latvian education system.

Design / Methodology / Approach. Research methodology involved the main method of focus group interviews, with the participation of 11 experts from the fields of circular economy and STEM. This interactive approach provided a diverse range of perspectives, allowing for a systematic exploration and evaluation of the possibilities for implementing circular economy principles in STEM education in Latvia.

Findings. Assessment of Implementation Possibilities**:** The research revealed that there is a considerable potential for implementing circular economy principles in STEM education in Latvia. Participants in the focus group interviews emphasized the relevance and importance of integrating these principles into the curriculum to foster sustainable practices and thinking among students. Expert Insights: Insights gathered from the 15 experts from the fields of circular economy and STEM highlighted various opportunities and challenges associated with the implementation process. Experts expressed optimism about the feasibility of integrating circular economy principles into existing STEM subjects but also pointed out the need for comprehensive teacher training and educational resources to support this integration effectively.

Originality / Value / Practical implications. Educators can use the findings to create innovative lesson plans and teaching materials that integrate concepts of circular economy seamlessly into existing STEM subjects. Policymakers can leverage the recommendations to formulate policies that support the implementation of sustainable education initiatives across schools and educational institutions in Latvia. Additionally, teacher training programs can be tailored to equip educators with the necessary knowledge and skills to effectively teach circular economy principles in the classroom, ensuring the long-term success and sustainability of the implementation efforts.

Keywords: circular economy; STEM education; sustainability; implementation potential; educational innovation

JEL codes: Q01; I21; O38.

Tatyana Odintsova. TRANSPARENCY FOR SUSTAINABILITY: THE FRESH VIEW FOR INFORMATIONAL AND CONTROL PRACTICES

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Abstract

Research purpose. Sustainability concept embraces a wide scope of linked practices: such as green thinking, sustainability informational and management assurance, ESG - reporting and scoring, responsible and impact investment, stability measurements and others. Significantly expanding beneficiary's and stakeholders' circle needs information to build and implement policy providing ESG values creation and meeting their requests in relevant sustainable agenda. This is reasoning an importance to create transparent information landscape and to shape new highlights in management and decision-making. The article is aimed at

exploring specific ways to transform information and management practices, primarily accounting, ESG-reporting, analysis and assurance to create a transparent information environment for sustainability.

Design / Methodology / Approach. The study is designed as a qualitative analysis of existing informational, managerial, financial and other related practices to identify gaps in the information needed by stakeholders to decision-making with that practically generated in the current environment momentum. It involves summarising, categorizing and interpreting open access sources data, such as unidirectional studies, non-financial reporting and ESG-rankings databases, program documents, frameworks and standards for sustainability and "responsible" reporting, professional audit analytics and others. Logical and comparative analysis was used for data processing. The study's theoretical framework is based on accounting theories epistemological axis, particularly Interpretative paradigm.

Findings. There were assessed the possibilities and proposed the instruments to upgrade up-to-date system of informational – verifying - appraisal practices in accordance with the requirements of transparent ESG-environment. There were identified new "accounting and beyond" objects and updated approach for their recognition and display. It was developed integrated balance model of total capitals and their sources engaged and ESG -value creating with taken for the basis traditional balance theory. Given a variety of corporate non-financial reporting, it was identified two key models, and the ways of ESG-reporting convergence were proposed. Recommendations were made in the field of design and methodology for information support of sustainability.

Originality / Value / Practical implications. The article is the author's vision of the problems and processes of development of traditional information practices in the context of global sustainability management requests. Recommendations for the transformation of accounting, non-financial reporting, streamlining and methodological development of related management activities can be used in programmatic, advisory and regulatory documents that structure the information field of socio-economic life.

Keywords: sustainability; ESG-reporting; informational practices; accounting; reporting.

JEL codes: O10; M40; M48; C81; O44.

Ilvija Pikturnaitė[1], Jurgita Paužuolienė[2]. BALTIC SEA REGION COUNTRIES PROGRESS IN LEAVE NO ONE BEHIND

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Abstract

Research purpose. This study investigates the progress and dynamics in five-years period (2019-2023) of the Baltic Sea region countries in Leave No One Behind (further – LNOB) index and achieving the Sustainable Development Goals (further – SDGs). The purpose is to discover the peculiarities of the progress of the Baltic Sea Region countries in implementing the LNOB and the SDGs.

Design / Methodology / Approach. Qualitative research method, document analysis was applied in the research. The analysis of European Sustainable development reports (2019-2023 period) was accomplished to identify the Baltic Sea countries' progress in accomplishing the SDGs and the LNOB Index in the short-term trend. This analytical approach allowed a comprehensive examination of the progress recorded in both the overall score index and the LNOB index. Through meticulous evaluation, dynamic changes unfolding over the specified five-year timeframe were unveiled, providing valuable insights of sustainable development in the Baltic Sea region countries.

Findings. The analysis of the progress of the Baltic Sea Region countries in implementing the LNOB principle shows that at the beginning of the period, four countries (Denmark, Sweden, Finland, Germany) were above the EU average, while Estonia, Poland, Latvia, and Lithuania were below the average. By the end of the period, five countries (Denmark, Sweden, Finland, Germany, Poland) were already above the EU average. Thus, the progress of the Baltic Sea Region countries is positive and the gap between the countries in the Baltic Sea Region in the achievement of the LNOB principle is narrowing. Lithuania, Latvia, and Poland made the most significant progress towards the SDGs in the short-term period. Their notable advancements underscore a dedicated pursuit of inclusive and sustainable development, reflecting positively on the broader objectives of the Baltic Sea Region.

Originality / Value / Practical implications. The originality of this topic lies in our approach to the detailed assessment of the progress of the countries in the Baltic Sea region using the Leave No One Behind index. Instead of focusing solely on specific targets or indicators, we take a holistic approach by analysing the overall score and the Leave No One Behind index, providing insights into the region's commitment to sustainable development. We conducted a thorough analysis of the Leave No One Behind (LNOB) index for Baltic Sea region countries, highlighting the factors and challenges influencing their progress. Future trends related to inclusion in the Baltic Sea region are predicted and discussed, taking into account emerging challenges, technological advances, and societal changes that may impact the LNOB index.

Keywords: sustainable development; leave-no-one-behind; sustainable development report; Baltic Sea Region countries.

JEL codes: Q01.

Dzintra Atstāja[1], Natālija Cudečka-Puriņa[2], Līga Avena[3], Tatjana Tambovceva[4].
CIRCULARITY OF HOUSEHOLD-GENERATED CONSTRUCTION AND DEMOLITION WASTE

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Abstract

Research purpose is to create a system for dealing with the problem of construction and renovation waste and improvement of territories at the household level.

Design / Methodology / Approach. The current research presents the study of principles of circularity of household-generated waste based on a systematic literature review, a survey data analysis to draw practical suggestions for professionals towards sustainable development in future. The collected data on construction waste in Latvia were analyzed with the use of statistical methods. The results revealed a significant increase of building construction and demolition waste and the lack of circularity of them.

Findings. It is necessary to use of best practice on how to apply circularity in building construction and demolition waste management, how to develop the cooperation links between local building authorities and householders using digital solutions for green transition. The authors propose developing necessary preconditions for the establishment of industrial symbiosis via a digital forum of the circular economy (a digital tool ensuring matching the waste and material inputs, hereinafter – digital forum).

Originality / Value / Practical implications. The manuscript provides a holistic view on construction waste problem, revealing lack of unified approach towards waste sorting and further re-use possibilities. Still there are lot of issues that have been identified, that altogether form the existing research GAP and highlight the scientific excellence: 1) There are no legal mechanisms facilitating industrial symbiosis models, moreover, the practice indicates on the legal obstacles for businesses to be engaged in the waste cir-

cularity; 2) There are no legal and economically feasible mechanisms to foster multidisciplinary collaboration for 5P and for intersectoral cooperation, to get most economically effective results, that complies with the principles of saving use of primary resources and of optimization of operational costs; 3) There is an information scarcity and lack of best practice on how to apply industrial symbiosis in practice, how to develop the cooperation links between industries and society; 4) The current political, economic and environmental situation globally requires immediate and radical actions to sustain all three bottom lines as well as to secure sustainability for the next generations. Therefore, the authors see the digital forum of the circular economy as a viable solution to contribute to resource efficiency at individual, business, national and global levels.

Keywords: construction and demolition waste; industrial symbiosis; technological change; circular economy for a green transition

JEL codes: Q53; R20.

Anne Pimiä[1], Anniina Urponen[2], Annaleena Kolehmainen[3]. GREEN HORIZONS AHEAD: NAVIGATING CARBON NEUTRALITY IN EUROPEAN TRANSPORTATION BY SKY AND SEA

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Abstract

Research purpose. As carbon neutrality gains momentum, industries worldwide are navigating the challenges and opportunities posed by sustainability goals. This article delves into the strategies undertaken by airlines and maritime companies to attain carbon neutrality by 2050 in European Union (EU). The analysis of two case studies aims to explore common hurdles, innovative solutions, and shared opportunities in the pursuit of environmental sustainability. The call to reduce carbon emissions has been initiated by EU affecting the transportation sector, particularly aviation and maritime industries where the path to achieving carbon neutrality is constrained by significant technical limitations. Despite these challenges, both sectors share a unified objective according to EU climate targets. Both the aviation and maritime industries face challenges on the path to carbon neutrality. Airlines struggle with the limitations of current aviation technology, hindering the feasibility of a large-scale technological advancements. Similarly, maritime companies confront regulatory complexities and infrastructure limitations in the adoption of alternative fuels and emission-reduction technologies since the commonly used tactics of reducing fuel consumption by optimizing speed, routes and scheduling are no longer adequate ways and the energy needs of shipping industry cannot be met only with battery technology. However, these challenges present opportunities for innovation and collaboration. Investments in research and development are driving advancements in electric and hydrogen aircraft, while maritime industry is also trying to find solutions from hydrogen for greener development, but the technologies are not yet so widely available. This leads towards combining bio-oils and technological innovations related to the fleet.

Design / Methodology / Approach. The research methodology encompasses case studies. Case study 1 sheds light on airline sustainability in Europe, revealing strategies and initiatives that European airlines are currently utilizing in their sustainable transformation journey. Case study 2 explores different means of achieving carbon neutrality in maritime industry, in particular the potential of common reed (Phragmites australis) as a carbon offset tool for reaching net zero.

Findings. Both industries are making significant strides towards carbon neutrality through a combination of technological innovation, operational efficiencies, and strategic partnerships. Towards green horizons as transport industries converge on the path to carbon neutrality.

Keywords: carbon neutrality; aviation; maritime; green transition; sustainable fuels.

JEL codes: Q5; R4.

Danguole Ozeliene. THE IMPACT OF GREENWASHING ON CONSUMER PURCHASING DECISIONS

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Abstract

Research purpose. As the demand for sustainable products and services grows, companies are increasingly using ambiguous, misleading and unsubstantiated claims about the environmental performance of a service, product or company's activities to attract more customers, increase sales and profits, and gain a competitive advantage. The aim of this study is to determine the impact of such imitation sustainability claims on consumers' purchasing decisions.

Design / Methodology / Approach. An analysis of the scientific literature has allowed to identify factors influencing consumer decision-making that were affected by companies' greenwashing. The quantitative research method chosen for the empirical study was a questionnaire survey. The results of the research were analysed using Statistical Package for the Social Sciences and descriptive statistics methods. Relationships between variables were determined using Sig. (2- tailed) and Pearson Correlation.

Findings. The results of the empirical research have shown that the impact of greenwashing on consumers is predominantly negative: it causes consumer confusion, exposes consumers to higher perceived risks, leads to a feeling of distrust towards the company, the product or the service, can gradually lead to scepticism and even to a disregard for sustainable consumption, and decreases consumer loyalty. These negative aspects of greenwashing influence consumers' decisions and intention to purchase sustainable product.

Originality / Value / Practical implications. The study contributes to the scientific literature by providing empirical evidence on the specific aspects in which greenwashing influences consumer decision-making. Understanding the impact of greenwashing on consumer decisions is of great importance to both researchers and practitioners. The study helps to clarify the extent to which greenwashing undermines trust in brands, influences purchase intentions and affects consumer perceptions of sustainability. This knowledge can help companies to develop more effective marketing strategies and regulators to develop better policies to protect consumers from deceptive practices. The findings of the research have important practical implications for businesses, policy makers and consumers. For companies, it could help to underline the importance of sincere sustainability efforts and transparent communication in order to build trust and loyalty among consumers. Policymakers could use the insights to strengthen regulation and enforcement mechanisms to effectively combat greenwashing. In addition, consumers could benefit from better awareness and education on greenwashing tactics to make more informed purchasing decisions and support truly sustainable products and businesses.

Keywords: greenwashing; sustainable consumption; sustainable development; green marketing; purchasing decisions.

JEL codes: M 14; M 31.

Milena Serzante[1], Viktoriia Stankevych[2]. EXPERIMENTAL EVALUATION OF MOST SUSTAINABLE COMPANIES: IMPACT ON ECONOMIC GROWTH, RETURN ON EQUITY (ROE) AND METHODOLOGICAL COMPARISON

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Abstract

Research purpose. The study aims to analyse, how the sustainable performance of the company impacts the economy and businesses' economic performance and to build a model, using environmental, social and financial indicators.

Design / Methodology / Approach. To attain this goal, the methods of the Pearson correlation, Multiple Linear Regression, Cook's distance method, K-nearest neighbour and COPRAS technique were used.

Findings. The results revealed that there is no significant correlation between different indicators of sustainable development of the company and both GDP and Return on Equity. It indicates that the methodology of evaluating sustainability causes the difference in ranking companies based on sustainable performance. The outcomes derived from the COPRAS method indicate variations in the rankings of Corporate Knights, with only two exceptions noted. The selection of a suitable methodology is crucial for accurately assessing the sustainable performance of companies.

Originality / Value / Practical implications. Companies have a significant impact on the environment and society, and sustainability is important not only for ethical concerns but also for financial and economic reasons.

Keywords: sustainable performance; sustainable companies; impact of sustainability; economy.

JEL codes: M15, M21.

Gintarė Pauliukevičienė[1], Jelena Stankevičienė[2]. TRENDS IN CURRENT INTERFACES BETWEEN FINTECH, SUSTAINABLE DEVELOPMENT AND METHODS: A SCIENTIFIC REVIEW

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Abstract

Research purpose. The purpose of this study is to conduct a scientific review on the interface of FinTech, sustainable development and methods topics and evaluate the trends of this interface in recent years in order to discover the most suitable methods for further research on the topic of sustainable development of the FinTech industry.

Design / Methodology / Approach. Descriptive and evaluative analysis of the recent scientific literature in the Scopus and Web of Science Core Collection databases is carried out using the keywords “FinTech”, “sustainable”, “development” and “method”.

Findings. The results of the scientific review indicate several main findings: (1) the first traces of the selected keywords interface began to appear in 2017-2018, gained momentum in 2019-2021, and a growth spurt is visible in 2021-2024; (2) the top 20 countries with the most articles for the selected keywords interface in the Scopus and WoS databases covers 5 continents out of 7 which demonstrates the relevance of the selected keywords interface in today's context on a global scale; (2) Asian countries are the most

interested in research on the interface of selected keywords with China at the forefront; (3) EU countries are currently not very interested in research on the interface of selected keywords; (4) Ukraine pays special attention to the research of selected keywords, as it is second only to China in terms of productivity, and second only to the UK in scientific journals; (5) An evaluative analysis of Scopus data has shown that the most appropriate methods for further research on the relationship between selected keywords are method of moments, empirical analysis, regression analysis and quantile regression; (6) An evaluative analysis of WoS data has shown that further research on the relationship between selected keywords should be based on design methodology approach, country factors, Sustainable Development Goals and policymakers.

Originality / Value / Practical implications. The results of the study refine the most appropriate methods for studying the sustainable development of the FinTech industry, which to this day is not refined and clearly named. The results of the study can be used by parties interested in this topic as a guideline or basis for further research.

Keywords: FinTech; sustainable; development; method; interface.

JEL codes: B41; O32; Q01.

Eglė Norgren[1], Jelena Stankevičienė[2]. SYSTEMATIC LITERATURE REVIEW ON THE METHODOLOGICAL APPROACHES OF EFFICIENCY OF GREEN INVESTMENT INTO RENEWABLE ENERGY-BASED DEVELOPMENT

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Abstract

Research purpose. The purpose of systematic literature review on the methodological approaches is to assess the efficiency of green investment into renewable energy-based development, advance knowledge, improve the quality of the research and guide future investigations.

Design / Methodology / Approach. A bibliometric review was conducted in the field of research. Descriptive and performance analyses, along with a bibliometric review, cover the timeline from 2018 to the present. Utilising data from Web of Science (WoS) and Scopus databases, the VOSviewer software graphically presents the results. The examination of 91 WoS and 87 Scopus articles selected based on keyword combination identify main research streams, focusing on green investment and investment efficiency in renewable energy-based development.

Findings. Beyond research topics, the bibliometric analysis delves into the overall scientific discussion within the articles. Research findings uncover a broader spectrum of research streams, offering scholars and practitioners valuable insights for shaping the discourse on methodological approaches to assess the efficiency of green investment. The data envelopment analysis is one of the most reliable methods used to assess efficiency of green investment into renewable energy-based development under risk and uncertainty.

Originality / Value / Practical implications. A systematic literature review reveals the evolution of scientific thought and the different strands of discourse, which is essential to identify gaps, trends and areas for further research. Conducted bibliometric analysis can be further used for conventional, directed or summative content analysis.

Keywords: investment efficiency; green investment; renewable energy; data envelopment analysis (DEA).

JEL codes: D61, O13, Q50.

Anita Kolnhofer-Derecskei[1], Regina Zsuzsánna Reicher[2], Mihály Dombi[3], Zsuzsanna Győri[4]. HOW THE SMEs ARE COMMITED WITH THEIR LOCAL COMMUNITIES IN TERM OF SUSTAINABILITY?

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Abstract

Research purpose. Local communities play a crucial role in the entrepreneurship ecosystem. The role and massive influence of the local environment raise several questions. This paper aims to seek answers to the following questions (1) how and why the local communities influence the SMEs' sustainability (2) which pillar of sustainability plays a stronger role in this matter (3) how SMEs support local communities, whether volunteering or donation activities are conscious business decisions. Finally, (4) whether company and personal characteristics have a significant effect on local patriarchism.

Design / Methodology / Approach. A representative sample of leaders (n=300) from the Hungarian SME sector was investigated through a validated survey. The survey explored activities, motivations, organizational characteristics, and leadership factors in CSR and sustainability in the SME sector. In this paper, both Likert scaled statements and reasonings for open-ended questions were examined using qualitative and quantitative methods. To obtain an international overview, also secondary datasets were studied.

Findings. SMEs regularly support various organisations, and communities, rather if those are in the close region of the enterprise. They promoted regularly culture, education, youth, sport and vulnerable groups in their local communities. Moreover, businesses feel an obligation to support the local communities in which they operate. This activity seems to be divided into a conscious and a hidden part. When we asked for the reason for activities, most answerers expressed that donating to healthcare organisations or education institutes is an obvious civic duty (i.e. pressure from society) but in terms of local communities, the motivation is rooted in personal engagement (i.e. essential part of social sustainability).

Originality / Value / Practical implications. SMEs poorly express their sustainable activities, they adopt more informal strategies in comparison with large companies. SMEs' social sustainability lies in engagement and close links with local communities, where companies are targeted towards supporting charitable projects in their surrounding. Even though these actions are less formalised or strategically planned, that is why this research provides a better understanding of the integration of environmental and social concerns of sustainability reflecting all those benefits.

Keywords: sustainability and responsibility, entrepreneurship ecosystem model, SME, local environment

JEL codes: Q01; Q56; M2; L26.

Acknowledgement: This research was supported by the Ministry of Innovation and Technology of Hungary from the National Research, Development and Innovation Fund, financed under the Tématerületi Kiválósági Program 2021 (TKP2021-NKTA) funding scheme (Project no. TKP2021-NKTA-44).

Vilma Tamošauskaitė-Rimydienė[1], Laima Jesevičiūtė-Ufartienė[2]. FOOD WASTE MANAGEMENT: OBSERVING SITUATION IN BALTIC COUTNRIES

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Abstract

Research purpose. Food waste has become an economic and social concern globally. Food production requires various inputs (land, labor, water, fertilizers and chemicals, energy, etc.), and it is important to manage and consume food sustainably. The Food and Agriculture Organization of the United Nations (FAO) distinguishes between food waste and loss depending on where potential food is lost in a supply chain. Food waste occurs at the retail trade stage and final consumption, while food loss is considered until (but not including) the sales level. U.S. Waste food is an overarching term to describe food that was not used for its intended purpose and is managed differently, such as donation to feed people, creation of animal feed, composting, anaerobic digestion, or disposal in landfills or combustion facilities. Examples include unsold food from retail stores; plate waste, uneaten prepared food, kitchen trimmings from restaurants, cafeterias, and households; or by-products from food and beverage processing facilities. The term wasted food can be used to refer to both excess food and food waste. Depending on the food supply stage, food can be lost or wasted. Food loss occurs during the production, harvesting, or processing stage, where the quantity or quality of food intended for human consumption decreases or is lost. Food waste occurs at a retail or consumption level, when food that is still suitable for human consumption, is discarded. Many studies have been done at different levels in EU countries, but systemic analysis and commonly applied measurement indicators among countries are unclear. Specific requirements for analysis of food waste in separate countries might differ. Thus, this study aims to systemize different approaches to food waste through methodological perspective and practical implementation in Baltic countries – Lithuania, Latvia, and Estonia.

Design / Methodology / Approach. This study uses a literature review, systematization of secondary data.

Findings. Secondary data analysis revealed differences between food waste and loss understanding and measurement methodology implementation. However, the common feature of food loss, wasted food, and food waste is that food is not used as intended.

Originality / Value / Practical implications. This study contributes to the different aspects of the evaluation of what is considered to be food waste. Food waste in Baltic countries analysis reveals the fact that all three countries – Lithuania, Latvia, and Estonia apply food waste methodology differently. It covers the gap of available systemized information about waste management in this region.

Keywords: food waste, food loss, Baltic countries, sustainable management of waste, food waste indicators.

JEL code: M2; Q5.

Tetyana Pimonenko[1,2], Oleksii Lyulyov[1,2]. GREEN BEHAVIOUR: EMOTIONAL AND COGNITIVE INTELLIGENCE

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Abstract

Research purpose. This study investigates the impact of emotional tones in text and video advertisements on consumer perceptions of environmental messages and Sustainable Development Goals (SDGs), using neuroscientific tools like EEG analysis and eye-tracking. The findings aim to guide businesses in optimizing marketing strategies to promote sustainable practices and enhance green policy adoption.

Design / Methodology / Approach. The study adopts a hybrid research framework, leveraging both neuroscientific instruments (electroencephalogram [EEG] and eye-tracking) and participant surveys to evaluate the effects of varied emotional messaging (positive, neutral, and negative) in environmental advertising on viewer engagement and perception. By subjecting participants to an array of green-focused text and video ads, the investigation seeks to quantify cognitive and emotional engagement through EEG patterns and visual attention metrics. This approach is designed to dissect how distinct emotional appeals in advertisements shape consumer attitudes towards eco-friendly behaviours and the pursuit of Sustainable Development Goals (SDGs). Through synthesizing objective neuroscientific data with subjective participant feedback, the methodology aims to uncover actionable insights into crafting more persuasive sustainability-oriented marketing strategies.

Findings. The study revealed that advertisements with a negative emotional tone are most effective at capturing consumer attention, significantly more so than those with positive or neutral tones. Furthermore, video ads were found to engage consumers more deeply than text ads, suggesting a greater impact on promoting sustainable behaviours. These findings suggest that companies aiming to enhance green marketing strategies should consider leveraging negative emotional appeals and video content to maximize consumer engagement and advocacy for sustainable practices.

Originality / Value / Practical implications. This research introduces innovative insights by utilizing neuroscientific tools to evaluate the impact of emotional tones in green advertising, offering a fresh perspective on consumer engagement with sustainability messages. It provides valuable contributions to green marketing, demonstrating how negative emotional appeals and video formats significantly enhance the effectiveness of sustainability campaigns. The findings offer practical strategies for marketers and policymakers, suggesting that leveraging specific emotional tones and media can more effectively promote sustainable behaviors and environmental policy goals.

Keywords: sustainable development; green conscious; green mind.

JEL codes: Q1; D10; E7.

Ilona Lejniece[1], Helmuts Lejnieks[2]. HOW TO LIMIT THE SPREAD OF CARBON BLACK IN ENVIRONMENT? TYPES OF PROCESSING, EFFICIENCY, ECONOMIC BASIS IN EUROPE

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Abstract

Research purpose. The aim of the article is to research carbon black in environment and types of processing, efficiency and economic basis in Europe.

Design / Methodology / Approach. The hypothesis of the research - carbon black is in electrical appliances, construction materials, waste, production and elsewhere, and it pollutes the environment and produces harmful carcinogenic substances that affect the health of humans and animals. To create an auxiliary tool for entrepreneurs, including circular economic elements in the structure of social corporate responsibility. Quantitative and qualitative research methods were used in the development of the research. The expert survey method, mathematical statistical methods and statistical data processing methods are used in the practical part of the work. The research is based on a scientific research analysis method (deduction, synthesis, induction, deduction, critically creative) analysing data carbon black impact from 2020 until 2023 in Europe. Within the framework of the research, methods of analysis are used to reveal the degree of concentration of carbon black in the environment. A critically creative method is applied to the presentation of the results of the research, revealing the elements of carbon black which affects the environment.

Findings. Investments in environmental improvement are one of the most important factors of global competitiveness in today's business environment. It also requires entrepreneurs to develop a socially responsible not only business model, but also the environment. Industrial policy is a new challenge for entrepreneurs. Providing services not only creates new challenges for companies, showing both pros and cons in work processes and organization, but also requires improving the model of social and digital dialogue, as well as encouraging entrepreneurs not only for a socially but also digitally responsible business environment, as well as taking care of the surrounding improvement and preservation of environmental impact processes. Climate change and socially responsible business go hand-in-hand, and this interaction must ensure participation in employment. This is a well-known problem in Europe, but it is not a well-known topic in Latvia, which shows that there is no idea how to solve these processes. The level of industrialization will increase in the coming years, and the local economy can also benefit from it, which will also increase the processes of the circular economy and will lead to the search for solutions to combat different types of waste. Digital tools are a great way for businesses to improve the quality of work or life.

Originality / Value / Practical implications. Educating the public and entrepreneurs about the circular economy, based on science-based evidence, including the harmful effects of carbon black and its mitigation. Creation of an auxiliary tool for entrepreneurs, including circular economic elements in the structure of social corporate responsibility.

Keywords: circular economic; air pollution; R&D; carbon black; corporate social responsibility.

JEL codes: Q5; Q53; Q16; Q01; M14.

Angelė Lileikienė. SUSTAINABILITY OF THE BANKING SYSTEM: CHANGES FOR BUSINESS

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Abstract

Research purpose. During the economic recession, when the banking system was affected by the "overheating" of the economy, which affected the liquidity and capital adequacy problems of commercial banks, it is important to solve the sustainability problems of the banking system itself. The sustainability of the banking system was directly influenced by the provisions of Basel III. Recent years (2019-2022), the sustainability of operations has been observed in the activities of commercial banks, capital adequacy has increased, the number of deposits has increased, its level of non-performing loans. ESG (environmental, social and governance) risk regulation defining the sustainability of the banking system. The EU Taxonomy Regulation establishes the criteria for assessing whether an economic activity is temporarily sustainable in relation to the environment. The research aim was to define the role of the banking sector in sustainability and impact on business activity. To achieve the aim the following objectives have been formulated: to make a review of research literature and to identify conceptual trends, and to make influence the sustainability of banking activities in the context of ESG.

Design / Methodology / Approach. The origin of the research problem is determined by different approaches of researchers on the effectiveness of the Basel III directives designated to ensure the impact of stability of the commercial banking system on the overall sustainability of the financial system. The specific feature of the subject of the problem, which has been analysed in the present study, is related with the fact that a continued project – adaptation of the Basel III directives in operation of commercial banks – is currently in progress both in Lithuania and across the European Union, which has direct impact on the stability of the financial system. The Basel III requirements for limitation of operational risk are based on the liquidity and capital adequacy ratios. Failure to maintain the required rate of the above ratios leads to a bankruptcy of a commercial bank, which to a greater or lesser extent affects the sustainability of the commercial banking and financial system as a whole. The sustainability of banks is also affected by the adopted EU directives. EU the progress of preparation and consideration of the package of EU Laws: directives offer (2021), directive adopted (2022), in December revision to the project notes (2023), the law will enter into force on 01.07.2024. The Basel Committee on Supervision directly regulates the capital adequacy ratio through the Basel II rules and CRD IV package setting the estimated minimum capital adequacy ratio as 10,5 %, which is calculated as a ratio of the total capital to Risk Weighted Asset, RWA.

Findings. Referring to the theoretical framework, international and national research studies, the following conclusions can be made. Since 2015 the Basel III ongoing project has been started in the country, implementation of which through CRD IV package took place over during this 7-year period, i.e. in 2013 – 2019. The key modifications introduced by the Basel III in terms of the requirements for limitation of operational risk are related with introducing a new liquidity coverage ratio and increase of the capital adequacy ratio. Modelling of the Basel III directives on liquidity standards has shown that all commercial banks, which were analysed in the present study, had surplus liquidity and capital adequacy ratios before the Basel III integration; the surplus liquidity and capital adequacy ratios have been retained after implementation of the Basel III framework as well. In assessing the level of inflation, the ECB has not changed the basic interest rate in recent years, which will remain at 4.5 percent. The European Central Bank (ECB) raising interest rates and reducing the money supply is affecting the economy slowly and is only beginning to negatively affect residents and businesses. A survey of commercial banks in the euro area conducted by the ECB shows that since the end of last year, an increasing number of them have been tightening their lending conditions. The same survey reveals that the willingness of both companies and residents to borrow is decreasing, influenced by the price of money, a weakened desire to buy a home, and, in general, increased uncertainty about future prospects and sustainability of banks.

Originality / Value / Practical implications. As the conducted research studies show, after injection of the Basel III directives the capital adequacy ratio will increase up to 10,5 %. The capital adequacy analysis was performed pursuant to the requirements of the Capital Requirement Directive (CRD IV), section 8 of the Capital Requirement Regulations № 575/2013 (CRR) and the implementing technical standards and regulatory technical standards (ITS/RTS) of the European Banking Institution (EBI). The capital adequacy ratio is established for the tier I capital, tier II capital and the total capital value to risk-weighted assets. The capital adequacy ratio shows how a commercial bank implements strategic business decisions. As the results of the research show, in the year 2022 as compared to 2021, SEB bank had Tier I capital ratio exceeded by 0,7 percentage point, i.e. in 2021 the capital adequacy surplus amounted to 14,8 % at the required 4,5 % ratio, and in 2022 – 15,2 % excluding the reserves. The total capital adequacy ratio in 2021 was 23,1 proc., and 2022 – 19,8 proc.

The present research has disclosed the trend that while ensuring the compliance of commercial banks with the regulatory liquidity requirement, a loan ratio, including loan substitutes such as leasing, has been decreasing in recent years, especially in the post-crisis period; if in 2014 this ratio amounted to 108 %, then in 2017 it did not even make 98 %, but from 2019 to 2022, the level of non-performing loans began to decrease significantly, the indicator stabilized, respectively, in 2019, the indicator reached 1.6, in 2020 - 1.28, and in 2022, the indicator level reached - 0.58, which indicates the process of bank stabilization. In assessing the sustainability of the banking system, the EU Taxonomy Regulation was adopted. EU taxonomy - the division of investments into sustainable and unsustainable.

The purpose was to increase transparency, to promote sustainable projects, and to provide clear loan evaluation criteria. Banks' sustainability is focused on ESG risk (environmental, social and governance risk) these are factors that include potential negative effects of environmental degradation, social discord and governance short-term effects on the company's financial results, reputation and long-term for sustainability, the whole. It is therefore the task of the banking system to ensure that sustainable financing is aligned with environmental objectives by introducing criteria based on a taxonomy that defines the types of investment projects suitable for sustainable financing.

Keywords: sustainability of the banking system; ESG; liquidity; the Basel III requirements; EU taxonomy regulation.

JEL codes: G21.

Ugnius Jakubelskas[1], Viktorija Skvarciany[2]. EVALUATION OF CIRCULAR ECONOMY INDICATORS SEEKING SUSTAINABLE DEVELOPMENT GOALS

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Abstract

Research purpose. To address climate change, mitigate environmental degradation, a scarcity of natural resources, and ensure a high quality of life for present and future generations, individuals, companies, and nations are forced to look for alternative ways of production and consumption to harmonize societal, economic, and environmental needs. To achieve a sustainable future, the United Nations has introduced sustainable development goals aimed at seeking peace and prosperity for both people and the planet, now and into the future. Implementing circular economy practices and utilizing them as a toolbox can lead to a more sustainable future and contribute to achieving a significant number of Sustainable Development Goal (SDG) targets. This research aims to assess the impact of circular economy indicators within the context of sustainable development in European Union (EU) countries, focusing on the significance of circular economy practices as tools for achieving sustainable development goals.

Design / Methodology / Approach. Panel regression analysis was used to determine which circular economy indicators most significantly impact the SDGs Index across the European Union countries. In this research 5 multiple panel regression analysis was performed. Each group represent one of key circular economy areas based on the EU circular economy framework.

Findings. Five separate panel regression analyses were conducted, each representing a pillar of the EU circular economy framework: production and consumption, waste management, secondary raw materials, competitiveness and innovation, global sustainability and resilience. Among all groups resource productivity, recycling rate of municipal waste, circular material use rate, persons employed in circular economy sector and material import dependency has the biggest impact on achieving SDGs.

Originality / Value / Practical implications. This research explains the relationship between the circular economy and its contribution to achieving SDGs in EU countries. It enables policymakers, businesses, and other stakeholders to recognize the significance of circular economy in attaining sustainable development. The research outcomes can guide the development of circular economy policies prioritizing impactful areas for countries dedicated to achieving sustainable development through circular economy practices.

Keywords: circular economy; sustainable development; sustainable development goals.

JEL codes: Q00; Q01.

Uwe Busbach[1], Jürgen Fischer[2], Brian J. Gerber[3]. MEASURES TO COMBAT DROUGHT AND HEAT - FRAMEWORK FOR ADAPTATION TO CLIMATE CHANGE AT LOCAL LEVEL

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Abstract

Research purpose. The ongoing global emission of greenhouse gases into the atmosphere is leading to a noticeable change in the global climate with different specific effects in the various climate zones, countries, regions and even individual municipalities. The situation in many municipalities around the world is

comparable or is developing similarly with a time lag. In Baden-Württemberg, the number of heatwave days has more than doubled in comparable periods over the last 60 years. The duration and intensity of heatwaves and droughts and the associated risks are increasing significantly. In the US state of Arizona, a region already heavily affected by heatwaves and droughts, this trend has even accelerated in recent decades. The cities and regions there are confronted with effects that have not yet occurred to this extent and in this variety in Baden-Württemberg, but are to be expected in the future. The aim is to systematically capture the diverse knowledge, innovative solutions and adaptation tools that already exist at the municipal level in Arizona in a framework in order to further develop and implement them in a targeted manner with regard to future heat waves and droughts in both Baden-Württemberg and Arizona.

Design / Methodology / Approach. The project comprises an intergenerational approach: Climate adaptation is an intergenerational task for which the planning horizon must be correspondingly long-term. This is accompanied by the challenge that today's municipal planning should also be able to cope with the climatic conditions in a few decades and therefore municipalities that have so far been little affected by the effects of climate change must now lay the foundations for adaptation measures. In order to ensure the central objective of the study, the comparative evaluation of the climate adaptation measures introduced at the municipal level, the process of developing climate adaptation strategies in the cities studied is examined using a mixed-methods approach consisting of qualitative and quantitative data analysis. Qualitative interviews with municipal actors from Arizona and Baden-Württemberg are used to analyze the municipal policy processes as well as the documents and municipal council drafts published in this context.

Findings. It must be emphasized that the project has not yet been completed and therefore only preliminary research results are available. However, it is already clear that there are three starting points for the implementation of innovative climate change adaptation solutions and instruments at the local level: the state government, the local government or local citizens' initiatives/city councils - top-down, inside-out or bottom-up strategies. Within these strategies, there are various criteria that influence implementation: Economic efficiency, citizen participation, ecology, socioculture and the sensitization of administration, citizens and politics. The sensitization seems to be culturally shaped by the state, the district, but also by a specific municipality. All criteria reveal a conflict of legitimacy that needs to be analyzed in more detail due to the intergenerational approach.

Originality / Value / Practical implications. The use and adaptation of experiences with heat events and drought from municipalities in Arizona for municipal conditions in Baden-Württemberg has practical implications. It avoids the repetition of mistakes and enables shorter response times and implementation times for measures. In practical terms, knowledge and experience are reused. However, it is important that this is not only done at the level of individual, exemplary use cases and municipal cooperation, but that a systematic framework is developed. Its solution patterns can be adaptively applied to new, currently only partially predictable heat and drought events in both Baden-Württemberg and Arizona.

Keywords: climate change, climate adaption, sustainability, intergenerational conflict

JEL codes: Q54; R58

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Līga Sileniece[1], Dzintra Atstāja[2]. GREEN BUSINESS TRANSITION AND NEGOTIATION COMPLEXITY: A LITERATURE REVIEW

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Abstract

Research purpose. This paper aims on rising awareness of green thinking for successful green business transition using negotiations as effective practise. For businesses a process of change that results in becoming successfully green is woven with negotiations where parties strive to achieve outcomes complying with green business transformation perspective and are constituted as sustainable business deals. Based on the review and synthesis the existing literature related to green thinking and green business transition, as well as negotiation complexity authors aim to explore presupposed specifics of negotiations in the process of green business transition and elaborate definition of green business negotiations.

Design / Methodology / Approach. – The approach was to combine relevant literature from green thinking, green business, and green business transition with relevant literature from business negotiation, negotiation complexity and sustainable negotiation process, what leads to indication of presupposition of green business negotiations specifics towards negotiation complexity and definition of green business negotiations.

Findings. Current literature does not provide a definition of green business negotiations and their specifics. In this article authors have elaborated and justified the necessity of consolidated definition of green business negotiations and framework of green business negotiation specifics that differentiates them form business negotiations. Sustainability agenda becomes increasingly important for businesses and green business transition is meant to evolve through green innovation. Nevertheless, negotiations as common practice of environmental managers and entrepreneurs is underestimated. Deficient awareness of green thinking entails inefficiency in sustainability of business deals that foster green transition of businesses and thus challenges success of green business transition.

Originality / Value / Practical implications. This article fills in the gap of clearly defined terms of green business negotiations as a practice to foster green business transition. The framework of green business specifics differentiates green business negotiations form business negotiations in general. Findings of this article serve for forming a theoretical base for further development of practical guidelines of green business negotiation process and general advice to environmental managers and entrepreneurs, and thus contribute to green business transition.

Keywords: green thinking; green business transition; negotiation complexity; sustainability; literature review

JEL codes: M21; M19.

EMERGING TRENDS IN SOCIAL ENTREPRENEURSHIP

Lika Kiladze[1], Jevgenija Dehtjare[2], Julija Mironova[3], Diana Lapkis[4]. UNDERSTANDING SOCIAL ENTREPRENEURS' VIEWS ON STRATEGIES FOR ENSURING SOCIAL ECONOMY SUSTAINABILITY

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Abstract

Research purpose. The aim of this study is to investigate the internal consistency of survey questions related to the priorities outlined in the World Economic Forum Insight Report "Unlocking the Social Economy" within the context of Latvia and Georgia. Specifically, the research seeks to assess the structural characteristics of modern social entrepreneurs in these countries, analyze their attitudes towards the priorities identified in the report, and gauge their perceptions regarding actions necessary to foster social economy development. Additionally, the study aims to explore the impact of social entrepreneurship on achieving Sustainable Development Goals (SDGs), particularly SDG 11, SDG 12, and SDG 8, and to provide insights into enhancing the collaboration between public bodies and social economy representatives in Georgia and Latvia.

Design / Methodology / Approach. The body of the survey was constructed according to the World Economic Forum Insight Report "Unlocking the Social Economy" priorities and the developed questionnaire was distributed in Latvia and Georgia from February to March 2024. The respondents were social entrepreneurs of both countries. The pilot study aimed to test the internal consistency of the survey`s questions.

Findings. This research highlights how the social economy, driven by social innovation, can address significant development issues of our challenging times also fostering employment opportunities and ongoing economic growth. The structural portrait of the modern social entrepreneur of Latvia and Georgia has been designed and compared. The attitude of the social economy representatives to the World Economic Forum Insight Report stated concrete priorities of the social entrepreneurship development towards an inclusive and resilient society was analyzed. The respondents were asked to express their perceptions on the importance of following actions to foster the development of the social economy of both countries: improvement of the recognition of the social enterprises by the regulatory framework; creation of favorable taxation system, encouragement of investment; introduction of social economy into education institutions; favorable conditions for purchase of social entrepreneurship commodities by public bodies; social entrepreneurship as a driver of economy, green and digital transition; creation of clear classification system; support of inclusive business models by public bodies.

Originality / Value / Practical implications. Social entrepreneurship is commonly recognized as an integral element of Catalyst 2030, a global movement of social entrepreneurs and social innovators looking to attain the SDGs by 2030. In particular, SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), and SDG 8 (Decent Work and Economic Growth) have been the most strongly impacted by sustainable entrepreneurship research. The research contributes to the ability to make the process of unlocking the social economy towards an inclusive and resilient society more comprehensive for the social entrepreneurs and the public bodies, whose aim is to support and foster the development of the social economy. The main value of the research is the ability to show the need to update the relation of the public bodies of Georgia and Latvia to the interaction with the representatives of the social economy – social entrepreneurs.

Keywords: SDG; social economy; social entrepreneurship; sustainable development; public bodies.

JEL codes: L31; J08; I31.

Aija Sannikova[1], Janis Kudins[2], Jelena Titko[3]. **SOCIAL ENTREPRENEURS' COMPETENCE FRAMEWORK AS A COMPONENT OF SOCIAL ECOSYSTEM DEVELOPMENT**

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Abstract

Research purpose. The purpose of the study is to analyze the competencies required for a successful social entrepreneur.

Design / Methodology / Approach. Research tasks: (1) review the theoretical literature on the competencies required for a social entrepreneur; (2) to conduct research on the framework of the social enterprise ecosystem in Latvia and the development of competences; 3) to develop recommendations for the formation of general competencies of a social entrepreneur. Research methods: monographic method for researching the publication's literature, survey of university lecturers of social entrepreneurs and business programs, statistical analysis for processing the obtained data.

Findings. A developed social entrepreneurship ecosystem can reduce the gap between the competences of society, higher education and the demands of social entrepreneurs and enrich the programs of higher education institutions with new, demand-based content. There is a need for cooperation between business and educational agents in achieving the goals of social entrepreneurship, but the real situation shows that the cooperation between social ecosystem agents is weak. The study reveals that the formation of competencies in higher education should transform over time to ensure compliance with the new socio-economic situation, and in addition, programs at different levels should have specific goals.

Originality / Value / Practical implications. The study shows that there is no coherence in identifying the needs of social entrepreneurs within the social ecosystem in Latvia, but on the contrary several agents operate independently without providing knowledge transfer in the field of modern business and university cooperation. The research carried out by the authors infuses scientific thought with new insights and helps universities to understand the competence needs of social enterprises.

Keywords: social entrepreneur; social entrepreneurship; competences; social ecosystem; Latvia.

JEL codes: L31; I23.

EMERGING TRENDS IN

BUSINESS ADMINISTRATION, MANAGEMENT AND CORPORATE FINANCE

Jana Kozáková[1], Renata Skýpalová[2], Tomáš Jeřábek[3]. **EFFECTS AND IMPACTS OF CSR ACTIVITIES AS PART OF CULTURAL DIFFERENCES - A COMPARATIVE STUDY CZECH AND SLOVAK SUBSIDIARIES OF FOREIGN MULTINATIONALS**

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Abstract

Research purpose. The aim of this study is to quantify on a Likert scale the effects and impacts of corporate social responsibility activities (which can be perceived as part of cultural differences) of subsidiaries operating in the Czech Republic and Slovakia and to identify statistically significant differences between the two countries. Investigating differences in CSR impacts and effects between Czech and Slovak subsidiaries of foreign multinationals is important for adapting CSR strategies, promoting stakeholder engagement, facilitating knowledge sharing and influencing corporate reputation.

Design / Methodology / Approach. The study conducted a questionnaire in two countries, Slovakia and the Czech Republic, with 180 monitored entities in each country. Questions were closed-type using Likert scale, and statistical analysis was conducted using the Mann-Whitney U Test to identify statistically significant differences between Slovak and Czech companies.

Originality / Value / Practical implications. The study shows significant differences in the perception of CSR between two countries, especially regarding aspects such as improving marketing and immediate impacts such as employment and support for regional development. These differences highlight the importance of adapting CSR strategies to fit the local context and meet stakeholder expectations. The implications of the research go beyond academic circles and offer practical insights for multinational corporations operating in the region. By understanding the different socio-cultural factors shaping CSR practices, companies can deepen their engagement with stakeholders, positively contributing to social and environmental goals. The study equally contributes to a better understanding of CSR in different contexts and highlights the importance of adopting context-specific approaches in corporate sustainability efforts.

Keywords: corporate social responsibility, effects, impacts, Czech Republic, Slovak Republic, differences

JEL codes: M14; A13; H59.

Renata Skýpalová[1], Martin Šikýř[2] Jana Vávrová[3]. **WHAT ISSUES ARE ADDRESSED BY CONTEMPORARY HR PROFESSIONALS? A SURVEY EVIDENCE FROM THE CZECH REPUBLIC**

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Abstract

Research purpose. HR professionals are strategic partners of line managers in meeting business strategies. They have to deal with many issues concerning people resourcing to ensure the business has the people it needs. The paper analyses issues addressed by contemporary HR professionals of surveyed business

companies in the Czech Republic to discover which issues they face most often and which challenges they expect in the coming years.

Design / Methodology / Approach. The analysis is founded on the 2023 HR survey carried out by Grafton Recruitment Czech Republic including a sample of 478 businesses in the Czech Republic. The analysis covers the evaluation of relative frequencies of responses and the verification of defined hypotheses using statistical tests.

Findings. The HR professionals of the surveyed businesses most often face issues related to the numbers and kinds of people the businesses need. The challenges they expect in the coming years concern employer branding to attract and retain quality people.

Originality / Value / Practical implications. The findings contribute to the present HR theory and practice by confirming the strategic value of services of HR professionals in meeting business strategies. Originality can be seen in the comparison of the services of HR professionals in businesses of different types and sizes. The findings can be applied in the design of services delivered by HR professionals in different businesses.

Keywords: human resource management; HR professionals, people resourcing, employer branding, Czech Republic.

JEL codes: M10; M14.

Katarina Valaskova[1], Marek Nagy[2]. THE ROLE OF INDUSTRY 4.0 IN FINANCIAL PERFORMANCE OF ENTERPRISES IN THE CONTEXT OF CENTRAL EUROPEAN COUNTRIES: A LITERATURE REVIEW

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Abstract

Research purpose. This literature review aims to comprehensively examine the role of Industry 4.0 in shaping the financial performance and sustainability of enterprises within Central European countries. Implementation of Industry 4.0 technologies, such as IoT devices, artificial intelligence, and robotics, enhances operational efficiency. This efficiency can lead to cost reductions, improved production processes, and streamlined supply chains, positively impacting the financial performance of enterprises. Increased innovation often translates to the development of new products and services, driving revenue growth and positively affecting financial metrics.

Design / Methodology / Approach. The research purpose is to synthesize existing knowledge and provide a nuanced understanding of the impact of Industry 4.0 technologies on financial metrics in this regional context. Employing a systematic review methodology, snowballing techniques, and a bibliometric analysis, this study examines a wide range of scholarly articles, reports, and publications to discern patterns, trends, and empirical evidence related to the nexus between Industry 4.0 adoption and financial outcomes of enterprises.

Findings. The findings reveal the multifaceted influence of technologies such as automation, artificial intelligence, and the Internet of Things on key financial indicators, including revenue growth, cost efficiency, and profitability, across various industries in Central European countries. Additionally, the review highlights gaps in the current literature, identifies methodological approaches, and suggests potential avenues for future research.

Originality / Value / Practical implications. This synthesis contributes valuable insights to the discourse on Industry 4.0's implications for financial performance and sustainability, adds significant value to the understanding of the intersection between technological advancements and financial outcomes in the business landscape, offering a foundation for scholars, practitioners, and policymakers interested in navigating the transformative landscape of advanced technologies in Central European business contexts.

Keywords: Industry 4.0; financial performance; financial sustainability; Central European countries.

JEL codes: G30; M14.

Katarina Valaskova[1], Dominika Gajdosikova[2]. ANALYZING CORPORATE SOCIAL RESPONSIBILITY IMPACT ON CORPORATE PERFORMACE IN CENTRAL EUROPEAN COUNTRIES

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Abstract

Research purpose. This study delves into the intricate relationship between Corporate Social Responsibility (CSR) and corporate performance within the context of Central European countries. The primary purpose is to rigorously analyze the impact of CSR practices on various dimensions of corporate performance in this region. Recognizing CSR as a multifaceted concept extending beyond financial metrics, the research aims to uncover the extent to which socially responsible practices contribute to corporate success.

Design / Methodology / Approach. Employing the ESG score as a key metric for assessing CSR performance, the study integrates financial and accounting data from a comprehensive sample of publicly-traded enterprises in Central Europe. Through correlation analyses, statistical tests, and cluster and correspondence analyses, the research seeks to elucidate patterns, associations, and sectoral nuances in the interplay between CSR initiatives and corporate performance.

Findings. To make a profit and get a competitive edge in the market, businesses must respect the requirements of all stakeholders. The significance of corporate earnings was supported by the findings of the correlation analysis, which showed a positive relationship between the amount of corporate earnings and the CSR performance of central European businesses as determined by the ESG score. The economic sectors in which the businesses operate play a critical role since certain businesses have a detrimental influence on the environment and society. Because of their negative impacts, investors often do not include them in their portfolios. However, investing in some industries might help to lessen the degree of portfolio diversity.

Originality / Value / Practical implications. This investigation not only contributes to the understanding of CSR dynamics in Central European contexts but also provides valuable insights for businesses, policymakers, and stakeholders aiming to foster sustainable and socially responsible corporate practices.

Keywords: CSR; ESG score, publicly listed enterprises; corporate performance

JEL codes: G30; M14.

Jana Hroncová Vicianová[1], Janka Beresecká[2], Štefan Hronec[3], Martin Hronec[4].

COMPARISON OF THE PERCEPTION OF SELECTED AREAS OF BUSINESS IN START-UPS AND CORPORATIONS BY GENERATION Z

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Abstract

Research purpose. Nowadays, it is becoming more and more desirable for many young people than steady but undynamic work in large corporations. In terms of life cycle, start-ups are flexible and able to react more quickly to changes in the market and comments, while corporations have more options and can invest in longer-term projects. In the field of financing, they often have problems getting started with finding sufficient financial resources to start their business, but at the same time they are able to accelerate. On the other hand, corporations have access to a large source of capital, which allows them to implement longer-term and more complex projects. Start-ups often offer a variable form of salary and more flexible working hours, while corporations have more stable working conditions and more opportunities for career growth. Given specificities and differences may be perceived differently by generation Z. The presented scientific article is focused on the comparison of selected areas of business in startups and corporations. The aim of the article is to define the specifics and differences of selected areas of business in start-ups and corporations and, based on a questionnaire survey, to analyze and compare the perception of differences in business and the preferences of generation Z to work in the investigated companies.

Design / Methodology / Approach. The questionnaire survey is aimed at identifying the preferences and perception of the specifics of doing business in start-ups and multinational companies by Generation Z.

Findings. The results are expected to distinguish the preferences of generation Z in individual areas and to find out which type of business this generation is inclined towards. Based on a questionnaire survey, it was found that the preferences of young people are very balanced, but generation Z is more inclined to choose start-ups. From the point of view of the life cycle and recruitment of employees, the respondents are more inclined towards start-ups.

Originality / Value / Practical implications. The article points to the perception and preferences of Generation Z in the field of business life cycle and in the field of human resources management of two different types of business. In the area of the life cycle, startups tend to go through rapid development, while corporations try to maintain their stability, which is also related to differences in funding. In the area of human resources, startups try to attract and retain their employees through a familiar work environment, while corporations often offer stable jobs and retirement plans with a wide range of benefits.

Keywords: corporation; generation Z, life cysle; start-up.

JEL codes: M21; G30; M51.

Nellija Titova[1], Biruta Sloka[2]. IMPACT ANALYSIS IN INTELLECTUAL CAPITAL RESEARCH: BALTIC CASE

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Abstract

Research purpose. Intellectual capital theory in the last decade advanced to financial and non-financial impact analysis comprehensive structures. It split into several layers upscaling from micro management of the companies and practitioners contribution to regional and national level. It went beyond to macro impact analysis considering the environment organisation operates in and interactions within it. At the same time also expanded to hundreds of impact models as number of IC components and dependent variables on the entities'' side has exploded. Adding time factor, impact analysis integrated longitudinal aspect. Proceeding to mathematical challenges with growing moderate, control and composite variables impact analysis became fundamental.

Design / Methodology / Approach. The study used a sample of Nasdaq Baltic Emitents in Latvia, Lithuanian and Estonia for the pre-Covid period 2012-2019 collecting 84 data units from the annexes to yearly financial statements explaining the cash flow and profit and loss statement of each. As companies are publically listed the financial measurements on the performance side was provided by the Morning star reports. Longitudinal regression analysis was applied.

Findings. The exploratory longitudinal analysis confirms the data regarding existence of totally six factors in pilot study to have impact on the business performance indicators while showing different level of significance, direction of impact and time scale to observe it. These are human capital, relational capital, protected capital, social capital, innovation capital and process capital of the companies.

Originality / Value / Practical implications. Findings confirm a model's structure to be complex phenomenon consisting of various components. Extending at the same time simplifying the model using composite aggregate ratios on the both sides of equation has created the precondition for optimizing the impact models worldwide.

Keywords: intellectual capital; intellectual capital components; longitudinal impact analysis; composite ratio, Baltic countries.

JEL codes: O34; G18; G28; F42.

Nellija Titova[1], Biruta Sloka[2]. MARKETING, SALES AND INNOVATIONS' IMPACT ON BUSINESS PERFORMANCE ANALYSIS IN INTELLECTUAL CAPITAL RESEARCH: LATVIA, ESTONIA AND LITHUANIA

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Abstract

Research purpose. Intellectual capital components' meta system has exploded in the recent decade following the four decades of the Intellectual Capital Research evolution followed by the wide discussions on the definitions, measurements, reporting, impact analysis, etc. Intellectual capital due to its significance in the new sustainable reality becomes crucial for the growing economies and has been recognized as fundamental discipline that is throughtly supported by the practicioners and government structures worldwide, discussed in research findings in scientific publications but not enough reflected in marketing.

Design / Methodology / Approach. The study used a sample of Nasdaq Baltic Emitents in Latvia, Lithuanian and Estonia for the pre-Covid period 2012-2019 collecting eighty-four data units from the annexes to yearly financial statements explaining the cash flow and profit and loss statement of each as well as development of use of computers and internet in entrepreneurship in all Baltic countries as innovations cannot be reached with reasonable information technologies availability and applications. As companies are publically listed the financial measurements on the performance side was provided by the Morning star reports. Longitudinal regression analysis for the impact analysis was applied.

Findings. Findings confirm that relational capital measured as marketing and sales components with a proxies for the assets, sales revenue and value added show significant and positive impact on four business indicators such as ROA, ROE, ROS and Return on Business success and do not have effect on Price to Earning ratio of the listed companies in Baltics and no impact at all.

Originality / Value / Practical implications. The exploratory longitudinal analysis confirms the data regarding existence of six factors in pilot study to have impact on business performance indicators at different levels of significance, direction of impact and time scale to observe it that brings unique findings to the current extended research on intellectual capital and is first time to apply in the Baltics. Testing for different proxies, moderate and control variables brings new aspects to the resource deployment impact analysis on business performance overall. Extending and simplifying the model, using composite aggregate ratios on the both sides of equation creates the precondition for optimizing the impact models worldwide.

Keywords: intellectual capital; relational capital; marketing and sales; innovation capital; longitudinal impact analysis; Baltic countries.

JEL codes: O34; M21; M31; O16 .

Inga Shina[1], Velga Vevere[2], Vita Zarina[3]. SUSTAINABILITY REPORTING OF LATVIAN BANKS

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Abstract

Research purpose. In response to increasing investor demand for non-financial information from companies, a number of sustainability accounting frameworks have evolved to improve standardized disclosure of environmental, social, and governance (ESG) information. These frameworks have created more consistent, readily available, and easily interpreted information for investors to assess the sustainability impact of capital allocation choices. The purpose of the current research is to investigate sustainability reports of Latvian banks in order to develop proposal for unified reporting framework.

Design / Methodology / Approach. The current investigation employs the secondary data analysis to study the sustainability reports of Latvian banks.

Originality / Value / Practical implications. The findings demonstrate that Latvian banks recognize the value of non-financial (ESG) reporting as instrument to enhance their competitive advantage, still their reporting frameworks are rather different. This makes comparison and overall evaluation of their non-financial performance difficult. The originality and practical value of the research lies precisely in proposing a set of evaluation criteria applicable to majority of cases.

Keywords: ESG; non-financial reporting, ESG reporting frameworks.

JEL codes: Q56; M14.

Aleksejs Vesjolijs[1,2], Kristine Uzule[3]. THE INTEGRATED REPORTING FRAMEWORK FOR DESIGNING A HYPERLOOP-DRIVEN MATURITY MANAGEMENT MODEL, EMPOWERING WORKFORCE ENTREPRENEURSHIP

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Abstract

Research purpose. The Integrated Reporting Framework (<IR>) enhances operational transparency, stakeholder engagement, and business value assessment (IR, 2021). It encompasses six capital types as inputs and outputs of the business model, providing stakeholders with information revealing value creation, which is why <IR> is relevant for hyperloop projects. Amidst uncertainties, there's a growing need for entrepreneurial competences to foster business creativity. This paper proposes a maturity management model for hyperloop projects within the <IR> framework, aiming to enhance workforce entrepreneurial competences and bridge the gap between emerging technologies and market uncertainties. Hyperloop projects' multidisciplinary nature facilitates diverse skill development and cross-functional collaboration. The ongoing debate and exploration in hyperloop projects offer experiential learning opportunities, contributing to the design of management strategies for contemporary organizations in navigating uncertainties and fostering workforce sustainability, thereby enhancing human capital value.

Design / Methodology / Approach. The initial research phase involved analyzing scientific literature and conducting interviews with a professional focus group to identify design and implementation needs for hyperloop projects. The model's key areas were formed by the six capitals of <IR>, with capability dimensions and maturity indicators identified through literature review and verified through expert and academic focus group interviews. The second phase focused on designing a maturity management model tailored to hyperloop projects, following the design science research methodology employed by Bitzer et al. (2023) and Vesjolijs' (2024) methodology for some assessments. The model's levels, dimensions, and maturity indicators were based on prior works by Bitzer et al. (2023) and Domingues & Ribeiro (2023). The final stage centered on designing a staff training matrix for fostering staff development and innovation, aligning with entrepreneurship competence areas such as "ideas and opportunities," "resources," and "into action" (Bacigalupo et al., 2016).

Findings. The proposed model includes the following factors: (1) manufacturing capital; (2) financial (economic) capital; (3) environmental capital; (4) intellectual capital; (5) human capital; and (6) social and relationship capital. The capability dimensions cover legal, quality, risk, and organizational development areas. The levels of the maturity model encompass (1) initial; (2) repeatable; (3) defined; (4) managed; and (5) optimized levels.

Originality / Value / Practical implications. This research introduces a maturity management model tailored for hyperloop design and entrepreneurial competences, addressing evolving transportation project management needs. Like other maturity models, it assesses project strengths and weaknesses throughout implementation stages (Bitzer et al., 2023). Adapting <IR> to hyperloop projects enhances transparency, value communication, and stakeholder engagement, facilitating SDG attainment and innovation. The insights extend beyond hyperloop, benefiting organizations aiming to boost innovation through intrapreneurship. Overall, this research advances management strategies for contemporary organizations, enhancing national human capital value and fostering economic growth.

Keywords: hyperloop project; management design; entrepreneurship; intrapreneurship; competences.

JEL codes: I20; I30; J24.

Acknowledgements. The research has been conducted within the framework of Aleksejs Vesjolijs doctoral work and Entrepreneurship Competence research project of EKA University of Applied Sciences.

Oksana Lentjushenkova[1], Julija Surikova[2], Nataļja Verina[3], Aurelija Ulbinaite[4], Kaspars Karasevskis[5]. DRIVERS INFLUENCING TRUST BUILDING IN DIGITAL ECONOMY OF SMALL AND MEDIUM ENTERPRISES

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Abstract

Research purpose. The purpose of this research is to identify the drivers influencing trust building in small and medium enterprises (SME) in digital economy.

Design / Methodology / Approach. The employment of a questionnaire-based method has involved the managerial and sales/service staff of the businesses' representatives of SMEs in Latvia and Lithuania. The statements in the survey derived from the scientific literature review. The respondents filled in the questionnaire according to the five-point Likert scale. The factor analysis has been employed to ascertain the drivers and their respective levels of importance as perceived by the respondents. The data obtained from each country was compared to the data collected from participants in other countries. The application of the comparative technique has been utilized.

Findings. The data collected from the questionnaire revealed the relative significance of drivers influencing trust building in Eastern European countries, with political and economic barriers emerging as the most prominent factors. Furthermore, the authors have collected valuable information pertaining to the constraining trust factors that impose limitations on actions inside the corporate sector. The comparison study has unveiled the underlying patterns that unify this particular region.

Originality / Value / Practical implications. The research findings have the potential to be utilized in the formulation of policies, thereby enhancing the overall performance of SMEs in digital economy. The alleviation of trust drivers through the process of elimination may potentially address the challenges and anxieties that business enterprises have when initiating and expanding their operations in the market. The assessment of trust drivers in corporate settings in Eastern Europe will assist policymakers in identifying areas of concern and implementing strategies for a change.

Keywords: trust; digital economy; small and medium enterprises (SME); trust drivers.

JEL codes: L26.

Jelena Sobanova[1], Marina Kudinska[2]. MANAGEMENT RESPONSE TO HUMAN ERRORS AND KEY CONTROLS IN BANKS

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Abstract

Research purpose. Given the significant part that banks play in the global economy and the inherent risks they encounter in their day-to-day operations, studying operational risk management in banks is a crucial undertaking. The purpose of this research is to comprehend the operational risk management challenges in banks, mainly focusing on human errors and management response to them, as human factors often play an important role in operational failures. The aim of the paper is to investigate the governance cultures and operational risk management strategies in banks, to identify the gaps in risk mitigation activities and controls and to find out the improvements needed to minimize the human errors.

Design / Methodology / Approach. The research aims to provide prospective operational risk management solutions for banks by gathering and analysing survey data from the finance sector's employees worldwide as well as empirical information, making the topic practical. This study's qualitative methodology is grounded in the variables impacting operational risk management.

Findings. Management attitude towards human errors, the role of risk governance structures, e.g. risk committees and internal control functions, have significant relationships with the reasons for human errors in banks and thus has the impact on operational risk management. Banks should examine their risk management frameworks, evaluate standard reactions of bank management to human error, e.g. root cause analysis, incident investigation, planning for corrective action, strengthen their working policies, integrate more lessons learned sessions and trainings, re-evaluate their internal controls, analyse escalation procedures.

Originality / Value / Practical implications. Studying management response to human errors and key controls in banks has several practical implications for organizations. Firstly, insights from this research can help banks enhance their risk management practices, identify the weaknesses, improve their internal controls, and put preventive measures in place to reduce the possibility and consequences of human errors. Secondly, promoting a positive safety culture by encouraging open collaboration, accountability and learning from the mistakes. Thirdly, enhancing employee continues improvement and trainings, by understand the needs of employee development based on the insights from this study. Finaly, studying management responses to human errors can help banks oversee compliance to regulatory reporting standards, investigation protocols, and corrective measure specifications needed.

Keywords: operational risk management; human errors; controls.

JEL codes: G21.

Jan Musil[1], Alena Kocmanova[2]. STICKY COSTS IN RELATION TO GEOGRAPHICAL, SECTORAL AND PANDEMIC FACTORS IN SMES IN CENTRAL EUROPEAN COUNTRIES

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Abstract

Research purpose. This article deals with the issue of cost stickiness of SMEs in the Czech Republic, Poland and Slovakia. The aim is to compare the impact of geographic factor, factor of industry sector, and the business size factor on cost stickiness for the examined period 2018-2022 id est before and after the Covid-

19 pandemic. This research is intended to contribute to a better understanding of cost behaviour of enterprises in different contexts and to provide up-to-date insights for effective cost management in SMEs.

Design / Methodology / Approach. This paper is based on a comparative analysis and uses a quantitative approach to calculate the variables describing the cost stickiness of SMEs in the regions. Data collection is provided through the Orbis Europe database for the period 2018-2022. Univariate statistical methods are used to achieve the research objectives.

Findings. Data analysis revealed several key findings. The examined factors were business size, industry group and country in which the enterprise is located. Regarding the factor of enterprise size, it was statistically significant in all the observed years. As for the industry factor according to the Nace Rev. 2 classification, it was statistically significant in the years 2018-2020 and 2022, with only 2021 showing negligible impact on cost stickiness. Selected industries (e.g., the food industry) had stable cost stickiness before the pandemic, but with the onset of the pandemic, there was a deviation in the trend of cost stickiness. Post-pandemic, companies achieved higher coefficients of cost stickiness, indicating that the pandemic factor was also statistically significant. Therefore, this section concludes that the pandemic had a statistically significant effect on cost stickiness in selected regions and industries. The geographic factor is statistically significant in all the observed years.

Originality / Value / Practical implications. This research provides a deeper understanding of the cost stickiness of SMEs in the Central European region to key (geographic, sectoral, pandemic, company size type) factors for the period 2018-2022 before and after the covid-19 pandemic. The research results can be a useful tool for business managers in reducing costs or for possible adjustments to the SME legislative framework by governments.

Keywords: cost-cutting; cost management; SME; sticky costs.

JEL codes: M21; L25.

Aušrinė Tamulevičiūtė[1], Kristina Rudžionienė[2], Aurelija Kustienė[3,4]. DOES MORE SUSTAINABLE LISTED LITHUANIAN COMPANIES LESS MANAGE THEIR EARNINGS?

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Abstract

Research purpose. The aim of the study is to identify the relationship between corporate sustainability and earnings management in listed Lithuanian companies.

Design / Methodology / Approach. This article is the empirical research. Earnings management and sustainability index were calculated when the data from Lithuanian listed companies 2017-2021 financial statements were gathered using content analysis. Literature review, descriptive statistics, graphical representation, correlation were used to assess the relationship between corporate sustainability and earnings management. SPSS Statistics software was used for the study.

Findings. The analysis of empirical data confirms a negative relationship between corporate sustainability and earnings management, and this is expected to hold true for Lithuanian listed companies. The study utilizes variable calculation methods such as checklist-based sustainability index analysis and manipulation of accruals and actual activity results based on established equations proposed by researchers. The analysis of corporate sustainability and earnings management in Lithuanian listed companies revealed a

weak, statistically significant positive relationship, contrasting with other empirical studies. Yet, the influence of various variables like firm size, leverage, industry, corporate governance, regulatory environment, firm age, and market competition should be considered in assessing this relationship.

Originality / Value / Practical implications. Growing concern for the environment and social responsibility has made corporate sustainability important. Stakeholders demand transparency to assess a company's sustainability. Corporate sustainability involves profitability and societal welfare, while earnings management manipulates financial statements. The conflict between stakeholder obligations and profit maximization arises. Theoretically it has been argued that companies with a strong sustainability commitment are less likely to manage profits, as earnings management is perceived as an irresponsible act that is not in line with ethical principles. Examining the corporate sustainability and earnings management relationship in Lithuanian listed companies is vital, considering unique cultural, legal, and economic factors.

Keywords: corporate sustainability; earnings management; listed companies; Lithuania.

JEL codes: M41; Q56.

Aurelija Kustienė[1,2]. NAVIGATING ETHICAL CHALLENGES IN AI-DRIVEN AUDITING: A FRAMEWORK FOR RESPONSIBLE PRACTICE

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Abstract

Research purpose. This research aims to offer an exploration of the intricate ethical challenges involved in artificial intelligence (AI)-driven auditing, emphasizing the delicate balance required between innovation and responsibility. Research tasks include the following ones:1) disclose the ethical implications of using AI algorithms in auditing; 2) propose guidelines for auditors and organizations that ensure the responsible use of AI in the auditing.

Design / Methodology / Approach. The research methods used are analysis and systematization of scientific and normative literature, including the European Commission Regulatory framework and EU Statement, logical analysis, comparison, and generalization to reveal the new challenges of AI-driven auditing in the face of the AI risks of today.

Findings. After analyzing the scientific and normative literature, the ethical implications of using AI algorithms in auditing have been identified. This research field highlights issues related to data privacy, bias, fairness, transparency, and explainability. It found that AI systems that can be used in different applications are classified into 4 levels according to the risk they pose to users: unacceptable risk, high risk, limited risk, and minimal risk. Based on the description of these levels, AI-driven auditing involves high and limited risks. The research results show the importance of data privacy in auditing includes: the processing of data must be lawful, proper, and transparent; the collection and further processing of personal data must be bound to specific goals; the data must be adequate, relevant, and limited to what is necessary; the data must be correct; the data may not be stored longer than necessary; the data must be properly secured. For any AI application to successfully solve audit problems, it must target the right data. In this regard, it is important to be clear about the origin and source of the data; data must be easily accessible; data must be reliable; and a single version of the truth must be agreed upon. Before using an AI system, it must be determined how the information processing's relevant aspects (resources, process) can be verified by means of an audit.

Originality / Value / Practical implications. the integration of AI into auditing introduces both unprecedented opportunities and challenges. AI presents both benefits and risks. Navigating the ethical challenges requires a proactive approach from auditors, organizations, and regulators. By embracing responsible AI practices grounded in scientific literature, stakeholders can harness the benefits of innovation while upholding ethical standards in the dynamic field of AI-driven auditing.

Keywords: AI-driven auditing; ethical challenges; data privacy; bias; transparency.

JEL codes: M42; M15.

Mikus Dubickis[1], Agnese Zarina[2], Romans Putans[3]. FACTORS AFFECTING KNOWLEDGE TRANSFER: DESIGN OF A METHOD FOR ASSESSING MANUFACTURING COMPANY`S READINESS FOR KNOWLEDGE TRANSFER PROJECTS

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Abstract

Research purpose. The mechanical engineering and metalworking sector is considered a strategic sector, and well-performing knowledge transfer is necessary for higher innovation and competitiveness. To increase the performance of knowledge transfer, companies must have the awareness, ability, and opportunity to identify the main aspects that need operational improvement. Studies based on systematic literature review and the mapping of impact factors have shown that knowledge transfer is hypothetically affected by a vast variety of factors, which creates challenges for companies in the selection and practical application of these factors. Therefore, the research question of this study is to determine to what extent the impact factors affect the knowledge transfer, particularly within manufacturing companies. The purpose of the study is to develop a method to assess readiness for knowledge transfer.

Design / Methodology / Approach. To answer the stated research question, the study compiles diverse research methods: the online survey of manufacturing companies followed by correlation analysis, and experts' evaluation using the analytic hierarchy process (AHP) approach, thus ensuring data triangulation.

Findings. The empirical results led to 14 statistically significant factors in 3 groups affecting the knowledge transfer in manufacturing companies. The groups of factors are ranked in the following order – individual factors, mentoring factors, and organizational factors. The strongest correlations are in the group of the recipients' individual factors. The most critical factor is the absorptive capacity of knowledge recipients, which managers should pay attention to. Therefore, internal R&D work must be carried out. The article also defines other variables to measure the factors affecting knowledge transfer.

Originality / Value / Practical implications. As a result of the studies in the series of 2 articles the current being the latter, a unified method with equations` calculations to quantifiably assess company`s readiness for knowledge transfer projects was tested and validated. The study also employed a novel approach of combining the statistical analysis and AHP assessments to develop equations` calculations to quantifiably assess company`s readiness for knowledge transfer projects.

Keywords: knowledge transfer; knowledge sharing; knowledge transfer performance; absorptive capacity; manufacturing; mechanical engineering; metalworking.

JEL codes: D80; O31; O32; C38; O14; D24; L61.

Mikus Dubickis[1], Agnese Zarina[2], Romans Putans[3]. FACTORS AFFECTING KNOWLEDGE TRANSFER: A SYSTEMATIC LITERATURE REVIEW AND MAPPING

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Abstract

Research purpose. In today's business environment with the organizations enhancing performance, maintaining a competitive edge, and fostering innovation, the efficient transfer of knowledge plays an increasingly pivotal role. As industries recognize the importance of and strive for productive knowledge transfer more and more, understanding the factors affecting this process becomes imperative. Given the evolving concept and changing dynamics of knowledge transfer, including its cause and effect factors, the research question of this study is: What are the factors discussed and explored in the scientific literature that affect knowledge transfer. To increase knowledge transfer performance, companies must have awareness, ability, the opportunity to identify the aspects that need operational improvement in a structured and classified way. The purpose of the study is to group and map the determined factors affecting knowledge transfer.

Design / Methodology / Approach. To answer the stated research question and meet the purpose, the research methods of the current study are a systematic review of the literature and factors` mapping.

Findings. The outcomes of the study provide several lists and classifications resulting in 29 identified factors affecting knowledge transfer, of which the most frequently mentioned in the literature in various sectors are internal communication, mutual trust, organization culture, company management aspects (engagement and support), and the absorptive capacity and training of the knowledge recipient.

Originality / Value / Practical implications. Based on the literature review, a new definition of knowledge transfer is offered characterizing a process in which internal or external tacit and explicit knowledge is acquired and is further adapted to the needs of a specific company and shared or distributed from one organizational structure to another. The literature review shows that knowledge transfer in manufacturing companies is influenced by 29 main factors, which can be divided into three groups: individual factors, mentoring factors, and organizational factors. The practical implications of the results are in the further application of identified factors to create a methodological equation for assessing the readiness for knowledge transfer. This article initiates the research in 2 publications; the following publication will consecutively develop a method for assessing the readiness for knowledge transfer.

Keywords: knowledge transfer; knowledge sharing; systematic literature review; factors` mapping.

JEL codes: D80; O31; O32; C38; O14.

Laura Rivero[1], Solveiga Blumberga[2]. THE ROLE OF LEADERSHIP AUTHORITY AND TRUST IN THE BUSINESS DEVELOPMENT OF HOSPITALITY MANAGEMENT COMPANY

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Abstract

Research purpose. The research aims to explore the role of leadership authority and trust within the hospitality management company's business development strategy. It seeks to uncover the relations of these elements on the organizational resilience and growth.

Design / Methodology / Approach. Quantitative data were collected by using Multifactor Leadership Questionnaire™ Form 5X-Short, alongside an author-developed survey focused on statements pertaining to authority and trust. A total of 104 participants at various levels, ensuring a diverse perspective on leadership dynamics within the company. Obtained quantitative data was incorporated with qualitative data gathered from in-depth interviews.

Findings. The research underscored the pivotal role of authoritative and trusting leadership in fostering an environment conducive to business development. Leadership styles, as quantified through the multifactor leadership questionnaire, ranged across transformational to transactional and laissez-faire, with each style exhibiting distinct effects on the organizational fabric. The findings indicate that transformational leadership, characterized by idealized influence, inspirational motivation, intellectual stimulation, and individual consideration, resonates strongly within the group, driving positive employee outcomes and engagement. Results indicate a strong correlation between the effectiveness of leadership authority and trust, and the company's ability to adapt and thrive amidst market volatility. Leadership that emphasizes open communication, trust-building, and authoritative yet participatory decision-making fosters a culture of engagement, innovation, and resilience. It also revealed a nuanced understanding of authority and trust in the workplace. Authority, perceived through the lens of the ability to lead by example and command respect, alongside trust, built upon consistent and ethical behaviour, emerged as fundamental to the effective leadership paradigm within the hospitality sector. These elements were not only vital for the day-to-day operational success but also pivotal in navigating the strategic direction and long-term objectives of the hospitality management company.

Originality / Value / Practical implications. It is encouraged to implement comprehensive leadership development initiatives and adaptive leadership training programs and deliberate efforts in building trust within teams by implementing trust-building activities. By adopting systematic approaches to monitor and evaluate leadership effectiveness and its correlation with employee engagement and business outcomes. By implementing these practical recommendations, companies can significantly improve their leadership authority and trust dynamics, leading to a more motivated workforce, better decision-making, and ultimately, enhanced business performance and sustainability.

Keywords: leadership authority; trust; business development; strategic management.

JEL codes: M10; L20.

Laima Jesevičiūtė-Ufartienė[1,2], Emilija Krukauskaitė[3]. REMOTE TEAMWORK MANAGEMENT: SPECIFICS OF HUMAN MANAGEMENT IN THE FINANCIAL SECTOR

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Abstract

Research purpose. Teamwork is important in ensuring successful activities and work in the organizations. Depending on the context, definitions of teamwork may refer to the final product produced by the team, the processes implemented, or a combination of approaches. In Lithuania, during the Covid-19 pandemic, even 40% of employees started working remotely. Meanwhile, in the US, workers spend at least 50% of their time working from home or remotely, rather than at their regular workplace. The vast majority of survey respondents reported still working from home 90-100% of the time. When working in a virtual environment, it is important to have conditions that support psychological safety, reduce the likelihood of errors, and improve team performance. This raises the issue of how to maintain teamwork integrity and consistency, and how to measure teamwork effectiveness when it cannot be done in real time. This article analyses financial organizations, as most of them have chosen to work remotely even after the coronavirus pandemic. The goal is to determine the possibilities of remote teamwork management assessment in organizations providing financial services.

Design / Methodology / Approach. A theoretical remote teamwork management model was formed and validated by applying survey methodology. Sampling of employees in the financial sector was made using the questionnaire of previously approved scales. The reliability of collected data and model empirical validation were approved by applying statistical methods such as Cronbach Alpha, Cook's measure, Pearson's correlation coefficient, pairwise regression analysis, Durbin o-Watson's test, and VIF coefficient.

Findings. The results of the regression analysis of the created remote teamwork management model conform with the result obtained during the correlation analysis: remote teamwork management will change 0.68 times when the organizational group factors change, 0.376 times when the individual group factors change, and 0.205 times when the environmental group factors change.

Originality / Value / Practical implications. The created remote teamwork management model was adapted to improve remote teamwork activities in the financial sector. Adapted survey scales could be used to analyse remote teamwork management and improvement opportunities for each individual financial institution. Evaluating remote teamwork is beneficial because it helps employees improve their personal and team skills and achieve professional success.

Keywords: human resource management; teamwork management; remote work assessment; remote teamwork; virtual environment.

JEL codes: M12; M54.

Oļegs Ņikadimovs. SOCIAL DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY: RECIPROCAL RELATIONSHIPS BETWEEN COMMUNITY WELFARE, EMPLOYEE ENGAGEMENT, AND CORPORATE PERFORMANCE

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Abstract

Research purpose. Within the framework of Corporate Social Responsibility (CSR), this conference paper examines the complex and reciprocal relationships that exist between employee engagement, corporate performance, and community welfare. This study outlines how socially responsible practices impact and improve social development as well as corporate outcomes through the integration of literature reviews and case studies. To achieve sustainable economic success, the paper makes the case that CSR programs that are centred on social development, such as inclusive recruiting, thorough employee development, and active community engagement, are essential rather than optional.

Design / Methodology / Approach. The idea that CSR promotes a synergistic effect—whereby businesses profit from increased operational performance and reputation, people experience greater job satisfaction and career progression, and communities benefit from improved economic possibilities and enhanced quality of life is at the heart of this study. It should be mentioned that businesses with successful CSR initiatives report improved staff morale, lower employee attrition, and greater customer brand loyalty. The study also looks at the difficulties that companies have when putting CSR into practice, including the financial consequences, scalability problems, and the difficulty of determining the initiatives' actual effects. The paper shows how different businesses have successfully negotiated these obstacles through a series of case studies, including small to medium-sized businesses and global firms, leading to significant benefits for businesses and their broader communities.

Findings. The results highlight how crucial it is to establish a strategic approach to CSR that is in line with both stakeholder interests and primary company objectives. It is clear from this that successful CSR involves a dynamic interaction between the business, its employees, and the community. Each of these elements supports the others, resulting in a cycle of good effects and gains for all parties. The purpose of this article is to further the understanding of how CSR may be an effective tool for societal development, employee satisfaction, and business success.

Originality / Value / Practical implications. By highlighting the advantages of comprehensive CSR policies for all parties involved, the paper gives businesses a foundation on which to interact with stakeholders more successfully. Stronger alliances and cooperation with regional administrations, communities, and other organizations may result from this.

Keywords: corporate social responsibility; social development; employee engagement; community engagement; sustainable business practices.

JEL codes: M14.

EMERGING TRENDS IN LAW

Elvis Dibanins[1], Ilona Lejniece[2]. CHALLENGES AND INNOVATION TO DIGITAL TRANSFORMATION IN THE LEGAL SYSTEM OF LATVIA

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Abstract

Research purpose. The primary purpose of this research is to identify and analyse cultural, technological, regulatory, economic and educational challenges to digital transformation within the legal system. This includes understanding the barriers to adopting new technologies in legal practices, courtrooms and legal education. Furthermore, the research aims to explore the impact of these challenges on efficiency, access to justice, and the overall delivery of legal services.

Design / Methodology / Approach. The hypothesis of the research - a knowledge and skills gap in current legal education and training programs contributes to the difficulties in embracing digital transformation within the legal profession. This study will adopt a qualitative research design, utilizing a combination of case studies, surveys, and expert interviews to gain a comprehensive understanding of the challenges facing digital transformation in the legal system.

Findings. Ethical dilemmas surrounding the use of AI and machine learning, especially about the interpretation of the law and privacy issues, present considerable challenges. A gap in digital literacy and in the implementation of innovations, and the lack of ongoing training for legal professionals in digital competencies hinder the effective use and integration of new technologies. A prevailing culture of traditionalism within the legal sector that prioritizes precedent and established practices poses a significant barrier to adopting digital methods.

Originality / Value / Practical implications. This study contributes original insights into the multiplicity and interplay of barriers to digital transformation in the legal system by providing a holistic examination of the cultural, technological, regulatory, economic, and educational challenges that impede digital transformation, which have not been collectively addressed in prior studies. Highlighting case studies and concrete examples where resistance to digital change has had tangible impacts on legal processes. Offering a synthesis of qualitative and quantitative data which sheds light on the systemic nature of digital transformation challenges in the legal domain. The findings provide legal professionals with a deeper understanding of potential barriers they may encounter in adopting digital tools and strategies to overcome them. The work highlights the changes needed in legal curriculums to prepare the next generation of legal professionals to work in an increasingly digital environment.

Keywords: digital transformation; legal systems; analysis of education; innovation.

JEL codes: O33; K39; I21; O31.

Andrejs Ņikiforovs. OBJECTIVE REASONS FOR INITIATING OF PROCEEDINGS REGARDING CRIMINALLY ACQUIRED PROPERTY

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Abstract

Research purpose. In the scope of this paper, the author will point out on specific conditions that shall met in order to separate from general criminal proceedings case material in regards of illegally acquired property. Criminal procedure Law states, that Proceedings regarding Criminally Acquired Property may be separated from general criminal case due to objective reasons, the transferral of the criminal case to court

is not possible in the near future (in a reasonable term), or such transferral may cause substantial unjustified expenses. In Law there is no more detailed explanation on what specific cases may be named as objective reasons for such an action. The author will share his vision in this regard. Research purpose is to define exact objective reasons to separate from general criminal proceedings case file in regards of illegally acquired property.

Design / Methodology / Approach. Following methodology will be used in research: historical, analytical, descriptive and comparing.

Findings. List of objective reasons and possible amendment of Criminal Procedure Law.

Originality / Value / Practical implications. As regulation of Criminal Procedure don't provide explanation of such objective reasons for separation of Proceedings Regarding Criminally Acquired Property, court practice and other country regulation will be analyzed to conclude is it possible to integrate such order in Latvian Criminal Procedure Law.

Keywords: Proceedings Regarding Criminally Acquired Property; confiscation; property.

JEL codes: K14; K41.

Laine Donane. RESTRICTIONS ON THE HUMAN RIGHTS OF A PROFESSIONAL ATHLETE

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Abstract

Research purpose. The purpose of the study is to investigate who a professional athlete is, and what human rights restrictions a professional athlete faces in his everyday life, as well as to find a solution for reduction of human rights restrictions and to make certain proposals.

Design / Methodology / Approach The research uses the grammatical, systemic and teleological interpretation of legal norms and the inductive and deductive, descriptive and analytical general scientific research methods.

Findings. Consistent with the rulings of the Court of Arbitration for Sport, professional athletes regularly turn to the arbitration court in connection with their human rights violations. The number of professional athletes today is high enough to draw attention to the fact that there are several human rights restrictions and violations in professional sports. Considering that human rights are not absolute and can be limited, the author will evaluate the extent and necessity of restrictions on the athlete's human rights. Identifying human rights restrictions, amending the Sports Law and National Anti-Doping Rules, exploring the experiences of other countries will result in a significant reduction in the human rights limitations of a professional athlete. At international level, there are texts and regulations governing human rights in sport, e.g. the European Convention on Human Rights, the main legislative act on which the judgments of the Court of Arbitration for Sport (CAS) are also based. The Universal Declaration of Athletes Rights is used, with the International Olympic Committee regularly referring to the guiding principles for Business and Human Rights, whose guidelines outline how to take effective action to avoid human rights abuses.

Originality / Value / Practical implications. The World Anti-Doping Code is an up-to-date regulatory enactment if violations of doping issues are detected, and the performance of doping controls is monitored. As time passes, new laws and regulations governing sports legal relationships are also drawn up. The characteristics of human rights restrictions are evident in the daily life of a professional athlete, but no measures are taken to allow the number of human rights restrictions to be reduced. A professional athlete shall be subject to special conditions, but it is necessary to assess the athlete's rights and obligations in order to be proportionate. The identification and prevention of human rights violations in sport has not been specifically regulated for the past period, which has now led to regulatory uncertainty in theory and practice.

Keywords: human rights**;** professional athlete**;** sports rights.

JEL codes: K3; K38.

Marina Kamenecka-Usova[1], Karina Zalcmane[2]. THE EMERGENCE OF THE BALTIC FOOTBALL LEAGUE AND LEGAL ANALYSIS OF OPTIMAL GOVERNANCE PRACTICES FOR SUCCESS

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Abstract

Research purpose. The research aims to delve into the legal aspects and problematics of the transnational football league's governance, shedding light on the mechanisms that are making it a *good governance*, and exploring the implications of their existence projecting this onto the Baltic Football League, the need for which is being actively discussed in the Latvian football circles.

Design / Methodology / Approach. The methodological basis of the research project consists of general scientific methods (monographic method, analytical method, historical method, comparative method, induction deduction) and methods of interpreting legal norms (grammatical, historical, teleological and systemic methods).

Findings. The research furnishes valuable insights into the concept of transnational football leagues, defines the facets of good governance within this context, proposes an optimal governance model for the Baltic Football League, and provides a roadmap to navigate potential risks and challenges. The results offer a solid foundation for policy-makers, football associations, and stakeholders to make informed decisions and enhance the success of transnational football leagues.

Originality / Value / Practical implications. The globalization of football has profoundly transformed the landscape of the sport, blurring geographical boundaries and creating new opportunities for transnational engagement. Globalization is somehow externally imposed upon the game; rather, we understand football as one representation – indeed, manifestation – of globalization. Certainly, football has possessed some essential components that have advanced its global diffusion: it has a particularly simple set of rules <…> its basic equipment costs are very low as balls can be manufactured from bundles of rags or paper.[1] Professor Scott Waalkes even posesses a question whether we are "witnessing the "footballization[2]" of the world or merely the globalization of football?"[3]

Undoubtedly, a pivotal aspect of this phenomenon is the idea of the emergence of transnational football leagues.

Keywords: transnational leagues; football; good governance; Baltic Football League.

JEL codes: K2; K33; K39.

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[2] Globalization and Football. Richard Giulianotti and Roland Robertson. SAGE Publications Ltd, 2009, p.63

[3] The Globalization of Football or the Footballization of the World? How Soccer Both Reflects and Affects Global Politics, Economics, and Culture. Revised version of a paper presented at Hofstra University's International Conference Soccer as the Beautiful Game: Football's Artistry, Identity, and Politics. Scott Waalkes. Available at https://www.academia.edu/6820744/The_Globalization_of_Football_or_the_Footballization_of_the_World

Tatjana Jukna[1], Jolanta Dinsberga[2]. THIRD PARTIES IN REPO TRANSACTIONS (REPOS)

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Abstract

Research purpose. These papers reflect specific aspects of the broader scientific research on repo transactions, exclusively delving into the potential involvement of third parties in these transactions, particularly focusing on situations where the actions or engagement of third parties, by the opinion of the authors, have the most significant impact on the repo transaction and its structure.

Design / Methodology / Approach. The research uses the theoretical approach to examine the involvement of third parties in repo transactions. However, specific conclusions drawn from an empirical study of Latvian repo contracts are utilised to shed light on the challenges inherent in these contracts. Furthermore, insights obtained from expert interviews concerning Tri-party repo are taken into consideration. Authors examine repo transactions between professional counterparties (financial institution) and customers of financial institution.

Findings. The involvement of third parties in Repo transactions has significantly increased due to the revolution in settlement methods for both money and securities. A theoretical approach indicates that constructing a clear and legally correct repo contract requires not only legal expertise but also experience and a comprehensive understanding of the transaction. On the empirical side, it is evident that having experience and understanding of how repo works without deep legal knowledge does not necessarily guarantee that the contract will be legally correct and not misleading.

Originality / Value / Practical implications. The study is pioneering study in the Latvian market. Practical implications aim to establish theoretical basis for the future development, to foster understanding and to prevent mistakes.

Keywords: REPO; third parties; repos; settlement.

JEL codes: G20; K12.

Elena Stavrova. ACADEMIC PUBLISHING AND INTELLECTUAL PROPERTY RIGHTS – REALITIES AND CHALLENGES

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Abstract

Research purpose. The aim of the present research work is to analyze the new role that academic publishing houses perform in the conditions of digital transformation and the growing number and volume of scientific publications in the conditions of oligopolistic competition, of structuring the ecosystem of academic publishing as an opportunity to build a network of mutually intersecting interests.

Design / Methodology / Approach. The chosen approach is an analysis of the dynamic environment in which academic publishing houses function under the influence of subsequent crises and changes in the business model of accumulation and dissemination of scientific knowledge.

Findings. Bearing in mind the special role of academic publication and distribution, it has a key role for the exchange of scientific knowledge, for expanding the possibilities of access and use of already created and distributed scientific production, for increasing the competitiveness of academic institutions. All these changes are in the conditions of the growing role and scope of the so-called "creative industry", which is a new segment of the industry for personal development and enrichment.

Originality / Value / Practical implications. Academic publishing and knowledge dissemination is facing the need for digital transformation and redesign of the access system. Only in such a case will it realize its practical goals of creating added value and return on the resources invested in the system. Its growing role is even more pervasive due to the inclusion in it of more and more participants with high intellectual potential and motivational stimulant, seeking a high level of self-actualization, sometimes crossing the boundaries of ethical behavior. As for social consequences, academic publishing and distribution is a changing and relatively new and challenging field which, in the current market conditions, is tasked with satisfying the interests of universities, researchers and end-users for access to scientific knowledge. Faced with the main challenges - the provision of open access to scientific information, on the one hand, the protection of intellectual property, on the other hand, academic publishing houses also face a third - the realization of economic efficiency based on invested resources and increased competitiveness. In the end, academic publishing houses are economic agents, using various sources of funding, and hence realize to varying degrees the effect of their improved market positioning. In this way, this industry contributes to the promotion of scientific knowledge and copyright protection for researchers, the possibility of comparisons and new searches, and for investors in the publishing business - to receive a real return for the resources invested. As for the research value, the present study is tasked with giving a new perspective to the business of academic publishing and distribution as a socially significant ecosystem subject to basic economic laws and its role in sharing scientific knowledge to improve the welfare of society as a whole.

Keywords: academic publishing; intellectual property rights.

JEL codes: Z00.

EMERGING TRENDS IN
MARKETING, COMMUNICATION AND BRANDING

Janka Beresecká[1,2], Denisa Jánošová[3], Alexandra Ďurovová[4], Jana Hroncová Vicianová[5], Tamás Darázs[6]. HETEROGENEITY AND EMOTIONAL PERCEPTIONS OF LABELLING OF ACCOMMODATION SERVICES IN TOURISM

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Abstract

Research purpose. The labelling of tourism accommodation services has a significant impact in consumer behaviour. Many consumers perceive labelling as a subjective guarantee of service quality and are willing to pay for the level of service quality. The aim of this paper is to highlight the importance, emotional perception and possibilities of tourism accommodation services labelling in the conditions of the Slovak Republic and the V4 countries.

Design / Methodology / Approach. For the purpose of processing the scientific paper we used secondary data and data obtained from field research of quantitative and qualitative nature. Basic statistical methods as well as emotional arousal analysis, emotional valence analysis, eye trajectory analysis, which are used for biometric measurement of emotions and belong to the field of consumer neuroscience, have been used for data processing.

Findings. The results suggest that the labelling of accommodation services is of significant importance for consumer behaviour and the consumer's final decision to purchase tourism products. Tourism service providers in different countries are looking for ways to label accommodation services in a way that is identical, easy to remember and can be seen as guaranteeing the quality of such services provided.

Originality / Value / Practical implications. The results of the paper to achieve which lesser-known methods were used contribute to the knowledge of the importance and relevance of the marking of accommodation services. They also provide valuable information on what emotions are evoked by different signage, identify the intrinsic appeal of signage as well as indicators of underlying emotional arousal (arousal), highlight the importance of exposed locations in service signage, using eye trajectory analysis and the creation of heat maps.

Keywords: accommodation services; labels; tourism; emotions.

JEL codes: M 31; M 37.

Agnė Leonavičiūtė[1], Beata, Šeinauskienė[2], Jūratė Maščinskienė[3], Laima Jesevičiūtė-Ufartienė[4]. **BRANDS AS HUMANS: HOW BRAND VIRTUOUSNESS RELATES TO BRAND AUTHENTICITY AND BRAND ATTACHMENT**

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Abstract

Research purpose. Authenticity has become an essential quality for brands, with 86% of consumers preferring brands that are perceived to be authentic (Stacla, 2021). As a result, the drivers of brand authenticity are gaining momentum as an important research object. The role of brand virtuousness and its connection to brand authenticity and brand attachment has received limited attention from the consumer perspective. Meanwhile, the relationship between virtuousness and authenticity has been thoroughly investigated in other fields, such as personality research. Based on personality literature, comparable patterns of association can be anticipated when considering brands as relational entities. Therefore, the arguments elucidating the relationship between the virtuousness of personality and authenticity can be extended to the realm of brand. Given above, this study aims to examine how brand virtuousness relates to brand authenticity and brand attachment.

Design / Methodology / Approach. This study employed a quantitative research approach by administering an online questionnaire (www.qualtrics.com) to respondents randomly assigned to two conditions: one with instructions to choose an authentic brand and another to name an inauthentic brand. The data were obtained from a convenience sample of Lithuanian adults ((N=461; women= 70.9% ; men= 29.1%; age mean =33.26; SD=12.29). The study constructs were measured using pre-existing 5-point Likert type scales that were adapted to the focus of the current research. To test research hypotheses, descriptive, EFA, correlation and regression analyses were used.

Findings. Our findings show that brand virtuousness and brand authenticity have a positive and significant effect on brand attachment. Furthermore, brand virtuousness was positively and significantly associated with all dimensions of brand authenticity (continuity, originality, and reliability). Consumers are drawn to brands that exude virtuousness, and the more authentic a brand is perceived to be, the more consumers tend to attach to such brands.

Originality / Value / Practical implications. This study contributes to the brand literature by expanding our understanding of personality theory-grounded antecedents in relation to brand authenticity and brand attachment that have been previously relatively overlooked. Drawing on personality literature, this study proposes novel explanations for the relationship between brand virtuousness, brand authenticity, and brand attachment. The findings suggest that marketers would benefit from incorporating virtuousness properties into their brand strategies and communication campaigns, as it aids in the establishment of a stronger consumer-brand connection and increases perceived brand authenticity.

Keywords: brand virtuousness; brand authenticity; brand attachment.

JEL code: M31.

Adam Janiszewski[1], Agnieszka Dziubińska[2]. LEGITIMACY STRATEGIES FOR COMMUNICATING CORPORATE ACTIVITIES USING SYMBOLIC VALUE

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Abstract

Research purpose. The objective of this paper was to identify the strategies of the use of symbols as communication tools by senior corporate executives in the era of a sudden change in the environment related to the outbreak of the COVID-19 pandemic. The authors aim at examining to what extent the legitimacy context established by the legitimising CEO messages describing corporate activities and their result can be shaped by symbols embedded in the messages.

Design / Methodology / Approach. In the literature on the perspectives of the analysis of legitimacy of enterprises, the significance of the trend focusing on change agents, who, through their actions, attempt to give the processes of legitimacy formation a proper direction, can be emphasised. To achieve the paper objective, letters from CEOs of enterprises diversified with regard to the reported changes in financial performance were analysed based on the grounded theory approach.

Findings. The obtained research results allowed to identify four types of legitimacy strategies for communicating corporate activities, in which embedded symbols play a different role due to the legitimacy context evolving under the influence of changes in the environment and approaches towards learning in enterprises associated with them. In this way it has been shown that the approach towards the use of symbols has evolved in communication tools used by senior corporate executives in the era of a sudden change in the environment related to the outbreak of the COVID-19 pandemic.

Originality / Value / Practical implications. Gaining stakeholder legitimacy for corporate activities is a key element of sustainable development in many sectors, and the issue of using symbols, alongside the institutional perspective, constitutes a significant component of deliberations in that matter. The identified strategic patterns appears to be appropriate for companies across different sectors. When being used they may enable managers to build the legitimacy of their activities effectively, which is of great importance from the point of view of the developmental paths for those companies.

Keywords: corporate legitimacy; sustainability; symbolism; non-financial reporting; learning.

JEL codes: M14

Agnieszka Dziubińska[1], Adam Janiszewski[2]. BUILDING THE LEGITIMACY OF AN ENTERPRISE BASED ON SYMBOLS - CONCEPTUALIZATION OF THE PROBLEM

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Abstract

Research purpose. The intentional use of symbols when preparing messages to stakeholders of modern enterprises could influence texts to become either more powerful or more vague. The purpose of the conducted analysis was to check what the conditions need to be met for CEO letters to be the source of symbolic values that next could actually impact activities performed by companies.

Design / Methodology / Approach. The character of the research problem inclined the adoption of an interdisciplinary approach involving literature review of disciplines, including management science as well as sociology and psychology.

Findings. In a highly uncertain conditions of the environment of modern enterprises activities performed by companies can be possibly interpreted in many ways. Traditional approach to communicating with stakeholders, which is believed to be based mainly on the presentation of financial data, appears to be too modest to convey effectively the message related to companies goals and aspirations. When enriching the descriptive part of their messages in CEO letters, managers can create the context for interpretation aiming at encouraging all stakeholders to more effort being put into daily activities of their companies.

Originality / Value / Practical implications. When using symbols in their texts in a way leading these symbols to interacting with issues important from the point of view of stakeholders, managers can make stakeholders be sure about the activities undertaken by companies. However, only the appropriate use of these interactions, i. e. allowing for the creation of appropriate symbolic values, is to make companies actually follow declarations claimed by managers. Otherwise in the long term perspective the stakeholders' trust can be weakened, which can threaten the existence of the company in a contemporary, highly uncertain environment. Hence, the attention paid to the intentional use of symbolic values appears to be not only original but primarily interesting topic for the future research. It may be emphasized that the originality of the presented concept lies in its interdisciplinary assumptions that are to more accurately address the complexity of the challenges facing modern enterprises.

Keywords: agency; legitimacy; CEO letter.

JEL codes: M14.

Jūlija Surikova. THE APPLICATION OF GENERATIVE AI IN MARKETING COMMUNICATIONS: THE BIBLIOMETRIC ANALYSIS OF THE EMERGING TREND

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Abstract

Research purpose. This research examines an emerging trend in marketing: the application of generative artificial intelligence (GenAI) in marketing communications. GenAI, a distinct subset of AI technologies, is characterized by the autonomous generation of new content in various forms, such as text, visuals, and other media (Nir Kshetri et al., 2023, p. 1). The progress in GenAI technology is especially relevant in marketing and advertising, where producing high-quality textual content is crucial for effective customer engagement (Nir Kshetri et al., 2023, p. 1). According to a Gartner report, 14% of marketing industry leaders have already invested in GenAI tools for content creation, with an additional 63% planning to do so within the next two years (The CMO's Guide to Marketing Technology (MarTech) | Gartner, 2023). This trend highlights the strong belief in GenAI's potential to improve content for marketing purposes and address existing marketing challenges. Considering the rapid evolution of this trend, this research aims to conduct a bibliometric analysis to uncover the application of GenAI in marketing communications, the interest it garners among researchers, and its relationship to other current academic topics.

Design / Methodology / Approach. This research employs a bibliometric analysis methodology, focusing on the interrelation between GenAI and marketing communications. The study examines the databases on the Web of Science and Scopus, gathering relevant academic publications. The core terms guiding this analysis are "generative AI" or "GenAI" and "marketing communications". The bibliometric analysis is conducted via a specialized software tool, VOS Viewer. Through this program, the research systematically compares, categorizes, and analyzes the collected data to reveal patterns, trends, and insights related to the adoption of GenAI in marketing communications.

Findings. Gen AI, a novel concept for both industry experts and scholars, first appeared in publications in 2023. Its extensive application across diverse sectors, from medicine to social sciences, is remarkably

broad, especially given that it is still in an early growth phase and has not reached its peak. The penetration of GenAI into various industries is already significant. The author believes that continued research will uncover innovative advances, significantly improving marketing communications and presenting new challenges for both academics and practitioners.

Originality / Value / Practical implications. The research provides a comprehensive overview of the current state of GenAI in marketing communications, highlighting key developments, the extent of scholarly interest, and emerging trends. This work has identified the existing gaps in the academic literature, providing a foundation for future research in the domain of GenAI and its application in marketing.

Keywords: Generative artificial intelligence; GenAI; marketing communications; marketing; bibliometric analysis.

JEL codes: M300; M310; M370.

Regina Zsuzsánna Reicher[1], Krisztina Pecze[2], Beáta Kádár[3]. METHODOLOGICAL ISSUES IN THE STUDY OF PLACE MARKETING

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Abstract

Research purpose. Natural and economic changes in recent years have led Hungary to place increasing emphasis on boosting domestic tourism. There has also been an increase in property prices in settlements near large cities, indicating an increase in the number of people wishing to settle there. These effects are placing increasing demands on municipalities, and municipal administrations need economic, management and marketing skills that are often lacking in the administration of Hungarian cities. In our previous research systematic literature review, we have been able to identify 7 clusters of literature on publications in the field of place marketing and place management published between 2018 and 2022. The aim of the present research is to discuss the methodologies related to the research themes in each cluster. Our aim is to explore the research methods that can be associated with each cluster and to highlight the potential of methods that may have yet to be used so far. The aim of our study is to develop a methodological model that shows which areas are coupled with which methods and which methods could be used to extend research in the future.

Design / Methodology / Approach. Our research is based on a thematic clustering of literature selected from the WoS and Scopus databases. Using the resulting database, we conducted a systematic methodological analysis. In processing the articles, we created thematic and methodological groups, which showed the research methods used by the authors to investigate the articles in each cluster. As a result of our analysis, we developed a conceptual model in order to provide an easily interpretable overview for researchers in the future.

Findings. Our results show that the research that emerges in each cluster is mainly investigated by researchers who use traditional marketing research tools. Particular emphasis is placed on interview and questionnaire research methods, as well as content analysis in the online space. Little space is given to other non-traditional methods that may also be useful. There is no correlation between the different areas and research methods. Researchers do not adapt their methodology to the field of study, but rather, the methodological background of the research is determined by the problem at hand, their research framework or their methodological knowledge.

Originality / Value / Practical implications. The methodological extension based on the results of our study and the model gives researchers the opportunity to move away from the most common and traditional methods of investigation and to explore the field from a new perspective and with new methods. As a result of this new approach, it is possible to explore and interpret new types of results.

Keywords: place marketing; place management; research methodology.

JEL codes: M31; B41.

Janka Beresecká[1,2], Denisa Jánošová[3], Štefan Hronec[4], Alexandra Ďurovová[5].

ATTRACTIVENESS AND EFFECTIVENESS OF LOCAL GOVERNMENT WEBSITES AS A TOOL TO SERVE THE CITIZEN

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Abstract

Research purpose. Municipal websites are a good communication channel for their citizens. They allow to build the brand of municipalities, online communication, help in public relations activities, have the opportunity to get feedback on the satisfaction or possible dissatisfaction of citizens with the services provided by municipal authorities. The aim of this paper is to determine the efficiency and attractiveness of websites of selected municipalities in the Slovak Republic.

Design / Methodology / Approach. The research sample consisted of 2890 municipalities in the Slovak Republic, divided into five categories. The distinguishing criterion was the number of inhabitants. In the selected municipalities, the effectiveness of websites was measured on the basis of quantifiable selected indicators. The attractiveness of the websites was implemented through neuroscience by investigating biometric measures of emotions, which are highly correlated with decision making and memory. In order to achieve the objective, several methods were used such as emotional arousal analysis, emotional valence analysis, eye trajectory analysis, structured interviews.

Findings. The results suggest that local government entities are under-utilizing the information they can obtain from the online space, thereby gaining valuable information that can help improve services to citizens. The research also provides a new perspective on information acquisition through biometric measurements, the results of which could lead to the purposeful, cost-effective and attractive design of local government websites.

Originality / Value / Practical implications. By continuously gaining knowledge in this area, using less known methods, the research activity and the results of this work could contribute to a new view of municipal websites as a useful, informative and attractive channel, which is not only a business card of the municipality but also serves the citizens in a targeted way.

Keywords: websites; local governments; attractiveness; efficiency.

JEL codes: M31; H52; M37.

Sandra France[1], Maija Zakrizevska-Belogrudova[2], Lūcija Rutka[3]. PERSONALITY TRAITS CORRELATION WITH PROFESSIONAL BURNOUT IN ADVERTISING INDUSTRY IN LATVIA

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Abstract

Research purpose. The aim of the research to study and clarify the level of professional burnout, personality traits, their interrelationships, and the impact of personality traits on professional burnout in the advertising industry to make recommendations to advertising company managers.

Design / Methodology / Approach. The method of quantitative data collection was a 128-item questionnaire, a combination of the Latvian Personality Survey (LPA-v3) (Perepjolkina & Reņģe, 2013); the Maslach Professional Burnout Survey (Maslach & Jackson, 1981). Data: N=148 respondents, data collected electronically via Google Forms, ensuring respondent confidentiality.

Findings. The main results of the study show that advertising employees have high emotional exhaustion, moderate level of depersonalization or cynicism, and high levels of personal accomplishment reduction. There are statistically significant differences in burnout in demographic groups: the age group "25-30 years" has a higher depersonalization than any other age group, while the effectiveness of work of "employees" is lower than that of "managers". The highest indicators of general personality traits are: openness to experience, conscientiousness and honesty - modesty, while lower indicators are for extraversion, neuroticism and agreeableness. Emotional exhaustion has a strong positive correlation with neuroticism and a negative correlation with extraversion; depersonalization has a positive correlation with neuroticism, a positive correlation with agreeableness and a negative correlation with extraversion. Decreased accomplishment or work efficiency has a strong negative correlation with neuroticism, a strong positive correlation with extraversion, and a positive correlation with openness to experience. Burnout dimensions also have very close positive and negative correlations with the sub-traits. There are statistically significant regression models between professional burnout scales and sub-traits: depressiveness and sociability have the greatest impact on emotional exhaustion; the greatest impact on depersonalization is for depressiveness; cheerfulness; publicity; the greatest impact on changes in performance is for stress resistance; cheerfulness; creativity. Advertising workers (50.68%) are willing to receive counselling.

Originality / Value / Practical implications. With at least 30% of advertising employees experiencing moderate levels of burnout, it is recommended to book Team Supervision sessions to prevent burnout and identify the triggering factors in a specific organization. This format ensures that both employees and managers are equally accountable for the outcome and through a focused process promotes overall employee engagement, problem solving, conflict resolution, understanding of diversity, empathy, role clarity.

Keywords: professional burnout; personality traits; advertising industry.

JEL codes: N34.

EMERGING TRENDS IN PEDAGOGY AND EDUCATION

Rebekka Fix[1], Antje Dietrich[2]. OZG - CURSE OR BLESSING? - THE EFFECTS OF THE 31.12.2022 DEADLINE AND EXPECTATIONS OF THE OZG 2.0 IN THE ORTENAU DISTRICT

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Abstract

Research purpose. The OZG (Online Access Act), which was passed in 2017, contained the first legal deadline for the digitalization of public administration in Germany. By December 31, 2022, all citizen services were to be available online throughout the country. The expiry of the deadline provided an opportunity to take stock of the extent to which the time pressure in implementing the law has affected local authorities. This is because the follow-up law OZG 2.0 was already being planned at the time of the data collection and did not include a new deadline, which was criticized by many administrations in advance. In the fast-moving field of digitalization, this research represents a snapshot in a locally and thematically defined sub-area. It compares the different views and approaches of individual administrations of different sizes in the Ortenau district around the cut-off date of 31.12.2022. As a result, this work can provide insights into whether and to what extent setting a deadline in such a complex area makes sense or not. It also examines the extent to which the size of the local authority plays a role.

Design / Methodology / Approach. First, the origins of the Online Access Act as well as its requirements, objectives and the general implementation status on the cut-off date of 31.12.2022 are explained. The draft of the OZG 2.0 and the points of criticism published by the end of the research period are then presented. This is followed by a theoretical discussion of the time factor, which is of great importance for meeting the implementation deadline. The qualitative research method was chosen for data collection and expert interviews were conducted with 15 local authorities divided into four size categories. This type of empirical research allows deep insights into the subjective perception of the individual administrations concerning the effect of the statutory deadline. The data from the interviews was systematically analyzed to ensure comparability with the general principles as well as between the respective size categories.

Findings. Thanks to the large number of interviews, this study paints a clear picture of the differences in the Ortenau district. The focus on the cut-off date has brought this diversity even more to light, as every municipality, regardless of size, was confronted with the same target, but in some cases dealt with it very differently. The implementation status on the reporting date ranged from 1% to 100%. The requirements of the OZG were therefore interpreted differently by individual administrations, so it is not surprising that there are different views and approaches to implementing the law. However, the biggest hurdle was clearly seen by most local authorities as the large discrepancy between the planning from above and the practical implementation below. However, regardless of the size of the local authority, the existence of the deadline was sometimes seen as positive, sometimes neutral and sometimes negative. As far as expectations of the OZG 2.0 were concerned, the administrations were again unanimous. Most local authorities would like to see a uniform portal throughout Germany, standardized processes and a new deadline or, even better, a schedule of deadlines. The administrations justify their demand for a new deadline with the concern that digitalization could fall asleep without legal pressure.

Originality / Value / Practical implications. This study provides insights that should be considered in future legislative decisions for or against the specification of a cut-off date. The problems and wishes of the municipalities in the implementation of the first version of the OZG that have been factually compiled in this study can be used as a comparison when evaluating the absence of a cut-off date in the OZG 2.0. This direct comparison with temporal and local limitations would make this work even more meaningful.

Keywords: Implementation of the online access act; online citizen services; snapshot of local government.

JEL codes: O31; O33; H76; H79; H83

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Urszula Widelska[1], Urszula Kobylińska[2]. THE QUALITY OF RELATIONS BETWEEN UNIVERSITIES AND THE BUSINESS SPHERE – DETERMINANTS AND CONDITIONS

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Abstract

Research purpose. The aim is to build an ecosystem of factors determining the quality of relations between universities and the business sphere, as well as to identify the dependencies between them. An additional aim is to systematize knowledge in the area of relationship quality.

Design / Methodology / Approach. The authors start from the definition of relationship quality with stakeholders, according to which it is a multidimensional construct consisting of trust, engagement, satisfaction, and communication (cf. Hewett et al., 2002; Roberts et al., 2003; Sudiene, McCorkle, Błagowieszczeński, 2021). Structural analysis was used to identify relationships and dependencies between factors within the existing ecosystem, as it is a tool for organizing and analyzing sets containing a large number of different factors with mutual interactions.

Findings. The application of structural analysis allows determining the mutual influences between factors and their relationships, in order to ultimately identify key variables (Nazarko, Wnorsowki, Kononiuk, 2011). The research procedure implemented for this study allows building a matrix of structural analysis processed using the MICMAC program, which is based on the algebraic principle of Boolean logic.

Keywords: university, business, relationships.

JEL codes: I20.

Primož Pevcin. THE IMPLEMENTATION OF RESEARCH-BASED EDUCATION: THE CASE STUDY OF INTERVENTION IN TEACHING PUBLIC MANAGEMENT

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Abstract

Research purpose. The purpose of the paper is to present the case study of the development and implementation of research-based curriculum in teaching (public) management-related courses at second cycle study programmes in the field of administrative sciences. The challenge relates to the achievement of connected curriculum approach, specifically via connecting scientific domain with existing organisational or street-level problems and by enabling the combination of academic education and on-the-job training.

Design / Methodology / Approach. The paper uses approaches and lessons learned from practical implementation of research-based education, where students learn actively through research and investigation, as a mean to increase the achievement of programme competencies. The specific case of curriculum intervention in public management courses is scrutinized, where students were envisaged to utilize research methodology of triangulation to analyse and solve problems related to real case organisation change in public sector organisations.

Findings. The paper documents all research methodologies used by students, subjected to the intervention of research-based education, to study specific organisational phenomena. It reveals factors that affect the utilisation of specific methods in particular cases and situations, and how this has contributed to the achievement of targeted course-specific competencies. The demonstration reveals that intervention increased the level of achievement of research-based curriculum on average from the initial to the developing level, as multiplication is needed to achieve the developed level. The study also portrays some potential pitfalls in the utilisation of suggested research methodology. An argument is also provided why a specific type of triangulation, i.e. multiple one, is more frequently used in the case of specific intervention.

Originality / Value / Practical implications. The paper provides a detailed example how the intervention in the curriculum affects the stakeholders involved. It also contributes to the understanding how research methodology of triangulation can be utilised both in teaching and research in the fields of public management and administrative sciences. It also contributes to bridging traditional divisions between research and teaching as well as between academic institutions and society.

Keywords: research-based education; triangulation; higher education; public management; administrative sciences.

JEL codes: I23; A23.

Dileta Jatautaitė[1], Vaiva Zuzevičiūtė[2]. FOREIGN LANGUAGE TEACHING AND LEARNING FOR SPECIFIC PURPOSE WITHIN THE FRAMEWORK OF SUSTAINABLE DEVELOPMENT

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Abstract

Research Purpose: The paper aims to introduce the primary goal of implementing Sustainable Development (SD) into the foreign language teaching and learning curriculum for specific purposes within the framework of the 5 SD competencies. SD education plays a crucial role in fostering critical thinking among students, influencing various aspects of their professional lives.

Design / Methodology / Approach: The research adopts an educational research perspective to course/curriculum development in foreign languages (FLs). This involves a detailed description and justification of course design, learning objectives (including ESD-related goals), materials, activities, and instructional approaches. Data is gathered from students through questionnaires and interviews, providing insights into awareness, abilities, perceptions, language skills, and sustainability-related goals.

Findings: The results indicate that students are more likely to learn a language effectively through SD, employing a variety of learning strategies and competencies. The study articulates five competencies for SD, suggesting potentially effective pedagogies for teaching them. The findings imply the benefits of integrative, active, collaborative, and applied approaches to curriculum development and teaching for Specific Purposes (SP) in foreign language education. Moreover, Business English students equipped with SD skills may be more appealing to employers looking for individuals who understand and can contribute to sustainable business practices. Graduates from VU BS may have a competitive edge in the job market, especially when applying for positions in multinational companies, NGOs, or any organization with a global reach.

Originality / Value / Practical Implications: The research contributes to the field by highlighting the benefits of integrating SD into foreign language teaching and learning. The study emphasizes effective pedagogies and competencies for SD education, promoting a holistic approach to curriculum development and teaching.

Keywords: sustainable development; students; education; sustainability; foreign language teaching and learning for specific purposes.

JEL codes: I20.

Jevgenija Dehtjare[1], Galina Berjozkina[2], Julija Mironova[3], Igor Mogila[4], Olena Dolia[5].

IMROVING QUALITY OF ADMINISTRATION PROCESS IN HEIs: PROFESSIONAL COMPETENCE PERCEIVED BY ACADEMIC STAFF IN UKRAINE

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Abstract

Research purpose. The research purpose of this paper was to explore the evaluation of skills by academic staff to improve the quality of the administration process in higher education institutions (HEIs) from two perspectives. Firstly, the authors investigated whether there are statistically significant differences between the genders of academic staff in higher education institutions regarding the evaluation of their skills and competencies. Secondly, the study aimed to determine if there are statistically significant differences in competencies perceived between academic staff of STEM sciences and those with academic experience in other sciences in terms of assessing their professional competencies. The purpose was determined by the impact of self-assessment of professional competencies on the improvement of administrative processes, thus ensuring HEIs in a more cohesive and efficient environment, fostering both staff development and institutional growth.

Design / Methodology / Approach. The survey, using the authors` developed questionnaire, was distributed in Ukraine during the period of 2019-2023. 385 respondents were surveyed. To test hypotheses, the authors employed the Mann-Whitney U test for gender-related hypotheses and the Kruskal-Wallis test for hypotheses related to the area of scientific and academic activities.

Findings. Due to the analysis carried out in the present research, the Mann - Whitney non-parametric test showed that there is a statistically significant difference between the gender groups and their professional competencies evaluation, which leads to the rejection of the first hypothesis. The second hypothesis was also rejected as well, as based on the Kruskal – Walli's test there is no statistically significant difference between the perception of the professional competencies among the academic staff of STEM and other sciences.

Originality / Value / Practical implications. The research contributes to the existing body of knowledge by presenting an original investigation on the academic staff of higher education institutions in Ukraine. Unlike other studies, this research specifically focuses on the differences between the self-assessment-based perceptions by genders and STEM sciences representatives comparing to other sciences representatives. The practical value is achieved by the research thus ensuring administrative staff with defined competencies and self-assessment criteria. The research findings then will allow to link competencies to administration processes and offer training and development opportunities based on identified competency gaps. The feedback mechanism might be established based on the research data and these self-assessment results might be incorporated into the performance evaluation processes, thus improving the quality of the educational process and its administration in HEIs. Practical implications are related to the state and period of the research, due to the present war in Ukraine.

Keywords: professional competencies; administration process; academic staff; HEI; STEM.

JEL codes: I21; I23; J24; M12; M54.

Jevgenija Dehtjare[1], Remigijus Kinderis[2], Liudmyla Hanushchak-Yefimenko[3], Kristīne Užule[4], Julija Mironova[5]. **INVESTIGATING STAFF`S VIEWS REGARDING THE SUSTAINABILITY OF HIGHER EDUCATION: A PILOT STUDY**

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Abstract

The research purpose is to determine if the study process delivered by the academic staff of modern higher education institutions is truly relevant to the development of the professional careers of the graduates and helps to ensure the sustainable development of modern economics in the conditions of the fast-changing world.

Design / Methodology / Approach. The body of the survey was constructed according to the EDS roadmap`s priorities and the developed questionnaire was distributed in Latvia, Lithuania, and Ukraine from January to February 2024. The respondents were academic staff representatives of higher education institutions. The pilot study aimed to test the correspondence of the survey`s questions to the hypothesis.

Findings. Education for Sustainable Development (ESD) should provide the knowledge, awareness, and action to empower future graduates to transform themselves, their careers, and their societies. ESD aims to give students the knowledge, skills, and values to advocate interconnected global challenges, including (according to UNESCO`s work on ESD focuses) advancing policy, transforming learning environments, building capacities of educators, empowering and mobilizing youth, and accelerating local level action. The survey results discover the need to respond by HEIs to the urgent challenges facing the world and discover the next steps the HEIs should take in responding to them through the process of sustainable education with the details of new emphases and actions.

Originality / Value / Practical implications. ESD is commonly recognized as an integral element of Agenda 2030, in particular Sustainable Development Goal 4 (SDG 4), and serves as a key enabler of all other SDGs. The research contributes to the ability to make the process of higher education a more centralized and visible part of the international response to global world policy changes. It produces and shares knowledge, helps to provide policy guidance and, support to the countries and projects implementation of the stakeholders. The main value of the research is the ability to show the need to integrate ESD in the global, regional, national, and local policies related to education and sustainable development. Attention is required to promote a whole-institution approach to ensure a sustainable learning process.

Keywords: HEI; sustainable development; education; academic staff; SDG4.

JEL codes: Q01; F01; F60; I21; I23.

Nino Gvaramadze. READINESS OF CITIZENSHIP TEACHERS/FUTURE TEACHERS TO USE TECHNOLOGY IN THE LEARNING PROCESS

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Abstract

Research purpose. To study the readiness of citizenship teachers/future teachers to use technology in the educational process.

Design / Methodology / Approach. The study was conducted with students of the citizenship course at the European University Teacher Training Program and citizenship teacher. The objectives of the research are: 1. To study the requirements for the use of technologies in teaching citizenship; 2. Determining the actual situation of the use of technologies by teachers/future teachers/. a) Desk research. Basic citizenship textbooks and international experiences of using technology in citizenship education were analysed. b) Focus group with advanced teachers on technology use. c) Observation of the process of preparing the citizenship students of the teacher training program for the lesson. d) Survey. A study of questionnaires completed by practicing teachers. f) Survey. A study of questionnaires completed by future teachers/. The research was conducted during 2 academic years with 60 students of the teacher training program and 198 teachers

Findings. Basic citizenship textbooks provide for the use of technology by both the teacher and the pupils. International experience shows great possibilities of using technology in teaching citizenship. Teacher training program trainees' attempts to use technology are limited. The use of technology by teachers is mainly limited to the display of video resources. Reasons for improper use of technologies include the-low level of training of teachers in the direction of technology, and the limited availability of computers and Internet in classes.

Originality / Value / Practical implications. A study on readiness of citizenship teachers/future teachers to use technology in the learning process was carried out in Georgia for the first time/. The results of the study formed the basis for changes to the curriculum of the teacher training program/ The course on using of education technologies was included into the teacher training program.

Keywords: citizenship; technologies.

JEL codes: I20.

Piotr Urbanek. UNIVERSITY GOVERNANCE FROM THE PERSPECTIVE OF ACADEMIC CODES OF CONDUCT

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Abstract

Research purpose. Reforms of higher education systems (HES) introduce a new model of public university governance. The essence of this model is the transfer to academia decision-making practices and power structures used in commercial entities. The position of academic leaders is strengthened, while the prerogatives of academic collegiate bodies, senates, and faculty councils, are reduced. The managerial model of university governance requires the development of a catalog of good management practices that would define the competencies and linkages between the university's most important authorities. Codes of conduct, which are academic equivalents of similar institutional arrangements for public companies, should play an important role in this process. This can be interpreted as a manifestation of mimetic isomorphism, one of the forms of institutional isomorphism. In HES it occurs in the form of adapting management solutions that are typical for commercial units, for example, corporate authority structures. In this context codes should be an integral part of the institutional matrix of academic governance, supporting the management processes of universities. The paper aims to present examples of codes of conduct used in national higher education systems and to point out the limitations that make the role of academic codes far less important than their corporate counterparts.

Design / Methodology / Approach. The paper uses critical literature analysis and analysis of qualitative data as research methods.

Findings. Observation of how academic codes of conduct are introduced and their embedding in the institutional matrix of university governance mandates the conclusion that they don't play an important role in promoting effective patterns of university management. Confirmation of this statement is the practical absence of academic codes in discussions on the directions of reform of the higher education system in Poland. The university council, a new body of authority has been in place in Polish universities for the past six years. The rules of operation of this body derive exclusively from the regulations imposed by the amended Law on Higher Education and Science from 2018. The academic code of conduct adopted in Poland in 2007 completely ignores the new power structures in public universities. The lack of code recommendations makes it difficult for universities to appoint council members and for the councils to effectively fulfill the tasks they face.

Originality / Value / Practical implications. This study contributes to the literature on HES offering interesting and timely insights into the recent reforms on Polish universities, using a methodology based on neo-institutional theory. It points out one aspect of reforming processes related to the implementation in the academic institutional environment institutional arrangements that have been successfully introduced in commercial units for more than 20 years. Corporate governance codes have become one of the fundamental pillars of corporate governance mechanisms, creating effective patterns of behavior for public corporations' authority structures. The paper also provides arguments as to why universities are not able or willing to respond adequately to such reforming pressure referring to the concept of institutional complementarity.

Keywords: academic governance; reforms of HES; academic codes of conduct.

JEL codes: D02; G30; I20; I21; I28.

Ann L. Saurbier, D.M. WHAT'S IN A NAME? EXPLORING THE PERCEPTIONS OF EMPLOYMENT AS A MEASURE OF HIGHER EDUCATION VAULE IN ACADEMIC AND POPULAR LITERATURE

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Abstract

Research purpose. The value proposition of higher education is increasingly called into question. Although research supports the accomplishment of both transformational and process/outcomes-based definitions of the value of postsecondary education (Saurbier, 2020), criticism persists. This study is designed to explore the concept of employment, as a measure of higher education value, in both academic literature and popular publication sources. The linkages between the cost of higher education and the outcomes or wages earned by graduates are also explored.

Design / Methodology / Approach. Extending a previous study (Saurbier, 2020), this research explores the construct of employment utilizing an aggregative content analysis to synthesise qualitative data from both academic literature and popular sources to create a meta-matrix. The themes discerned assist in more effectively describing the perceptions of employment as a measure of higher education value.

Findings. A more explicit understanding of the construct of employment provides critical insight to both higher education institutions and students alike. The more detailed explanation of the perceived cost/benefit equation associated with the rising cost of college tuition and the ability for students to secure a "good

job" upon graduation is also an important outcome for parties on both sides of the education process. Additionally, insight into the perceived roles both higher education institutions and students themselves play in the employment process addresses more clearly the connection between the pursuit and achievement of a postsecondary degree and employment as a measure of higher education value.

Originality / Value / Practical implications. As the pursuit of a college-level degree is increasingly tied to obtaining employment, as a significant measure of its value, understanding the perceptions of employment as an indicator of that value has the ability to not only allow colleges and universities to more directly address one of the more substantial challenges to their overall value proposition, but also has the ability to assist students in more clearly understanding employment as a measure of higher education value.

Keywords: higher education; perceptions of value; employment.

JEL codes: I23; E24.

Santa Mijalche[1], Kristine Uzule[2], Martin Kiselicki[3], Jelena Titko[4] , Nikolay Sterev[5] , Bojan Kitanovikj[6], Jevgenija Dehtjare[7] , Edgars Čerkovskis[8], Diana Kopeva [9,10]. **ENHANCING SUSTAINABILITY OF HIGHER EDUCATION INSTITUTIONS IN EUROPE: A CONTINGENCY MANAGEMENT MODEL FOR BRIDGING A GAP BETWEEN THE LEGISLATION AND IMPLEMENTATION LEVELS OF INCLUSIVITY FOR PEOPLE WITH DISABILITIES**

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Abstract

Research purpose. Consistent with the European Pillar of Social Rights (2017) and the Council of European Union Recommendations on promoting common values, inclusive education, and the European dimension of teaching (2018), everyone has the rights to education. Thus, inclusive education should be advanced, aligning the path of institutional development with Sustainable Development Goal 4 – "Quality Education". The research aim was to develop a management model for bridging the gap in student disability inclusivity between legislative mandates and their practical implementation for European institutions.

Design / Methodology / Approach. The first stage of research focused on document analysis of keywords related to inclusive higher education for students with disabilities. Documents for the analysis of national policies and university practices were selected following the PRISMA protocol. The analysis was conducted on the platform "Voyant Tools". To manage the identified gap between the legislation and implementation levels, the second stage of research encompassed the design of a model for the identification of the priority steps in the implementation of inclusive education consistent with contingency management approaches.

Findings. The research revealed the necessity to promote inclusive education at all levels of education; however, the degree of involvement of the state in its promotion varied. Concerning university practices, inclusivity was promoted through the provision of physical access to premises and the offering of general online tools for tackling administrative and academic issues irrespective of the type of disability. Therefore, the level of inclusivity of people with disabilities in higher education could be viewed as initial. Given various resources available to nations to integrate disability inclusivity into educational processes, the designed model was based on a contingency approach.

Originality / Value / Practical implications. The outcomes of this research underscore the critical necessity for innovative higher education management practices towards implementing inclusive higher education based on the transformative potential of contingency approaches. Rather than a one-size-fits-all model, this study advocates for a nuanced strategy accommodating a diverse landscape of national legislation, resource availability, and the distinctive profiles of disabled students. By promoting inclusivity and acknowledging the diverse needs of disabled individuals within educational frameworks, this research actively contributes to the global pursuit of equal access to quality education and inclusivity in education, thus fostering progress towards both SDG4 and SDG10.

Keywords: disabilities; inclusive higher education; national policies; contingency management.

Acknowledgements. This research was conducted within the framework of the BENEFIT project (ID: KA220-HED-D225AA30), which is co-funded by the European Union. The research forms part of the activities of the research group at EKA University of Applied Sciences (Latvia), focused on "Creating a model of assessment of the implementation of equal opportunities for economically (potentially) active vulnerable groups of the population concerning the achievement of the Sustainable Development Goals."

JEL codes: I23; I24.

Jevgenija Dehtjare[1], Greta Danilaviciene[2], Jurgita Grigiene[3], Marija Krstinić[4], Agnieszka Luczak[5], Magdalena Proczek[6]. SKILLS FOR HIGH-PERFORMING STUDY PROCESS: MULTIPLE PERCEPTIONS ON THE ISSUE

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Abstract

Research purpose. This study aims to identify the competencies required in the process of study in higher education institutions (thereinafter HEI) from two perspectives: students and teaching staff.

Design / Methodology / Approach. The methodology encompassed the analysis of secondary data sources, like articles on competences required by Quadruple Helix representatives (universities, public bodies, industry, society at large). Subsequently, the primary data were obtained through a questionnaire-based survey (online) among two groups of respondents: students and academic staff from partnership countries (Croatia, Latvia, Lithuania, Poland). The survey took place during the academic year 2023/24.

Findings. The differences between students` self-perception of required skills in the study process were examined and compared in terms of demographic characteristics. The analysis of data was also done by comparison of the results within partnership countries. The main aspects of the research considered the importance of the competencies and skills like digital literacy, time management, communication, critical thinking, analytical and entrepreneurial skills, etc. Subsequently, skills self-assessment was performed by the students, involved in the survey. Another part of the research consisted of the survey analysis of the same issues, conducted among the experts – academic staff representatives.

Originality / Value / Practical implications. The results will help to revise the curriculum and the teaching approaches implemented in the partnership institutions. The training courses and different teaching methods will be recommended for the teaching staff to improve the study process making it more efficient and to reach a level of students` competences required by the Quadruple Helix. Recommendations are offered on methodologies for soft skills of students of the partnership HEIs.

Keywords: Quadruple Helix; HEI; 21st-century skills; competencies; academic staff; students.

JEL codes: I23; I25; F60.

Nataliia Fastovets[1]. Anna Sinilkina[2]. OVERCOMING EDUCATIONAL LOSSES IN QUALITY OF EDUCATION.

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Abstract

Research purpose. This research aims to evaluate the effectiveness of educational recovery tools designed to address the significant educational losses among Ukrainian law students caused by the COVID-19 pandemic and military aggression on the territory of Ukraine. The importance of the study is attributed to the urgent need to adapt educational strategies to crises affecting learning environments and outcomes.

Design / Methodology / Approach. The methods employed in this research include a comprehensive literature review, empirical data collection through surveys and interviews, and a controlled pedagogical experiment involving students from the Educational and Scientific Institute of Law and Modern Technologies of Kyiv National University of Technologies and Design.

Findings. The level of the professional competence development of students in the experimental group after the work performed differs significantly from the initial data for all the indicators, and it is evidence that the conditions introduced by us are effective. The level of professional competence of students in the control group also increased, but, as at the initial stage, most students had a low level of its development, which, in our opinion, is due to the lack of purposeful and organized activities aimed at its development.

Originality / Value / Practical implications. The conducted scientific study and pedagogical experiment showed that the developed pedagogical conditions can significantly increase the level of development of professional competencies and reduce educational losses, highlighting the necessity and effectiveness of tailored educational interventions in crisis conditions.

Keywords: quality of education; educational recovery tools; Ukraine.

JEL codes: I20.

EMERGING TRENDS IN

ICT SOLUTIONS FOR ECONOMY, BUSINESS AND EDUCATION

Anatolijs Prohorovs[1], Regina Veckalne[2], Levs Fainglozs[3]. WHAT ARE THE REASONS WHY SOME UNIVERSITY STUDENTS DO NOT APPLY GENERATIVE AI

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Abstract

Research purpose. The purpose of this study is to identify the reasons why some students do not use generative AI products in the educational process, the proportion of such students, and the prospects for their use of generative AI products in the future.

Design / Methodology / Approach. The research methodology is based on a survey of 256 students from two Latvian universities (RTU and RISEBA University).

Findings. Generative AI products are not used in the educational process by 23.5% of students (depending on the university 20-30%). The highest proportion of non-users of generative AI products is among part-time students (35.7%), distance learning students (33.3%), students over the age of 25 (30%), and first-year students (28%). The five main factors of not using generative AI products are: lack of belief in the effectiveness of generative AI (41.4%), not knowing how to use generative AI products, lack of information on the application of AI in the educational process (20.7%), the opinion that using generative AI will diminish the potential application of their personal intelligence, and no need to use generative AI (5.2%). Only 11.7% of students who do not use generative AI in their educational process plan to start doing so within the next six months.

Originality / Value / Practical implications. This appears to be the first study aimed at identifying the reasons for students' non-use of generative AI in the educational process, which considers both the main reasons for non-use by university students and identifies categories of students who least actively use generative AI. The research findings can be used in the planning of university programs and courses, as well as by specific teachers in groups where they conduct seminars and lectures.

Keywords: generative artificial intelligence; higher education; academic skills.

JEL codes: I23; I25; O33.

Maksims Žigunovs[1,2], Eugenijus Mačerauskas[3,4], Eivin Laukhammer[5]. MUSHROOM COMMUNICATION SIGNAL TEMPLATES USAGE IN OPTICAL CHARACTER RECOGNITION

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Abstract

Research purpose. The research purpose is to find out a way to use mushroom signals in optical character recognition processes. Such mushroom signals are used in nature for communications between the mushrooms. It means that these communications are formed from limited and structured signals that form a so-

called vocabulary of the communication. Such in nature found signal templates can be used as understandable/splitable data.

Design / Methodology / Approach. The implemented method uses the regular natural biological model neural network with same signals as mushrooms use for between mushroom communications. These signals are being modified and normalized for training the neural network in order to introduce principally not same signals as those which are used in basic theory and practice of AI and neural networks. While the traditional neural network uses one signal per input then the nature based neural network uses a series of the signals. Such signals are a split of the signal-idea. As example from a language is that the idea is a word and a series of an idea signals are like letters in the word.

Findings. It was found out that that mushroom communication signals have templates and repeated/sequenced sub-signals. The theory based neural network works in a manner of providing only one signal per communication introducing it in a based range of values [0..1] as example. The nature based signals are series of few selected values in [0..1] range that are structured into series. It reminds the nature language when a series of only selected sounds are used from the whole range of sounds like words and sentences that forms a certain idea of the word and sentences.

Originality / Value / Practical implications. The paper value is based on specific signal usage for optical character recognition using neural networks. Such signals are not monotone ones like the regular recognition/neural network provide. The main practical results are 1) higher rate of the recognition 2) nature like developed differentiations in signals in order to train the neural network to work with those differentiated signals 3) the trained by nature signals neural network is pretrained for introducing additional signal(-s) that is (are) between the templates of the previously used ones. It is same as with the languages and memorizing new words that are between knows ones.

Keywords: neural network; optical character recognition; mushrooms; signals; AI.

JEL codes: L86.

Galina Robertsone[1], Eduards Lapiņš[2], Janne Heilala[3]. EXPLORING RELATIONS BETWEEN METHODS OF ASSURING QUALITY, CERTIFIED MANAGEMENT SYSTEMS, ADOPTION OF TECHNOLOGIES AND COMPANY PERFORMANCE

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Abstract

Research purpose. The integration of advanced technological solutions into production management and control systems heralds a new era of enhanced efficiency and defect mitigation in manufacturing processes. This advancement is marked by a significant reduction in human errors and encompasses the adoption of technological and environmental innovations. These elements, in synergy with quality assurance methods and certified management systems are the foundations for the factory of the future. However, the pace of adopting these digital technologies varies across different companies and industrial sectors. and is influenced by distinct factors. This research aims to investigate the relations between methods of assuring quality in production, certified management systems, adoption of digital technologies for production management and control as well as environmental efficiency technologies, and the performance of manufacturing companies in terms of product quality and customer satisfaction.

Design / Methodology / Approach. In this study, the authors employed a multivariable analysis approach, utilising data from the Latvian and Finnish subsets of the European Manufacturing Survey 2022 (EMS 2022) data collection.

Findings. Manufacturers that utilise traditional approaches for quality and production management show a greater tendency to adopt new technologies. The use of digital technologies in managing and controlling manufacturing processes leads to improved product quality and increased customer satisfaction.

Originality / Value / Practical implications. The study enhances understanding of the nexus between established production management practices and the integration of digital technologies. Insights into this interplay enable manufacturing companies to streamline their digital transformation, optimising operations for the benefit of the company, its customers and the environment.

Keywords: certified management systems; digital technology; environmental efficiency; manufacturing; production; quality assurance

JEL codes: L6; O11; P18.

Anna Sołtysik-Piorunkiewicz[1], Witold Chmielarz[2]. CHANGES IN IT PROJECT MANAGEMENT ACCORDING TO EXPERTS' OPINION

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Abstract

Research purpose. The topic is concerned with the differences in experts' awareness concerning project management applied for the implementation of information systems within organizations, comparing two distinct periods in 2017 and 2023, i.e. before and after COVID-19 pandemic. Project management, a field of study and its methodologies emerged in a strictly practical domain. It encompassed various sectors of economic activity, starting from business to culture, etc., ultimately including information technology. The primary purpose of this presentation is to show the comparison of experts' opinions in two time periods to examine the differences regarding IT project management awareness and perception.

Design / Methodology / Approach. The study was based on the opinions of experts (theoreticians and practitioners) expressed in a survey conducted in January 2017 and April 2023. The survey was constructed using a literature analysis and the authors' own experience in managing IT projects. The hypothesis addresses the issue of how awareness regarding IT project management has changed over the last five years. The main hypothesis was supplemented by questions regarding awareness of: the need to implement information systems into organizations, the need to apply process management within these implementations, and the determinants and effects of IT project management.

Findings. The findings show the opinions of experts including individuals with a strong research interest and those with an academic background, and also it incorporated respondents with substantial practical experience. Part of the respondents' competence was related to years of using traditional project management methods, which in some way also shapes the approach to agile and hybrid methodologies.

Originality / Value / Practical implications. The conclusion for future project management education at universities, consulting firms, specialized courses, etc. shows profiling in the direction of modern IT development trends which correspond to the changes connected with strategies of modern mobile companies with remote access to the data, taking into account changes connected based on representatives from Generation Z, the demographic currently entering the workforce.

Keywords: business process management; IT project management; project management methodologies; process management methodologies.

JEL codes: M15; M21.

Daniil Kulikov[1,2], Irina Kuzmina-Merlino[3], Guillaume Bodet[4]. DIGITAL TOOLS IN STRATEGIC GLOBAL SPORTS BRAND MANAGEMENT

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Abstract

Research purpose. In the contemporary world, sports play a pivotal role in the economic industry, with each individual sport competing for fan engagement and aiming to captivate the target audience through the unique brand of each player or club. As stated by Bouchet, Hillairet, & Bodet (2013), while brands are intangible and volatile, existing mainly in consumers' minds, they also manifest tangibly through names, symbols, colors, packaging, and promotional materials. The success of sport brands like Nike and Adidas hinges on their ability to valorize the recognition of their symbols, utilizing media and imagery to highlight distinctive signs immediately identifiable by consumers. This insight complements the understanding that, in the contemporary sports industry, individual sports vie for fan engagement, leveraging unique player or club branding to enhance global image. According to Mullin, Hardy, & Sutton (2013), sports marketing's core objective is to fulfill sports consumers' needs, with digital platforms and social media playing a crucial role in maintaining viewer interest, thereby creating intangible perception for the brand.

Global charity strategies and events like the Olympic Games not only improve a sport's local image but also contribute significantly to the economic value and GDP, promoting the host country's status engaging its fans globally. Notably, the NHL has established a global presence in Europe through the Global Series games, aiming to attract audiences to its brand and connect North American hockey with Europe and Asia. This global engagement highlights the increasing demand for a connection with favorite athletes and teams worldwide. The purpose of this research is to examine the strategic use of digital tools in global sports brand management, with a focus on how these tools, including the Strategic Color Coded System (SCCS), can enhance fan engagement and global market penetration. The study aims to uncover how digital strategies can support sports federations and clubs in establishing a long-term presence in new markets globally.

Design / Methodology / Approach. This study employs a mixed-methods approach, combining qualitative analyses of sports marketing strategies with quantitative data on fan engagement and market penetration. It specifically investigates the implementation and impact of the SCCS in translating and distributing simply animated content to international audiences, evaluating its effectiveness in the context of global sports.

Findings. The findings will display how the SCCS can enhance the global management of sports brands, facilitating deeper engagement with diverse audiences and enabling sports entities to effectively penetrate new markets. The study highlights how to connect with fans in Europe and Asia utilising SCCS and digital platforms.

Originality / Value / Practical implications. This research contributes new insights into the role of digital tools in sports brand management, offering a novel perspective on global market engagement strategies. The introduction of the SCCS as a method for content translation and distribution represents an innovative approach to overcoming language barriers and cultural differences, thereby broadening the audience reach. The practical implications of this study are significant for sports federations, clubs, and marketers aiming to expand their global footprint, serving as a valuable case study for strategic digital engagement.

Keywords: digital tools; global brand governance; strategic color coded system.

JEL codes: M30.

Daniil Kulikov[1,2]. **A NOVEL APPROACH TO DIGITAL LANGUAGE LEARNING THROUGH THE STRATEGIC COLOR CODED SYSTEM**

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Abstract

This study introduces an innovative method for integrating a color coding system into digital language learning. The Strategic Color Coded System (further - SCCS) method is discovered and conceptualized by the author of this research is designed to enhance the learning experience by facilitating direct comprehension and retention through color associations.

Research Purpose. The primary aim of this research is to explore the effectiveness of this innovative approach in digital English language learning. It seeks to understand how a color-coded approach can aid in the rapid acquisition and comprehension of context, vocabulary, and grammar, enhancing the overall language learning process for students of varying proficiency levels.

Research methodology. The methodology involves a comprehensive evaluation of the SCCS approach across diverse learning environments. By focusing on vocabulary acquisition, grammar understanding, and language fluency, the study assesses the impact of color coding as a visual aid in facilitating language learning. This evaluation includes a mix of quantitative and qualitative research methods to gather data on learner outcomes.

Findings. Findings from the study will display how the SCCS approach influences language learning outcomes. The use of Strategic Color Coding System not only aids in memorizing vocabulary and understanding grammar but also contributes to faster and more efficient language fluency development. These results highlight the potential of visual aids in enhancing digital education, particularly in language learning.

Originality and practical iimplications. This research contributes a novel perspective to the field of digital language learning by introducing a unique, engaging method that leverages visual cues for educational purposes. The Strategic Color Coded System (SCCS) approach, with English as its pilot version, showcases the potential for application beyond English language learning to other languages, indicating its versatility and adaptability. This expansion is possible into areas such as management, tourism, and cross-cultural communication underscores the SCCS approach's value and practical implications. The study opens new avenues for utilizing visual strategies in educational and managerial settings, particularly in multilingual and multicultural contexts, highlighting the method's broad applicability and potential for enhancing language learning and communication across different linguistic backgrounds.

Key words: digital education; strategic color coded system; e-learning.

JEL codes: I29; O31.

Olimkhon Askarov[1], Tatjana Tambovceva[2]. **DIGITALISATION AND SMART TECHNOLOGIES IN CONSTRUCTION INDUSTRY**

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Abstract

Research purpose. Automatization and digitalisation are processes that must be done constantly with the advent of new technologies. In recent years, a number of Blockchain applications with the Internet of

Things (IoT) have developed. Nevertheless, there are still spheres that require the application of smart technologies. Construction industry sectors are the spheres where smart technologies are highly required. The aim of the research is to make a distinct clarification of the application of smart technologies in the construction industry, precisely in the real estate sector, and to find weaknesses by doing comprehensive research on the scientific papers from Scopus.

Design / Methodology / Approach. In this research, the authors applied the scientometric analysis to 901 publications, detecting the usage of IoT and Blockchain in the construction industry and evaluating research development. The scientometric study was performed separately for IoT and Blockchain, and both lists were integrated to discover the interrelationships points between them. The descriptive analysis is applied to 68 publications of successful IoT and Blockchain application scenarios in the construction industry, as well as problems and limits.

Findings. Blockchain and IoT can improve the potential areas in the construction industry through supply chain management, construction management, electronic document management, building information modelling, funding management and real estate prefabricated building industry, operational and asset management, and the implication of monitoring project progress measures. In terms of the use of IoT for prefabricated buildings, it was discovered that (1) there is a need to develop a platform to enable collaboration between the manufacturer and the assemblers, (2) IoT can track daily operations in terms of health and safety, quality, and environmental impact, (3) IoT is used to track the tension performance of concrete elements (e.g., beams in bridges), and more research is needed to measure entire structural performances under various scenarios.

Originality / Value / Practical implications. Several publications on IoT and blockchain integration exist; however, there is not a lot of research in the construction industry. The problems that exist in Latvia's current situation with real estate transactions and land registry were determined, and new ideas that can improve the real estate sector were suggested by applying smart technologies. Construction industry sectors and smart technology integration are represented with the drawbacks and suggestions for further application and the new solution for the real estate sector, precisely applying blockchain technology to real estate transactions and improving the land registry. This research offers scholars a complete overview of relevant literature as well as research gaps that present potential for future study.

Keywords: blockchain; Internet of Things; construction.

JEL codes: O18; O32; L74.

Kristine Uzule[1], Natalja Verina[2], Aurelija Ulbinaite[3], Jevgenija Dehtjare[4]. RELEVANCE OF AI SKILLS FOR THE DEVELOPMENT OF ENTREPRENEURIAL COMPETENCES

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Abstract

Research purpose. The current times are characterized by the rapid implementation of artificial intelligence (AI) technologies across various sectors of the economy, resulting in the elimination of some job places and the creation of new employment opportunities. To strengthen the productivity and employability of workforce, it is crucial to develop AI user competences as well as general entrepreneurial competences in the EntreComp area of ideas and opportunities to boost the creative business potential of employees in the context of AI-driven economies. Yet, to design such training programs, it is essential to raise the

awareness among workforce about the importance of these two types of competences. The aim of this research is to identify the relevance of AI skills for the development of entrepreneurial competences in the EntreComp areas of ideas and opportunities.

Design / Methodology / Approach. The research methodology employed a combination of quantitative and qualitative methods. Initially, a survey was conducted to assess the use of AI among civil servants across various regions in Latvia. The questionnaire comprised 8 questions. Due to the voluntary nature of participation, not all respondents answered every question, resulting in a response range of 1977-2882 answers per question. The subsequent phase involved interviews with two distinct types of expert groups: one comprised of scientific and academic personnel, and the other of enterprise middle and senior managers, including human resource specialists. Each expert group consisted of 8 specialists. The interviews were conducted in Latvia and Lithuania, resulting in the overall number of 32 interview participants. These interviews addressed the necessity of entrepreneurship competences at the workplace and their relation to AI skill development.

Findings. Despite a recognition among more than half of the respondents that AI adoption can enhance productivity and create new opportunities, the majority do not regularly utilize AI tools. Furthermore, over half of the respondents expressed reluctance to personally invest in acquiring AI skills. These findings underscore the importance of employer involvement in AI skill development within the workforce. While nearly half of the respondents suggest that workplaces should provide AI tools, there is also an opportunity to address attitudes towards personal investment in AI knowledge. Overall, the survey findings support the notion that AI skills are valuable.

Originality / Value / Practical implications. The outcomes of the research suggest that employers should recognize the value of investing in their AI training to enhance their innovation potential and competitiveness. Educational institutions need to adapt their curricula to incorporate AI education at various levels and promote lifelong learning initiatives to ensure individuals can continuously update their skills once outside educational settings. Emphasis should be placed on developing not only technical AI skills but also critical thinking, ethical considerations and cyber hygiene to empower individuals to leverage AI technologies responsibly. By leveraging these insights, stakeholders can proactively address the challenges and opportunities presented by AI advancements, shaping a future where humans and machines collaborate synergistically for mutual benefit.

Keywords: AI use; workforce; entrepreneurship competences.

JEL code: J24; L26.

Acknowledgements. The research has been conducted within the framework of activities of Entrepreneurship Competence research group of EKA University of Applied Sciences.

Jegors Fjodorovs[1], Murali Krishna Rao Podishetti[2]. OPTIMIZATION OF INVENTORY MANAGEMENT IN THE GURUJI FIBERS INDUSTRIAL COMPANY BY USING STATISTICAL MODELLING

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Abstract

Introduction. Every year, manufacturers lose a lot of money due to excess inventory. There are also losses at the other end of the sample when raw materials are understood and often inaccessible (again an outcome of poor inventory control of the raw materials). Inventory management is important to consider as a method to help save money by lowering overheads. It must be an important part of the company's growth plan. When the business moves in the right direction, cash flow will improve, which can then be invested in other revenue-generating activities. Companies' profits rise as their inventory capacity is maximized. When it comes to stock control, the manufacturing sector faces many challenges.

There are several difficulties. The human-based approach to inventory management, especially for raw materials, has a proclivity to overestimate or underestimate stock availability. In such cases, purchase orders may be placed above their specifications, resulting in maintaining costs for the manufacturer, which may result in large losses over time. Many industries have realized the importance of inventory management techniques in the perspective of smooth operation. It serves as a connection between manufacturing and distribution. Further, many industries are investing in inventories to maintain an optimum level of stocks. Thus, it is critical in every industry that inventory is properly handled, controlled, tracked, and maintained. Inventory management's goal is to ensure that sufficient amounts of material are available when required while also reducing inventory investments.

Research purpose. This study aims to discuss a manufacturing company's inventory control technique using the ABC, FSN and regression analysis to promote a better policy on materials management, which affects the company's profit. The studied company is a private company i.e., Guruji Fibers situated in Bhopal, Madhya Pradesh, India. The present company is a manufacturer of a wide variety of fiber-reinforced plastic (FRP) molds. As there is a summer season in India, the company has started production of FRP coolers in peak time because of insufficient funds. More part damage was observed, as well as lower company revenues. Furthermore, it was discovered that the firm does not often use a stock optimization model to evaluate its stock of raw materials as a measurement parameter.

Design / Methodology / Approach. A quantitative research method was adopted to study the inventory control technique for Guruji Fibers by using the FSN and ABC analysis. The research was done at Guruji Fibers, Bhopal, Madhya Pradesh for 25 days.

Findings. This study attempts to improve inventory management for the Guruji Fibers company. Inventory reduction is regarded as a critical component of inventory management. However, low stock levels are not always a good choice. The producer must have the appropriate amount of inventory on hand. Therefore, from the results of the data analysis, it is right to conclude that inventory management has not been very effective in Guruji Fibers company, and this is because inventory policies are not strictly adhered to. Therefore, efforts are needed to be made to improve on these present situations.

Originality / Value / Practical implications. The company Guruji Fibers' current stock management system is ineffective because they do not keep accurate records, thus there is a need for inventory management. As discussed, the present start manufacturing FRP coolers in peak season, which is why they are unable to maintain stock records also there is no proper facility for stock-keeping which causes some items to break. The company should use advanced strategies to properly manage its inventory. The study highlighted some recommendations which if implemented, Guruji Fibers company will have its profitability because of a cost reduction which will enable it to reduce price and increase its turnover thereby spreading its overhead costs over increased output which will, in turn, result in the costs reduction.

Keywords: inventory management; FSN and ABC analysis; productivity; quality.

JEL codes: M1; L1.

Julija Mironova[1], Jevgenija Dehtjare[2], Viktoriia Riashchenko[3]. TRANSFROMATION ON HIGHER EDUCATION BY GENERATIVE TOOLS OF ARTIFICIAL INTELLIGENCE – CROSS COUNTRY STUDY

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Abstract

Introduction. Since the advent of Generative Tools of Artificial Intelligence in the educational domain, an ongoing discourse has unfolded worldwide. Researchers and educators are engaged in discussions regarding whether generative tools pose threats to the educational process in higher education or if they can be extensively utilized by students to acquire new knowledge, not only for test answers but also for fostering creativity during the learning journey. Nevertheless, Higher Education Institutions are still grappling with the question of whether employing generative tools is feasible, and if so, what criteria should be considered acceptable. Additionally, there's a need to develop guidelines for educators and students to establish rules for the use of artificial intelligence generative tools, to determine how exactly it is allowed in the specific education institution to use generative tools like Chat GPT for both, educators and students, to boost creativity, gaining new knowledge and other aspects, where such tools can be used in higher education process.

Research purpose. The research aims to investigate whether students utilize AI generative tools such as Chat GPT for their academic endeavors, to identify the specific purposes for which they employ these tools, and to assess whether there is a necessity for training in their proficient usage. Additionally, the research seeks to compare the usage patterns across different countries.

Design / Methodology / Approach. The authors formulated the questionnaire and disseminated it to the participants via email. The survey was distributed in the first semester of the 2023/2024 academic year in Latvia, Lithuania, and Bulgaria. The data gathered from the survey responses were analyzed using SPSS software, employing descriptive statistical analysis.

Findings. Findings highlight the importance of raising awareness about the use of such artificial intelligence generative tools as Chat GPT by students, as this tool is widely recognized and used by students worldwide. Research has shown a share of students who participated in the research who use generative tools in their education process, for what exactly they use it, and differences between the countries, where the questionnaire was distributed.

Originality / Value / Practical implications. This research investigates the utilization patterns of AI generative tools, such as Chat GPT, among students in higher education settings. It contributes novelty by delving into the extent and purposes of their usage across diverse educational landscapes. The study's revelations underscore a notable prevalence of AI tool adoption among students, suggesting an emergent paradigm beyond conventional learning methodologies. Consequently, it underscores the imperative for structured guidelines and training initiatives to optimize the educational benefits derived from these tools within academic environments.

Keywords: education; artificial intelligence; university; generative tools; Chat GPT.

JEL codes: A20; I20; I23.

EMERGING TRENDS IN

CULTURE STUDIES AND INTERNATIONAL CULTURE PROJECT MANAGEMENT / CREATIVE INDUSTRIES, ART AND DESIGN

Nadiia Lolina. FROM STREETS TO CITY'S LABEL: STREET ART METAMORPHOSE

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Abstract

Research purpose. The purpose of the research project was to analyse the status of street art nowadays by exploring the role of its placement in a city with a scientific approach. As well as check whether this type of creativity has been going through cultural and historical changes during exploration and articulation, particularly in its eventual movement from the streets into the exhibition spaces. An additional objective was to check the theoretical status of street art as a part of city branding. Research is formed around the hypothesis that street art in a specific city might represent the city as a part of branding philosophy playing its mega contributing role or representing alternative culture or subculture. To perform an analysis of the reformation of Street art as a form of rebellion and protest to the art objects with high artistic value for the modern society for starting to be perceived as cultural markers of a label for a city. As well as to formulate the future possibilities that are hidden behind the adaptiveness of street art as a process to the street art as a result.

Design / Methodology / Approach. The study used an approach based on the analysis of the street art phenomena developed in the literature and media sources. Modern cities with a wide variety of abandoned and maintained spaces are playing roles or artistic arenas with the explicit and verbose desire of the street artist to talk to the audience and be listened to. Case studies, ethnographical, and comparative methods are used for the analysis and discovery of the phenomena of Street art when it starts to be a label or cultural marker of a city.

Findings. A consulting and practical approach is noticeable, especially in the ever-new 'process models' (how to create and manage 'place brand'), moreover, these models are scientifically worthless and practically useless. Descriptive models (what a 'place/territorial brand' is) expose no signs of concretisation. There is undoubtedly a phenomenon of 'forcing' empirical data.

Originality / Value / Practical implications. Based on the analyses done, it can be concluded that none of the examined models meets the requirements of lawlike generalisations. In the practice of place branding, carried out by territorial units, the only common element is the usage of the name and logo of the place. It can also be argued that the basic concept of 'place brand' is poorly defined. The research method used (FTM) has not been applied in the analysis of place brands so far, however, the examination done in this article proves its usefulness.

Keywords: street art, label, city branding, urban society, collaboration, cultural marker.

JEL codes: D02; N90; Z11; Z32.

Inga Milevica. ON NAIVE LINGUISTICS AND PRESCRIPTIVISM IN PUBLIC DISCUSSIONS OF ACADEMIC NON-LINGUISTS

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Abstract

Research purpose. The aim of the study: to describe the features of naïve linguistics in the public discussion discourses of academic non-linguists.

Design / Methodology / Approach. Research material: spontaneous and non-spontaneous elements of naïve linguistic discourse of academic non-linguists in two public discussions: 1. "How to be happy nowadays?" (Organized by the University of Economics and Culture at the Conversation Festival "Lampa"); 2. "How to promote better use of the Latvian language in the media?" (discussion organized by the Latvian Media Ethics Council). Research methods: discursive analysis, semantic analysis and interviewing.

Findings. The article will examine two characteristic features of naïve linguistics in the public discussion discourses of academic non-linguists. The first feature is the dominance or "correctness" of the first meaning of the lexical meaning of the word, the second feature is the non-delimitation of the word's meaning, concept and concept. These features especially vividly show that prescriptivism plays a big role in the formation of naïve linguistics.

Originality / Value / Practical implications. Naive linguistics can be realized in various types of verbalized pre-states, and they are verbalized by non-linguists. Non-linguists (this designation was introduced by *D. Preston*) can be seen not as an opposition: linguists and non-linguists, but as a spectrum, at the beginning of which there are linguistic specialists, then representatives of academic circles who are not linguists follow, and whose discourses, at the same time, belong to the scientific world scene and to the naïve world scene, is a group that is rarely subjected to analysis. The ideas of non-linguists in general are still a very rare object of research not only in Latvian linguistics, especially – the naive ideas of non-linguists of academic representatives about the goals, tasks and methods of linguistic research, etc.

Keywords: linguistic discourse; academic non-linguists; naïve linguistics; public discussion.

JEL codes: Z13.

Anna Adamus-Matuszyńska[1], Piotr Dzik[2]. VOLATILITY OF THE VISUAL IDENTITY OF POLISH LOCAL GOVERNMENTS

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Abstract

Research purpose. The literature on place branding lacks long-term and quantitative studies on the rebranding of territorial brands. Place branding consultants recommend that they be reviewed and refreshed approximately every decade. On the other hand, it is emphasised that rebranding is a serious shock for the territorial organisation, and a place brand change should not be undertaken carelessly. The aim of the study is therefore to compare these processes to the theoretical postulates summarised in the literature on the subject.

Design / Methodology / Approach. The principal method used was visual content analysis. Additionally, the collected data was verified by individual interviews with local government representatives. The authors have been conducting a research project on Polish local governments since 2014; therefore, it is possible to summarise the changes, modifications, and rebranding of Polish territorial brands in the period 2014-2023The queries were conducted regularly in the years 2014-2024 (the end date will be the local government elections in Poland on April 7, 2024).

Findings. More than 250 logos have been withdrawn or replaced, and approximately 100 have never been implemented. Research has confirmed that the number of changes is large, but it is difficult to determine one or even the dominant cause of such serious organisational changes.

Originality / Value / Practical implications. The literature on the subject draws attention to the lack of longitudinal studies. Therefore, a 10-year study on the population of all local government units in Poland provides data supporting the development of the theory of territorial branding and allows for analytical support for territorial rebranding processes.

Keywords: place brand; rebranding; brand “lifting”; longitudinal research; visual communication.

JEL codes: B40; M30; H70; Z18.

Marcin Komańda. THE PARTICIPATION OF POLES IN ORGANIZED FORMS OF CULTURAL ACTIVITIES: A PERSPECTIVE BEFORE AND AFTER THE STATE OF EPIDEMIC

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Abstract

Research purpose. Cultural activities during the Covid-19 pandemic are the subject of analyzes undertaken in many scientific fields. Within the social sciences, including management sciences, these analyzes concern crisis management, the financial situation of cultural entities, and specific forms of activity implementing the mission of these institutions. Analyzes are also made of the value and structure of expenses in the customer portfolio, including those for cultural events. However, there is a lack of analyzes related to the assessment of the level of community participation in cultural events, making comparisons between the times before and after the Covid 19 pandemic. The aim of this article is to compare the level of involvement of Poles in organized forms of cultural activities in the time before and after the state of epidemic in the country, i.e. in the years 2019 and 2022.

Design / Methodology / Approach. The analysis of the level of participation of Poles in organized forms of cultural activity was based on statistical data obtained from the databases of the Statistics Poland. Organized forms of cultural activity were taken into account, such as: performances in theaters and musical institutions, screenings in cinemas, exhibitions in museums, and artistic and entertainment events. The data was presented as the number of participants for particular forms of cultural activities per 1,000 inhabitants of individual voivodeships. For the purposes of the analysis, the TOPSIS method (The Technique for Order of Preference by Similarity to Ideal Solution) was used.

Findings. The achieved results indicate that it can be assumed that both before and after the epidemic, the inhabitants of voivodeships with high GDP showed the highest involvement in the discussed cultural activities. It can also be stated that, in general, this level increased in these voivodeships in 2022 compared to 2019. At the same time, the Masovian Voivodeship unquestionably took the lead in terms of the involvement of its inhabitants in organized cultural activities right after the end of the epidemic in Poland.

Originality / Value / Practical implications. The analysis made it possible to build rankings of voivodeships (Polish administrative units) in terms of the involvement of their inhabitants in organized cultural activities. It also showed a certain dynamics of changes in these rankings, which can be related to the degree of wealth of these voivodeships measured by GDP, as well as the specific time perspective regarding the Covid 19 pandemic. The achieved results can therefore be used in other research intentions related to the assessment of the impact of the pandemic on the community's participation in the offer. cultural sector in Poland.

Keywords: cultural sector; pandemic; Covid 19; culture; Poland.

JEL codes: M20; L80.

Jeļena Budanceva[1], Ludmila Briede[2]. PARTICIPANTS AND ORGANIZERS PERSPECTIVES OF RISKS ASSOCIATED WITH SONG AND DANCE FESTIVAL 2023

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Abstract

Research purpose. The goal of this study is to identify risks at the Song and Dance Festival XVII, based on the opinions expressed by both - participants and organizers, and compare the risk perception perspectives from these two parties.

Design / Methodology / Approach. In order to collect data, the authors of the paper conducted interviews with 7 representatives of different level organizers of Song and Dance Festival 2023, with purpose to clarify risk management issue from organizers perspective. On other hand, the participants' survey (n=311, final sample 252 respondents) made it possible to look at the identification of risks from the visitor's side and to compare whether the risks important to the organizers coincide with the risks important to the participants. The data and information obtained in the study were processed using graphical analysis, dynamic line analysis and transcription of interviews.

Findings. Through the examination of risks perceived by both organizers and participants, the main finding indicates a notable disparity in the risks considered significant by these two parties. Through interviews conducted with festival organizers, the primary risks identified included issues related to unclear or inadequate communication, encompassing communication among organizers and volunteers, transparency regarding the utilization of funds, and time management concerning on-site rehearsals, while survey results reveals a diverse range of perceived risks, including concerns related to safety, weather conditions, catering issues and information about force majoure situations.

Originality / Value / Practical implications. This study adds value by providing a comprehensive understanding of risk management issues at the Song and Dance Festival XVII from both organizational and visitor perspectives. The practical implications of this research underscore the importance of effective communication, transparent financial management, and efficient time management in mitigating risks associated with event organization, while also emphasizing the necessity for event organizers to address a diverse range of concerns voiced by participants, including safety, weather conditions, catering, and force majeure situations.

Keywords: risks; festivals; risks perception; Song and Dance festival.

JEL codes: Z32; Z19.

Elizabete Grinblate. EMERGING IMMERSIVE TECHNOLOGIES FOR DIFFICULT HERITAGE: REALITY-VIRTUALITY CONTINUUM

Abstract

Introduction. In the rapidly evolving digital age, scholars have grappled with the challenge of defining the boundaries between physical and virtual realities. Paul Milgram and Fumio Kishino's seminal 1994 work, "A Taxonomy of Mixed Reality Visual Displays," laid the foundation for understanding this complex relationship, introducing the continuum that connects entirely real environments to completely virtual ones via immersive technologies, such as virtual reality (VR and mixed reality (MxD). This classification, still influential today, distinguishes between physical reality and virtual reality, emphasizing the tangible, material nature of the former and the virtual, intangible aspects of the latter. However, with the new technological advancements, this continuum, albeit seminal, has to be revised. Difficult heritage, a burgeoning field within cultural heritage, strategically employs digital technologies to bridge the tangible and intangible aspects of cultural artifacts. Immersive experiences for difficult heritage, such as “Secret Annex” where Anne Frank and her family sought refuge during the Second World War or “Surviving 9/11” which delves into the story of the terroist attack survivor, serve as mediums for sociocultural transformation, leaving an indelible mark on the future memory scape. Considering that dealing with such horrific past demands answers to fundamental questions, for instance, how the past is remembered, in what way are the people involved then recalled and commemorated now, how are the events reproduced, and to what degree does modern society relate to the past, a pivotal inquiry arrises whether the emerging immersive technologies can aid in finding the answers. Since the difficult heritage deals with *the past that hurts* “that [is] recognized as meaningful in the present but that [is] also contested and awkward for public reconciliation with a positive, self-affirming contemporary identity” (Macdonald, 2009: 1), the case of digitalizing such heritage brings out several limitations. To what extent difficult heritage, like the Holocaust, can be used for immersive experiences? Is the continuum adaptable enough for such heritage cases? This digital approach, as articulated by Champion (2018), not only ensures global accessibility but also facilitates formative educational experiences through electronic manipulations of time and space. Immersive technologies can be deemed *too immersive* to actively involve individuals in empathetic experiences. There is no guarantee that by using emerging technologies for difficult heritage cases the individuals will be able to better grasp the complexities surrounding difficult heritage. This paper looks at the prime examples of digitazing difficult heritage from the reality-virtuality continuum standpoint.

Research purpose. The primary goal is to assess the adaptability of the reality-virtuality continuum in addressing the challenges posed by the digitalization of the difficult heritage.

Design / Methodology / Approach. The research adopts a qualitative approach, employing case studies of prominent examples like the Holocaust, the "Secret Annex," and "Surviving 9/11" to understand the dynamics of digitizing difficult heritage. Utilizing the reality-virtuality continuum as a conceptual framework, the study analyzes the immersive experiences provided by emerging technologies, assessing their impact on memory, empathy, and sociocultural transformation.

Findings. The study reveals that emerging immersive experiences for difficult heritage, positioned within the reality-virtuality continuum, effectively function as powerful mediums for contemporary commemoration. Nonetheless, the absence of user-experience principles in both the aforementioned continuum and the development of immersive case-study experiences highlights a significant gap in understanding the potential long-term impact of emerging technologies for difficult heritage.

Originality / Value / Practical implications. This study contributes to the scholarly discourse by examining the digitization of difficult heritage through the lens of the reality-virtuality continuum and user-experience. The findings provide valuable considerations for practitioners, educators, and policymakers engaged in the digitization of difficult heritage.

Keywords: difficult heritage; reality-virtuality continuum; immersive technologies.

JEL codes: Z00.

Jazeps Rutkis. REVIEW OF THE LATVIAN GAME INDUSTY IN THE BALTIC CONTEXT

Abstract

Research purpose. The goal of the research is to assess the state of the Latvian game development industry and place it within the Baltic, North European and East European regional context. This includes assessing its contribution to GDP, employment rates, and overall economic growth compared to neighboring countries. Identifying the strengths, weaknesses, opportunities, and threats of the Latvian games industry and exploring how Latvian game developers contribute to the cultural landscape of the Baltic region and beyond. Investigating the extent of collaboration and knowledge sharing between Latvian game developers and their counterparts in neighboring countries. This includes examining partnerships, joint ventures, and participation in regional game development events and initiatives.

Design / Methodology / Approach. The two key methods of research used were the review of literature, which included the study and review of existing materials on the topic published by media outlets, governmental bodies or games industry trade organizations, and gathering of data, which included the use of publically available sources, such as "Lusoft", data on Latvian game development companies is gathered, collated and analysed. These findings give an accurate understanding of the industry and can be used to compare it to similar countries in the region.

Findings. The results of the research indicate the Latvian games industry is growing, but not as quickly as other countries in the Baltic region. This is due to insufficient governmental support, a low amount of investment and a lack of skilled professionals. The Latvian industry is considerably less developed than the Polish or Swedish game development industry.

Originality / Value / Practical implications. The work gives a clear overview of the games industry in Latvia and places it in a relevant regional context. It outlines the challenges faced by the industry and makes recommendations and suggests best practices on matching the growth seen in the other Baltic countries.

Keywords: game development, Baltics, market research, games industry

JEL codes: Z00.

Kristina Astikė[1], Ana Pinto Borges[2,3], Viktorija Skvarciany[4], Elvira Vieira[5,6,7]. DOES CULTURAL ACTIVITIES AND HAPPINESS MATTER TO THE TOURISM SECTOR?

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Abstract

Research purpose. The primary goal of this research is to determine the impact of the efficiency of the tourism sector in the European Union (EU).

Design / Methodology / Approach. The analysis involved 25 selected EU countries using Data Envelopment Analysis (DEA) and the Tobit regression modelling. For DEA expenses according to the visit of stay (1 night or over) when going to a foreign country, individuals actively working in the tourism industry and tangible heritage inscribed on the United Nations Educational, Scientific and Cultural Organisation (UNESCO) are used as inputs and inbound tourism as an output. Variables for the Tobit model were as follows: cultural activities, Happiness index and tourist expenditure of Gross Domestic Product (GDP).

Findings. In nations characterised by lower efficiency levels, policymakers ought to enhance their strategies and encourage the advancement of their country's appeal to tourists. Additionally, there should be an increased emphasis on enhancing the well-being and happiness of the local population.

Originality / Value / Practical implications. Theoretical research on the efficiency of the tourism sector in the EU lacks comprehensive studies that systematically examine the factors influencing efficiency across diverse EU member states. Although some research exists on specific aspects of tourism efficiency, such as environmental sustainability or economic impacts, there is a scarcity of holistic investigations that encompass various dimensions of efficiency, including resource utilization, infrastructure development, policy effectiveness, and socio-cultural impacts, within the EU's overarching context. Moreover, there is a limited exploration of potential variations in tourism efficiency among different EU regions and the underlying factors driving these differences. Bridging this research gap could offer valuable insights for policymakers, industry stakeholders, and academics seeking to enhance the overall efficiency and sustainability of the tourism sector in the EU. The study’s constraint lies in the exclusion of Denmark and Luxembourg, which is attributed to insufficient statistical data.

Keywords: cultural activities; tourist sector; happiness index; data envelopment analysis; efficiency.

JEL codes: L83; C83; D1; H1; Z1.

Emna Boudaya[1], Velga Vevere[2]. ISSUES OF INTERCULTURAL COMMUNICATION IN THE INTERNATIONAL STUDENT INTEGRATION PROGRAM

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Abstract

Research purpose. The purpose of this research is to analyze intercultural understanding within the International Student Integration Program at EKA University. Furthermore, the study seeks to investigate techniques for effectively integrating EKA University's varied student body into the larger international society in Latvia, building a more inclusive and cohesive atmosphere.

Design / Methodology / Approach. The research takes a thorough approach, using a structured questionnaire disseminated to the heterogeneous student population at EKA University in order to provide insights into the obstacles and possibilities associated with intercultural communication within the International Student Integration Program.

Originality / Value / Practical implications. The findings contribute to a better understanding of intercultural communication impacts in educational settings, specifically the International Student Integration Program at EKA University. It also provides practical insights into improving communication tactics and overcoming communication barriers in order to promote a more inclusive atmosphere.

Keywords: intercultural communication; international student integration program; cross-cultural; communication challenges; Latvia.

JEL codes: I23; M14.

Tiziana Contino. CLASSIC DARK WORDS

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Abstract

Research purpose. Existence in the closest sense to what we know is immanence in a medium in the broadest sense of the term. The latter can allow us to relate and communicate with what is "other" than us, creating or not creating sometimes detailed feedback. In the last ten years I have also deepened my research regarding the role of the sign and its universal value in the self-affirmation of the self and its tangible existence in a reality that is increasingly impalpable. I recently analyzed the link between sign, body and alphabet as elements that contribute to the formation of complex communication. My studies lead me to affirm that the sign is engraved on a support as an extension of the body/thought that expands in the environment and moves dynamically in the spaces/structures relating to them in a continuous symbolic exchange. The semantics of the body/sign and its relationship with spaces is intrinsic to the experience of that fabric which is space itself; a pattern in which the body moves with a goal, whether it is complex or minimal. Existence is already a sign and as a sign it expresses a presence that communicates by the very fact of interacting physically or virtually with a space. In the physical gestural sign, the possible birth of language should be observed which, having an expressive purpose, becomes a communicative code. Therefore, the sign has an enormous socio-anthropological value and links an amplified and multifaceted language to the body.

These theories made me reflect on the fleetingness and volatility of the gesture and its communicative impact. There is a strong link between performance and language and the body itself can become speech, it can write in movement, codifying the alphabet known to us. The typographic alphabet becomes fluid and variable, deconstructing the rules of its construction, subverting the anatomy of the character which comes closer to the human one. As an artist, in order to carry out a research on this topic I created a bodily coding of the gesture/alphabet called “Classic dark words”. The work is part of a larger project called "Typo Woman" which translates the gestures associated with a body into letters that become a real body alphabet vectorized into an alphabet usable on the computer and further processed in an .otf file. I proposed this alphabet as a performative/dance act thanks to a glossary of terms that the participants in the performance were able to elaborate through an app prototyped by me with which it is possible to interact by constructing narratives that I performed with my body making the performance unrepeatable, being linked to the visual and auditory context thanks to the songs created by Carlo Tuzza who, through the use of specially composed music and the Wwise software, interacted in real time with the words typed by the public on the computer via the app.

Research purpose. My research hypothesis focuses on the identification of gesture as a tool for mediating written language in contemporary performance and interpreting alphabetic text in abstract gestural form. The interpretation would allow the text to be processed from a different perspective, providing semantic visualization from an external point of view. My research aims to investigate the possible birth of language in gesture and its artistic application in contemporary performance as a recoding of language and the alphabet both at a semantic level and at an individual level through the terms absorbed during childhood and which influence the individual in his adult life. Furthermore, my interest was focused on verifying the use of IT tools to facilitate communication between performers and audiences in the creation of an interactive performance.

Design / Methodology / Approach. The research I conducted uses different methodologies and approaches useful for addressing the topic in a multipurpose way. In particular, I carried out research that was partly qualitative, historical, conceptual and partly empirical and experimental. The deductions obtained lay the theoretical foundations in the studies of Ludwig Wittgenstein and Michael Tomasello. While the empirical and experimental information is obtained through my personal research on interactive performance in relation to the use of facilitating technologies in communicative mediation with the public. Following the creation of the interactive performance, I conducted an analysis study on the data deriving from: participation in relation to the number of people present at the performance; the words chosen by **the participants; the use of technology and an app for direct communication with the performer.**

Findings. Information technologies within the interactive performance can act as facilitators and mediators in the expression of the public. The use of typing the word allows greater freedom of expression compared to the oral one which would involve greater emotional involvement. Human beings are now used to delegating their emotions to writing on social networks and this makes the level of expression and involvement simpler. Writing typed on a keyboard is more aseptic than oral communication or traditional writing with pen and paper which would imply the use of one's own vocal or graphic-expressive sign. Furthermore, in the application of this technique during the performance I produced, the key word chosen by the audience transferred to the performer who creates a subjective interpretation allows the semantics of the word to be addressed from a different point of view.

Originality / Value / Practical implications. The originality of the research is based on a personal practice on the performance of interaction with the public that I have been carrying out for sixteen years. While the study of typography as an element that can be translated into bodily signs and gestures is a more recent research. The union of the two research studies gave rise to an in-depth study that included a study on technologies and UX as facilitating tools in communication. The value of the research can be defined in the implication that it could have in the fields of communication, in the study of the text and its anatomy translated into gesture and in art therapy.

Keywords: art; language; literature; performing arts; social networks.

JEL codes: Z110; Z130.

Inese Boša[1], Kaspars Šteinbergs[2]. RISK MANAGEMENT IN AN INTERNATIONAL ALTERNATIVE CHAMBER MUSIC FESTIVAL "SANSUSI"

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Abstract

Research purpose. Culture in society promotes skills for creativity, fosters identity and a sense of belonging and strengthens democratic values. After the pandemic, the proportion of people who did not attend any cultural events or activities increased (Cultural Policy Guidelines 2021-2027). Attendance at classical and contemporary art events dropped by 11%, similar to the 10% drop in attendance at music festivals (Culture Barometer, 2022). It increases competition between cultural organizations, requesting the organizations to minimize any potential risks to the quality of the event and ensure the safety of visitors. Addressing risks increases the likelihood that visitors will continue to choose activities and ensures organizational preparedness to effectively respond to unexpected situations. In today's event planning industry risk management skills are crucial because they contribute to the long-term performance of the organization (Allen, 2009). Events with high attendance involve many potential risks, so risk management should focus on the design stage, as the event involves a wide range of stakeholders. This project work aims to identify risks and mitigating actions, and develop risk management guidelines for the International Alternative Chamber Music Festival "Sansusi" which has been held for more than 10 years.

Design / Methodology / Approach. The case study analysis provided an understanding complexity of the organizational side. Semi-structured interviews and focus groups were used to obtain information about potential risks organizing the international chamber music festival "Sansusi" and based on research results and theory guidelines for risk management were developed.

Findings. The NGO "Sansusi" was established as a result of organizing a multi-day alternative chamber music festival, therefore the organization structure and long-term goals are closely linked. The implementation of the Festival requires the application of project management principles. Although the association has already defined the project's objectives and tasks for the funded party when receiving public funding, there is a lack of good project management features and assigned project manager. Challenges ensuring resources to maintain the festival and organization put forward the operational risks. The majority of work is done by volunteers. Their turnover, irregular preparation meetings, and limited time highlight technical risks. To reduce them organization should implement risk management and ensure that the risk register is regularly updated according to the guidelines developed.

Originality / Value / Practical implications. The identified risks, their mitigating actions, and risk management guidelines were developed for the Chamber Music Festival "Sansusi".

Keywords: risk management; festival; project management.

JEL codes: O22; L82.

Elvita Ērgle[1], Velga Vēvere[2]. RISK MANAGEMENT PROCESSES IN INTERNATIONAL PROJECT EXPEDITIONS

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Abstract

Research purpose. There are 71 000 university students in Latvia who receive different study programs, of whom almost 10 000 are international students, representing more than 60 countries from all over the

world. To make it more exciting for local and foreign students to study, universities and corporations offer a variety of events, and among the most popular are expedition events in which not only career-friendly but also personally satisfying. The author wants to commemorate the world-famous event "Adventure racing World series," a sports expedition that brings together the world's greatest endurance athletes and students who can overcome 3-10-day expeditions that took place everywhere - North America, South America, Europe, Africa, Asia, etc. up to 59 groups participated in 2023. (WITH worldseries).

Design / Methodology / Approach. Questionnaire (visitors to expeditions), expert interviews (5 experts from various student authorities of Latvian universities), analysis of documents (scientific articles).

Findings. In the context of international student expedition projects, effective risk management is crucial to mitigate potential risks and ensure the success of events organized on a global scale.

Originality / Value / Practical implications. The results of the study will be useful to expedition organisers who wants to organise an event in an international environment.

Keywords: risk management; students; expeditions; projects; forest expedition.

JEL codes: D81; P46.

Larissa Turusheva. THE IMPORTANCE OF CROSS-CULTURAL COMMUNICATION TRAINING FOR EKA STUDENTS

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Abstract

Research purpose. The number of foreign students at EKA University of Applied Sciences (EKA) increases every year. At the same time the local students' representation is not homogeneous. The purpose of the research is to find out the reasons of cross-cultural problems of EKA foreign and local students and the ways of reducing the existing bias.

Design / Methodology / Approach. The data for the research were collected from international students enrolled in Bachelor's, Master's and Erasmus+ programs at EKA University of Applied Sciences. Monitoring, expert interviews, questionnaire, cross-cultural comparison, quazi experiment were used to gain the data. The survey took place in 2022 - 2024.

Findings. Cross-cultural research is sensitive. To have generalisable results, students from different cultures should be considered equally generalisable. Though some general conclusions can be drawn, each individual has multiple cultural characteristics: demographic (age, gender, ethnicity, and race), geographic (climate, coastal/inland, urban/rural, regional/country), and associative characteristics (family, religion, profession, politics, and avocations). The presence of shared cultural identities facilitates cross-cultural collaboration. Foreign students benefit from local ones primarily by receiving informational support, while local ones develop quality of communication competence. One-sided adjustment to the norms and behaviours can be considered manipulation and thus becomes dysfunctional. Cross-cultural management should use benefits of cultural diversity rather than focus on problems.

Originality / Value / Practical implications. Having foreign students from different regions of the world (Europe, Asia, Africa), as well as local variegated ones at the EKA University of Applied Sciences, the cross-cultural communication of them has never been investigated. This research contributes to understanding of the reasons of certain behaviour of particular student groups and reducing the existing bias. The study results can be used by the teaching staff of the university, as well as for further research of the topic.

Keywords: intercultural communication; cross-cultural communication; multicultural communication; cultural mosaic; communication bias.

JEL codes: F69; I29.

Qiu Ran. POSSIBILITIES OF PRESENTATION OF CHINESE TRADITIONAL CULTURE IN LATVIA

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Abstract

Research Purpose. The propagation of culture beyond borders plays a pivotal role in the evolution of any nation (Smith, 2009). Spanning over a substantial historical period, the Chinese nation has flourished, amassing a wealth of cultural connotations and heritage (Chen, 2012). This cultural richness embodies the soul of the Chinese nation - its quintessential traits that serve as the bedrock for its survival, growth, and continuity (Chen, 2012). The need to engage in cultural exchanges with other nations is paramount, bolstered by perseverance, pioneering spirit, and innovation (Smith, 2009). The overseas spread of Chinese culture is an important topic, and academic circles have conducted many studies on it. That is, "what to spread" and "how to spread" and "who will spread it". This paper attempts to clarify the mechanism, characteristics, positioning and essence of the spread of Chinese traditional culture in Latvia by investigating the local Chinese cultural communication situation and environment in Latvia, thereby improving the feasibility of spreading Chinese traditional culture in Latvia, and giving opinions and guidance in order to continue to spread the unique role of Chinese culture. Investigating the local cultural environment data in Latvia, the author discerns a growing interest among the Latvian populace to partake in cultural activities and explore the diverse cultures of other nations (Baltic Course, 2017). This provides a robust basis for this study and charts the author's objective: to foster cultural exchanges between the two nations, devising the optimal method to exhibit traditional Chinese culture in Latvia, thereby enabling a wider Latvian audience to comprehend and participate in Chinese traditional cultural events (Nye, 2004). The author aims to integrate the Chinese perspective and local opinions to establish a guideline for presenting Chinese traditional cultural festivals and events in Latvia.

Design / Methodology / Approach. The research employs four methods - survey, expert interviews, document research, and focus group interviews, leveraging both theoretical and practical data. The study employs frequency calculation, ranking, interview transcription, and graphical methods.

Findings. Document research on China-Latvia relations reveals that the two nations have witnessed a progressive increase in economic cooperation and exchanges since Latvia, along with 15 other Central and Eastern European nations, joined China in establishing the Central and Eastern European Cooperation System and the "17+1" cooperation mechanism in 2012 (Baltic Course, 2017). This expanded communication channels and intensified bilateral exchanges, strengthening political, economic, and cultural relations. The author through interviewed experts found out challenges between China and Latvia. The author analyses from the perspective of historian and artists, concludes that cultural communication is not a strong output, but should be "tailor-made" for overseas audiences, adapt to the characteristics of overseas localized communication, break through the barriers of national cultural differences, and establish a cross-border relationship with overseas audiences that focuses on communication, exchange, and interaction. Therefore, the author hopes to create the guideline to guide the people and introduce traditional Chinese cultural events, such as the Spring Festival, Mid-Autumn Festival, Lantern Festival and other traditional Chinese festivals and present high-quality of cultural events in Latvia.

Originality / Value / Practical implications. Whilst Chinese cultural events have taken place in Latvia, they have been inadequately promoted, sporadic, and presented from a predominantly Chinese perspective rather than catering to Latvian interests. This study is the first to review past events, conduct expert interviews on Latvian-Chinese relations, organize a local population survey, and interpret collected results (Nye, 2004). Through this research, the author hopes to garner authentic and actionable data, enabling increased Latvian participation in Chinese cultural activities, fostering cultural exchanges, and bolstering bilateral relations and camaraderie.

Keywords: Chinese traditional culture; events; Latvia;

JEL codes: Z00.