

ZU – UNIVERSITY OF ZILINA  
Faculty of Operation and Economics of Transport and Communications,  
Department of Economics

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# ROLE OF A COMPLIANCE PROGRAM IN AN ORGANIZATION

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**Abstract.** The aim of this paper is to define a compliance program, its functions in an organization and benefits for firms, as well as the entire society. In the process of globalization, the unification of standards of ethical business conduct has become a must with compliance programs being a powerful element to support business ethics. The idea to establish such formal programs in organizations has its roots in the US. The American approach has started to be replicated by both firms and legislative bodies across the world. In addition, in order to ensure that the American companies are not disadvantaged for behaving ethically on the global market, the US as one of the most important global players has also put pressure on other countries to apply similarly rigorous legal rules to fight against corruption and other unethical business practices. In Slovakia, the Act on Criminal Liability of Legal Persons was adopted in 2016 based on the international obligations. With this act in place, the Slovak State has interfered in the economic processes by defining that a legal entity can commit a crime and by determining sanctions for breaching the law by companies. The implementation of a compliance program can help firms protect their reputation and avoid severe penalties. Acting in accordance with all applicable laws, i.e. following strictly a compliance program, contributes to a fairer market competition, which in turn brings advantages for the society.

**Keywords:** business ethics, compliance program, criminal liability of organizations, globalization

**JEL Classification:** F60, G38, K42

## 1. Introduction

Kvôli finančným škandálom v podnikateľskom prostredí sa stáva etika a dodržiavanie zákonov v podnikaní čoraz viac diskutovanou témou (Andreisová, 2016; Peterson, 2012). Odpoveďou vlád na organizačné „prešľapy“ býva zvýšenie dozoru nad podnikateľským prostredím (Peterson, 2012) a nové zákony regulujúce organizácie (Christensen, 2008). Právne prostredie sa tak stáva stále komplikovanejším (Paine, 1994; Peterson, 2012), je preto vhodné zabezpečiť, aby sa vo vnútri organizácií sformulovala stratégia na dodržiavanie právnych predpisov a všetci v organizácii mali istotu, že správne chápu a vykladajú si právne otázky, prípadne majú osobu, na ktorú sa dokážu s právnymi problémami obrátiť.

Je očividné, že podnikateľské subjekty v globálnom meradle nevyužili autonómiu, ktorú im spoločnosť udelila, ich samoregulácia nebola dostatočná na to, aby garantovala zákonné správanie. Niektoré organizácie obracali svoju činnosť proti spoločnosti, hoci jej mali slúžiť.

Z tohto dôvodu začali prostredníctvom zákonov vstupovať do regulácie organizácií štáty, aby ochránili spoločnosť pred ich nezákonným konaním, čím v podstate iniciovali vznik compliance programov.

Takýto trend sme zaznamenali aj na Slovensku. Na základe medzinárodných záväzkov bol v našej krajine prijatý zákon č. 91/2016 Z.z. o trestnej zodpovednosti právnických osôb, ktorý nadobudol účinnosť 1. júla 2016. Tento zákon zásadným spôsobom upravil trestnú zodpovednosť organizácií pôsobiacich na Slovensku. Jeho ustanovenia totiž určili, že právnická osoba je tak ako fyzická osoba zodpovedná za svoje konanie a jeho následky na spoločnosť, a teda môže byť trestnoprávne stíhaná. V prípade dokázania viny hrozia organizácii tresty ako pokuta, prepadnutie majetku, dočasný zákaz činnosti alebo v najhoršom prípade až zánik organizácie (Remišová & Bohinská, 2017).

## **2. Compliance program v organizácii**

### **2.1 Vývoj compliance programu**

Korene má moderný, formálny compliance program v USA a časovo siahajú do šesťdesiatych rokov minulého storočia, kedy boli odsúdené prvé organizácie na základe Shermanovho zákona o hospodárskej súťaži, čo viedlo niektoré organizácie k zavádzaniu compliance programov (Andreisová, 2016). Po odhalení viacerých prípadov korupčného správania amerických spoločností bol v roku 1977 prijatý zákon o zahraničnej korupcii (Foreign Corrupt Practices Act, FCPA) zakazujúci korupciu zahraničných úradníkov (Remišová & Bohinská, 2017). V tomto roku a krátko po ňom došlo k významnému rozšíreniu compliance programov, nakoľko veľa amerických organizácií vytvorilo alebo výrazne upravilo svoje etické kódexy tak, aby splnilo požiadavky zákona, čo možno považovať za prvý dôležitý míľnik v histórii compliance programu organizácií (Weber & Wasielski, 2012).

Prelomovým z hľadiska compliance programov v USA bolo prijatie Federálnych trestných sadzieb pre organizácie (Federal Sentencing Guidelines for Organizations, FSGO) v roku 1991, v rámci ktorých bol tiež zavedený koncept zníženia trestu v prípade, ak má organizácia účinný compliance program. Americké organizácie tak dostali podnet k vytváraniu a zavádzaniu týchto programov. V FSGO bolo tiež zadefinovaných sedem bodov účinného compliance programu (Remišová & Bohinská, 2017).

Napriek mnohým svojim regulačným úsiliam sa USA museli vysporiadať so sériou podnikových podvodov v rokoch 2000 až 2002, ich odpoveďou bolo prijatie ďalšieho zákona – Sarbanes Oxley v roku 2002 (Peterson, 2013). Organizáciám, ktoré zákon reguluje, vznikla napríklad povinnosť zverejňovať, či majú etický kódex pre vedúcich finančných úradníkov alebo ich manažment je povinný v ročnej správe zhodnotiť efektívnosť podnikových interných kontrol finančného vykazovania, pričom zhodnotenie interných kontrol zahŕňa zhodnotenie prvkov compliance programu (Walker, 2006).

Proces globálneho vytvárania pravidiel naštartovala mimovládna organizácia Transparency International so svojím protikorupčným hnutím (Snell, 2004). Ďalej sa presadzovanie globálnych pravidiel posunulo práve vplyvom USA ako silného hráča v medzivládnej organizácii OECD. USA chceli zabrániť znevýhodneniu amerických podnikov na globálnom trhu, preto presadili prijatie Dohovoru OECD o boji s podplácaním zahraničných verejných

činiteľov v medzinárodných obchodných transakciách, vďaka ktorému členským krajinám OECD i ďalším šiestim signatárskym krajinám vznikla povinnosť zákonom zaviesť trestnú zodpovednosť právnických osôb za korupciu zahraničných verejných činiteľov (Remišová & Bohinská, 2017), čo viedlo napríklad k prijatiu britského protikorupčného zákona v roku 2010 (UK Bribery Act) alebo už spomínaného slovenského zákona o trestnej zodpovednosti právnických osôb.

Okrem toho sa niektoré americké zákony, ako spomínaný FCPA alebo Sarbanes Oxley, vzťahujú aj na zahraničné organizácie a občanov a významne ovplyvňujú ich správanie sa nielen v USA (Scherer & Palazzo, 2009; Walker, 2006). Zákon Sarbanes Oxley tiež prispel k rozšíreniu globálnych compliance opatrení (Walker, 2006), lebo sa vzťahuje na všetky spoločnosti, ktorých cenné papiere sú obchodované na americkom regulovanom kapitálovom trhu a v obmedzenej miere sa dotýka aj majetkových účastí dotknutých spoločností podliehajúcich konsolidácii. Takéto spoločnosti v podstate musia mať compliance program, aby vyhovelí zákonu. Význam compliance programov tak stúpol aj mimo USA a americký prístup a odporúčania pre efektívny program preberajú vlády, ako aj organizácie po celom svete.

## **2.2 Teoretické východisko compliance programu**

Za základné teoretické východisko compliance programu možno považovať predovšetkým koncepciu spoločenskej zodpovednosti podnikov, ktorá vznikla ako odpoveď na reflexiu o postavení podnikov v spoločnosti. Diskusia o tom, čo je zodpovednosťou podniku, sa vedie už od polovice minulého storočia. Kým Milton Friedman tvrdil, že jedinou zodpovednosťou podniku je tvorba zisku, v odbornej literatúre sa ustálilo, že spoločenská zodpovednosť podnikov má viacero úrovní.

Podľa Carrolla (1979) má podnik voči spoločnosti štyri oblasti zodpovedností. Okrem základnej ekonomickej zodpovednosti, čiže produkcie tovarov a služieb, ktoré si spoločnosť želá a podnik predáva so ziskom, má podnik aj právnu, etickú a filantropickú zodpovednosť. Právna zodpovednosť sa viaže k požiadavke spoločnosti, aby podnik plnil svoje ekonomické poslanie neporušujúc pritom platnú legislatívu. Dodržiavanie zákonov a nariadení je tak „cenou“ za právo podnikat, ktoré spoločnosť podniku udelila. Právna zodpovednosť musí byť napĺňaná súčasne s ďalšími oblasťami zodpovedností. Zastávame názor, že compliance program je inštitucionálnym uchopením právnej zodpovednosti podniku, konkrétnym plánom podniku, ako naplniť legálnu zodpovednosť.

## **2.3 Podstata a význam compliance programu**

Napriek tomu, že sa termín „compliance program“ používa v literatúre bežne, neexistuje jeho jednoznačná definícia. Väčšinou je podobne ako etický program popisovaný hlavne cez svoje prvky. Definovanie compliance programu skomplikovala aj novela FSGO z roku 2004, v ktorej bol program na prevenciu a detekciu trestnej činnosti vo vnútri organizácie označený ako compliance a etický program, čím následne došlo k určitej konfúzii u akademikov (napr. Kaptein, 2015). Z teórie sa nejednoznačnosť preniesla aj do praxe. Zaznamenávame totiž, že organizácie prijímajú compliance program, etický a compliance program alebo etický program.

Walker (2006) definuje compliance program ako „formálny systém postupov, politík, procesov prijatých organizáciou s cieľom predísť a odhaliť porušenia zákonov, právnych predpisov a organizačných postupov, ktorý podporuje etické podnikateľské prostredie.“ V našej práci chápeme compliance program ako „súbor interných smerníc, postupov a nástrojov na regulovanie správania sa organizácie, to znamená správania sa jej vlastníkov, manažmentu a zamestnancov tak, aby pri žiadnej činnosti organizácie nebol porušený zákon“ (Remišová & Bohinská, 2017). Pre organizáciu by to však nemal byť len ďalší formálny súhrn pravidiel, ktorými je potrebné sa riadiť, skôr by mal byť compliance program braný ako „aktivita používaná na overenie si dodržiavania existujúcich pravidiel organizácie (vrátane etických princípov)“ (Snell, 2004).

Prijatím compliance programu sa organizácia otvorene prihlási k záväzku, že sa bude usilovať dôsledne dodržiavať zákony (Remišová & Bohinská, 2017) a že zaistí, aby aj všetci jej zamestnanci relevantné zákony poznali a dodržiavali (Lachnit, 2014).

V organizácii plní compliance program dve hlavné funkcie – detekciu organizačnej kriminality (Goldsmith & King, 1997; Laufer, 1999; Paine, 1994, Wellner, 2005) a jej prevenciu (Goldsmith & King, 1997, Paine, 1994, Wellner, 2005). Keďže vedenie organizácie nemôže automaticky predpokladať, že všetci zamestnanci poznajú všetky zákony a predpisy týkajúce sa ich pracovného zaradenia, compliance program tiež zvyšuje informovanosť a právne vedomie zamestnancov (Treviño et al., 1999). Compliance program určite tvorí jeden zo základných prvkov na podporu etickej kultúry v organizácii (Moot, 2008; Peterson, 2012), keďže takáto organizačná kultúra musí byť postavená na silnom rešpekte voči právnym normám. Okrem toho podľa Paine (1994) compliance program pomáha takisto trestať pochybenia vo vnútri organizácie.

### 2.3 Výhody prijatia compliance programu pre organizáciu

Oblasť práva je nesmierne dynamická a je ťažké, ba až nemožné minimalizovať právne riziká činnosti organizácie, ak táto nepozná zákony, nesleduje neustále legislatívne zmeny a to, aký dosah majú na jej činnosti (Peterson, 2012). Compliance program je tak stratégiou organizácie na zníženie právnych rizík na najnižšiu možnú mieru. Zároveň v prípade, že sa nejaký právny problém alebo porušenie zákona v organizácii vyskytne, vie naň lepšie zareagovať, dokáže byť súčinná pri vyšetrovaní a takisto je schopná zodpovedať na otázky svojich obchodných partnerov, zákazníkov, zamestnancov a verejnosti. Toto je nesmierne dôležité pre udržanie si reputácie, ktorú si organizácia veľmi ťažko buduje, no relatívne rýchlo ju môže stratiť aj následkom pochybenia jednotlivca. V neposlednom rade súdy uznávajú, že ani účinný compliance program nedokáže v organizácii úplne zabrániť vzniku trestného činu, preto sa v mnohých štátoch, vrátane Slovenska, berie pri určovaní trestu do úvahy existencia a efektívnosť compliance programu. Ak teda žalovaná organizácia preukáže, že má zavedený funkčný systém na predchádzanie a odhaľovanie nezákonného správania, môže si znížiť náklady plynúce z porušenia zákona.

Niektorí autori hovoria o tzv. „kozmetických“ compliance programoch alebo programoch „na efekt“ (Krawiec, 2005; Wellner, 2005), teda programoch, ktoré organizácie prijímajú predovšetkým s cieľom uspokojenia regulátorov (Laufer, 1999; Wellner, 2005) a zníženia trestu v prípade spáchania trestného činu, prípadne z marketingových dôvodov. Compliance program má uchrániť podnik pred finančnými nákladmi spojenými s porušením zákona a stratou reputácie súvisiacou s tým, že podnik konal nezákonne. Nie je však vhodné, aby sa ku

compliance programu v organizácii pristupovalo len z pohľadu analýzy nákladov a výnosov. Vytvorenie a prijatie compliance programu má v podniku viesť k zmysluplnej zmene.

V súčasnosti „globálny hráč pracuje s obmedzenými globálnymi zdrojmi takým spôsobom, aby ich využitie pri realizácii obchodných cieľov bolo ekonomicky čo najvýhodnejšie. Ekonomická, a nie etická, sociálna alebo environmentálna hodnota, zostáva prioritnou hodnotou ekonomicky aktívneho subjektu” (Remišová & Lašáková, 2017, B.). S meniacou sa silou a postavením organizácií v globálnej ekonomike by si tieto mali začať uvedomovať svoju zodpovednosť voči verejnosti a namiesto jednostranného zamerania sa na zisk zohľadňovať aj práva ostatných stakeholderov, dbať na ochranu životného prostredia a hľadať možnosti, ako čo najlepšie prispieť k udržateľnému rozvoju celej spoločnosti, z ktorého budú mať ošoh aj ony samotné.

## **2.4 Výhody existencie compliance programov pre spoločnosť**

Compliance program nemá slúžiť len ako ochrana vlastníkov, prípadne manažmentu organizácie, ale aj všetkých zamestnancov, partnerov a nakoniec i širokej verejnosti. Z pohľadu regulátorov majú compliance programy v organizáciách význam hlavne pri rozpoznávaní problémov pred tým, ako narastú do obrovských rozmerov a okrem organizácie poškodia aj spoločnosť (Goldsmith & King, 1997). Netreba zabúdať na to, že následkom procesu globalizácie činnosť organizácií už dávno presahuje hranice jedného štátu a ovplyvňuje oveľa väčší počet ľudí ako v minulosti. Ako uvádza Remišová a Lašáková (2017), “v dnešnom globalizovanom hospodárstve, kde sa objavuje bezprecedentné oddelenie vlastníkov od ich kapitálu a kde sa ekonomická racionalita sústreďuje na trvalé znižovanie nákladov, a to všetko je sprevádzané mimoriadne rýchlym uplatňovaním výsledkov výskumu a technológií do praxe, môžu mať rozhodnutia podnikateľských subjektov fatálne následky na ľudí a prírodu.”

Následkom nerešpektovania platných právnych predpisov a etických štandardov v podnikaní s cieľom maximalizácie zisku alebo naplnenia individuálnych záujmov vypukla v roku 2008 finančná kríza, ktorá viedla k hospodárskemu poklesu. Táto kríza odhalila, ako môžu neetické rozhodnutia a protizákonné správanie sa niekoľkých desiatok osôb ovplyvniť globálnu ekonomiku a spôsobiť obrovské ekonomické straty v krajinách po celom svete, keďže finančné trhy a ekonomiky krajín sú vplyvom globalizácie veľmi úzko prepojené (Ligeti & Franssen, 2017; Remišová & Lašáková, 2017, A).

Ak má spoločnosť v procese globalizácie prosperovať a vyhnúť sa krízam spôsobeným pochybeniami ekonomických subjektov, je nevyhnutné čo najviac zjednotiť etické štandardy správania organizácií. Dodržiavanie zákonov v podnikaní je síce len minimom podnikateľskej etiky (Michaelson, 2006), je však rozumné začať práve tým, že sa od organizácií bude nekompromisne vyžadovať, aby poznali právne predpisy a konali v súlade s nimi, teda zaviedli compliance program. Rešpektovanie zákonov je totiž hlavným predpokladom férového fungovania lokálnych, ale aj globálneho trhu.

## **3. Conclusion**

Hoci je compliance program stále relatívne nový fenomén, jeho význam sa neustále zvyšuje (Remišová & Bohinská, 2017; Walker, 2006). Najdlhšiu tradíciu má v USA, kde veľa organizácií už svoje compliance programy prijalo, tento trend sa rýchlo rozširuje aj za hranice

USA. Jedným z dôvodov je globalizácia prinášajúca nové výzvy, z ktorých pramení potreba zjednotenia etických štandardov a vyžadovanie dodržiavania zákonov ako minima podnikateľskej etiky. Hoci sme boli svedkami toho, že podnikateľské prostredie bolo slabé na to, aby regulovalo subjekty na trhu a iniciátorom zavádzania compliance programov v organizáciách boli štáty, dnes si i samotné organizácie uvedomujú dôležitosť ochrany svojej reputácie a majetku, a preto začínajú zavádzať compliance programy aj vtedy, ak nie sú vyžadované zákonom, prípadne ak sa existencia compliance programu „neodmeňuje“ znížením trestu v prípade dokázania spáchania trestného činu.

Dôležité je uvedomiť si, že compliance program vytvára len rámec na zabezpečenie súladu so zákonom (Treviño et al., 1999). Ani viac zákonov, ani interné smernice nezabránia neetickému a nezákonnému správaniu, ak vlastníci, manažéri alebo zamestnanci budú vedome porušovať zákon (Christensen, 2008). Vlastníci a vedenie organizácií musia pochopiť, že následkom globalizácie sa zmenilo postavenie a úlohy organizácií v spoločnosti a očakáva sa od nich, že podľa toho upravia svoje správanie. Napomôcť tomu môže podpora zavádzania compliance programov zo strany štátu, tlak zo strany mimovládnych organizácií, ale aj neakceptovanie porušovania zákonov organizáciami zo strany verejnosti.

Ako sme v článku ukázali, diskusia o problematike compliance programu nie je vôbec uzatvorená, práve naopak. Ani slovenská legislatíva neupravuje pojem „compliance program“, neurčuje jeho prvky alebo obsahovú náplň. Je teda na samotných organizáciách, akým spôsobom vytvoria svoj program. Podľa Remišovej a Lašákovskej (2018) „na Slovensku za posledných 25 rokov nie je systematická podpora podnikateľskej etiky zo strany štátu, zatiaľ mimovládne organizácie zastúpili do určitej miery rolu štátu“. Čo sa týka compliance programov, slovenské mimovládne organizácie jednak prispeli k tomu, aby prijatý zákon o trestnej zodpovednosti právnických osôb bol kvalitný, prišli tiež s usmerneniami na vytvorenie compliance programu (Remišová & Lašáková, 2018). Mnohé veľké spoločnosti pôsobiace na Slovensku už svoje compliance programy prijali. V prípade compliance programu teda teória zaostáva za praxou a stoja pred ňou mnohé výzvy – napríklad prísť s jasnou definíciou compliance programu, spojiť diskusiu o compliance programe s diskusiou o zodpovednosti organizácií voči spoločnosti a koncepte dobrého podnikového občianstva a diskutovať napríklad aj o tom, ako prijímať compliance program v malých a stredných podnikoch.

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## THE EU POSITION IN THE GLOBAL TIMBER TRADE ENVIRONMENT

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**Abstract.** The effects of globalization on the world economy has been observed for a long time. The impact of these changes is also noticeable in the case of the wood and wood products trade. International wood and wood products market is constantly developing and traditional trade patterns are shaped by global megatrends such as demographic changes, social and economic development, climate change, and technological progress. A share of the EU industrial wood and wood products trade is nearly 50% of the global trade thus making the EU one of the world's strongest trading blocks. With such substantial volumes traded worldwide, the impact of global market development on the EU market is significant. The aim of this paper is to analyze the recent global wood and wood products market trends and to evaluate the contribution of the EU countries to the global trade in terms of traded volumes and values. In particular, the development of production, export, import and consumption of industrial wood, sawn wood, wood-based panels, pulp and paper and paperboard is analyzed. Based on these particular analyses, it is possible to identify the EU position from the global perspective. The results show that the EU as a key trading partner holds its long-term stable and important position in the global trade, however, the development of individual commodity markets shows significant differences thus making the region either net exporter or net importer of individual commodities.

**Keywords:** wood and wood products, EU, global trade.

**JEL Classification:** O31, O32

### 1. Introduction

Význam globalizácie na vývoj svetových trhov je v posledných desaťročiach evidentný pričom sa nevyhol ani obchodu s drevom a výrobkami z dreva. Medzinárodný trh s drevom a výrobkami z dreva sa neustále vyvíja a tradičné obchodné modely sú formované globálnymi megatrendami, ako sú demografické zmeny, sociálny a hospodársky rozvoj, zmena klímy a technologický pokrok. V súčasnosti sa významné zmeny v politickej, sociálnej a ekonomickej oblasti prejavujú vo využívaní domácich obnoviteľných zdrojov. Práve drevo patrí medzi významné obnoviteľné zdroje a je veľmi úzko spojené s množstvom sektorov národných ekonomík (Kalamárová et al., 2014). Viaceré štúdie poukázali na výrazné zmeny, ktoré sa odohrávajú na globálnych trhoch s drevom a výrobkami na báze dreva (Buongiorno, 2015;

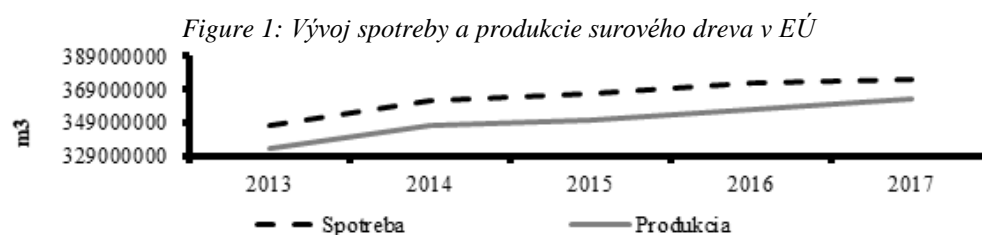
Dragicevic & Barkaoui, 2017; Hurmekoski & Hetemäki, 2013; Knauf, 2017; Latta et al., 2016; Wear et al., 2016; Zhang & Buongiorno, 2012). V posledných desaťročiach dochádza k najvýznamnejším zmenám na trhu v dôsledku vplyvu nárastu významu dreva ako obnoviteľnej suroviny z pohľadu globálnej konkurenčnej výhody. V rámci Európskej únie (EÚ) nové prístupy, ktoré sú zamerané na znižovanie emisií v oblasti stavebníctva ovplyvňujú nárast podielu výrobkov na báze dreva v rozdielnych odvetviach národných ekonomík, v snahe nahrádzať uhlíkovo a energeticky náročné betónové a oceľové stavebné konštrukcie (Hildebrandt et al., 2017). Podiel trhu EÚ s drevom a výrobkami z dreva je takmer 50% z celosvetového obchodu, čím je EÚ jedným z najsilnejších obchodných blokov na svete. Pri takom značnom podiele na svetovom obchode je z globálneho pohľadu vplyv zmien na trhoch EÚ kľúčový. Na druhej strane rýchlo rastúce trhy v Ázii, regióny s relatívne nízkymi nákladmi na produkciu dreva ako napr. Južná Amerika takisto ovplyvnili trendy uvedeného odvetvia práve v krajinách Európy a Severnej Ameriky. Cieľom príspevku je analyzovať súčasné globálne trendy na trhu s drevom a výrobkami z dreva a zhodnotiť podiel trhu EÚ k celosvetovému obchodu z hľadiska obchodovaných objemov a hodnôt. Z pohľadu obchodu sa analýza zameriava na najdôležitejšie výrobky z dreva, ako aj na kategóriu surového dreva. Aplikovanými ukazovateľmi za účelom rozboru obchodu sú produkcia, export, import a spotreba krajín EÚ.

## **2. EU position in world timber trade**

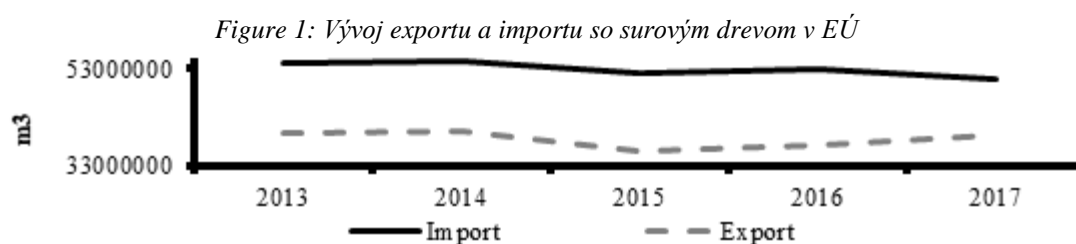
V krajinách EÚ sa zmeny v priemyselnom spracovaní surového dreva a vo výrobe jednotlivých výrobkov z dreva, ako celulóza, papier či rezivo prejavovali v posledných desaťročiach omnoho rýchlejšie ako v ostatných sektoroch. Opätovne môžeme sledovať významné vplyvy globálnych udalostí, ktoré mali dopad na celosvetový trh a obchod s drevom. Jeden z hlavných predstavuje napr. vstup Číny do WTO, ktorý mal za následok nárast dovozu výrobkov na báze dreva do Číny. Súčasne v rámci EÚ je jednoznačný nárast dovozu nábytku z rozvojových krajín (Khosravi, Maleknia, Adeli, Mohseni, & Hodges, 2018). Vychádzajúc z podkladov UNECE (2018) v danej kapitole analyzujeme vývoj obchodu s drevom a výrobkami z dreva, s cieľom poukázať na zmeny spôsobené globálnym vývojom na celosvetovom trhu s drevom. Zdrojom analyzovaných dát bola databáza FAO (FAOSTAT, 2017).

### **2.1 The EU market and trade of industrial roundwood**

Ťažba dreva sa v rámci EÚ do roku 2017 už po piaty krát medziročne zvýšila. Najväčšou mierou k tomuto nárastu prispeli krajiny ako Fínsko, Švédsko či Poľsko. Produkcia surového dreva vzrástla v rámci EÚ za posledných 5 rokov takmer o 10 %, čo predstavuje nárast o viac ako 30 mil. m<sup>3</sup>. Rastúci trend zaznamenávame aj v prípade spotreby surového dreva v EÚ. V tomto prípade môžeme hovoriť o takmer 8 % náraste za obdobie posledných 5 rokov. Avšak trend vývoja produkcie z dlhodobého pohľadu bol menej rýchly ako v prípade krátkodobého pohľadu. Produkcia v rámci EÚ za posledné dve dekády stúpala takmer o 6 % súčasne spotreba surového dreva má stúpajúcu tendenciu. Priemerný nárast spotreby surového dreva je od roku 2000 na úrovni okolo 2 % a podiel na celosvetovom trhu so surovým drevom je na úrovni okolo 20 % (Fig. 1).



Za posledných 5 rokov mal vývoj importu klesajúcu tendenciu, kde môžeme hovoriť o takmer 6 % poklese za dané obdobie, čo predstavuje približne 3 mil. m<sup>3</sup> surového dreva pričom svoje maximum dosiahol v roku 2014. Z dlhodobého hľadiska sa celkovo jedná o takmer 10 % pokles. Naopak úroveň exportu možno považovať za stabilnú, pričom priemerná úroveň je za obdobie posledných 5 rokov vyrovnaná. Významný posun v oblasti tokov surového dreva pozorujeme v strednej Európe v prípade exportu Českej republiky, kde ročný nárast exportovaného objemu surového dreva medzi rokmi 2015 až 2017 predstavoval takmer 43 %. Úroveň exportu Českej republiky bola na najvyššej úrovni spomedzi všetkých členských štátov EÚ. Druhú najvyššiu úroveň exportu surového dreva v rámci EÚ zaznamenalo Francúzsko, avšak úroveň exportu Českej republiky prevyšovala export Francúzska o takmer 105% (Fig. 2).



Podiel EÚ na celosvetovom importe bol za posledných 5 rokov stabilný a pohyboval sa na úrovni okolo 40 %. Z dlhodobého hľadiska môžeme však hovoriť o poklese podielu objemu importovaného surového dreva EÚ takmer o 8 %. Podiel exportu sa pohyboval na úrovni 30 % a to z krátkodobého ako aj z dlhodobého pohľadu. Na základe uvedených údajov môžeme vidieť zmeny v krátkodobom ako aj dlhodobom pohľade na vývoj trhu a obchodu so surovým drevom v EÚ. Spotreba aj produkcia sú za sledované obdobie rastúce, z pohľadu obchodu je export stabilný a miera importovaného objemu surového dreva bola klesajúca. Uvedený jav vychádza zo snahy vyššieho využívania domácich zdrojov krajín EÚ, ktorých zásoba dreva v posledných dekádach neustále narastala.

## 2.2 The EU market and trade of wood products

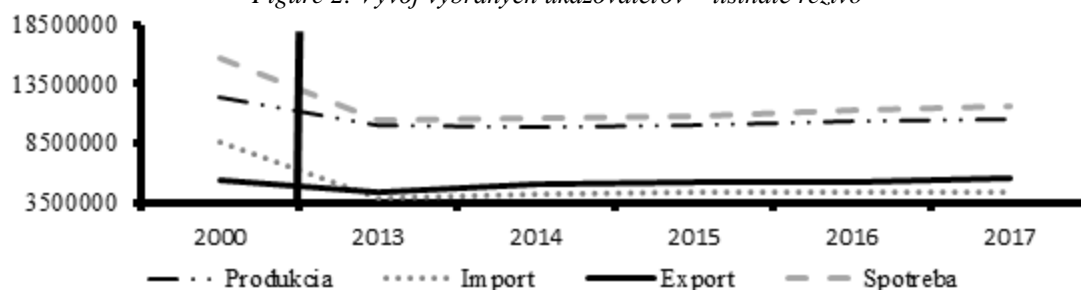
Aj napriek dobrým výsledkom v roku 2016, sprevádzala trh s ihličnatým rezivom v rámci EÚ negatívna prognóza. Avšak dopyt a produkcia v roku 2017 rástli na všetkých svetových trhoch s rezivom. Na trhu EÚ pozorujem od roku 2013 nárast v produkcii o 10,5 %. Rovnaký trend pozorujeme aj v prípade dlhodobej analýzy, kde produkcia ihličnatého reziva v EÚ neustále narastá od roku 2000. Rovnaký vývojový trend sprevádza aj spotrebu ihličnatého reziva. Od roku 2013 stúpala spotreba ihličnatého reziva v rámci EÚ o takmer 14 %. Najvýraznejšou zmenou na trhu EÚ boli zmeny v spotrebe v Rakúsku (kde spotreba vzrástla o 8 %) a v Anglicku (o 4,5 %). V tomto období uvedené krajiny navýšili spotrebu ihličnatého reziva v EÚ o viac ako 1 mil. m<sup>3</sup>. Najväčším konzumentom v rámci EÚ zostáva stále Nemecko, so spotrebou 2 mil. m<sup>3</sup> v roku 2017 (Mutanen, 2006; UNECE, 2016). Pri pohľade na podiel produkcie a spotreby ihličnatého reziva na celosvetovom trhu, nepozorujem za

sledované obdobie výrazné zmeny. Podiel na celosvetovej produkcii ihličnatého reziva sa pohybuje na úrovni okolo 30 %. Spotreba v rámci EÚ predstavuje 25 % z celosvetovej spotreby ihličnatého reziva. Z dlhodobého hľadiska sa jedná o 5 % pokles na celosvetovej spotrebe.

V prípade hodnotenia obchodu s ihličnatým rezivom v EÚ pozorujem nárast oboch ukazovateľov. Úroveň importu narástla za posledných 5 rokov o 23 % a v súčasnosti dosahuje hodnotu 35 mil. m<sup>3</sup>. Rastúci trend je zrejmy aj v prípade exportu, ktorý od roku 2013 vzrástol o 13,5 %, čo v roku 2017 predstavovalo takmer 50 mil. m<sup>3</sup>. Objem exportovaného ihličnatého reziva v EÚ predstavuje takmer 40 % na celosvetovom trhu. Dvaja najväčší importéri ihličnatého reziva v EÚ – Anglicko a Nemecko, zvýšili import o viac ako 5 % v roku 2017. Anglicko pritom dováža až polovicu ihličnatého reziva zo Švédska, čo predstavuje najväčší obchodný tok toho produktu v Európe (UNECE, 2016). Celkovo rástol import v EÚ rýchlejšie ako spotreba. Z globálneho hľadiska podiel exportu EÚ na celosvetovom exporte za posledných 5 rokov mierne klesal a to približne o 2 %. Naopak podiel EÚ na celosvetovom importe stúpol takmer o 2 %. Pričom importované množstvo ihličnatého reziva v rámci EÚ predstavuje takmer 30 % na celosvetovom importe.

V prípade listnatého reziva pozorujeme v rámci trhu EÚ postupný nárast produkcie ako aj spotreby (Fig. 3). Produkcia sa za posledných 5 rokov zvýšila o 6 % a v roku 2017 dosiahla hodnotu 10,5 mil. m<sup>3</sup>. Aktuálne hodnoty produkcie listnatého reziva však predstavujú iba malú časť v porovnaní s rokom 2000. Z dlhodobého hľadiska pozorujeme 16 % pokles v produkcii listnatého reziva v EÚ. Rovnaký trend kopíruje aj spotreba, ktorá v roku 2017 opäťovne medziročne vzrástla o 2,5 %, na úroveň 11 mil. m<sup>3</sup>. Rast spotreby súvisel so zmenami vo vývoji komplementárnych odvetví druhostupňového spracovanie ako je nábytkársky priemysel a následné odvetvia využívajúce drevo reprezentované hlavne stavebníctvom. Výstavba nových budov vzrástla v rámci EÚ o 8,8 %, avšak v rokoch 2018 a 2019 sa v tejto oblasti očakáva výrazné spomalenie (UNECE, 2016). Trh EÚ s nábytkom, ktorý predstavuje ďalší kľúčový zdroj dopytu po listnatom rezive, sprevádzal pomalý nárast asi o 1 %. Popri tom sme mohli pozorovať stagnáciu vo výstupe nábytkárskeho priemyslu v mnohých krajinách západnej Európy. Z dlhodobého hľadiska zaznamenávame prepád spotreby listnatého reziva v EÚ takmer o 26 %. Podiel spotreby a produkcie na celosvetovom trhu možno z krátkodobého hľadiska považovať za stabilný. Podiel na celosvetovej produkcii sa pohyboval na úrovni okolo 7,5 %. V prípade spotreby hovoríme o hodnote 8,5 %.

Figure 2: Vývoj vybraných ukazovateľov – listnaté rezivo



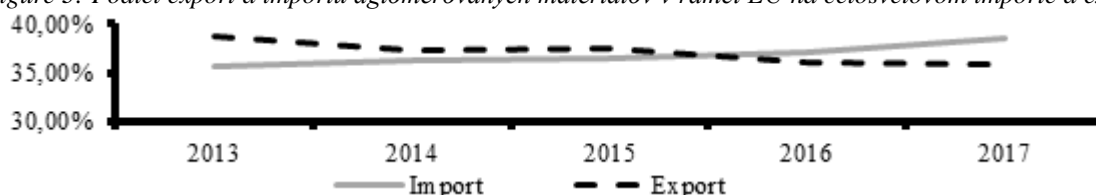
Obchod s listnatým rezivom v EÚ prešiel z dlhodobého hľadiska veľkou zmenou. V priebehu 17 rokov došlo k výmene rolí medzi exportom a importom. Z importne orientovanej EÚ sa pod vplyvom globálnych zmien na trhu s rezivom stáva proexportne orientovaná EÚ. Nárast exportovaného množstva ihličnatého reziva sa za posledných 5 rokov zvýšil o 30 %,

najvyššiu hodnotu dosiahol v roku 2017, ktorá predstavovala 5,6 mil. m<sup>3</sup>. Import za sledované obdobie rástol pomalšie ako export, pričom za posledných 5 rokov stúpol o 14 %. Rovnaký trend môžeme vidieť aj prípade podielu exportu a importu na celosvetovom objeme importu a exportu listnatého reziva.

Rast produkcie a spotreby aglomerovaných materiálov bol v roku 2017 v rámci EÚ o niečo pomalší ako v rokoch 2015 a 2016. Reálna hodnota HDP v eurozóne rástla 15 po sebe nasledujúcich kvartálov a rovnako pokračovalo aj znižovanie nezamestnanosti. Súkromná spotreba je stále najdôležitejším faktorom, ktorý ovplyvňuje spotrebu aglomerovaných materiálov. Očakáva sa, že hospodársky rast v Európe bude pokračovať miernym tempom. Celková produkcia aglomerovaných materiálov v EÚ za obdobie posledných 5 rokov vzrástla takmer o 11 %, pričom najvyššiu hodnotu dosiahla v roku 2017 čo predstavuje 64 mil. m<sup>3</sup>. Tento vývoj je pozorovateľný pri všetkých typoch aglomerovaných dosiek. Rastúci trend produkcie pretrváva aj z dlhodobého pohľadu a od roku 2000 pozorujem nárast v produkcii o 20 %. Spotreba aglomerovaných materiálov mala rovnako rastúcu tendenciu za posledných 5 rokov, pričom stúpala o 18 %, s maximom v roku 2017, kedy spotreba predstavovala necelých 64 mil. m<sup>3</sup>.

Pri hodnotení obchodu s aglomerovanými materiálmi pozorujem v rámci EÚ nárast exportovaného aj importovaného množstva. Export vzrástol za posledných 5 rokov o 11 %. Úroveň exportu bola počas celého sledovaného obdobia vyššia ako úroveň importu, rozdiel medzi exportom a importom sa však za posledných 5 rokov neustále zmenšoval. Zmenu vývoja obchodu s aglomerovanými materiálmi pozorujeme aj v celosvetovom meradle čo zapríčiňuje znižovaniu podielu EÚ na celosvetovom exporte aj napriek neustále narastajúcemu objemu exportu v absolútnych hodnotách. V roku 2017 tvoril podiel na celosvetovom exporte až 35 % a podiel importu na celosvetovom importe naopak stúpol za posledných 5 rokov o takmer 3 % a predstavoval podiel 38 % (Fig. 4).

Figure 3: Podiel export a importu aglomerovaných materiálov v rámci EÚ na celosvetovom importe a exporte



Odvetvie produkcie celulózy, papiera a lepenky bolo aj naďalej z globálneho hľadiska charakterizované nadmernými kapacitami a nízkymi cenami. Produkcia papiera a lepenky vzrástla v roku 2017 o 1 %, čím sa vyrovnala množstvu v roku 2013, s objemom 92,5 mil. t. Z dlhodobého hľadiska je miera produkcie mierne rastúca v porovnaní s rokom 2000 môžeme hovoriť o náraste o 2,5 %. Spotreba papiera a lepenky v EÚ je za posledných 5 rokov stabilná a pohybuje sa okolo 80 mil. t ročne. Podiel na celosvetovej spotrebe a produkcii je z krátkodobého pohľadu nezmenený a predstavoval hodnotu okolo 20 % resp. 22 %. V prípade produkcie celulózy pozorujeme za posledných 5 rokov nárast o takmer 2,5 %, najvyššiu hodnotu zaznamenávame v roku 2017, s objemom 38 mil. t. Spotreba celulózy v rámci EÚ prevyšuje jej produkciu o takmer 5 mil. t ročne, pričom za posledných 5 rokov vzrástla o 1 %. Z dlhodobého hľadiska sa však jedná o 6 % pokles v spotrebe. Celulóza vyprodukovaná v rámci EÚ predstavuje približne 20 % z celosvetovej produkcie celulózy a tento podiel sa z dlhodobého ako aj krátkodobého hľadiska nemenil. Podobne spotreba celulózy v EÚ tvorí

23% z celosvetovej spotreby celulózy a jej podiel na celosvetovej spotrebe môžeme rovnako považovať za stabilný.

V prípade obchodu s papierom a lepenkou prevládal v rámci EÚ export nad importom. Export vzrástol za posledných 5 rokov o takmer 5,5 %. Najvyššiu hodnotu dosiahol v roku 2017, čo predstavovalo objem takmer 64 mil. t. O náraste exportovaného objemu papiera a lepenky môžeme hovoriť aj z dlhodobého pohľadu. Úroveň importu vzrástla od roku 2013 o 5 %, s maximom v roku 2017 o hodnote 51 mil. t. Podiel EÚ z celosvetového exportu papiera a lepenky predstavuje okolo 55 % avšak podiel importu sa za sledované obdobie výrazne nemenil a predstavuje hodnotu okolo 46 %. V prípade celulózy pozorujeme opačný trend kde prevláda import nad exportom. Úroveň importu má za posledných 5 rokov mierne rastúci trend (cca 1%) a najvyššiu hodnotu dosiahla v roku 2016 o objeme takmer 20 mil. t. V prípade exportovaného objemu celulózy zaznamenávame rovnako nárast, na úrovni 4,5 % za sledované obdobie s maximom v roku 2017 o objeme 14 mil. t. Podiel importu na celosvetovom obchode má klesajúci trend a za posledných 5 rokov klesol o 3 %, čo znamená, že podiel EÚ na celosvetovom importe celulózy predstavoval v roku 2017 30 %. Avšak, podiel exportu celulózy bol stabilný a za posledných 5 rokov dosiahol úroveň okolo 23 %.

### 3. Discussion

Vychádzajúc z predchádzajúcej analýzy obchodu môžeme v mnohých prípadoch pozorovať výrazné zmeny na trhu s drevom a výrobkami z dreva. Globálne zmeny na svetovom trhu výrazne ovplyvňujú aj trh EÚ. Za veľmi kľúčový faktor, ktorý vyvoláva množstvo zmien na globálnom trhu je postavenie Číny na svetom trhu s drevom. Čína zaznamenal v posledných desaťročiach rýchly hospodársky vývoj, čo viedlo k nárastu dopytu po zdrojových komoditách a do veľkej miery ovplyvnilo import surovín do tejto krajiny. Surové drevo bolo jednou z hlavných importných komodít Číny. Nedostatočné zdroje lesov, ťažobné obmedzenia a rastúca ekonomika v Číne spoločne pretvárajú a rozširujú rozdiel medzi ponukou a dopytom surového dreva (Sun, 2014).

Rastúca produkcia a spotreba dreva v EÚ je spojená aj so samotným vývojom ekonomickej situácie. Ekonomický rast vytvára priaznivé podmienky pre rozvoj trhu s drevom. Podľa teórie odvodeného dopytu je dopyt po surovom dreve závislý od dopytu po konečných výrobkoch z dreva (Parobek et al., 2014). Preto sa zmeny odzrkadlili aj na trhu a v obchode s jednotlivými výrobkami z dreva. Pokles podielu exportovaného množstva ihličnatého reziva na celosvetovom exporte mohol byť okrem iného spôsobený poklesom v exporte ihličnatého reziva do severnej Afriky a stredného východu, na druhej strane bol kompenzovaný silným dopytom práve v Ázii. Export ihličnatého reziva do Číny vzrástol o 37 % na úroveň 2,1 mil. m<sup>3</sup>, pričom významný objem ihličnatého reziva bol dodaný Fínskom a Švédskom. Vzhľadom na teóriu odvodeného dopytu sú nanajvýš zaujímavé prognózy globálnych ukazovateľov. Hurmekoski (2015) uvádza, že do roku 2050 treba počítať so stagnáciou európskej populácie a predpokladá, že obyvateľstvo v západnom svete bude naďalej starnúť a urbanizovať, čím sa zníži dopyt po dreve v stavebníctve. Do budúca teda môžeme počítať so zmenami práve v na trhu s ihličnatým rezivom. Na trhu s listnatým rezivom sme pozorovali pozitívny rast všetkých faktorov ovplyvňujúci trh. Významným trendom, ktorý do značnej miery ovplyvnil trh s listnatým rezivom bola preferencia dubu u veľkého množstva konečných zákazníkov. Trh s nábytkom bol silne ovplyvnený preferenciami konečných zákazníkov. Správanie zákazníkov sa pod tlakom globálnych zmien

transformuje, nábytok v dnešnej dobe predstavuje symbol štatútu a najčastejšie sa považuje za stálu investíciu (Kaputa et al., 2018). Vývoj trhov s rezivom tiež výrazne ovplyvňuje ceny a toky dodávok pre ostatné rozsiahle odvetvia ako je produkcia aglomerovaných materiálov a veľkoplošných panelov ale aj energetiku (Hurmekoski et al., 2015).

Trh a obchod s papierom a lepenkami v EÚ opätovne ovplyvnila situácia v Ázii. Ázijské ekonomiky zaznamenali slabý dopyt po vývoze čo malo negatívny vplyv na dopyt po obalovom papieri najmä v Číne. Sektor papiera do značnej miery trpí v dôsledku neustáleho rastu elektronickej komunikácie (UNECE, 2016). Pokles dopytu po niektorých druhoch papiera bol charakteristický aj pre európske trhy, ale situácie bola lepšia v niektorých iných segmentoch ako je napr. celulóza. Baliaci papier, hygienické výrobky, špeciálne papiere a fólie môžeme hodnotiť ako výrobky pri ktorých sa pokles dopyt neprejavil (Toppinen et al., 2017).

## 4. Conclusion

Trh a obchod s drevom a výrobkami z dreva EÚ je pod silnou pôsobnosťou globálnych zmien na celosvetovom trhu. Trh EÚ zastáva v celosvetovom meradle dominantnú pozíciu a preto sa ho globálne zmeny dotýkajú ešte výraznejšie. Globalizácia sa v posledných rokoch stala jedným z kontroverzejších globálnych problémov. Možno ju chápať ako rozsiahly v určitom zmysle aj nevyhnutý proces pozostávajúci z rôznych rozmerov, či už sociálnych, hospodárskych, kultúrnych ekologických alebo politických, pričom mnohé procesy sa priamo dotýkajú aj využívania obnoviteľných zdrojov, medzi ktorými drevo si stále drží prioritu vo väčšine krajín EÚ.

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# ANALYSIS OF THE STRATEGY OF A SELECTED FIRM FROM THE GAME THEORY POINT OF VIEW

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**Abstract.** This paper deals with the game theory topic. At first, the phenomenon of globalization in the commercial sphere in today's world is discussed. Next, the authors analyze how globalization affects the strategy of companies; they look at different areas. Afterward, the authors present game theory concepts and strategies such as zero-sum game, non-zero sum games, cooperatives games, non-cooperative games, prisoner's dilemma or the principle of the Nash equilibria; the authors present the pros and cons of selected games in today's globalized world. In the next section, the authors select a representative company. The selection of the company is appropriately justified. After basic analysis and characteristics of the industry itself, the authors perform basic internal and external analysis of the selected company – they use different management tools for this. They then analyze the cooperation not only from the management point of view but also from the point of view of the game theory – they look at the both companies as the players. The authors analyze the actions and strategies of the companies and provide a basic evaluation. Finally, the authors suggest an appropriate strategy for the selected company from the game theory point of view in order to provide suggestions from this field to improve the decision-making process of the company itself.

**Keywords:** game theory, globalization, Nash equilibrium, firm, strategy

**JEL Classification:** C70, M10, M30

## 1. Introduction

In last decades there was a huge expansion of transport and technologies. That is why globalization has become a phenomenon. It rules the world of the 21<sup>st</sup> century. For consumers, globalization has many advantages. People are able to travel to exotic countries and enrich themselves culturally. They are able to get know countries they have watched in TV documentaries. Also, due to globalization, the supply of products and services is much bigger and varied. Consumers can buy world famous brands of clothes, perfumes or food. Exotic fruit is available the whole year thanks to the international trade. Multinational companies operate in the whole world and the national borders are not a barrier in a globalized world. Except for increased supply, this fact causes that the price of products goes down. Higher quality and higher availability of products is another advantage of

globalization. Globalization has facilitated the international labor division as well. The consequence of this is that a country does not produce all the products. Instead, it focuses on several goods which are then imported into the whole world.

But, products which are expensive to produce, are not produced by that country. Instead, the country imports them from other countries which are able to manage the production process in more efficient and less expensive way. Globalization also catalyzed the comparative advantage theory. Globalization brings a lot of opportunities and increases many risks, going from strategy to necessity (McGregor, 2010). Yet, also globalization has some cons. One of the biggest disadvantages of globalization is the large number of sellers on the market (including multinational companies). This affects not only the high supply of products and services but also the pressure for lowering the price. Low price then influences lower revenues for companies and hence, lower profit. All of these factories influence globalization in many articles (Aizenman & Sun, 2010; Berg & Nilson, 2010). Caselles (2012) connects multiple factories into a unified model that assesses ways to influence the process of globalization, strengthen benefits and reduce disadvantages in the long run.

Obviously, globalization influences differently strategy of companies in different sectors. The most globalization influences sectors dependent on logistics and supply chain. This is one of the reasons why the international trade has been increasing so much in the last years. Another reason is that WTO tries to release duties and import taxes for importing goods. International transport also causes the international trade expansion. This results in creating trading blocs which ease trading among countries in the same bloc. One of the best means for international trade expansion is the air traffic. This industry includes companies like FedEx, Emirates, UPS Airlines, Cathay Pacific Airlines. Ocean transportation, represented by companies such as APM-Maersk, CMA CGM Group, Hapag-Lloyd, OOCL, Yang Ming Marine Transport Corp, is another mean for international trade expansion. Obviously, ocean transportation is less expensive, and companies use it to transport big volumes of goods. However, the transport time, as well as lower reliability, are the cons of ocean transport. Authors Lemoine et al., (2003) analyzed two Danish chains, suggesting a number of measures to meet the growing needs of people, for example by centralizing warehouses. According to Pomfret (2014), international supply chains have become an important element of the global economy

In the primary sector (e. g. mining industry, forestry) the influence of globalization on company strategy is not significant. The reason is lower profitability, high investment as well as inflexibility. In contrast, in agricultural sector countries export and import foods and other goods from all over the world. International division of labor is present in almost all areas of the secondary sector (food, automobiles, textile). Companies in these areas must count on multinational players. The big players include Tesco, Lidl, H&M, KIA, Toyota, Coca-cola, Pepsi, etc. These firms are a big challenge and competition for every firm. Also, globalization commands the tertiary sector. Nowadays, IT companies use outsourcing the labor from foreign countries such as India or the Philippines. The pros of this solution are a lower wage, but still the reasonable quality of services. Technologies are associated with a number of strong cumulative mechanisms that cause some countries to grow rapidly and others become more and more marginalized (James, 2001). Information technology plays an extremely important role in transforming the common socio-cultural environment (Semenyuk, 2015).

The theory of games can often be seen in the tension between competition and cooperation, especially in the global environment between competing manufacturers, in order to create a competitive or common value. (Reuber et al., 2018; Allred et al., 2018) In order for the value generated to be created, certain rules must be met. High performance work systems (HPWS) depend on the setting of the internal environment, especially human resources (Pak & Kim, 2018; DeGeest et al., 2018). In particular, it is about creating a mutually beneficial working climate that stimulates the strength and fairness of relationships; motivation and creativity (Zhu et al., 2018). Research by Strauss and Parker (2018) highlighted the growing number of evidence linking proactivity to work with positive results, which was facilitated through training and development. The company's strategy on the theory of games theory should take into account internal actors within the enterprise as a stand-alone unit. On the other hand, we can see that common disputes in the competitive struggle on the global market can contribute to their better individual performance (Rudy & Strauss, 2018).

Finally, globalization has an impact on some areas of the 4th sector (e. g. research and development). In addition, globalization has affected the public health as well in recent years. In countries where the demand after work in healthcare is low, workers from foreign countries come. In general, this is true for countries such as Germany, the Czech Republic. On the contrary, areas like construction are less likely to be dominated by globalization. Low flexibility of capital, specificity of economy and business environment are the main reasons. Beside this, anti-globalization trends have been on the rise in recent years. Some people prefer to buy local products from companies coming from the same region. Last but not least, the USA, represented by an American president Trump, tries to suppress some aspects of globalization. The government set up new duties in automobile industry as well as in the steel industry.

## 2. Methods

Game theory is an area of economics which deals with relations between economic subjects. One of the most important fact is that when making a decision, information about multiple players which are on a market is taken into consideration. Myerson (1991) defines game theory as “the study of mathematical models of conflict and cooperation between intelligent rational decision-makers”. However, the development of current technologies also involves their involvement. Game theory and computer games should be combined to overcome certain constraints and improve the expansion of theory (Xu et al., 2008).

In game theory, there are lots of methods of how to deal with the interaction of players on the market (Samuelson, 2016). These can be divided into various aspects. First, there are cooperative interactions (i.e. players cooperate in order to fulfill the common goal). If the cooperation is irrelevant and every player focuses solely on his own success, we speak about non-cooperative games. Next, there are zero-sum games (what one player takes is what the other player has lost) such as football, hockey, tennis, chess, coin flipping, social games, war conflicts, etc. In non-zero-sum games, the deficit of one player is not equal to the profit of the other player.

As the economic market is a competitive place, we decided to focus on non-cooperative games. Examples of such games include whether the country should begin the war with the other country, whether the country should apply duties for importing countries. There are

more types of non-cooperative games. The big set of such games can be interpreted by the prisoner's dilemma (Poundstone, 1993). This game is a typical representative of cooperative games. The game describes the following situation: two criminals (A and B) revealed in the burglary. However, police want to impeach these burglars for robbery as well. The hearing examiner puts each burglar into a separate cell and offers to each burglar following options: "if you are quiet and your partner confesses, you get 10 months and he goes free. If both of you confess, both of you get 7 months. If none of you confess, you just get one month each. What decision should each of burglars make? On the base of game theory, the optimal strategy is to confess both for player A and player B. Except for this, this strategy is called a strictly dominant strategy, as no matter what the other player does, to confess is always the best strategy for the player (Fudenberg & Tirole, 1993). More formally, a strictly dominant strategy for player  $i$  is according to (Jackson, 2011) called a strategy  $a_i$ , if the following is true

$$u_i(a_i, a_{-i}) > u_i(a'_i, a_{-i}) \quad (1)$$

for all  $a'_i$  as well for all  $a_{-i}$ .

In the prisoner's dilemma game, the state of <confess, confess> is also a so-called Nash equilibrium (Osborne & Rubinstein, 1994). The paradox of the prisoner's dilemma is that a strictly dominant strategy, which is obviously a Nash equilibrium, is the non-optimal Pareto solution. In case of more complicated games, iterative elimination of other strategies using the strictly dominant strategy is used. Not all the non-cooperative games which have a strictly dominant strategy are like prisoner's dilemma. In a deadlock game, for example, if both players choose a strictly dominant strategy (fail, fail), they are never going to get their best output. The best output is achievable only if the second player makes a mistake. Besides this, in contrast with the prisoner's dilemma, there is no better state than the strictly dominant strategy which would be better for both players (Spaniel, 2016).

Apparently, however, not all types of cooperative games have a strictly dominant strategy. There exist also weakly dominant strategies when the strategy is not the only best one. In some cases, there are more equivalent strategies which are the best. According to (Jackson, 2011) the weakly dominant strategy is defined as

$$u_i(a_i, a_{-i}) \geq u_i(a'_i, a_{-i}) \quad (2)$$

for all  $a'_i$  and for all  $a_{-i}$ .

Moreover, some games do not have the weakly dominant strategy, either. In that case, their strategy is dependent on the action of the other player. The typical representative of such games is a stag hunt game. Even these games have an optimal solution which is in the Nash equilibrium. According to Jackson (2011), the Nash equilibrium is defined as: Let  $a \in A$  is the Nash equilibrium if  $a_i$  is the best answer for  $a_{-i}$  for every  $i$ . So,  $a$  is the Nash equilibrium if

$$u_i(a_i, a_{-i}) \geq u_i(a'_i, a_{-i}) \quad (3)$$

for all  $i$  and  $a'_i$ .

The Nash equilibrium, which is one of the most important terms in the game theory, is the state when the player is not interested to change his own strategy even though he knows the equilibrium states of his opponents. The reason for this is that the change in the strategy

would not bring any extra utility to him (Osborne & Rubinstein, 1994). In other words, the Nash equilibrium is the state when the action of a player comes from the set of best answers. The best answer is defined as (Jackson, 2011)

$$u_i(a_i, a_{-i}) \geq u_i(a'_i, a_{-i}) \quad (4)$$

pre všetky  $a'_i$ .

Some games do not have a pure strategy Nash equilibrium. These are games when the behavior of the other player is unknown or random. A typical representative of such games includes matching pennies or battle of sexes. In this case, the mixed strategy Nash equilibrium is the appropriate solution.

### 3. Results

In 1998, Starbucks had several hundreds of shops operated in the USA. Moreover, it also had shops in foreign countries as well. However, even though the profits were rising, the company did not have sufficient infrastructure for sales and distribution of its own coffee out of its coffee-bars. That is why it needed a partner who would enable to do such operations. Kraft Foods, on the other hand, was a coffee seller, but it was paying a lot of money for coffee beans. The reason was the weak negotiation power with coffee bean growers. Kraft Foods saw a big potential in selling coffee. But the high price was a problem. And as Starbucks was the global leader in processing coffee beans, it enabled Kraft Foods to buy good-class coffee beans for a better price. Starbucks used the cooperation for expanding its infrastructure and sell more coffee as Kraft Foods had a good infrastructure which was very well organized. After the agreement had been signed, Kraft Foods managed all the distribution, marketing, advertising and propagation of the coffee. At the end of the fiscal year, the packed tea and coffee with the Starbucks brand could be bought in more than 31300 grocery stores. During that year, Starbucks made revenues bigger than 6.3 billion dollars. (UKessays, 2017)

However, despite both firms signed an agreement, Starbucks focused on the aggressive expansion of its brand. Starbucks realized activities which propagated its brand outside its own environment. The company tried to target as many customers as possible. This was done through the third side (other sellers). Other sellers had to share the values of Starbucks and meet its quality requirements. Starbucks started to cooperate and sell licenses to other, smaller food chains too. These companies were the competitors of Kraft Foods. Kraft Foods was not comfortable with the Starbucks behavior and so the non-ambient atmosphere was between Starbucks and Kraft Foods. Despite that, the companies decided to lengthen the cooperation by the same conditions. Moreover, Kraft Foods started to provide a higher amount of coffee. (Starbucks, 2008)

More and more, Starbucks rewarded its coffee beans sellers which were not part of a cooperation agreement with Kraft Foods. Finally, the profit for other partners outgrew the profit of Kraft Foods. Disturbed confidence and the rise of Starbucks made the cooperation even worse. At the end of 2010 Kraft Foods started a lawsuit against Starbucks about the violation of conditions and rules in the agreement. Starbucks claimed that the strategic alliance did not finish well. Even though the revenues of Starbucks exceeded 500 million dollars in 2010, the company impeached Kraft Foods for wrong targeted marketing activities and amateurism in the realization of these activities. Kraft Foods, on the other hand,

impeached Starbucks for not selling brands stated in the agreement and for lowering the value of the infrastructural sale. Also, Kraft Foods lost a significant position as a coffee bean seller in retail chains. After the end of cooperation, the market share and revenue of Starbucks were still rising. Revenues of Kraft Foods from selling coffee beans were almost the same as during the cooperation with Starbucks (11 percent of total revenues). Thus, the question is, was Starbucks a good choice for Kraft Foods? (Neuman, 2010)

### 3.1 Game Theory Analysis

The whole timeline of cooperative was analyzed from the game theory point of view. Starbucks and Kraft Foods were considered to be players in game theory terminology.

We decided to analyze four situations from the Starbucks – Kraft Foods cooperation. Situation 1 (S1) referred to the time before forming a cooperation. Situation 2 (S2) related to behavior in the cooperation relationship. S3 represented the situation at the end of 2006. S4 represented the situation in 2010, at the end of cooperation. Numbers in matrices (Table 1 through 4) are not real and they are important only from the relative point of view (i.e. if there is a bigger number it means this is a better strategy than a strategy with a lower number).

Table 1: situation 1

S / K	no cooperation	cooperation
no cooperation	0/0	6/0
cooperation	0/6	<b>3/3</b>

Table 2. situation 2

S / K	betray	not betray
betray	6/6	6/3
not betray	3/6	3/3

Table 3. situation 3

S / K	stop	continue
stop	0/0	6/3
continue	9/0	<b>9/3</b>

Table 4. situation 4

S / K	stop	continue
stop	0/0	6/3
continue	<b>9/3</b>	9/3

As stated above, S1 analyzes whether to form a cooperation or not. For Starbucks and Kraft Foods advantages of cooperation were obvious – higher revenues. Before the cooperation companies had not had so high revenues as after the cooperation. If the companies decided to form a cooperation relationship, the benefit from the relationship would be remarkably bigger than the benefit if that did not happen. This is true for both companies. It is also important to note that the cooperation is not formed if only one of the partners does not agree to form a cooperation. From the point of view of game theory, the strategy <cooperate, cooperate> seems to be the best one. For both companies, this strategy is a weakly dominant strategy. Moreover, it is also a Nash equilibrium as well as Pareto optimal solution. On the base of this, we can conclude that companies made a good decision when they formed the cooperation.

Situation S2 deals with the betray aspect of the cooperation relationship. Each of the companies has two choices. First - to cooperate with the company they formed a cooperation. Second - to betray the partner and cooperate with other companies as well. Table 2 presents

the payoff matrix. If the company decided to betray its partner (the other firm), it receives extra revenues from other partnerships outside the cooperation relationships as well as revenues from the original cooperation (this is mainly true in short-term). If a firm decision is not to cooperate with other companies outside the cooperation relationship and not to betray its partner, the revenue will not be so high as it would be in the case of betraying. On the base of that, the Pareto optimal solution is <betray, betray>. This point is also a strictly dominant strategy as well as the only Nash equilibrium. Thus, from the game theory point of view, the betray of business partner seem to be an appropriate strategy. From that point of view, Starbucks made a good decision when it decided to betray its business partner.

Situation 3 (S3) deals with the question: What to do about cooperation at the end of 2006? As we know Starbucks realized a lot of other cooperation with other partners. Kraft Foods, on the other hand, made a promise and observed the agreement. According to the game theory, the optimal solution is <continue, continue> which is also a strictly dominant strategy for both players and also the only Nash equilibrium. Thus, one can say that from the game theory point of view companies made a good decision when they decided to continue the cooperation.

Finally, there is an S4 situation. From the game theory point of view the strategy <continue, continue> is the best one. It is the weakly dominant strategy as well as one of two Nash equilibria. It is also a Pareto optimal solution. However, firms decided not to follow this strategy, instead, they preferred <continue, stop> strategy. Starbucks wanted to continue the cooperation and from the point of view of Starbucks, it was a good choice. But, Kraft Foods selected another strategy (stop). Instead, it should have selected <continue>. However, the results a year after the end of the cooperation point to: a) Starbuck's profit increase in cooperation with third parties; and (b) the same increase in Kraft Food's profit as in cooperation with Starbucks on the sale of coffee beans. The outcome of the termination of the cooperative relationship is shown in the 4th situation.

#### 4. Conclusion

The unsuccessful strategic moves between Starbucks and Kraft Food surprisingly did not lead to a zero-sum game but to increase the result due to the decisions made during the cooperative relationship. At the beginning of the co-operation agreement (the game under consideration), the two-way potential for reinforcement in the distribution of packaged coffee to the world's stores. Set up and agree on the two-way terms of relationship. On the other hand, however, it was not intended for co-operative actors to behave themselves - that is, to communicate openly about new opportunities in selling packaged coffee. They did not try to solve the problem of new coffee vendors, they did not add any cooperative add-on. They let this problem lie until one company's profit reduction was seen.

It is difficult to judge this situation according to the theory of games. On the one hand, we can see a clear choice of non-cooperation to increase our own profits from the sale of third non-affiliated parties to the co-operation agreement. On the other hand, the passivity-to-non-cooperative approach, which was formally agreed as cooperative but real, was non-cooperative. According to game theory, the choice of a cooperative player's strategy is influenced by its outcome. In this case, Starbuck proceeded rationally and tried to expand the

possibility of selling packaged coffee, but that had direct consequences for influencing the outcome of the current cooperative relationship with Kraft Foods.

This research shows that Kraft Foods had the best opportunity to remain in the relationship and to gradually change its strategy to a non-cooperative approach, increasing the results of the cooperative relationship in question.

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## INTERACTIONS BETWEEN ENVIRONMENTAL INITIATIVES OF COMPANIES AND THEIR FACTORS OF COMPETITIVENESS

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**Abstract.** In the era of the globalized economy, existing companies are seeking avenues of adopting solutions that allow achieving better results than their competitors. Among them are environmental initiatives and environmentally friendly solutions. Companies engaged in reducing their negative impact on the natural environment by improving on their environmental as well as economic results. Improving environmental performance allows firms to reduce costs, gain a strong reputation among customers, get access to international markets and increase sales. Companies achieve better results through technological advances as well as organizational management improvement. Proactive pollution prevention efforts provide organizations with unique advantages and may even increase manufacturing performance as they require a fundamental rethinking of products and processes that can create opportunities for improvements and innovations. The article presents research results on the interactions between selected environmental initiatives and the internal factors of competitiveness of manufacturing companies located in Poland. The analyzed environmental initiatives include pollution prevention, recycling of materials, reduction of waste generated, reduction of fuel and energy consumption, and reduction of water consumption. Among the analyzed factors of competitiveness are quality, delivery, flexibility and cost. The empirical analysis is based on the Structural Equation Modeling (SEM). This allowed the determination of the causal relationships between the two groups of variables as well as to verify the theoretical model of interactions between initiatives and internal factors of competitiveness.

**Keywords:** environmental initiatives, factors of competitiveness, companies, SEM

**JEL Classification:** L25, D24, O33

### 1. Introduction

Environmentally friendly companies conduct their business with intent to minimize their burden on the natural environment, which in the long run turns out to be profitable for them. Such organizations gain further, benefitting from their improved ecological image by winning the confidence of its customers, investors and other stakeholders. These companies in their attempts to comply with principles of environmental protection undertake varied activities aimed at better utilization of resources, production materials or at improved efficiency of initiated processes that constitute the organization's pro-environmental activities (Halati, He, 2018). Such endeavors include, amongst others, elimination of pollution through investment activities in efforts to change the physical properties of processes/products, recycling of materials involving the accumulation and management of physical waste products for reuse,

as well as reduction of overall quantity of waste generated. All these can be achieved by introducing changes to ongoing processes, reducing fuel and energy consumption through the application of innovative solutions and limiting water usage (Schoenherr, 2012). The initiatives outlined, to a less or greater extent, contribute to improving corporate economic performance thus making production more efficient, more economical and safer (Venus, 2011). Better management, in turn, translates in improving factors that influence the four primary competitive factors i.e., quality, delivery, flexibility and cost (Jabbour et al., 2012). The thorough and complete implementation of these initiatives requires a fundamental rethinking within the firm concerning products, product design, investments in manufacturing assets, processes, materials, sourcing, life cycle cost management, total cost ownership, and supplier management. The main aim of the article is to present research results on the interactions between selected environmental initiatives and the internal factors of competitiveness of manufacturing companies located in Poland. It was achieved through the empirical analysis of primary data collected in manufacturing companies located in Poland. Also the method of analysis Structural Equation Modeling (SEM) was used.

## **2. Literature review**

Dependencies between environmental and operational results of enterprises is an issue commonly analyzed in scientific publications. In the opinion of scientists and management practitioners during the 1990s investing in environmental protection related business activities, impacted negatively on corporate performance (e.g. Angell, Klassen, 1999). This view was reflected in early theoretical discussions on the topic, arguing that firms have to make a trade-off between increased costs and environmental friendliness. The popular belief, then, was that any company that wants to remain environmentally friendly must reckon with increasing cost of operations (Walley, Whitehead, 1994). Environmental regulations, according to the argument, increase a firm's cost of production because of higher cost factors and increased environmental compliance costs. As a consequence, firms had fewer resources to invest in R&D, productive capacity, and other forms of technology. In the long run, such environmental regulations placed respective firms at a competitive disadvantage in the marketplace when compared with their unregulated rivals (Lopez-Gamero et al., 2010). Many organizations have, possibly due to these contradicting findings, been reluctant to engage more heavily in environmental management (Montabon et al., 2007). Gradually, however, more researches have emerged following the opinion that there are potential opportunities of improving corporate performance by monitoring the impacts of businesses on the natural environment (e.g. Christmann, 2000; Melnyk et al., 2003; Singjai et al. 2018). Subsequent publications of research results gradually showed that environmentally friendly companies also achieve satisfying results both in the financial and operational dimensions (e.g. Larrán Jorge et al., 2015). A review of global literature on the subject tend to indicate two trends of research on the impact of companies' environmental activities on their competitiveness namely, the trend that focuses on one selected factor and that which takes into account a broader range of impacts i.e., impacts on more than one factor of competitiveness. Iraldo et al. (2009) observed that environmental management can affect companies' outcomes through technological and organizational innovations. Montabon et al. (2007) indicated that environmental activities lead to such results as cost reduction, improved quality, innovation in products and processes, reduction in numbers of breakdowns, which eventually translates into improved delivery process. Sroufe (2003) identified positive dependencies between

environmental investments and outcomes in areas of cost levels, quality and development of new products. The cost criterion, in his opinion, can be improved upon through waste limitation, while the quality criterion can be through improved products. Vachon and Klassen (2006) depicted that cooperation between a company and its suppliers in the improvement of environmental management leads to operating benefits, mainly in quality, flexibility and delivery process. Despite the importance of the presented problem the issue of the impact of companies' environmental initiatives on their competitive factors has not been thoroughly researched in Poland. This paper fills this research gap by providing preliminary results on the relationship between selected environmental initiatives and factor of competitiveness of production companies located in Poland.

### 3. Data and Method

A primary study was conducted to assess the research question namely, to what extent do environmental initiatives of companies interact with companies' factors of competitiveness. The research tool was a survey questionnaire. The survey was conducted between January and March 2018. Data from the first data collection was utilized for the current study. The targeted population was a random sample comprising of 132 production companies located in Poland. The source of data about the companies was the Emerging Markets Information Service (EMIS) database. This study considers five environmental initiatives: pollution prevention, recycling of materials, reduction of waste generated, reduction of fuel and energy consumption, and reduction of water consumption (Schoenherr, 2012). Respondents were asked to indicate the extent to which the company has invested their resources (money, people, time etc.) in the last three years, on average, in the above-mentioned initiatives. The scale ranged from -2 to 2, where -2 indicates „very little“ and 2 indicates „a lot“. To guarantee the content validity of the scale, both literature review and discussions with academics and practitioners were carried out. Factors of competitiveness considered included: quality, delivery, flexibility and cost. Companies were asked to assess their performance through the comparison of results with the results achieved by their main competitors. The scale again ranged from -2 to 2, where -2 indicates „much less than competitors“ and 2 „much more than competitors“. For quality performance, the dimension of product features ( $q_1$ ), product performance ( $q_2$ ), product reliability ( $q_3$ ), and perceived overall product quality ( $q_4$ ) were applied. For delivery performance, the items of effectiveness of taking order ( $d_1$ ), order fulfillment speed ( $d_2$ ), delivery speed ( $d_3$ ), and delivery as promised ( $d_4$ ) were used. The items, introduction/withdrawal of products ( $f_1$ ), adapting the offer to changing expectations ( $f_2$ ), flexibility in changing output volume ( $f_3$ ), and adapting delivery terms to expectations ( $f_4$ ) were applied as the flexibility measure. To assess the plants' cost performance, indirect manufacturing costs ( $c_1$ ), total manufacturing costs ( $c_2$ ), raw material and material costs ( $c_3$ ), and environmental protection costs ( $c_4$ ) items were applied. First, we carried out a confirmatory factor analysis (CFA) to validate the measures of environmental initiatives of companies as well as measures of factors of competitiveness. Confirmatory factor analysis (CFA) is a statistical technique used to verify the factor structure of a set of observed variables. It allows the testing of the hypothesis that a relationship between observed variables and their underlying latent constructs exists (Suhr, 2006). CFA is a special case of the structural equation model (SEM). SEM consists of two components: a measurement model linking a set of observed variables to a usually smaller set of latent variables and a structural model linking the latent variables through a series of recursive and non-recursive

relationships (Albright, 2006). CFA corresponds to the measurement model of SEM and as such, it is estimated using SEM software. This paper considers estimating confirmatory factor models using Statistica 13.1. Both latent constructs (environmental initiatives, factors of operational competitiveness) were tested for internal consistency using Cronbach's alpha (Table 1) and construct reliability ( $\rho$ ) (Yang et al., 2010) (Table 3).

## 4. Results and Discussion

The questionnaire items used to operationalize the theoretical constructs are summarized in Table 1.

Table 1: Scale validity

Scales	Items	Cronbach's alpha if deleted	Cronbach's alpha	Scales	Items	Cronbach's alpha if deleted	Cronbach's alpha
Quality	q1	0.791	0.824	Delivery	d1	0.746	0.795
	q2	0.825			d2	0.745	
	q3	0.771			d3	0.751	
	q4	0.716			d4	0.735	
Flexibility	f1	0.853	0.865	Cost	c1	0.630	0.717
	f2	0.804			c2	0.585	
	f3	0.806			c3	0.617	
	f4	0.843			c4	0.758	
Initiatives	i1	0.814	0.830	Initiatives	i4	0.792	—
	i2	0.786			i5	0.811	
	i3	0.776			—	—	

Source: own calculations based on Statistica 13.1.

The results show that Cronbach's alpha measures for the analyzed theoretical constructs surpass the threshold point of 0.6 thus, supporting their reliability. In order to select the most appropriate method of estimating model parameters, we checked whether the assumption of multidimensional normality of the variable distribution was fulfilled. The assessment of the degree of compliance with the distribution of variables with the normal distribution was carried out using skewness and kurtosis coefficients (Table 2).

Table 2: Skewness, kurtosis

Variable	Items	Skewness	Kurtosis	Variable	Items	Skewness	Kurtosis
Quality	q1	-0.181	-1.328	Delivery	d1	0.395	-1.021
	q2	-0.115	-0.080		d2	0.128	-0.976
	q3	-0.183	-1.070		d3	0.024	-0.894
	q4	-0.055	-1.433		d4	-0.061	-1.192
Flexibility	f1	-0.137	-0.913	Cost	c1	-0.213	0.145
	f2	-0.346	-0.335		c2	-0.027	-0.325
	f3	-0.318	-0.484		c3	-0.057	1.797
	f4	-0.034	-0.454		c4	0.002	1.247
Initiatives	i1	-0.186	0.586	Initiatives	i4	-0.163	-0.028
	i2	-0.845	1.831		i5	0.143	0.464
	i3	-0.196	0.195		—	—	—

Source: own calculations based on Statistica 13.1.

The measures presented indicated that there are deviations from the normal distribution for all the variables. However, the size of the mentioned deviations was moderate. For variables

q2, d2, d3, f1-f4, c1, c2, i1, i3-i5 the absolute values of both kurtosis and skewness were lower than 1. In turn, for each of the other variables, the absolute value of kurtosis was lower than 7, which is considered to be the threshold value for moderate deviations from the normal distribution in the application of the maximum likelihood method (Curran et al., 1996). The occurrence of deviations from multidimensional normality was confirmed by the value of a relative multidimensional kurtosis of 1.107. Due to moderate deviations from the normal distribution, the maximum likelihood method was chosen to estimate the model parameters. The input data was presented in the form of a correlation matrix, to facilitate the attainment of standardized parameters for the model thus enabling the comparison of the force of impact of individual variables.

The presentation of the results starts with the value of factor loads for individual variables, used for measuring the defined unobservable (latent) variables (environmental initiatives, factors of competitiveness).

The absolute values of standardized parameter estimate for the variables q3, q4, d2, d3, f2, f4, c2 and i2, i3, i4 exceeded 0.7; for variables q1, q2, d1, d4, f1, f3, c1, c3 and i1, i5 it exceeded 0.5, while that for the variable c4 were lower. The explained variance percentage, higher than 50%, was obtained for the variables q3, q4, d2, d3, f3, c2, i2, i3, i4.

Estimations of the model parameters showed that all obtained path coefficients were statistically significant. The most important determinant of a latent variable *quality* is the q4 measurable variable. For the latent variable *delivery*, however, the determinants were order fulfillment speed (d2), and delivery speed (d3). The latent *flexibility* variable was mostly determined by the f4 – adapting delivery terms to expectations, while the variable *cost* was by the variable c2 – total manufacturing costs. In the case of the latent variable i.e. environmental initiatives, its strongest determinants were i3, i2, and i4 respectively. The impact of variables i1 and i5 was at a comparable level (0.63).

The highest internal consistency was observed in the case of the *delivery* variable (0.777), while a slightly lower consistency was achieved for the *quality* variable (0.732). The internal consistency of subsequent initiatives and flexibility variables was at a comparable level of 0.704 and 0.702, respectively. The lowest consistency, although still at an acceptable level, was observed in the case of the variable cost (0.604). Detailed data concerning the parameters of the model are presented in Table 3.

Table 3: The results of CFA for the measurement model

Path	Path coefficient	SE	T	p	$\eta^2$
(initiatives)-1->[i1]	0.630	0.062	10.146	0.000	0.704
(initiatives)-2->[i2]	0.741	0.051	14.616	0.000	
(initiatives)-3->[i3]	0.799	0.045	17.752	0.000	
(initiatives)-4->[i4]	0.722	0.053	13.736	0.000	
(initiatives)-5->[i5]	0.629	0.062	10.114	0.000	
(quality)-6->[q1]	0.670	0.054	12.312	0.000	0.732
(quality)-7->[q2]	0.528	0.068	7.787	0.000	
(quality)-8->[q3]	0.780	0.044	17.672	0.000	
(quality)-9->[q4]	0.948	0.034	27.760	0.000	
(delivery)-10->[d1]	0.642	0.056	11.388	0.000	0.777
(delivery)-11->[d2]	0.899	0.030	30.415	0.000	
(delivery)-12->[d3]	0.893	0.030	29.788	0.000	

(delivery)-13->[d4]	0.672	0.053	12.656	0.000	0.702
(flexibility)-14->[f1]	0.689	0.061	11.264	0.000	
(flexibility)-15->[f2]	0.699	0.060	11.569	0.000	
(flexibility)-16->[f3]	0.694	0.061	11.418	0.000	
(flexibility)-17->[f4]	0.726	0.058	12.483	0.000	
(cost)-18->[c1]	0.701	0.065	10.810	0.000	0.604
(cost)-19->[c2]	0.917	0.063	14.544	0.000	
(cost)-20->[c3]	0.576	0.070	8.172	0.000	
(cost)-21->[c4]	0.221	0.090	2.463	0.014	

Source: own calculations based on Statistica 13.1.

In the final step, we used four goodness-of-fit indices to assess the overall model fit: chi-square statistic/degrees of freedom ( $\chi^2 / df$ ), root mean square error of approximation (RMSEA), goodness of fit index (GFI), and adjusted goodness of fit index (AGFI). The model-fit testing results and recommended values of selected indices are listed in Table 4.

Table 4: Model-fit indices for the CFA (N=132)

Model-fit index	Scores	Recommended value
$\chi^2 / df$	358.234/189=1.895	$\leq 3$
RMSEA	0.083	$\leq 0.1$
GFI	0.792	$\geq 0.9$
AGFI	0.746	$\geq 0.8$

Source: own calculations based on Statistica 13.1.

Both indices,  $\chi^2 / df$  and RMSEA, met acceptable levels, demonstrating that the measurement model exhibited a relatively good fit with the data collected. The GFI index showed that 79.2% of all actual covariance were explained by the model that was developed. Similar values reached by the AGFI index were adjusted to the number of degrees of freedom. Based on the above measures, it was assumed that the model is moderately fitted to the data. In the next step of the analysis, we used the presented measurement model to examine the interactions between environmental initiatives and factors of competitiveness based on SEM model (Table 5).

Table 5: Selected SEM results (N=132)

Selected paths	Path coefficient	SE	T	p
(initiatives)-53->(quality)	0.359	0.073	4.949	0.000
(initiatives)-54->(delivery)	0.543	0.078	6.969	0.000
(initiatives)-55->(flexibility)	0.371	0.074	5.047	0.000
(initiatives)-56->(cost)	0.173	0.078	2.223	0.026
Model-fit indices	$\chi^2 / df = 286.294/175 = 1.636$ ; RMSEA=0.067; GFI=0.832; AGFI=0.779			

Source: own calculations based on Statistica 13.1.

Environmental initiatives have a positive impact on companies' factors of competitiveness. They mostly affect the delivery factor (0.543), then the quality factor (0.359) and the flexibility factor (0.371). Impacts of the initiatives on the cost factor were the lowest (0.173). All the examined relationships were statistically significant. The structural model-fit indices (Table 5) showed that the SEM model is relatively well adjusted to empirical data.

## 5. Conclusion

The applied confirmatory factor analysis allowed for the diagnosis of the measurement model of latent variables data for measuring selected environmental initiatives and companies' competitiveness factors. It made it possible to check the accuracy, and validity of the proposed theoretical model as well as the reliability of indicators used to measure defined constructs. In turn, the structural model enabled the determination of existing causal relationships between environmental initiatives and competitiveness factors i.e. quality, delivery, flexibility, and cost. Environmental initiatives undertaken in the surveyed companies led to the highest possible improvement of the companies' operational competitiveness in terms of delivery, then flexibility and quality factors, but to a lesser degree in respect of the cost factor.

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## ANALYSIS OF SLOVAK AND CZECH CONSUMERS MANNERS FROM ASPECT OF BEHAVIOURAL ECONOMICS ON GLOBAL DIMENSION

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**Abstract.** The contribution focuses on the exploration of customers in the Slovak and the Czech Republic and their behavioural behaviour on a global scale. This aspect deals with rationality and the cause of its failure. The goal of the contribution is to assess, based on the evaluation of the information obtained from Slovak and Czech customers, whether they make their decisions impulsively or deliberately, and at the same time, what behavioural deviations are arising from the aspect of globalization. For the purpose of this finding, the Cognitive Reflection Test (CRT) is used. CRT issues are not difficult in the sense that the right solution is easy to understand by explanation. However, to arrive at the right answer will require overcoming the initial, impulsive response. This simple three-point cognitive ability test is used to examine behavioural deviations that play a significant role in behavioural economics and finance and are close to cognitive abilities. From the questionnaire survey, we found that the principles of behavioural economics have their justification and their presence confirmed the answers of Slovak and Czech respondents from the aspect of globalization. The results of the behavioural analysis show that the impact of deviations from rationality has a significant role in economics to predict customer behaviour on a global scale. The contribution of behavioural analysis of consumer behaviour is significant as it helps to understand the basic processes that are taking place in the consumer's decision as well as the reasons that influence their decision.

**Keywords:** behavioural economics, limited rationality, consumer's decision, preferences

**JEL Classification:** C83, D91, F60, M29, M31

### 1. Introduction

In today's globalizing world, the focus of the economy is and will always be an individual with his decisions. At the same time, there are opinions that take a human being as a rational

subject in decision making and, besides several variants, choose the most optimal for him. The traditional economic approach only depended on the results achieved. The basis of all equilibrium models is that one fails to make decisions when using resources. Neoclassical economics of man understood as an infallible individual - homo economicus (Been et al., 2009). Everything that did not fit the idea of infallibility was considered a departure from rationality. The source of individual research was statistics and mathematics. The decision-making of the groups was deduced from the individual who assumed the knowledge of his possible behavior (Moore et al., 2018). However, the very idea of making flawless decisions is not rational. Consumer decision-making research has begun on a global scale, concluding that the expected decisions are not in line with real (Dengov & Gregova, 2015).

The goal of the translated article is behavioral analysis of consumer behavior. This is an analysis whose object of interest is the decision making process and decisions of Slovak and Czech consumers. To achieve the main goal, it was necessary to set out a number of partial goals:

- analyzing consumer judgment under uncertainty conditions,
- analysis of consumer preferences, consumer choice of current or future income,
- analysis of choice of alternatives according to consumer preferences,
- analyzing consumer judgment in relation to risk and assessing the attitude of the consumer to risk,
- analysis of the impact of explaining the decision-making problem on the final decision of the consumer.

## 2. Literature review

A consumer is an individual who, for his / her own consumption or family use or use for a family member as well as a gift, purchases services and products (Klapilova-Krbova, 2016). In each example, the product is purchased for the final consumption of the individual and the end-consumer is used for that purpose. This consumption is incredibly dynamic because it includes every individual regardless of their position, age, and whether they act as buyers or users (Resano et al., 2018).

Behavior of a consumer is an activity or action aimed at meeting the stated goal. It concerns the acquisition, use and storage of products. This behavior determines a number of factors, whether the consumer's personality or the surroundings surrounding it (Majerova, 2014).

Authors Peter and Olson (2008) refer to this behavior by dynamically combining the various influences from the environment, knowledge, affections, thanks to which people in their lives are governed by exchange relationships.

Basic approaches to consumer behavior (Horska, 2009):

- economic approach: Consumer behavior is defined as a consequence of rational consumer thinking,
- sociological approach: as consuming people act in different social conditions,
- psychological approach: it focuses on the relationship between consumer behavior and its psychology:

- based on the external aspect of this relationship, it is a behavioral aspect. It is based on investigation of stimuli and reactions, so it is known as the Stimulus Response model (SR model) (Foscht – Swoboda 2004),
- the opposite is the non-behaviorism that tries to explain the psyche of consumer behavior based on the knowledge of the internal processes that take place in the individual. It's so-called. black cabinet as a consumer. Since she is not familiar, she is trying to break into the cause of the reactions. Used here Stimulus - Organism - Response model (SOR model).

Early attempts to understand consumer behavior relied on concepts from one department. Model models by economists were the first exceptional models. This was partly due to the existence of a well-developed microeconomic theory of consumer behavior and partly by the fact that many vendors at that time were trained as economists (Valaskova et al., 2015).

Adequate theories of consumer buying and consumption can not be created by just one concept (Gogolov, 2016). Previous models represent only selected aspects of the consumer decision-making process. This observation led marketing theorists to develop gradually more complex images of consumer behavior. Engel-Kollat-Blackwell Model is a representative of attempts to describe the ultimate consumer behavior. Howard-Ostlund Model tries to capture the critical aspects of both - the behavior of the final consumer and the industrial shopper in one model. These models are aimed at identifying key concepts that are important for understanding consumer behavior in individuals (Andor & Fels, 2018).

The most important trend in consumption and demand theory is the behavioral approach that has become the basis for developing a theory of consumer behavior. It is based on the assumption that consumer consumption and choice in buying decision making appear as probability phenomena, with the explicit premise of uncertainty. The element of coincidence and the risk on which this theory rests is related to the effort of economic science to include in the study of demand for products the patterns of consumption development (Hsu et al., 2018).

Thus, the economy's verbal capability increases behavioral economics by providing the psychological basis. The core of behavioral economics is the belief that increasing the impact of psychology in economic analysis will improve the area of the economy in terms of creating theoretical knowledge, designing better practices (Gentina et al., 2018). Behavioral Economics is a study on the impact of psychology on economic decision-making. In other words, emotions and ideas of people can influence their decision about money. Behavioral economics can explain times of prosperity and economic crises as well as predicting how people behave in each situation. People are making financial decisions based on psychology all the time (Upson 2010).

### 3. Methodology

We used a survey using the Cognitive Refelction Test (Hertzog et al., 2018), whose main objective was to reveal the level of rationality of consumer decision-making. On this basis, Slovak and Czech customers were divided into two groups. The first group consisted of respondents who were impulsive, j. did not answer one of the three questions correctly or answered just one question correctly. For other respondents, we will assume reasonable rational decision-making (Czerwonka, 2017). The questionnaire was supplemented by

additional questions that will allow the fulfillment of the above-mentioned partial goals. The questionnaire was distributed electronically via social networks and emailing from June 1, 2018 to July 1, 2018.

In the paper, we focused on representative selections in which the results can be generalized to the general population. In this case, a stratified random selection was selected. As 391 respondents participated in the survey, the condition of the minimum value of the research sample was fulfilled, and the respondents' answers to the questions asked during the survey can be considered relevant and qualified based on the established reliability and maximum permissible errors.

In the first place, it was necessary to find out what a large sample of respondents is desirable. For this, one of the methods of determining the range of the sample file is used. In this case, we have determined the range so that the permissible error of the estimate was not more than 10% in order for the confidence interval to be 95% and the variability to be estimated at 5%.

Within the questionnaire submitted by Slovak and Czech respondents, we determined the percentage of impulsive and rational decisions and gender, and we will formulate hypotheses to investigate the existence of a statistically significant difference and the dependence between the achieved results, i. e.:

H0 : When examining the level of rationality between consumers, there is no difference between the level of consumer rationality.

H1: When examining the level of rationality between consumers, we assume a difference in the level of consumer rationality and there is a dependency among consumers.

When examining rationality by gender:

H0: there is no difference between the rationality of men and women.

H1: there is a difference in the rationality of men and women, there is a dependence among consumers.

Differences and dependencies between responses and subsequent confirmation of one of the hypotheses will be made using the Mann-Whitney U Test (MWU), which compares the medians of two independent samples. With the test, we learned that there was a difference in the average order of two groups. This is a nonparametric test for normal data and Chi square for the test.

In the next part of the questionnaire survey, we evaluated questions whose confirmation, the refutation will lead to the fulfillment of individual partial goals.

We have investigated whether there is a deviation from rationality - or a group that is decisively impulsively subject to unclear and deceptive information that distorts its decision. To confirm or refute, we used an example of probability estimation where we will formulate hypotheses:

H0: there is no significant difference between the estimated probability of impulsive and rational consumers.

H1: is the difference between an estimate of two groups, impulsive consumers are more subject to unclear information.

## 4. Results

Z Based on the conducted survey on the analysis of the consumer behavior of Slovak and Czech respondents, it is possible to state the following facts:

- women who responded to three and two questions correctly are 5% less than men. An impulsive decision was made for up to 72.8% of women, which is 5.1% more than for men,
- the vast majority of consumers make their decisions impulsive and up to 71% of consumers surveyed from the Slovak Republic and the Czech Republic. A higher degree of rationality in decision-making has been demonstrated in 29% of consumers from the Slovak Republic and the Czech Republic,
- from the point of view of the rationality rate for both countries, implies that impulsive responses are 42% more than rational. Based on the values of the survey, we investigated whether there is a significant difference between the degree of rationality of the countries using the MWU test and the dependence of the sets to determine the Chi quadrate by the test. Based on the test - MWU and Chi Quadrate - there are no differences between the level of rationality of SPU and EU consumers. There is no difference between the responses of impulsive consumers and consumers with a higher degree of rationality. Based on the Chi quadrate of the test, there is no dependency between the groups. These are shown in Tables 1, 2 and 3:

Table 1: Determination of average order - Mann Whitney U test

The number of correct answers	Abundance	Intervals	Average rank
3	61	1 – 61	6
2	88	62 – 91	20,5
1	105	92 - 131	42
0	137	131 - 391	77,5

Source: own process

Table 2: Coefficient Z

Z 1 calculated	0,7169	<	1,96
Z 2 calculated	-0,7169	>	-1,96

Source: own process

Table 3: Examining Associations - Chi Quadrate Test

Test criterion	6,886464646
Critical value	7,814727903

Source: own process

The following results related to the probability estimate between the rational decision group and the group that makes the decision impulsive. Thus, we can see if the addressed consumers are subject to bias in relation to probability and we find the level of understanding of the explained assignment.

Based on the question of probability probability, we found that there is a difference between the two consumer groups, and consumers with low cognitive abilities tend to estimate the outcome closer to the base rate of 0.5. It is true that consumers with higher cognitive abilities, rationality have a more accurate estimate. As the question was very broad in the questionnaire, the results are the ability of consumers to understand the issue. In practical use, we could apply these results to consumer behavior and ad ratings. Cases of

inappropriate advertising, such as mortgage products, are known throughout the EU. Insufficient and chaotic advertising and marketing information is often difficult to compare and gives consumers no choice. Based on survey data, we assume that consumers with more accurate probability estimates are less subject to unclear information appearing in ads. Using Mann Whitney's U test, the difference between probability probability between the higher rationality group and the decision-making group was found to be impulsive.

## 5. Discussion

We have concluded from the survey that the contribution of behavioral analysis of consumer behavior is significant as it helps to understand the basic processes taking place in the consumer's decision-making as well as the reasons that influence its decision. Although behavioral economics is often more descriptive in terms of behavior, psychology loses its simplicity and does not allow for equilibrium models. However, such an analysis has practical uses for an enterprise that has to know the causes and rules of the consumer's decision to be successful and to ensure the sale of its products. This suggests that there are cases where the consumer is rational, but there may be circumstances in which consumer rationality will be moderately limited. Therefore, it is important that the business entity knows how to predict its decision using behavioral economics.

An example of how an enterprise can influence buyers' purchasing decisions is, according to Houdek (2010), a discount on a product that cost EUR 1,000 and the consumer can now buy it for 800 euros. In this example, the consumer is willing to buy the product. However, if the product is priced from EUR 1 000 to EUR 500, but until the consumer gets the product so reduced, his price rises to EUR 700, refuses to buy it. That is, it does not think about the alternative offered, but takes into account just the past alternative. This example points to a remarkable benefit where an enterprise should consider its steps in providing discounts.

For betting and betting, the behavior of the consumer can also be assumed. The basis of the betting and lottery is that a high win is very unlikely. But consumers are willing to resist a high, unlikely win, so the casinos are profitable. Our survey has shown that consumers who are willing to bet on a low-probable profit will also be found.

In insurance, we also meet the revaluation of very low probabilities. Unlike the lottery case, however, it is not a profit but a loss. In this situation, consumers are at odds with the low probability but high loss that may occur and prefer a much lower loss.

## 6. Conclusion

The results of behavioral analysis show that the impact of deviations from rationality has an important position in the economy to predict consumer behavior. We have explored when and under what circumstances the traditional economic view of the consumer fails. However, it is necessary to realize that behavioral economics is dependent on the traditional one. We can describe it more descriptively about consumer choices that are part of the different phenomena in economics.

From the questionnaire survey we found that the principles of behavioral economics have their merits and their presence has confirmed the answers of consumers. Since the sample

concerned only higher education students of economic focus, we may think that our results are more accurately applicable to students of economics.

The aim of the thesis was to find deviations from rationality, respectively. rationality of consumer decision-making. We can say that on the basis of a sample of consumers, we have reached interesting facts. Consumers are not always rational, so it is a big mistake on the part of the business to ignore limited rationality, where certain deviations from consumer behavior are taking place. Companies, thanks to this more descriptive analysis, can better understand the wishes and preferences of consumers that they sometimes do not understand. However, it should be noted that such consumer behavior is not a shame but can be explained by the effect of psychology in economics. This explains the deviations from the rationality of consumer decisions, which can be either cognitive (mistakes in analyzing and using information, high self-esteem, etc.) or emotional (risk aversion, fear of loss, etc.).

We have identified the true attitude of the consumer to risk, depending on whether it is profitable - then risk aversion is greater and less when it is willing to risk more if it is a loss. Consumers, who have assumed a higher degree of rationality on the basis of the survey, are more patient, have a more accurate estimate and a smaller risk aversion if they are profitable. The results of Oechler's patience and risk aversion suggest that consumers with a higher degree of rationality are able to save more and receive higher expected returns. On the contrary, consumers, for whom we have assumed the so- limited rationality, have impulsive responses, were characterized by the preference of lower but more profitable profit, and the choice of higher loss with less probability.

In order to better understand the results and principles of behavioral economics, we have applied them in practice. Through behavioral economics, businesses can understand situations where consumers are not behaving rationally and their behavior may appear to be confusing at first glance. Examples are discounts that the consumer may not be interested in or prefer a more expensive alternative where the consumer has the chance to pay less or the appropriate consumer.

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# INLAND WATERWAY TRANSPORTATION OF DANGEROUS GOODS: RISK ASSESSMENT AND DECISION-MAKING STRATEGIES

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**Abstract.** The transportation of dangerous goods on European roads, railways and inland waterways amounts to more than 168 billion tonne-kilometres annually (Eurostat, 2016). In the case of an oil spill incident, several thousand tons of dangerous substance may spill, causing massive environmental pollution. Basically, every vessel is a vessel carrying dangerous goods. The fuel of every ship floating on the Danube is some type of petroleum product. More attention needs to be paid to vessels due to the increased capacity of both the cargo area and the fuel tanks. Despite the risks that arise from the transport and handling of dangerous goods, dangerous things are an inherent part of everyday life. Natural and synthetic substances with specific properties may adversely affect human life and the environment. Therefore, the need to reduce the risks in the transport of dangerous goods is current. It is clear that the probability of occurrence of an emergency incident with ecologically negative consequences will never be zero. Creating recommendations to speed up rescue work at the scene can prevent further spread of the toxic substance and reduce the range of its dispersion in the flow of river. The article contains suggestions that contribute to increase safety during transport and handling of dangerous goods and it provides guidelines reducing the risks in the transport process.

**Keywords:** risk, dangerous goods, inland waterway transport

**JEL Classification:** L91

## 1. Introduction

Transportation of dangerous goods represents a source of danger to the various areas. The danger can produce serious consequences for the human health, environment and property. Due to the importance of the products such as gasoline, mineral oils, and other chemicals in everyday life and the increasing demand on these products, it is important to analyse and assess the level of risk related to the dangerous goods transport (DGT) in order to minimize it. The risk depends on the many factors, such as quantity of transported products, the time of the day, weather conditions and the population density of crossed areas. It is characterised by the targets that are exposed for a given time and by the risk level that varies with space and time. When a dangerous event happens, caused by human failure (and involving dangerous goods), the consequences cannot sometimes be reduced or contained. Meyer & Robbins, (2011). So, it is crucial to apply preventive measures to reduce the probability of occurrence, or

magnitude of the consequences. To achieve this goal, it is possible to use the methods of risk assessment and decision-making strategies.

## **2. Transportation risk management**

The element that makes the difference between the general freight transport system and the dangerous goods transportation system is the inherent risk of hazardous substances associated with an (non)accidental release of such materials during their transportation (Batta & Kwon, 2013). The fact, that a potential release of a hazardous substances results in a potential risk to surrounding population, the environment and property, indicates the need of a more careful risk – based management of the transportation activities involved (Fabiano et. al., 2002). According to ISO31000:2009, Risk Management is “a set of coordinated activities to direct and control an organization with regard to risk” (ISO, 2009). ISO31000:2009 also describes Risk Management as a process comprised of the following steps (ISO, 2009):

1. Establishing the concept
2. Risk Assessment:
  - Risk Identification
  - Risk Analysis
  - Risk Evaluation
3. Risk Treatment.

## **3. Risk Assessment Methods**

Risk assessment is the key process of the whole Risk Management procedure. According to ISO31000:2009, Risk Assessment is defined as “the overall process of risk identification, risk analysis and risk evaluation” (ISO, 2009). The first step in Risk Assessment is the identification of possible scenarios, which have the potentials to cause events or accidents, called Risk Identification. Risk Identification plays an important role in the whole process of Risk Assessment, due to the fact that is a way of categorising the possible risks across the logistics chain of hazardous materials and also consists the starting point of the Risk Assessment process (Tanackov, 2018)

### **3.1 Risk Assessment Techniques**

#### **3.1.1 Qualitative Risk Assessment Techniques**

Risk Assessment methods, especially the qualitative methods mainly deal with the identification of possible hazard scenarios and the qualitative estimation of their undesirable consequences (Centrone, et. Al. 2008). They can also establish benchmarking comparisons with other practices, standards and regulations, in order to identify whether transportation processes and equipment comply with them. They are mainly used when there is lack of data. They are also highly based on analytical estimation processes and on the safety managers and engineers’ experiences and abilities (Marhavilas, et. al., 2011). The advantages of the qualitative risk assessment methods are that they are easily applicable and flexible, quick and they do not require the use of considerable resources (CCPS, 2008). They can identify the causes of accidents, thus becoming helpful in tackling these causes. Qualitative risk

assessment methods, mainly due to their flexible and time-saving nature can be used to assess safety on a more regular basis, i.e. in the daily execution of hazmat transportation activities.

### **3.1.2 Semi-quantitative Risk Assessment Techniques**

This type of method differs from the qualitative ones in the essence that they provide some degree of quantification of consequences, likelihood and risk level. This is done through the use of simple mathematical tools. Semi-quantitative techniques seek to identify possible accident scenarios and to simply quantify the likelihood and consequences of these scenarios. (FAO, 2009). The most widely known semi-quantitative risk assessment methods are:

- Human Error Analysis Techniques (HEAT)
- Fault Tree Analysis (FTA)
- Event Tree Analysis (ETA)

The expected outputs of the semi-quantitative risk assessment methods are the simple quantification of the risk level entailed in the transportation operations of hazardous materials. In order to do so, simple risk indexes or risk matrices are used.

### **3.1.3 Quantitative Risk Assessment Techniques**

Quantitative Risk Assessment Techniques recognize the risk as a quantity which can be mathematically calculated and compared to certain regulatory and/or risk criteria. Quantitative Risk Assessment (QRA) can be considered as a function of consequences and likelihood of an undesirable event. The main points of a QRA method are:

- Frequency Analysis – involves the determination of the probability of an undesirable event; the range of possible release sizes; the determination of the level of potential receptor exposure given the nature of event; the estimation of the degree of severity, given the level of exposure
- Consequence Analysis – entails the quantification of potential impacts of an undesirable event to people, property and the environment
- Risk Calculation and Evaluation (Hayes, 2012).

## **3.2 Hazardous Materials Transportation Decision-Making**

Due to the inherent risk that dangerous substances entail, there is a need for the involvement of risk assessment in the decision-making process related to their transportation. The decisions taking place within a logistics network can be categorized into three levels, namely, strategic, tactical and operational. This categorization is based on their time scale and the extent of influence on the network's performance (Hendriks, 2009). This distinction of decision levels can also be identified in the transportation of hazardous materials. Thus, the decisions that need to be made by shipping companies related to the transportation of hazardous materials can be divided into strategic, tactical and operational (Yang & Haugen, 2015)

### **3.2.1 Strategic decisions**

The most widely decision related to the transportation of hazardous materials is the combined decision of facility location and routing (Centrone, et. al., 2008). The combined decision of facility location and routing involves the determination of optimum locations

where hazardous materials can be transported and the handling of them takes place (plants, storage facilities, waste disposal facilities etc.). It also involves the selection of optimal routing strategies, with the requirement that sufficient capacity to perform all the processing exists and the adverse impacts are minimized (List, et. al., 1991). Most of the studies use mathematical models to quantify the risk and the most common input data of the methods are described in the Table 1:

Table 1: Input data to Risk Assessment methods related to Strategic decisions

Comodity related data	Characteristics of hazardous materials
	Quantity of dangerous good
	Mode of transport characteristics (size, capacity, container type)
Route-related data	Presence of sensitive receptors
	Number of transshipment nodes
	Distance traveled
Population-related data	Population density
Other data	Meteorological data
	Travel time
	Time of day of the trip
	Time of year of the trip
	Facility characteristics

Source: (Lukasik et. al., 2017)

### 3.2.2 Tactical Decisions

Tactical decisions are related to the transportation of dangerous goods, namely routing – the process of selecting the best paths in the terms of safety, costs, time travel, etc. The most important indicators that are used as input to these risk assessment methods are list in the Table 2:

Table 2: Input data to single-objective Risk Assessment methods related to Tactical decisions

Commodity-related data	Characteristics of hazardous material transported
	Transport conditions (temperature, pressure)
Route-related data	Location of population centres
	Location of sensitive receptors
	Fairway characteristics
	Annual amount of hazardous materials transported
Population-related data	Population densities and distribution
Other data	Meteorological conditions
	Physical parameters (air temperature, air humidity)
	Waiting times
	Statistics on accident frequencies

Source: (Lukasik et. al., 2017), (Pantergini, & Vergalli, 2016)

### 3.2.3 Operational Decisions

Operational decisions concern mainly decisions related to the daily execution of the transportation of hazardous materials. Operational decisions are represented by the choice of mode of transport, or decisions related to the time of day for shipments, loading and unloading operations, selecting alternative carriers, improve training to reduce human factor related issues and the selection of packaging (Leonelli et al., 2000).

### 3.3 Multimodal and International Risk Assessment of Hazardous Materials Transportation

The transportation of hazardous materials by using multiple modes of transport for a single shipment, has received considerable attention in the past few decades. However, not much research has been conducted on multimodal hazmat risk assessment (Cho, et. al., 2018). Currently, the main objective in multimodal transportation of dangerous goods is to find out the minimum risk paths by combining the available transport modes, while accounting for transfer delays and transportation costs (Nowacki, 2016).

## 4. Conclusion

Dangerous goods transportation involves a number of classified hazardous substances, number of involved authorities and various international and national regulations. All these elements of the system are interdependent with each other thus complicating the decision-making processes within the system.

This is especially true for the decisions taken by shippers. Shipping companies are the actual responsible for the planning, coordination and execution of hazardous materials transportation activities (Klieštík, 2014). due to the main parameter that characterizes the transportation of hazmats, namely the inherent risk of the substances, hazmat transportation requires rigorous risk management practices for these transportation activities.

As a result, risk management practices need to be involved in the decision-making processes of shipping companies, in order to facilitate the making of decisions in terms of safety. As the main process of risk management can be considered the process of risk assessment. The Risk Assessment process, it consists of three steps, namely Risk Identification, Risk Analysis and Risk Evaluation. Risk assessment is considered a helpful tool to the decision-making process related to the transportation of hazardous materials. Three types of decisions are involved in the hazmat transportation that also consider risk assessment, namely, strategic, tactical and operational decisions.

Due to the role of the shipping companies within the hazardous materials transportation system, all the above methods could be used by shippers to facilitate their decision-making processes. Hence, shipping companies could use quantitative risk assessments methods in order to make more strategic and tactical decisions (Zhao, 2016). However, no suggestion on the way they could make decisions on their daily operations (operational decisions), which also involve the actual trip planning of hazmats.

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## THE NEED OF SELF-MANAGEMENT TO QUALIFY MANAGERS IN GLOBAL ENVIRONMENT

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**Abstract.** The prerequisite for managing others is to be able to manage oneself. The aim of our article is to point out the necessity of self-management in managerial positions for the needs of the globalization trend. Currently, companies are trying to expand their reach to international markets and have qualified staff able to respond to this globalization trend. This trend is based on the use of human intelligence, knowledge and creativity, which are also very needed by management. Utilizing the creative potential of individual creativity and creativity in teams leads to a progressive development of the organization competitiveness and economic success. The need to adapt managers to the globalization trend implies the need to implement self-management. Therefore, we focus on the definition of individual concepts related to self-management and time management managers at each level of management. We point out the benefits of adapting to self-management in the work area, which is also reflected in privacy. We analyze the level of self-management of managers in Slovakia. The article focuses on the definition of professional goals, self-development and self-training, management of time planning and identification of time resources of managers. At the same time, we point out the possibilities of using efficient self-management to eliminate time losses in the managerial work.

**Keywords:** global environment, managers, self management, time management.

**JEL Classification:** A3, M2, M5

### 1. Introduction

An urgent issue for new ventures is how firms can effectively use human resource policies to promote growth and employee productivity (DeGeest, et al., 2018). Managers at all levels perform management functions in relation to all the resources of the organization under their authority. In order for managers to be able to manage their employees flexibly and processes, they must be able to manage themselves. Self-management is a process in which a person leads himself. It is an effective direction of your own behavior in relation to values, needs, interests, attitudes towards other people and yourself (Bhargava, et al., 2017).

Self-management represents a complex of modern, rational, individual methods and techniques that help regulate managerial behavior, work and their entire lives at all. It is a

process in which an individual uses character, knowledge and skills to set goals, organizes his or her activities to achieve this goal, and controls the success or efforts (Spears & Lamba, 2016; Araten-Bergman, 2016).

The manager is an element that unifies the controlling and managed subsystem. The processes are controlled by the functions of the device that we deal with in the article. We also include management of time management and disciplines, which deals with the management of one of the organization's basic economic resources, human activity in terms of "time". The basis of time management is the need to establish clear objectives and priorities. Already defining objectives and priorities help to organize your work according to priorities and managers focus on important tasks that cannot be delegated. Employment and wage growth were particularly strong for jobs requiring high levels of social skills adds (Deming, 2017).

## **2. Self-management**

The idea of self-development as a main motivation and goal for human being was very popular after Maslow studies. In his hierarchy of human needs self-actualization was the result of life-long process and not everyone was able to reach this stage. Self-education is important part of personal and professional development. Self-management has been associated with the commitment mode of workforce management that is assumed to be a better strategy to maintain a sustainable competitive advantage in the contemporary changing business environment than top-down management control. (Chen & Chung, 2014)

The term self-efficacy describes the conviction that one can successfully execute the behaviour required to produce successful outcomes. Self-efficacy is also the factor that plays a major role in education performance. Self-management is considered to be a useful strategy in the contemporary changing business environment and is influenced by such issues as the time-management and goal setting. (Khoshniyat et al., 2016)

We evaluate self-management as a system as an internally organized whole with a conscious target behavior. The manager is an element that unifies the controlling and managed subsystem. The process of self-management is realized through the functions of self-regulation (Balcarova et al., 2016). We sought to understand how the behavior of self-estranged workers corrodes their social exchange relationships with co-workers adds (Golden & Veiga, 2018).

### **2.1 Accepting yourself**

Self-acceptance involves, in particular, a certain emotional, emotional aspect of oneself. The principle of self-acceptance is also a cognitive aspect - knowing myself, who I am, what I know and what I can do. The real self-image tells me who I am (what are my properties), what I know (what I know) and what I can do (what are my skills). On the psychic level, I perceive how I see my own qualities, knowledge and skills (Speer, 2017).

On a social level, these aspects are assessed by others. Desired idealized self-explanation tells you about who I want to be (what I want to have-properties), what I want to know (what I want to know) and what I want to prove (what I want to have-skills). The goal of self-accepting is to reveal their own strengths and weaknesses and also to reveal their

determinants (Porvaznik et al., 2016). Many who enter management are ready and willing to accept the benefits of their positions, but not all are readily accepting the full responsibilities of manage (McConnell, 2017).

## **2.2 Self-realization**

Due to constantly updating requirements both to the professional competencies of specialists and to their level, each manager faces the task of continuous professional development. Self-acceptance focuses its attention on self-planning, self-organization and self-control. Self-employment begins with the setting of goals and their projection for both personal and working life. In particular, the manager must clarify goals and record what specific goals manager wants to achieve (Chan, 2018).

By searching for and defining personal goals, the manager formulates both life and work goals and can realize his needs, interests, and value orientations. In this process, it is necessary to distinguish the assignments resulting from the manager's job position and the goals chosen by the manager based on manager's own decision (but also the specific conditions and environment in which the goals will be realized). Targets should be defined in such a way as to make it clear that the target was or has not been met. The targets adopted should be measurable (Rezanovich & Alukov, 2016).

In the decision-making process, which objectives should be adopted and which do not, it is necessary to base their priorities. They should create the space and conditions for qualitative growth of the manager's personality, free the space for their realization, and help develop skills and competencies. Goal recording is important in order to bring the goals into a real and realistic way, which forces the manager to more closely address, clarify, evaluate and control the goals. The quality of the goals and their formulation in the plans depends on the manager's social maturity (Ashton, 2012).

The process of self-planning is inseparably linked to time management - time management. Self-organization includes the realization of objectives and plans, their implementation in everyday life and professional activity. Self-organization depends on the degree of competence of the manager - professional competence and practical skills. Controlling goal completion results serves to provide an overview of the results achieved, to improve and optimize the management process, and to increase work motivation (McConnell, 2017; Haqaf & Koyuncu, 2018).

## **2.3 Self-development and self-education**

Self-education is the essential factor of personal, collective and social stability, the means of education during the whole life. Self-education is the most important factor in the development of the personality of the manager, he develops his innate talent, helps to eliminate his own shortcomings. Self-education is a function of self-regulation, the content of which is geared towards growth activities and increasing the competence of the manager's personality (Avgusmanova et al., 2017).

Through self-training the manager develops inherent features, extends acquired knowledge, enhances acquired practical skills. The development of inherited properties is geared towards developing positive and suppressing negative features. This requires self-reflection, a self-awareness that can be communicated by a person, coach, friend, etc. The

broadening of the acquired knowledge is focused on the acquisition of new and generic as well as professional knowledge. Increasing the manager's practical skills or skills can be achieved by self-training. Lasting improvement in self-management is never absolutely complete; it will be a continuing part of day-to-day existence for as long as the individual remains a manager (McConnell, 2010; Kioussis, 2018).

## **2.4 Time management**

The factor of time significantly influences the manager's activity, the efficiency and the efficiency of his work, and, of course, the quantity and quality of the organization's activity. Time management can be characterized as a consistent, targeted use of good practice in day-to-day work, helping to lead and organize yourself so that the time available is optimal and meaningful. The advantage of time management is undoubtedly less hecticness and stress, greater job satisfaction, higher work motivation and the ability to perform more skilfully (Berry, 2017; Sterling & Fernandez, 2018).

Author (Bennett, 2011) also state lower work and performance pressures and better achievement of work and life goals. Managers are insufficiently influencing the use of their time. This is due in part to external factors - the pressures, but to a great extent also to the fact that managers are inadequately aware of the importance of time, they do not recognize the need to direct them, and they do not know the method of rational planning for the use of their time. Time management has produced a number of techniques and procedures based on the principles of planning, respecting priorities, delegating tasks, and empowering subordinates. Among the best-known and most widely used techniques we can include: Pareto Principle, ABC analysis, Eisenhower's principle and also delegation (Le & Kroll, 2017).

Applying Pareto Principle (Rule 80:20) to the manager's job means that often 20% of the strategically correctly spent time and energy brings 80% of the results. In other words, the first 20% of the correctly spent time reaches 80% of the results, while in the remaining 80% of the time spent, only 20% of the overall performance results. For a manager, this means that it can not deal with the lightest or time-consuming tasks first, but must first deal with priority, important and important tasks (Folwarczna, 2010).

Determination of priorities according to ABC analysis is based on the fact that the percentages of important and less important tasks are, in principle, constant. The ABC letters divide individual tasks into three groups based on the importance of achieving professional and personal goals. That is why many managers devote themselves to the most important tasks of type A every day (Bennett, 2011).

Eisenhower's Principle is a simple and practical tool. Its essence is the claim that importance always prevails over urgency. Tasks are divided into four groups. 1. Urgent and important tasks (tasks A). The manager has to deal with them personally and immediately. 2. Less urgent and important tasks (Tasks B). This manager does not have to immediately handle and can wait. 3. Urgent and less important tasks. These tasks can be delegated by the manager. 4. Less urgent and less important tasks. They are often not so important for subordinate workers to deal with (Karabalina et al., 2018).

Delegation is understood as the procedure whereby the task manager in his / her competence transfers to his or her subordinates. At the same time, it should also delegate powers and responsibilities - implementing responsibility. However, the manager remains

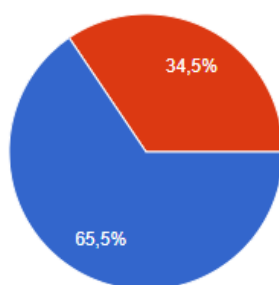
responsible for their management. Delegating tasks assumes that the entity trusts the worker to whom it delegates tasks. Delegating tasks also poses a certain risk, but the fear of delegation is unjustified (Bilanakos et al., 2018).

### 3. Self-management in manager's work

Employee training is an expression of some kind of employer care for employees, which ultimately is likely to bring benefits to both parties. The Labor Code basically distinguishes two forms of employee training, namely increasing qualifications and deepening qualifications. Enhanced qualification is therefore necessary to be understood as an employee's training, which does not increase the qualification level, j. such as increasing the level of education from higher education to tertiary education II. grade, with a suitable example of deepening qualifications, may be a course or training to improve or streamline the performance of the work agreed in the employment contract, without changing the level of education. In practice, the most frequent cases are cases when the employee acquires the necessary knowledge and skills to perform the agreed type of work, but there is no increase in the level of education, respectively. the employee does not obtain the qualifications required for the performance of more qualified work which the employee has not yet qualified for - for example, obtaining a driving license for a particular category of motor vehicle. As a result of the increase in qualifications, as a rule, an employee may also perform more qualified work that he could not perform without the required level of education.

We conducted a survey of Slovak managers. On a sample of 250 respondents, we determined whether managers are devoted to a particular type of training and how much time they devote. The survey showed that only 65.5% of managers are 164 self-employed respondents and 34.5% managers, which is 86 respondents who claim they no longer need to be educated at their management level.

*Figure 1: Participation on training courses in the field of the profession*

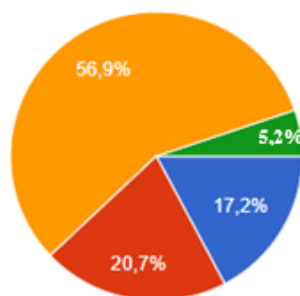


*Source: Own processing*

Deepening the qualifications obtained by the employee as a rule knowledge, skills and abilities required for the performance of the agreed type of work, which as mentioned above, such a deepening is not associated with the entry into a higher level of education employees.

Another question we have been trying to find out how much time managers spend on weekly self-education. The survey showed that 56.9% of managers are educated 1 to 5 hours per week.

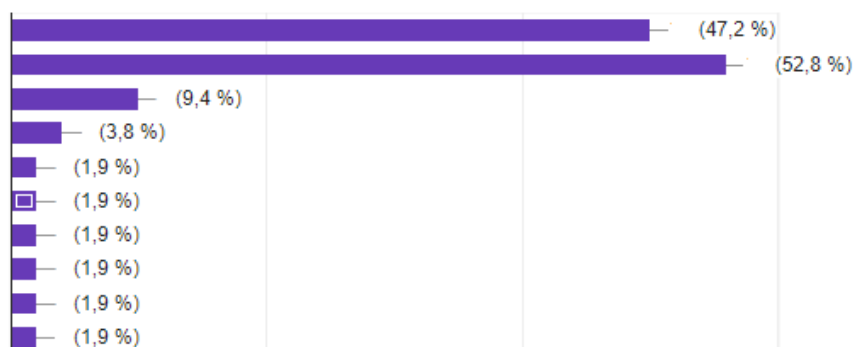
Figure 2: Manager's time spent on self-education



Source: Own processing

It is striking that up to 17.2% of managers' report that they do not at all do it, which does not correspond to previous results, and up to 20.7% spend less than one hour. When questioning what kind of managers is addressed to most respondents, 52.8% represent 132 managers who answered that they were educated by reading the literature. Up to 47.2% of the respondents, which consists of 118 managers, claims to be educated through active participation in training courses and 9.4% of respondents - 24 managers are educated through further education.

Figure 3: The type of self-training that managers perform



Source: Own processing

Only 9 managers representing 3.8% of respondents said they did not receive any form of self-education, and 1.9% of managers said they did not participate in self-training. The remaining managers are engaged in self-education by learning from the situation, participating in research, gaining experience every day, and following new trends.

## 4. Conclusion

This article implies the necessity of implementing self-training in everyday life of managers. Even today, a large percentage of Slovak managers do not pay their education for their profession. Up to 34.5% of the respondents said they did not need to devote themselves to the necessary performance in their profession. Self-management encourages people to develop their skills and qualifications. This inevitable aspect also benefits the speed and flexibility of processes. A very important advantage is the development of positive ones and the elimination of negative qualities - self-service, the development of professional and general knowledge and the development of the necessary skills and the elimination of wrong habits through self-training. The main points of the survey show that there are still large

reserves in management positions in management positions. Managers tend to fall into stagnation at higher positions and, after reaching a certain degree of career, do not continue to work. However, the globalization trend causes the accelerated pace and constant pressure of competitors pointing to the need for self-training, effective planning, and the use of time management in management positions. Proper management of employees and business processes can provide the firm with the competitive advantage needed to keep pace with the market.

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## CORPORATE GOVERNANCE AND FIRM PERFORMANCE IN SLOVAKIA

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**Abstract.** Globalization appears in many spheres of our lives and is one of the key expressions of contemporary international business. Developing international cooperation, linking economies and emerging multinationals enables businesses to increase their efficiency and performance, and to increase return on investment for investors. Investing in the international space has the need to ensure that corporate management takes its decisions in the interest of business owners. Scandals of the recent past have highlighted the need for a uniform adjustment of corporate governance principles and their constant updating. Corporate governance principles help evaluate and improve the legal, regulatory and institutional framework for corporate governance to promote economic efficiency, sustainable growth, and financial stability of businesses. They help align ownership goals with management decisions, regulate management processes, and thereby ensure that business owners' goals are met, such as achieving the required return on invested resources and long-term growth in the value of the corporate assets. In our contribution, we examine the issue of corporate governance in terms of agency theory. We examine the relationship between corporate governance and firm performance. We are interested in how the selected determinants of corporate governance affect the performance of the corporate, measured by profitability indicators. We will examine the issue on the sample of companies admitted to the regulated market in the Slovak Republic.

**Keywords:** corporate governance, firm performance, firm value, globalization, capital market in Slovakia

**JEL Classification:** F65, G32, G34

### 1. Introduction

Podnikové škandály Enron a WorldCom v USA, HIH a One.Tel v Austrálii a Parmalat v Taliansku si vynútili dôsledné zmeny v pravidlách corporate governance. Zásadné zlyhanie corporate governance bolo, ako uvádzajú Izáková a Přečková (2014), príčinou aj krachu jednej z najstarších bánk Barings Bank v roku 1995. Zlyhanie corporate governance vo finančnej sfére spôsobilo finančnú krízu, ktorá sa rozvinula z hypotekárnej krízy v roku 2007 až 2008.

## 1.1 Základné modely a teórie corporate governance

Rozdielnosť v kultúrach národov, vo zvykoch, v normách, zákonoch a organizačných štruktúrach, často ovplyvňuje spôsoby smerovania problémov, na ktoré sa corporate governance sústreďuje. S ohľadom na tieto rozdielnosti sa vo svete vyvinuli rôzne modely správy a riadenia spoločností.

Škare a Hasić (2015) definujú dva základné modely corporate governance. Podľa shareholders' governance modelu, t.j. model riadenia spoločností z pohľadu akcionárov, by sa mali pri riadení zohľadňovať iba záujmy akcionárov, pretože títo sú považovaní za majiteľov svojich akcií a spolumajiteľov spoločnosti. Navyše znášajú celé ekonomické riziko. Preto sú riaditelia spoločností podľa tohto modelu považovaní za zástupcov akcionárov, a sú povinní prijímať rozhodnutia, ktoré budú vytvárať zisk a maximalizovať hodnotu akcií. Druhým model definujú ako stakeholders' governance model, podľa ktorého by pri riadení spoločností mali byť zohľadňované záujmy všetkých zainteresovaných strán. Akcionári nie sú jediné subjekty, ktoré sú nositeľmi rizík v podniku.

Modely corporate governance vychádzajú zo základných teórií riadenia, ktoré Afza a Nazir (2014) vo svojom príspevku členia na teóriu zastúpenia (agency theory), teóriu správcovstva (stewardship theory), teóriu zainteresovaných strán (stakeholder theory), teóriu závislosti zdrojov (resource dependence theory), teóriu transakčných nákladov (transaction cost theory) a politickú teóriu (political theory).

## 1.2 Globalizácia v corporate governance

Globalizačné vplyvy v oblasti správy a riadenia spoločností sa prejavili snahou o zjednotenie a reguláciu postupov pri riadení spoločností a stanovenie základného rámca informačných povinností a eliminácie informačnej asymetrie. Vznikli viaceré inštitúcie zaoberajúce sa výlučne problematikou corporate governance.

Medzi tie významnejšie patrí Organizácia pre hospodársku spoluprácu a rozvoj (OECD). Corporate governance podľa OECD pomáha vybudovať prostredie dôvery, transparentnosti a zodpovednosti potrebné na podporu dlhodobých investícií, finančnej stability a podnikovej integrity, a tým podporiť silnejšiu rast a inkluzívnejšiu spoločnosť ([www.oecd.org](http://www.oecd.org)). OECD v snahe naplniť svoju misiu, vypracovala už v roku 1999 princípy pre správu a riadenie spoločností a revidovala a doplnila ich v roku 2004 a 2015. Aktuálne platná verzia vznikla v spolupráci Výboru OECD pre správu a riadenie spoločností so štátmi G20. Skladajú sa zo 6 samostatných kapitol: (1) Zaistenie základov pre efektívny rámec správy a riadenia spoločností, (2) Práva akcionárov a rovnocenné zaobchádzanie s nimi, kľúčové funkcie vlastníkov, (3) Inštitucionálni investori, trhy s cennými papiermi a iní sprostredkovatelia, (4) Úloha zainteresovaných strán, (5) Zverejňovanie informácií a transparentnosť, (6) Zodpovednosť správnych orgánov. Každá z kapitol obsahuje zoznam podporných subprincípov, ktoré sú doplnené vysvetlivkami.

V Slovenskej republike sa problematikou corporate governance začala cielene zaoberať Stredoeurópska asociácia správy a riadenia spoločností (CECGA), ktorá vznikla v roku 2004, a v apríli 2018 bola premenovaná na Slovenskú asociáciu Corporate Governance (SACG). Jej poslaním je monitorovať celosvetový vývoj v oblasti corporate governance, prinášať a rozvíjať poznatky a diskusiu na túto tému. Po vzore princípov OECD vypracovala CECGA v roku 2008 Kódex správy a riadenia spoločností na Slovensku, ktorý v súvislosti s vydaním

nových G20/OECD Princípov Corporate Governance, v roku 2016 revidovala. Kódex správy a riadenia spoločností na Slovensku upravuje vzťahy vo vnútri spoločnosti a vzťahy spoločnosti s jej okolím na princípe otvorenosti, poctivosti a zodpovednosti. So zámerom dosiahnutia maximálnej užívateľskej prehľadnosti je text Kódexu členený podľa jednotlivých princípov kopírujúcich Princípy G20/OECD. Spoločnosti sú povinné pripravovať vyhlásenie podľa tohto nového kódexu až za rok 2017, t.j. od 1.1.2018 ([www.cecga.org](http://www.cecga.org)). Povinnosť spracovať Vyhlásenie o správe a riadení spoločností vyplýva emitentom, ktorých cenné papiere boli prijaté na regulovaný trh, v zmysle § 20 ods. 6 zákona č. 431/2002 Zb. o účtovníctve. Úroveň zverejňovania informácií o správe a riadení spoločností na Slovensku skúmali vo svojom príspevku aj Musa et al. (2015).

### **1.3 Vplyv corporate governance na podnikovú výkonnosť**

Vzťahy medzi podnikovou výkonnosťou a corporate governance sú odbornou verejnosťou podrobne diskutované a na túto tému bolo publikovaných mnoho príspevkov. Khanchel (2007) skúma problematiku správy a riadenia spoločností z pohľadu možností jej merania a formuluje tieto determinanty silnej corporate governance: nezávislý riaditeľ, nezávislosť výborov, veľkosť správnej rady (resp. predstavenstva), oddelenie funkcií predsedu správnej rady a generálneho riaditeľa, pripravenosť správnej rady zasadať podľa potrieb, kompetentnosť výboru pre audit, spolupráca s renomovanou audítorskou spoločnosťou, pravidelné zasadnutia výboru pre audit.

Dobre fungujúci podnikový systém riadenia pomáha spoločnosti prilákať investície, získať finančné prostriedky (Musa et al. 2014a) a posilniť kľúčové faktory výkonnosti podniku (Grofčíková, 2017), (Grofčíková, 2016). Okrem toho dobrá správa a riadenie spoločnosti posilňuje finančnú stabilitu podniku a jeho odolnosť voči budúcim finančným problémom (Musa et al. 2014b), posilňuje rozhodovacie procesy a znižuje konflikt záujmov medzi jednotlivými zainteresovanými stranami, minimalizuje kontrolný vplyv akcionárov na manažment spoločnosti, čo podľa Shleifera a Vishnyho (1997) zvyšuje pravdepodobnosť, že manažéri budú investovať do projektov s pozitívnou čistou súčasnou hodnotou.

Zahroh a Hamidah (2016) skúmajú vzťah finančnej výkonnosti podniku a corporate governance z hľadiska veľkosti správnej rady a jej nezávislosti, nezávislosti výboru pre audit, kvality auditu a stupňa implementácie princípov corporate governance. Ďalšie príspevky skúmajú vplyv vybraných determinantov corporate governance na podnikovú výkonnosť meranú najčastejšie pomocou ROA a ROE na vzorke podnikov napr. z Vietnamu (Vo & Phan, 2013), Malajzie (Fooladi et al., 2014), zo Singapuru (Vu & Nguyen, 2017), Japonska (Mizuno, 2010), Turecka (Ararat et al., 2017) alebo Spojeného kráľovstva (Akbar et al., 2016).

## **2. Cieľ, materiál a metódy**

Cieľom príspevku je prezentovať výsledok výskumu vplyvu vybraných determinantov corporate governance na podnikovú výkonnosť. Podnikovú výkonnosť budeme merať pomocou rentability aktív (ROA) a rentability vlastného imania (ROE), počítaných ako podiel zisku pred zdanením, úrokmi a odpismi (EBITA) na celkových aktívach resp. vlastnom imaní spoločnosti za roky 2016 a 2017 a ich medziročnú zmenu. Skúmaným determinantom corporate governance je veľkosť predstavenstva spoločností, pôsobenie jeho členov aj v iných

spoločnostiach a zmeny v jeho zložení za sledované roky. Pre zachytenie menších odchýlok budeme počty členov sledovať ako druhú mocninu. Zmeny v zložení predstavenstva sledujeme ako binárnu premennú.

Základný súbor je tvorený spoločnosťami, ktorých emisie cenných papierov, boli prijaté na regulovaný trh v Slovenskej republike. Náš výskum realizujeme na výberovom súbore, ktorý je tvorený 43 akciovými spoločnosťami, ktoré boli uvedené ako emitenti akcií na stránke Centrálnej evidencie regulovaných informácií k 1.9.2018. Údaje o finančnej výkonnosti a vybrané determinanty corporate governance jednotlivých spoločností sme čerpali z registra účtovných závierok a obchodného registra na internete.

## 2.1 Počet členov predstavenstva

V diskusiách o vplyve veľkosti správnej rady na podnikovú výkonnosť existujú dva myšlienkové prúdy. Jedna skupina tvrdí, že čím je počet členov nižší, tým je úspešnosť podniku vyššia, druhá skupina zastáva názor opačný, ktorý nachádza svoju oporu v tom, že väčšie predstavenstvo je schopné zhromaždiť viac informácií a posúdiť podnikateľské riziká komplexnejšie (Vo & Phan, 2013).

Na základe výsledkov viacerých výskumov overujeme na hladine významnosti  $\alpha = 0,1$  hypotézu (H1) o existencii závislosti medzi veľkosťou predstavenstva a podnikovou výkonnosťou v ( $H_0: \rho = 0$ ,  $H_A: \rho \neq 0$ ). Použijeme Pearsonov koeficient korelácie a Spearmanov koeficient poradovej korelácie.

## 2.2 Pôsobenie členov predstavenstva aj v iných spoločnostiach

Viacere výskumy (Aksitasa & Shernaz, 2018), (Vo & Phan, 2013) sa zameriavajú na výskum vplyvu pôsobenia predsedu predstavenstva aj vo funkcii výkonného riaditeľa spoločnosti. Tieto informácie sa nám o podnikoch v našej vzorke nepodarilo získať. Zistili sme však, že v mnohých podnikoch sú členovia predstavenstva vrátane predsedu predstavenstva angažovaní na rôznych pozíciách aj v iných spoločnostiach. Toto môže mať na podnikovú výkonnosť pozitívny aj negatívny vplyv. Medzi argumenty proti môžeme zaradiť rozdielnosť problematik rôznych spoločností a tým zvýšená náročnosť na posúdenie rizík, argumentom podporujúcim pozitívny vplyv môže byť napr. skúsenosť a kontakty na subjekty pôsobiace v okolí podnikov.

Na základe uvedeného testujeme na hladine významnosti  $\alpha = 0,1$  hypotézu H2 o existencii závislosti medzi počtom funkcií v iných spoločnostiach a podnikovou výkonnosťou ( $H_0: \rho = 0$ ,  $H_A: \rho \neq 0$ ). Použijeme Pearsonov koeficient korelácie a Spearmanov koeficient poradovej korelácie.

## 2.3 Personálne zmeny v predstavenste spoločností

Zmeny v predstavenstve spoločností môžu mať na podnikovú výkonnosť pozitívny vplyv. V súlade s teóriou zastúpenia, je predstavenstvo spoločnosti, ako vrcholný riadiaci orgán, povinné prijímať rozhodnutia zvyšujúce rentabilitu podniku. Dôvody pre zmenu zloženia predstavenstva môžu byť rôzne. My predpokladáme, že zmeny, ktoré v sledovaných podnikoch nastali, prispeli k zvýšeniu ROA a ROE. Na hladine významnosti  $\alpha = 0,1$  overujeme hypotézu H3 o existencii pozitívnej závislosti medzi zmenami v zložení

predstavenstva a podnikovou výkonnosťou v sledovanom období ( $H_0: \rho = 0$ ,  $H_A: \rho > 0$ ). Pri tomto teste použijeme Spearmanov koeficient poradovej korelácie.

### 3. Výsledky a diskusia

#### 3.1 Počet členov predstavenstva

Predstavenstvo akciovej spoločnosti menuje a odvoláva jej valné zhromaždenie, ktoré je najvyšším orgánom spoločnosti. Počet členov predstavenstva nie je stanovený. Členovia predstavenstva môžu byť zvolení z akcionárov spoločnosti, alebo z iných osôb maximálne na 5 rokov aj opakovane. Predmetom nášho záujmu boli zmeny v predstavenstve, ktoré súviseli s príchodom nového člena, za ktorého považujeme aj predsedu predstavenstva.

Table 1: Descriptive Statistics

	N	Min.	Max.	Mean	Median	Mode	Std. Dev.
Veľkosť predstavenstva	42	1	7	3,36	3	3	1,322

Source: Vlastné spracovanie výsledkov výskumu.

V tabuľke 1 uvádzame popisnú štatistiku veľkosti predstavenstiev 42 hodnotených spoločností. Minimálny počet bol 1 člen v postavení predsedu predstavenstva, maximum bolo 7 osôb vrátane predsedu. Najčastejšie sa opakujúci počet a tiež stredná hodnota boli 3 osoby, t.j. 1 predseda a 2 členovia. Počet osciloval s odchýlkou 1,32 osôb od priemeru.

Table 2: Correlations

Veľkosť predstavenstva	ROA '17	ROA '16	zmena ROA	ROE '17	ROE '16	zmena ROE
Pearson Correlation	,066	,071	,088	,186	,163	,041
Sig. (2-tailed)	,683	,660	,583	,245	,309	,800
Spearman's rho	,138	,134	,001	,367*	,239	-,081
Sig. (2-tailed)	,389	,403	,994	,018	,132	,613

\* Correlation is significant at the 0.05 level (2-tailed)

Source: Vlastné spracovanie výsledkov výskumu

Na základe údajov uvedených v tabuľke 2 môžeme konštatovať, že medzi veľkosťou predstavenstva a podnikovou výkonnosťou, meranou ROA a ROE, existuje pozitívna závislosť. Výsledky však nemôžeme zovšeobecniť na celý základný súbor.

#### 3.2 Pôsobenie členov predstavenstva aj v iných spoločnostiach

Pôsobenie predsedu predstavenstva a jeho členov aj v iných spoločnostiach je na Slovensku častým javom. Z našej vzorky 43 podnikov nepôsobí v inej funkcii len 37,2 % predsedov predstavenstiev, 20,9 % pôsobí v jednej ďalšej spoločnosti a 16,3 % pôsobí v 3 ďalších spoločnostiach.

Table 3: Descriptive Statistics

	Min.	Max.	Mean	Median	Mode	Std. Dev.
Predseda predstavenstva - počet funkcií	0	11	2,35	1,00	0	3,301
Členovia predstavenstva - počet funkcií	0	17	2,12	1,00	0	3,534
% podiel členov predst. s inými funkciami	0,00%	100,00%	35,66%	50,00%	0,00%	37,72%
Predstavenstvo spolu - počet funkcií	0	23	4,47	2,00	0	5,544

Source: Vlastné spracovanie výsledkov výskumu.

Maximum, t.j. 11 funkcií, má 7 % predsedov predstavenstiev. Prieskumom pôsobenia členov predstavenstiev (okrem predsedov) v iných spoločnostiach sme zistili nasledovné: v 46,5 percentách spoločností nepôsobia členovia v iných spoločnostiach, v 27,9 percentách spoločností pôsobí polovica členov predstavenstva aj v iných spoločnostiach, v 16,3 percentách spoločností pôsobia všetci členovia predstavenstva aj v iných spoločnostiach. Bližšiu popisnú štatistiku uvádzame v tabuľke 3.

Na základe výsledkov testu hypotézy H2 uvedených v tabuľke 4 môžeme potvrdiť našu hypotézu o existencii závislosti medzi pôsobením členov a predsedu predstavenstva v iných spoločnostiach a výkonnosťou spoločnosti.

Table 4: Correlations

Počet funkcií členov a predsedu predstavenstva	ROA '17	ROA '16	zmena ROA	ROE '17	ROE '16	zmena ROE
Pearson Correlation	-,071	-,287	,327*	-,067	-,157	,432**
Sig. (2-tailed)	,654	,065	,035	,675	,321	,004
Spearman's rho	-,032	-,253	,119	-,096	-,099	,150
Sig. (2-tailed)	,840	,105	,452	,544	,533	,343
N	42	42	42	42	42	42

\*\* Correlation is significant at the 0.01 level (2-tailed). \* Correlation is significant at the 0.05 level (2-tailed).

Source: Vlastné spracovanie výsledkov výskumu.

Na ročných ukazovateľoch sa táto skutočnosť prejavila negatívne, kým na ukazovateľoch medziročnej zmeny ROA a ROE práve naopak, a pôsobenie riadiacich pracovníkov aj v iných spoločnostiach má na výkonnosť podniku pozitívny vplyv.

### 3.3 Personálne zmeny v predstavenste spoločností

Personálne zmeny v predstavenstve na pozícii predsedu resp. člena za sledované obdobie sme zaznamenali celkom v 85,7 percentách spoločností. Informácie o dôvodoch sa nám nepodarilo získať. Mohlo ísť o ukončenie funkčného obdobia bez záujmu príslušnej osoby opätovne kandidovať, alebo mohlo ísť aj o nespokojnosť akcionárov s výsledkami spoločnosti. Výsledky nášho testu hypotézy H3 uvádzame v tabuľke 5.

Table 5: Correlations

Personálne zmeny v predstavenstve	ROA '17	ROA '16	zmena ROA	ROE '17	ROE '16	zmena ROE
Spearman's rho	,362*	-,041	,227	,502**	,239	,093
Sig. (2-tailed)	,020	,800	,153	,001	,132	,562
N	41	41	41	41	41	41

\*\* Correlation is significant at the 0.01 level (2-tailed). \* Correlation is significant at the 0.05 level (2-tailed).

Source: Vlastné spracovanie výsledkov výskumu.

Na základe výsledkov testu hypotézy H3 môžeme potvrdiť našu hypotézu o existencii stredne silnej pozitívnej závislosti medzi zmenami v zložení predstavenstva a podnikovou výkonnosťou v sledovanom období.

## 4. Conclusion

Globalizačné trendy sa prejavujú vo všetkých oblastiach nášho života. V tomto príspevku sme sa zaujímali o jej prejavy v oblasti správy a riadenia spoločností. Konkrétne prejavy môžeme identifikovať vo vzniku viacerých nadnárodných združení, komisií, spoločností či

nadácií, ktoré ciele podporujú výskum corporate governance a spolupracujú pri príprave odporúčaní pre manažmenty spoločností. Kódexy správy a riadenia spoločností by mali v spoločnosti zabezpečiť vyváženosť medzi kontrolou a podnikateľskou slobodou, a povzbudzovať komunikáciu a transparentnosť pri správe a riadení spoločnosti. V našom príspevku testujeme vplyv vybraných determinantov corporate governance na výkonnosť podniku. Vo všeobecnosti môžeme konštatovať, že vo vybranej vzorke spoločností existuje závislosť medzi veľkosťou predstavenstva, zainteresovaním členov a predsedu predstavenstva aj v iných spoločnostiach a zmenami v zložení predstavenstva a výkonnosťou podniku. Bližšie vysvetlenia dôvodov budú predmetom ďalšieho výskumu.

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# GLOBAL ASPECTS OF INTERCULTURAL COMMUNICATION IN CONTEMPORARY SOCIETY

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**Abstract.** The global environment can be analyzed not only from the point of view of economics but also from the perspective of interculturality and intercultural communication. The global movement of people leads to the fact that individual states become multicultural societies that are members of different cultures. Contacts in the context of international cooperation are constantly developing, which contributes to the continuous geographic growth of the labor market. It is therefore necessary to prepare human capital, in terms of its not only professional, linguistic, but also cultural aspects of individual people. Differences in cultural background and in the structure of values among different ethnic groups pose considerable risks of confrontations, which can be stimulated through global means of communication. It is, however, generally desirable for different cultures to get to know each other and to create the compliant and compromising relationships. The paper therefore presents the results of pilot research on intercultural communication at selected universities in the Czech Republic and presents the views of foreign and domestic students on the "global" environment of the Czech Republic and on interculturality at Czech universities. At the same time, there is a confrontation of the opinion spectrum of educators on intercultural relations between foreign and domestic students.

**Key words:** intercultural communication, globalization, foreign students, education

**JEL Classification:** R23, J19, O35

## 1. Introduction

With the growing globalization of the world's population, communication is an important means of stability for the post-modern society, with its characteristic consumerist way of life due to the significant influence of the open society and globalization. It can create and solve the causes of miscommunication, which can lead to conflicts. Globalization (a world without borders) has a very important relation to consumer society and changes in a group of influential economic players such as China, Brazil and India. These players will become much stricter opponents of the current leading economies – the US and the EU. For example, in normal times China's influence in the equity market has risen to a level close to that of the United States, although the relative impact of the United States became stronger in crisis periods. Nonetheless, China's bond market remains a negligible player. China's role may be interpreted as a "regional pull" factor, while that of the United States remains a key "global push" factor (Shu, Chang et al, 2018; Zakaria, 2017).

As part of geographic changes, we can expect other previously developing countries to succeed, especially South Korea and Malaysia, with the volume of globally tradeable goods set to grow. This is related to the emergence of a homogeneous middle class of professionals in Asia and Latin America. Concerning communication, we can see the onset of the post-modern culture, which is open and typically global. On the other hand, it is necessary to realize that global trends also cause negative impacts on society. For example, these impacts include an uncontrollable movement of financial capital, which is several times higher than the volume of tradeable goods. (Kenesel & Stier, 2017; Crossman & Noma, 2013) This poses a risk of economic turmoil and collapse for the entire society. In sociology, there is a model of individuals who pursue their own benefit, although their behaviour is influenced by the environment in the form of sanctions and regulators (Prudký et al, 2009). We cannot simply evaluate global approaches as only positive or only negative. An important role is played by communication, which is the basic means of formulating the attitudes and values of humans. At present, communication evolves according to the tendencies of information and communication technologies, which is related to a number of changes in the value approach of people in modern global society. To assess the specific state of society and its functioning in terms of communication, it is recommended to formulate or identify “cultural standards”. Cultural standards can be defined by five characters: (Nový, Schroll, Machl, 2005)

1. Cultural standards are ways of perception, assessment, and behaviour that most members of a particular culture regard as usual, normal, typical, and socially binding for themselves and for others.
2. The actual behaviour and the behaviour of others are determined and judged by these cultural standards.
3. Cultural standards have a regulatory function in a wide range of situations and in dealing with different people.
4. An individual and group-specific way of using cultural standards to regulate behaviour can vary within certain tolerance limits.
5. Behaviour that is beyond these limits is rejected and punished by the social environment.

For cultural standards, it is above all about understanding behaviour, reacting in certain situations, especially assessing the causes of the impacts of complex actions. Cultural standards are identified using the method of asking the largest possible number of people with experience from different encounters (e.g. from study exchange programs). It should be added that the results of the examination of cultural standards are specific to a particular area of activity. They are the result of a specific process of creation that occurs at a certain time and space. However, clarified cultural standards are always only a part of all potential cultural standards typical of interactions between cultures in a given country. In the context of intercultural communication, attention is often drawn to the importance of the partner's language. It is likely that most people are convinced that if they command the language of a foreign cultural partner, they will understand him and be able to successfully communicate. In addition, everything is usually narrowed into verbal communication. But the reality is different. There are many cases where intercultural partners speak a third language (not their native language), such as English, and still do not understand the target message, leading to serious disagreement and communication clash. This is typical e.g. in politics or in the economic interests of the communicating parties. For the assessment of the relationship between intercultural entities, it is important to address intercultural cooperation. The theory

of interdependence according to Kelley and Thibaut (1978) assumes that individual behaviour is partly or wholly determined by the actions of other persons or groups, and so is the way in which individual persons change and interpret social situations (Nový, Schroll, Machl, 2005). Hofstede (2006) states that the majority of humanity lives in societies where the interest of the group prevails over the interest of the individual. In these collectivist societies this means that an individual is to a large extent identified with the group in which he/she lives, most often with his/her family. Intercultural learning and education significantly contribute to the above. The processes of intercultural learning and adaptation, which often happen unwittingly, are summarized under the term “acculturation”. Berry (1997) distinguishes five groups of people who come into contact with a foreign culture:

1. Visitor – voluntarily enters a foreign cultural environment but does not settle down in it.
2. Separation – one’s own culture is seen positively, but foreign culture is not. Most of these relationships lead to social isolation from the members of the foreign the culture.
3. Assimilation – the ability to put aside one’s own culture and adopt foreign culture by accepting its values and standards.
4. Integration – the effort to combine both cultures, creating a cultural mosaic that is based on unity.
5. Marginalization – characterizes general and local isolation. These groups are interlinked with fear, loneliness, and loss of identity.

It is necessary to add that open, multicultural societies respect foreigners and offer them integration or assimilation; by contrast, closed and xenophobic societies offer separation. Intercultural learning is becoming a very important part of modern society. It is based on the understanding and perception of a situation offer with positive consequences rather than a simple comparison with criticism of the weaknesses of the foreign culture. This is a very important process in education and learning about foreign cultures. As far as language competence in intercultural cooperation is concerned, there is much scope for misunderstanding or time lag in understanding the message. In interpersonal communication, language is key to understanding foreign cultures. The written and spoken communication makes it possible to assess the idea and the essence of the intercultural relationship in a timely manner. Ting-Toomey (1999) distinguishes three essential features of language:

- Arbitrariness – is given by its phonemic and graphic form. Sounds and writing can evoke strong emotional ties and provide individuals with a feeling of security in a foreign environment.
- Multi-layered rules – govern the language, developed by members of a specific language community.
- Language community – the formation of one’s own identity associated with the naming of items, relationships and feelings.

It can be said that no two languages are ever similar to the point that they can be said to represent the same social reality. Language can shape our patterns of thinking, but it does not determine them (Steinfatt, T., 1989).

## **2. The material and methodology**

The main methods used in approaching this subject were structured analysis and simple description of facts, as well as synthesis, logic and deduction methods to identify and formulate the impacts of global communication on the formation of relations of the young generation (foreign and domestic students at a Czech university) affecting their behaviour in a post-modern society. The topic is organized according to the logic of facts and the deduction of the results from analyses of scientific texts into a completely unique unit, which identifies the basic impacts of contemporary communication in a global environment on the coexistence of a young generation coming from different cultures.

## **3. The results and discussion**

According to W. Welsch, the term interculturality is based on the traditional notion that cultures are sort of islands, strictly limited and separate entities that can ignore and underestimate each other, fight against each other, or, conversely, try to understand each other, exchange values, models, ways of acting and living. The concept of interculturality looks for ways of coexistence of these different cultures and the way of communication between them. However, recognizing and respecting foreign cultural phenomena, creating a platform for dialogue, requires intercultural education. For the actual assessment of the relationship between intercultural entities, it is important to address the question of intercultural cooperation (Kelley, Thibaut, 1978). This is also very relevant in the Czech Republic. The number of foreigners living on our territory is steadily rising. In 1993, there were nearly 78,000 legal foreigners in the Czech Republic; according to data from the Ministry of the Interior of the Czech Republic, the number rose to over 900,000 foreigners in 2017. The new immigration situation in our country and the fact that a part of the foreigners have long-term or permanent residence in the Czech Republic forced the Czech society in the late 1990s to address the issues related to the legal status of foreigners, and to create concrete conditions for their integration. Despite these consequences of globalization, which are accelerating, it is surprising that people can overcome linguistic barriers; however, it is not enough for common goals and coexistence in mutual co-operation. Differences of other cultures, which are reflected in mutual communication, simply do not go away, but often they appear to be much stronger than the original culture could allow (Nový, I., Schroll-Machl, S., 2005).

### **3.1 The role of upbringing and education in intercultural communication**

In today's modern society, where there are large knowledge disparities, education is one of the key drivers of its development. Although previously education was seen only as a matter of scientific and academic community, today it is seen as a systemic aspect that permeates across the entire functioning system of society. However, the education system is subordinated to external factors of the consumer society and becomes very superficial, which leads to differences in the level of knowledge of the graduates of educational institutions. This is evidenced by the fact that a number of contemporary reforms of the education system in European countries lead to non-valuable forms of knowledge based only on superficial and short-term competencies completely alienated from the traditional idea of education (Roubal, 2013). Even in the Czech Republic, this issue is part of extensive professional and layman

debates. Expert opinions are ambiguous and there is a considerable fragmentation of views on the education system of the Czech Republic. Most opinions are based on empirical surveys of the student population, both at secondary schools and universities. A number of sociologists (Comte, Durkheim, Bell) come up with a certain conceptual view of education by not considering education as an important factor in the individual development of people, but rather as a prerequisite for a positive mental reproduction of society. Borden (2007) states that education with different cultures can provide a type of consistent, profound and meaningful contact that leads to a lower level of ethnocentrism. The education process generally creates promising conditions for non-conflictual communication in intercultural disparities. This is reinforced by digitization of the educational process in conjunction with conventional teaching provided by academic educators. According to Pilar Mur-Duenas (2018), professional communication within the academia appears to be turning to new and changing ways of communication through the Internet, and online journals specifically seem to be capitalizing on this to make scholars' research more prominent and gain greater e-visibility. Scholarly digital discursive practices to create, communicate and disseminate knowledge should, therefore, be further explored. Academic digital genres developing also within academic journal websites (e.g. the Video VSI Introductions, the Video Abstract, among others) call for further analysis. In this endeavour, the combination of CMDA and Genre Analysis taking a rhetorical, interpersonal perspective on digital academic discourse has proven to be effective. Gierke et al (2018) deals with intercultural competencies, which are crucial for communication between different entities. Intercultural competence (IC) is an important skill to be gained from higher education. However, it remains unclear what IC means to students and what factors might influence their definitions of IC (Gierke et al, 2018).

### 3.2 Intercultural communication in the academic environment of the Czech Republic

At present, the number of foreign students at Czech higher education institutions is growing strongly. The countries they come from are diverse given their history, demographic and value development, culture, behaviour and faith. The openness of the academic environment presents a wide range of social, communication and affective issues for foreign students. They can result in a particular auto-aggression, which significantly influences the social environment of each higher education institution, and which results in a particular disparate study group lacking team-work and thus creativity. That is why, in 2014 and in 2017, quantitative and qualitative pilot surveys were carried out, which investigated the intercultural relations between foreign and domestic students at the University of Finance and Administration in Prague. The research aimed to examine adaptability processes, compromises or conflicts of foreign students in connection with their value preferences and value structure. The results of the survey are shown in Tables 1 and 2.

*Table 1: Perception of foreign students by Czech students in %*

	2014	2017
Closed, noncommunicating, indifferent	23	25
Open, communicative, interested in our culture are friendly	29	28
Loyal, they will not even hurt	46	45
Enemies, they do not like us, we are a problem for them in the study	2	2

*Source: own research*

Intercultural relations between Czech and foreign students are loyal, rather open and communicative. Nevertheless, many students think that the relationships are closed and non-communicative (23%) and indifferent (25%).

Table 2: Evaluation of the communication environment in the Czech Republic by foreign students in %

	2014	2017
Likewise, as if I were studying in any other country, I do not see big differences	30	32
He is free to use his potential and our culture	50	48
Due to the language barrier is quite indifferent, nobody does not help foreign students	7	9
It is totally different, indifferent to foreign culture	13	11

Source: own research

Most students assess the communication environment of the Czech Republic positively. The results therefore show that the academic environment in the Czech Republic is comparable to that in other countries, and this may be the reason why foreign students want to study here.

## 4. Conclusion

Globalization is being constantly accelerated through the digitization of communication. This combines IT systems that support consumption and exert pressure on the entire population by inducing concerns about individuals and society. Conflicts in the contemporary intercultural society are not due to differences in civilization aspects but result from different factors associated with social, economic and cultural poverty and the lack of sufficient educational attainment. Post-modern society is connected through increasingly advanced IT technologies and it is up to the young generation to what extent they are willing and able to adopt cultural and social heritage in order to create a non-conflictual and creative communication environment. There is an undeniable role of the educational system, in which significant historical social legacy must not be forgotten. The Czech society appears to be rather closed and indifferent to members of other cultures. It is unable to feel more empathy towards foreign cultures and customs. Perhaps this is due to historical experience, when Czechs were under the rule of more powerful entities. Nevertheless, the Czech academic environment is comparable to that in other advanced countries and is particularly sought after by students from the eastern part of Europe and Asia, which is reflected in increased interest of these students in studying at Czech higher education institutions.

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## BUSINESS ENTERPRISES AND GENERATORS OF THEIR VALUE

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**Abstract.** Businesses are the driving force of economies in today's globalized world, especially in developing countries. These companies associate buyers with sellers, but do not participate directly in the ownership or storage of goods, they make revenues through commissions. Globally, the goal of any business is to increase the value of an enterprise. To determine the value of the business, traditional financial analysis proved to be inadequate. The need for application and use of new indicators that more accurately measure the efficiency of both the processes and the elements that generate the value caused great interest in the so-called value generators. Value generators refer to activities and capabilities that increase profitability, reduce risk, and promote growth in the company. This paper aims to identify generators of the value of an average business enterprise in the Czech Republic. The assumption is that we measure the value of an enterprise using the EVA equity indicator. The data set contains the complete financial statements of the Czech companies for the year 2016. EVA equity is calculated for each enterprise. For statistical analysis, the software Statistica and artificial neural networks are used. A total number of 1,000 neural networks are generated, five of them showing the best characteristics, are preserved. The result is the neural network that predicts EVA equity based on input data from which we are able to derive the probable EVA equity value. The most important variables are identified which most influence the value of the average business enterprise in the Czech Republic.

**Keywords:** value generators, business enterprises, artificial neural networks, EVA equity

**JEL Classification:** G32, C45, M21

### 1. Introduction

Smékalová (2012) states that at the current time in economic theory, the view is that the goal of the business is to grow the value of an enterprise which depends on its ability to generate future returns. In practice this means that it depends on the originality and quality of the product offered, the market position, the innovation capabilities of the employees, the effective use of available resources, new investment opportunities, etc. Vochozka and Rowland (2015) state that the traditional financial analysis has proven to be an inadequate tool that lacks interdependence between individual indicators and has limited reporting ability. For this reason, the concept of value management has triggered the need for application and use of new indicators that more accurately measure the efficiency of the processes and elements (enterprises) through which the value is generated. These new



approaches and methods - value generators - are referred to as value drivers (Vochozka and Machová, 2017). The term value drivers have appeared for the first time in US literature in connection with the shareholder value concept. According to Firk et al. (2013), this term is a set of key business-economic indicators, which in their totality determine the value of the business. Vítková et al. (2017) also define generators of value as factors contributing to value creation in the market valuation of the company. Furthermore, they add that their knowledge is necessary for stakeholders to determine the so-called future and current internal values (real values) of shares. Strnadová et al. (2013) state that value drivers reflect the environment in which business entities move and can measure the performance of the company and the value of its corporate strategy. For this reason, they should be paid close attention to and should be carefully Generators of enterprise value are concerned by a number of authors. For example, Hall (2016) determines the variables that make up the company's value. It focuses on different categories of companies and industries. Similar research is carried out by Kuzey et al. (2014), who examine the impact of financial indicators on the value of a multinational company. They focus primarily on leverage, liquidity, profitability or company size (measured by the natural logarithm of assets). The key business areas that need to be focused for achieving the ideal business value are identified by Vidgen et al. (2017). Panaretou (2014) offers a slightly different view, which assesses the impact of corporate activities on risk management on the value of the business. It uses a sample of large UK non-financial firms. The fact that business value generators can be found based on EVA is documented in particular by Altaf (2016), Bluszcz et al. (2015), and Šalaga et al. (2015). Value generators will be assessed in this paper in connection with business enterprises. However, each branch of the national economy has its own specificities that need to be defined. Business companies are enterprises that work with different types of products that are sold for the needs of consumers, businesses or governments. Business companies buy a wide range of products, keep a store or shop and deliver products to customers (Dyhdalewicz, 2017). According to Doganay and Kocsoy (2011), business companies are the driving force of economies, especially in developing countries. These companies are able to link buyers and sellers, but do not participate in the ownership or storage of goods and earn revenue through sales commissions.

## 2. Data and Methods

The data for the analysis will come from the Albertina database of Bisnode. These will be business enterprises that operated on the Czech market in 2016. In total, the dataset will contain records of 22,212 businesses. The dates of their complete financial statements (except attachments) will be available. Therefore, data from balance sheets, profit and loss statements and cash flow statements will be used. The data will be organized into a Microsoft Excel spreadsheet, where each company will be listed in the rows and the columns will contain the information from the financial statements. The next step will be to calculate the EVA Equity of each enterprise in the year in which it is on the market. This assumes first the calculation of the weighted average cost of capital (Neumaierová and Neumaier, 2008):

$$WACC = r_f + r_{LA} + r_{entrepreneurship} + r_{FinStab} \quad (1)$$

Where: WACC = Weighted Average Cost of Capital,

$r_f$  = risk-free yield,

$r_{LA}$  = function of indicators characterizing enterprise size

$r_{entrepreneurship}$  = function of indicators that characterize the creation of production power,

$r_{FinStab}$  = function of indicators characterizing the relationship between the property of the enterprise and the sources of its coverage.

Next, we need to determine the value of the alternative cost of equity (Neumaierová and Neumaier, 2008):

$$r_e = \frac{WACC * \frac{UZ}{A} - (1-d) * \frac{U}{BU+O} * \left( \frac{UZ}{A} * \frac{VK}{A} \right)}{\frac{VK}{A}} \quad (2)$$

Where:  $r_e$  = Rate of equity,

WACC = Weighted Average Cost of Capital,

UZ = money resources (equity and interest-bearing foreign capital),

A = Assets,

VK = equity,

BU = bank loans,

O = bonds,

$\frac{U}{BU+O}$  = interest rate. It may also be denoted by i (interest), d = rate of income tax.

EVA Equity will then be derived from the relationship (Neumaierová and Neumaier, 2008):

$$EVA\ Equity = (ROE - r_e) * VK \quad (3)$$

Where:

ROE = Return on Equity.

Afterwards, we will import the spreadsheet into DELL's Statistica software version 12. We will try to find to which extent the EVA Equity indicator is dependent on the sub-items of the financial statement. For this we will use the tool Data Mining, Automated Neural Networks (ANN). Within the analysis, a regression analysis will be applied. We will designate EVA Equity as the dependent variable. The choice of variables was made with respect to the business management theory of production factors (Wöhe and Kislingerová, 2007). Most input variables refer to fixed assets, material, management and performance work. In addition, the selection will reflect the way the company is financed. The selection will be narrowed down on the basis of a correlation analysis that determines the items that interact and can not be repeated in the calculation. The data set will be further divided into three sets - training (in this group will be 70% of the input data, based on this set we generate the neural structures), testing (15% of input data will in this group, this group serves to verify the reliability of the found neural structure) and validation (here again 15% of the input data will be used and also, same as the testing set, this set serves to verify the reliability of the generated network). We will generate a total of 1,000 neural networks. Of those we will

preserve 5 which are showcasing the best characteristics<sup>1</sup>. We will use two types of neural networks, namely Multilayer Perceptron Networks (MLP) and Basic Radial Function Networks (RBF). In the hidden layer, MLP networks will have at least 5 neurons, at most 30. In the case of the Basic Radial Function, there will be at least 20 neurons in the hidden layer, at most 30. For MLP networks we will consider these distribution functions in the hidden layer and in the output layer: Linear, Logistic, Atanh, Exponential, Sinus. The result of this analysis will be neural networks that will predict the value of EVA Equity based on input data. The resulting model will take into account only those variables that will have a real effect on the value of EVA Equity. We choose the preserved neural network that describes the relationship as accurately as possible (ie with the best performance in the training, testing and validation data set, minimum error in each set of data and clear economic interpretation). Very interesting will be the value of neurons at the input of the selected network. Next, we perform a sensitivity analysis to determine which variables enter the calculation and which also significantly affect the result. Sensitivity analysis will result in value generators.

### 3. Results

After the deletion of companies (lines) for which EVA Equity has not been calculated (due to missing or zero values relevant to the calculation), this is the total number of 21,181 enterprises and their financial statements, which were further counted. On the basis of the established methodology, the independent variables that were included in the calculation (based on the correlation and the economic interpretation) were determined. Therefore, the following items of financial statements have been included in the calculation: long-term receivables, short-term receivables, receivables from trade, fixed financial assets, short-term financial assets, material and energy consumption, performance consumption, value added, trade margin, performances, yield interests, personnel expenses, depreciation of intangible and tangible fixed assets, other operating income, profit or loss for ordinary activities, financial result. The five best preserved generated networks are shown in Table 1.

Table 1: Preserved neural structures

Network name	Training perform.	Testing perform	Validation perform.	Training error	Testing error	Valid. error	Training algorithm	Error funct.	Activation of hidd.	Output activ.
MLP 15-9-1	0.857787	0.866982	0.957072	2.250002E+17	1.663179E+17	4.037871E+17	BFGS (Quasi-wton) 15	Sum of sq.	Identity	Logistic
MLP 15-5-1	0.857963	0.865395	0.957306	2.249973E+17	1.698161E+17	4.052377E+17	BFGS (Quasi-Newton) 15	Sum of sq.	Identity	Logistic
MLP 15-13-1	0.858988	0.867333	0.956367	2.250062E+17	1.641657E+17	3.895617E+17	BFGS (Quasi-Newton) 16	Sum of sq.	Identity	Logistic

<sup>1</sup>We will orientate ourselves using the smallest square method. We will terminate network generation if there is no improvement, ie to reduce the value of the sum of squares. Thus, we will preserve those neural structures whose sum of squares of residues compared to actual gold development will be as low as possible (ideally zero).

MLP 15-27-1	0.890021	0.884605	0.963540	1.693473E+17	1.310862E+17	6.412442E+17	BFGS (Quasi-Newton) 43	Sum of sq.	Sinus	Tanh
MLP 15-16-1	0.854487	0.866848	0.954833	2.269235E+17	1.492964E+17	4.758024E+17	BFGS (Quasi-Newton) 12	Sum of sq.	Identity	Logistic

Source: Authors.

At first glance, it is clear from the table that all preserved neural structures are MLP networks. They have the best characteristics. For all of these networks, Quasi-Newton was used as the training algorithm, but each time in a different variant (except preserved networks 1 and 2, in which the training algorithm was identical). The smallest squares method was used as the error function for all networks. For activating the hidden layer, the Identity function is used in four cases, the fourth preserved network uses the Sinus function. It is a similar case with the output activation functions - the Logistic function was used in four networks, and the Hyperbolic tangent (Tanh) function was used for the fourth preserved network. The number of neurons in the first layer is identical for all preserved networks - 15 neurons. As for the hidden layer, the situation is different now. In the case of the first network, it is 9 neurons, the second network has 5, in the third network has 13, the fourth network 27 and the fifth network 16. If all the networks are represented by the same variables, we can without difficulty and with relatively high precision identify the generators of value of business enterprises. Table 2 indicates the relevance of generated and preserved networks.

Table 2: Performance of generated networks

Neural network	Training	Testing	Validation
MLP 15-9-1	0.857787	0.866982	0.957072
MLP 15-5-1	0.857963	0.865395	0.957306
MLP 15-13-1	0.858988	0.867333	0.956367
MLP 15-27-1	0.890021	0.884605	0.963540
MLP 15-16-1	0.854487	0.866848	0.954833

Source: Authors.

Relevance is monitored by the performance of individual networks, with all three data sets (training, testing, and validation). We are optimally looking for the highest performance value, a correlation coefficient, and the same value for all data sets. At first glance, we see that the highest performance in all data sets is reached by the fourth preserved network, MLP 15-27-1. All networks are very in performance similar, though. The relatively high value of the coefficients in the validation data set is surprising. Testing, training and validation performance values are not bad, but the problem is that the values in all three sets of data should best be equal. However, the training and testing performance is visibly lower than the training group of data. For a better estimate of the correct result, the predictive parameters of the individual networks are presented (Table 3).

Table 3: Prediction parameters

Prediction parameter	1.MLP 15-9-1	2.MLP 15-5-1	3.MLP 15-13-1	4.MLP 15-27-1	5.MLP 15-16-1
Minimum prediction (Training)	-2.89E+10	-2.89E+10	-2.89E+10	-2.96E+10	-2.89E+10
Maximum prediction (Training)	2.64E+08	2.75E+08	2.48E+08	4.30E+08	2.15E+08

Minimum prediction (Testing)	-1.12E+10	-1.10E+10	-1.11E+10	-1.65E+10	-1.41E+10
Maximum prediction (Testing)	5.95E+08	6.10E+08	5.74E+08	1.35E+08	6.03E+08
Minimum prediction (Validation)	-2.16E+10	-2.16E+10	-2.21E+10	-1.59E+10	-1.96E+10
Maximum prediction (Validation)	1.38E+08	1.47E+08	1.34E+08	6.32E+08	1.11E+08
Minimum residue (Training)	-1.03E+10	-1.03E+10	-1.03E+10	-1.06E+10	-1.03E+10
Maximum residue (Training)	1.66E+10	1.66E+10	1.66E+10	4.69E+09	1.65E+10
Minimum residue (Testing)	-5.63E+09	-5.84E+09	-5.74E+09	-7.39E+09	-4.20E+09
Maximum residue (Testing)	4.25E+09	4.18E+09	4.25E+09	1.44E+09	4.85E+09
Minimum residue (Validation)	-1.70E+10	-1.71E+10	-1.66E+10	-2.28E+10	-1.90E+10
Maximum residue (Validation)	1.48E+09	1.49E+09	1.74E+09	1.16E+09	1.17E+09
Minimum standard residue (Training)	-2.17E+01	-2.16E+01	-2.16E+01	-2.57E+01	-2.16E+01
Maximum standard residue (Training)	3.50E+01	3.50E+01	3.50E+01	1.14E+01	3.47E+01
Minimum standard residue (Testing)	-1.38E+01	-1.42E+01	-1.42E+01	-2.04E+01	-1.09E+01
Maximum standard residue (Testing)	1.04E+01	1.02E+01	1.05E+01	3.98E+00	1.26E+01
Minimum standard residue (Validation)	-2.68E+01	-2.68E+01	-2.66E+01	-2.85E+01	-2.76E+01
Maximum standard residue (Validation)	2.32E+00	2.34E+00	2.78E+00	1.44E+00	1.70E+00
Maximum prediction (Training)	-2.89E+10	-2.89E+10	-2.89E+10	-2.96E+10	-2.89E+10

Source: Authors.

The table shows that the prediction is quite different, albeit not diametrically. This is evidenced by the extreme predictive values but also the extreme residue values. As already indicated in the methodology of this contribution, a sensitivity analysis was also undergone (see Table 4).

Table 4: Sensitivity analysis

Indicator	1. MLP 15-9-1	2. MLP 15-5-1	3. MLP 15-13-1	4. MLP 15-27-1	5. MLP 15-16-1	Average
Short-term receivables	2.636157	2.642347	2.655764	2.548195	2.541282	2.604749
Depreciation of intang. and tang. fixed assets	2.096654	2.124092	2.114046	2.614731	1.953811	2.180667
Personnel expenses	1.597875	1.597514	1.591903	1.827555	1.560064	1.634982
Trade margin	1.416656	1.392885	1.438826	1.715547	1.307385	1.454260
Value added	1.334123	1.353536	1.378382	1.508750	1.155038	1.345966
Yield interests	1.194187	1.192880	1.186512	1.121072	1.165561	1.172042
Short-term financial assets	1.097343	1.100975	1.091690	1.150095	1.102036	1.108428
Material and energy consumption	1.145240	1.151663	1.144744	0.962520	1.112045	1.103242
Performances	1.064652	1.067109	1.065583	1.171153	1.089056	1.091511
Performance consumption	1.011041	1.015712	1.033719	1.335271	1.019192	1.082987
Trade receivables	1.054663	1.055535	1.051136	1.170966	1.051498	1.076760
Long-term receivables	1.012369	1.013310	1.016698	1.121083	1.014432	1.035578
Financial result	0.997663	0.997831	0.999037	1.028065	0.991405	1.002800
Other operating income	1.003299	1.003423	1.002928	0.995811	1.004156	1.001923
Profit or loss for ordinary activities	0.974253	0.970759	0.977654	0.908357	0.964053	0.959015

Source: Authors.

The sensitivity analysis shows that the same variables have been included in the calculation in all cases. Although the order of significance varies between the preserved networks, the difference is not very significant. In the first place, there are short-term

receivables, then depreciation of long-term intangible and tangible assets, personnel expenses, trade margin, value added. Furthermore, there are yield interests, short-term financial assets, material and energy consumption, performance, performance consumption, trade receivables, long-term receivables, financial result, other operating income and profit or loss for ordinary activities, in that order. Although these variables influence the value of a business enterprise, they are not very large, let's say smaller than the first five items. As the main value generator, all preserved networks, except the fourth one, chose the item of short-term receivables. The first preserved network MLP 15-9-1 has also chosen depreciation of intangible and tangible fixed assets and personnel expenses as generators. The second preserved network MLP 15-5-1 chose the same item of depreciation of intangible and tangible fixed assets and personnel expenses. The third MLP 15-13-1 network, as well as the previous two networks, ranked the depreciation as second and personnel expenses as third. The fourth preserved network MLP 15-27-1 was different from the others and identified depreciation as the main generator of the value of the business enterprises, it then ranked short-term receivables as second, and personnel expenses as third. The fifth preserved network MLP 15-16-1 copied the established trend and, along with other networks (excluding the 4<sup>th</sup> one), considers depreciation as the second main generator of the enterprise's value, and the third place is yet again occupied by personnel expenses.

#### 4. Conclusion

The aim of this article was to identify generators of value of business enterprises operating in the Czech Republic in 2016. An adequate methodology was developed and value generators were identified. A total of 15 variables were selected that mainly enter the value generation process we measure with the EVA Equity indicator. The following variables were identified as the most significant items: short-term receivables, depreciation of intangible and tangible fixed assets and personnel expenses. A business enterprise operating in the Czech Republic should focus primarily on these three items of financial statements, not forgetting other selected items that are also involved in generating the value of the business. It is necessary to deal with receivables, to reduce hard-to-recover receivables, and also to pay attention to depreciation and personnel expenses. These items should be optimized. The aim of the paper was therefore fulfilled. The potential of the results is important, and can be followed by further research. It is now appropriate to identify the impact of individual variables on EVA equity and, at the same time, the relationship of these variables to EVA equity. In the next step, the appropriate indicators will be decomposed and integrated into the tactical and operational objectives of the company. The strategic goal is clear - it is the growth of value for shareholders. Certainly, it would also be appropriate to carry out a residue analysis that will determine the most one appropriate of the preserved networks.

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## ROLE OF SMALL INNOVATIVE BUSINESS IN GLOBAL ECONOMY

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**Abstract.** Participation in the processes of globalization for any country requires the use of new tools and directions for doing business, participating in global outsourcing. This problem is urgent for developing countries, including the Russian economy. Crises in the global economy do not improve Russian position in the global competitiveness rankings, including in their innovative component. The reason for this is the lack of an adequate mechanism to stimulate small innovative entrepreneurship that can solve the problems of integrating the national economy into a global space. The purpose of the article is to develop an effective mechanism to stimulate small innovative entrepreneurship in Russia, taking into account the specifics of the formation of a national innovation system. The tendencies of changing the role of subjects of small innovative entrepreneurship in the developed countries of the world are estimated. Evaluation of foreign experience in stimulating small innovative entrepreneurship showed that state support of innovative business entities in developed countries is mainly based on the cluster form of organizing the innovation process and actively stimulating the cooperation of large, medium-sized and small businesses. Taking into account the specifics of the formation of the Russian innovation system and the experience of developed countries, the authors developed a mechanism to stimulate small innovative entrepreneurship based on the formation of a system of information support for small businesses, the use of new methods of cooperation in the scientific community, financing innovative projects and improving the mechanisms of public-private partnership.

**Keywords:** globalization, innovation, innovative business, integration, cooperation.

**JEL Classification:** F01, F69, M20

### 1. Introduction

Rapid process of global economy creation involves different aspects of life – environment, economy, security, politics, culture, business and others. There is a global distribution of labor, the transition from simple digital technology and technical skills to intellectual innovation, the replacement of labor knowledge, intellectual capital. Countries generate, involve and develop advanced creative technical ideas and breakthrough innovations together, create new products and services, new business-styles and business-models. Integration

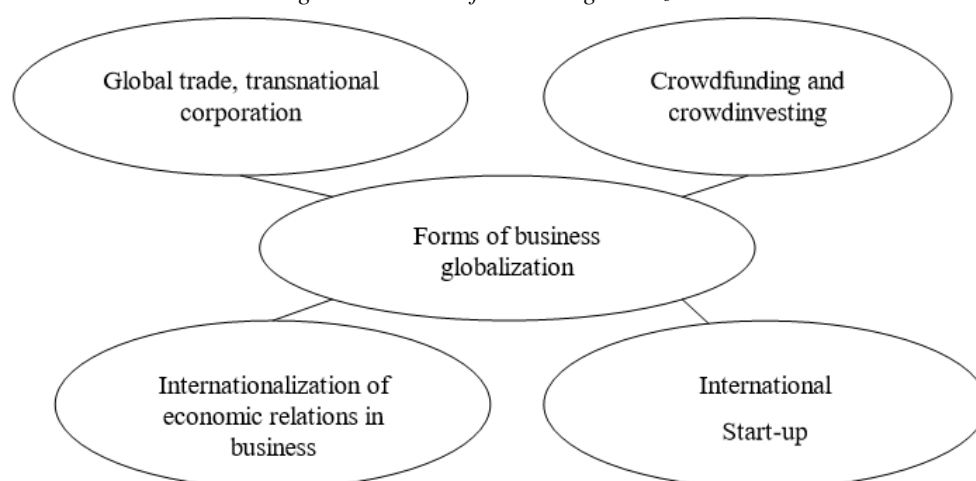


process in the world economy has reached a very high level of communication with different countries, that today, we can present global economy as a priority phenomenon with its own regularity, tendencies, functioning and development mechanisms. The consequence of globalization is a formation and development of global business, trade, international investments, global market. Globalization performs as an object of serious researches in western and Russian social-economical idea. Significant contribution in production of globalization theory made the work of such authors: J. R. Mendl, Paul K. Hirst, Graham Thompson, John Micklethwait, Adrian Wooldridge, William Gay, A. Asherov and others. In broad terms globalization is an intensification of economic, political, social and cultural connections threw the borders (Hirst & Thompson, 1999), (Berger & Huntington, 2002), (Lerner et al., 2017). The intensity of integration processes makes the economies of countries connected with each other. In this regard, roles of the innovative business, trade and international investments appear more relevant.

## 2. Researchs and methods

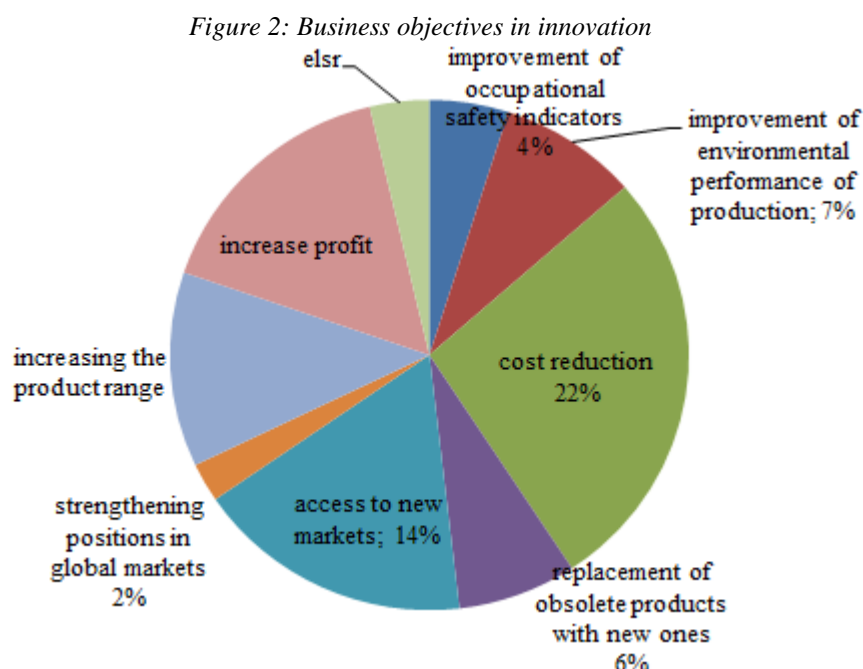
Small innovative business plays an important role in formation of globalization process. The export of business capital is more intense than the growth of production and foreign trade and as a consequence it is a leading role in the internationalization and globalization of economic life of countries. Globalization processes determine the development of global interdependence of countries and economic entities (Cheremukhin et al., 2017). Nowadays, globalization of business manifests in different forms. The most common form is a multinational company; it accounts for about 50% of the world's industrial production. Today, crowdfunding, crowdinvesting and international startups are actively gaining momentum as a market for alternative financing and attracting foreign capital (Acharya & Steffen, 2015).

Figure 1: Forms of business globalization



Necessity of small innovative business development is persuaded not only by specific modern problems, but and common economical tendencies. Small innovative business is a necessary factor of globalization, its efficiency can influence on effectiveness process in global economic (Falk et al., 2018). In many developing countries, including Russia, the potential of small businesses in the innovation sector is partially realized or not used at all. This business remains a simple collection of small businesses, each of which provides innovative services or produces any innovative products (Tintelnot, 2017). Innovative activity

of small business is a separate structure of business processes, a separate object of management, which includes capital management of financial, labor and other resources. Currently, in many countries, the business expects from innovation, rather, achieving tactical success than the magnitude of the task of production and entering new markets.



Source: compiled by the author on the basis of GII - 2017 data— «Innovation feeds the world »

To assess the place and role of small business in the country's economy, one of the main indicators is its share in gross domestic product (GDP), the share of small business in total employment, the share of small business in the total number of enterprises (GII, 2017).

Table 1: indicators of small business development in the economies of the world and Russia at the beginning of 2017

Country \ Indicator	The share of small business in GDP, %	The share of small business in general employment , %	The share of small business in general amount of enterprises, %
Usa	~50	~50	~90
European covenant	50-70	50-70	80-95
Japan	>50	>80	<90
China	< 40	~80	<90
South Korea	~50	>80	<80
Brazil	>60	~65	<80
India	<20	~65	<80
Russia	<20	<40	<30

Data: compiled by the author on the basis of GII - 2017 data— «Innovation feeds the world »

In developed and some developing countries, small and medium-sized enterprises generate about half of GDP and jobs. In other developing countries, their share of the economy is on average 33 per cent. In Russia, small business creates a fifth of GDP, they employ only a quarter of the population. While in China the share of small business in the total number of enterprises is more than 90%, in Russia it is not more than 40%. Leaders in all indicators are traditionally the United States and the EU, where small and medium – sized businesses operate from 50 to 70% of the employed population in China-80%. The contribution of small and medium-sized businesses in the US economy is about 50%. The world Bank predicts that

four out of five new jobs will be created by small and medium-sized enterprises in developing countries over the next 15 years. In each state, the innovative activity of business is formed under the influence of many objectively defined for the country factors, including its size, geographical location, availability of natural resources, especially the historical development of the state and forms of business (Kalantsis, 2015). The report of the European Commission "The World in 2025" made a forecast, according to which "while maintaining current trends by 2025, the US and European countries will lose scientific, technical and technological leadership, losing it to Asian countries." In particular, the United States and European countries will lose leadership in such indicators as investment in R & d - the share of China and India in total world investment will be 20%. To date, China has already ranked second in terms of investment in R & d. In addition to adverse trends in education and patent registration, private sector R & d expenditures are a weak link in the long chain of elements that contribute to innovation in Europe (Mandle, 2003). European countries, the United States, Japan and China have allocated a comparable share of GDP to R & d budgets, but there are huge differences in private sector R & d expenditures. The fact that Google spends 70% more on R & d in the field of information and communication technologies than all EU countries gives an idea of the value of private sector costs in the US. In some cases, public financial assistance to small enterprises is useful through financial intermediaries, which facilitate the selection of the most innovative enterprises for investment. The chronic disease of the European economy is the lack of effective, well-informed intermediaries and investors (Marchenko, 2017). Finally, the EU's innovation policy is still not sufficiently focused on the service sector, which accounts for approximately 70% of the EU's economy. In recent years, South Korea has built an innovative ecosystem with a high share of high-tech sectors and small businesses. South Korea's economy is growing at an average of 8.6% per year. In many ways, this growth is facilitated by the state policy to support small and medium-sized businesses. The state pulls out innovative companies and provides them with support at all levels, from domestic benefits and subsidies to entering international markets (Metrick & Yasuda, 2010). Thanks to these two features, the country has made a breakthrough and completely renewed its economy in a short period of time. Russia and South Korea are similar in a number of introductory areas: strong centralization, the dominance of large companies in the economy, a low level of entrepreneurial culture and high prestige of academic education, a high level of paternalism, great hope for the state and the weak development of the venture capital market.

### **3. Results and discussions**

There is no doubt that a clear understanding of the internal and external challenges that have emerged today on the path of development, as well as the identification of opportunities and prospects for the formation of an effective innovation system is a topical issue for any country. Small innovative business could acquire a completely different scale with significant state support, but in many countries at present such support is insufficient and ineffective. Countries with developed scientific, technological and financial infrastructure capable of producing high-tech products have achieved the greatest success in this direction (Micklethwait & Wooldridge, 2000). In some developed countries (USA and EU) public-private partnership in innovation is implemented, direct and indirect methods of R & d support are used.

Other countries, such as Japan and China, having timely chosen the development of science and technology as a priority direction of economic reforms, have created a powerful scientific and intellectual potential that can consistently implement the chain "education-science - technology - industrial production", which is a necessary condition for the development of an effective national innovation system. Using the experience of competitive strategies of transnational corporations, as the main directions here you can use technology, management, and control of global markets with material and intellectual resources, the skilled workforce and research & development to create more competitive in world markets industries. It is important to improve the regulatory framework in the field of foreign investment (Pengfei Wang & Zhiwei, 2017). Particular attention should be paid to the use of the principles of non-discrimination and forms of investment promotion adopted in international practice. In the context of restrictive sanctions, it is particularly important to create a favorable climate for investment by foreign investors who can and want to invest in medicine, education, culture, innovation and science (Yakimtsov, 2017).

#### **4. Conclusion**

Summing up, it should be noted that the development of innovative activities of small businesses has the effect of strengthening the stability of the economies and their cooperation in the field of investment. Systematic partnership between leading global high-tech companies in the development of innovative products and services, the absence of barriers between researchers and developers contribute to the widespread and timely development of advanced innovative technologies, the use of full potential, GDP growth and global productivity (Yakimtsov, 2017). National innovation policies should take into account the experience of developed countries, while at the same time ensuring sustainable economic growth in combination with the growth of innovation costs of enterprises. The increase in such costs can be achieved through the use of various incentives actively used in some countries, for example, reduction of duties for inventors, exemption from a number of taxes in the implementation of innovation costs, support for small innovative businesses and others. Applying an increasing number of incentive measures and methods for the development of small and medium-sized businesses, the state maintains a focus on the improvement of this sector of the economy and its development. The priority of the States in stimulating innovation activities of small and medium-sized businesses should be the improvement of the infrastructure for the development of entrepreneurship, rather than direct financial investments in this area. Today, state regulation and support of business activities is not always carried out on a thorough and systematic basis. In order to give impetus to sustainable growth, entrepreneurship must be the subject of sound and sustainable government action, not only regulation but also support.

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## **PRACTICAL APPLICATION OF THE PROCESS OF EVALUATING THE SIGNIFICANCE OF A CHANGE AND RISK MANAGEMENT**

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**Abstract.** Contemporary approach to value transport based on a process approach determines safety as the overriding factor in assessing its proper functioning - a global approach to safety management. The goal of safety management is to eliminate, and if it is not possible, to limit the extent of damage that transport incidents can cause. Along with the development of this area, it is necessary to consider all possible actions that are applied after the incident (reactive activities) and those that are implemented preventively based on analysis of processes and risks (proactive activities) described in this paper. Increasingly, this analysis is also based on predictive actions that identify unlikely risks (most often a compilation of unlikely sources of risk) that cause catastrophic consequences. Risk management is one of the most important tools of modern systemic approach to process modelling (Sitarz, 2012). Generally, it may be described as a system of interrelated actions and decisions aimed at integration and coordination of processes in the organization, in cooperation with the external parties. The aim of management is therefore to improve the proficiency, effectiveness and efficiency of the operation and - in the case of risk management arising from the transport processes - to improve transport safety. The paper describes a proposal of a risk management method in transport that can be used globally together with an analysis of railway transport risk sources.

**Keywords:** transport, safety, risk, risk management

**JEL Classification:** L920

### **1. The genesis of the process of assessing the meaning of a change**

The condition of a full understanding of the purpose, the process of assessing the significance of a change, is to become familiar with the concept of safety culture in transport. This philosophy has long been widely used in the energy or air transport industry, reflected in the legal regulations that implement its components – e.g. the just culture (). In the context of local use, this concept was promoted by the President of the Polish Office of Rail Transport, who, basing on the available publications (Chruzik & Sitarz, 2014), initiated the safety culture competition in rail transport in 2016. The undertaking which is a platform for the exchange of best practices applied in the field of railway transport safety. The proactive system is based on risk management. The legal process for assessing the significance of a change included in Article 10 of the Safety Directive (Directive, 2004) is one of the key elements of safety management systems (SMS). This approach is continued in the new

'Railway Safety Directive' (Directive, 2016) - Article 9 para. 3 - also as one of the basic elements of SMS. These records introduced a new, innovative approach to safety management, which was based on risk management not only of the business activity, but also anticipation of the level of risk associated with the introduced changes. The next stage of development of this issue was to include it in the Common Safety Method in 2009. The regulation describing the processes of assessing the significance of change and risk management was changed in 2013, and the last amendment was introduced in 2015. The current version, on which this publication is based, is the Commission Implementing Regulation (EU) No. 402/2013 of 30 April 2013 on the common safety method for risk valuation and assessment and repealing Regulation (EC) No. 352/2009, as amended by Commission Implementing Regulation (EU) 2015/1136 of 13 July 2015 hereinafter referred to as Regulation EC 402 / 2013 (Regulation, 2013). Thanks to this approach, the railway market of all EU Member States gained a uniform method to assess the significance of the change, as well as the method for managing the risk associated with these changes. This enables (as part of SMS) proactive risk management.

## **2. Description of the process of assessing the meaning of a change**

The description of this process - the algorithm - has been presented in the diagram in the appendix to the EC Regulation 402/2013. In the presented process, two elements are overriding: independent evaluation, which will be described in the further part of the study, and relevant, mainly on account of safety, risk management. Since this is precisely thanks to appropriate responding to identified risks (especially at the early stages of the life cycle of a change) that the greatest benefits can be obtained in relation to the level of risk associated with the operation of the changed system. And so, the key stages of the process are: defining and describing the system, determining the impact on safety, assessment of the change in relation to the criteria of significance of the change, documenting and justifying the above. In the event that the change is considered significant, the following steps are needed: hazard identification, hazard classification, from the perspective of a substantially acceptable risk. In case its level is not acceptable: choosing and applying the appropriate risk acceptance principle, potential designation of safety measures, demonstration of their compliance with safety requirements. Only meeting these requirements allows us to say with a high degree of responsibility that the change will be implemented in a safe manner, and certainly well-thought by the applicant. A particularly important element of the process is the identification of hazards related to the conducted activity. This allows the applicant to make an informed risk assessment of identified risks and to implement corrective or preventive actions.

## **3. Criterion of substantially tolerable risk**

The process of assessing the significance of a change is not a new requirement in rail transport. It has been used since 2009, with various effects. However, the criterion of substantially acceptable risk introduced in 2015, it seems to be a major improvement of the process. Especially, if the applicant has already had experience in applying the process and a rich register of assessed risks. However, it has not been widely used in the railway industry so far. The process can be simplified to: identifying hazards, checking if these hazards have already been identified and are adequately controlled, proper treatment of "new" risks.

However, in order to be able to apply this approach in practice, EC Regulation 402/2013 requires the applicant to take responsibility by proving compliance with this criterion. Therefore, the authors of the publication propose the following principle of risk admission, presented in the following points:

1. Identification of risks resulting from the implementation of a significant change in accordance with the best knowledge and experience of the evaluation team members
2. Appropriate justification of the identified risks
3. Use of information, from the current hazard register, for risk assessment as „substantially acceptable”. If hazards that have already been identified in the hazard register are assessed at an acceptable level, this evaluation may categorize them as hazards with a substantially acceptable level of risk
4. The condition for such treatment of risks is the proper application of SMS/MMS procedures to current and cyclical risk management by the applicant
5. **The criterion required by point 2.2.3 of Annex I to Regulation EC 402/2013: the risk can be determined as generally acceptable only if the quantitative participation of previously unidentified risks does not exceed 20% of all risks**
6. If this criterion is met, all risks not yet identified shall be added to the applicant's hazard register and supervised in accordance with internal procedures. If the assessment is carried out at an early stage of the project and the assessment of the significance of the change is to be continued at further stages of the system life cycle, risks should be managed in accordance with the method contained in the EC Regulation 402/2013.

## 4. The application of the process in practice

The applicant of the process should ensure implementation of all elements mentioned in the process description - Chapter 3 The methodological approach is important for two reasons: the first (the one most often identified in practice) is the necessity to document the process appropriately for the needs of both the inspection body and safety supervision unit, e.g. the President of the Rail Transport Office. The second, most important, and often overlooked during daily current tasks, is to analyse new, possible risks related to the implementation of a new solution in the organization. While in organizations with a high management culture similar analytical processes are quite natural, in smaller organizations, such a process is often overlooked or conducted in a simplified way. As part of the evaluation of the correctness of the assessing the significance of the change process and risk management, a checklist prepared for this purpose can be used – Table 1.

### 4.1. Defining the system and assessing the meaning of a change

The system should be defined by focusing on its state "after change". As a rule, there are a number of documents that can be referred to, so that there is no need to duplicate the description of the existing facts. We begin to assess the significance of the change by identifying whether the change falls within the scope of legal requirements. After verifying whether the changes will be technical, operational or organizational, it is still necessary to verify compliance with the criterion M of the Common Safety Assessment Method in the area of conformity assessment (CSM-CA) (Regulation, 2010). This criterion treats changes a little



differently, paying attention to changes in equipment, procedures, organization, personnel or areas of cooperation. The next step is to verify the criteria for the significance of the changes described in Article 4:

- a. consequences of a failure: a credible worst-case scenario in the event of failure of the assessed system, considering the existence of safety barriers outside the assessed system;
- b. innovation used in the implementation of the change: this criterion includes innovations concerning both the entire railway sector and the organization introducing the change;
- c. complexity of the change;
- d. monitoring: inability to monitor the change introduced during the entire system life cycle and to perform appropriate interventions;
- e. reversibility of the change: inability to return to the system before the change;
- f. additionality: assessment of the significance of the change, considering all recent changes in the assessed system, which were related to safety and were not assessed as significant (Regulation, 2013).

Table 1: Independent assessment of the process by the inspection body

CRITERION	UNIT EVALUATION	EVIDENC E
<b>GENERAL PRINCIPLES AND DUTIES</b>		
a) a risk evaluation process that identifies hazards, risks, associated safety measures and safety requirements that the assessed system should meet;		
b) <b>demonstration of the system's compliance with the identified safety requirements;</b> and		
c) managing all identified hazards and associated safety measures.		
<b>PROCESS DESCRIPTION AND RISK EVALUATION</b>		
<b><u>The system definition:</u></b>		
a) <b>the purpose of the system</b> (intended destination);		
b) <b>system functions and elements</b> , if applicable (including human, technical and operational elements);		
c) <b>the system boundary, taking into account other systems</b> with which this system interacts;		
d) <b>physical interfaces</b> (systems with which this system interacts) and functional (inputs and effects on the operation);		
e) <b>system environment</b> (e.g., energy flows and thermal flows, shocks, vibrations, electromagnetic interference, exploitation);		
f) <b>existing safety measures and a definition of safety requirements</b> identified through the risk assessment process (in the next necessary stages);		
g) <b>assumptions specifying the thresholds applicable to the risk evaluation.</b>		
<b><u>Hazard identification and risk evaluation:</u></b>		
<b>Hazards identification</b>		
<b>Risk valuation</b> (3 methods of acceptance)		
<b>DEMONSTRATION OF COMPLIANCE WITH SAFETY REQUIREMENTS</b>		
Before acceptance, changes in safety should be demonstrated under the supervision of the applicant, showing that they meet the safety requirements set out at the stage of risk evaluation.		
<b>When the safety measures</b> by which safety requirements should be met <b>prove to be inadequate</b> or when <b>new risks are discovered</b> when demonstrating compliance with safety requirements, <b>the applicant shall re-assess and re-valuate</b> the associated risks in accordance with point 2. The new risks shall be listed in the hazard record in accordance with point 4.		

EVIDENCE RESULTING FROM THE APPLICATION OF THE RISK MANAGEMENT PROCESS	
<b>a description of the organizations and</b> specialists appointed to conduct the risk evaluation process	
<b>the results of the individual stages of the risk evaluation and a list of all safety requirements</b> that must be accomplished to control the risk by keeping it at an acceptable level	
<b>evidence of compliance</b> with all necessary safety requirements	
<b>all assumptions relevant for the integration, operation or maintenance of the system</b> adopted during defining and designing the system and risk evaluation concerning this system	

Source: own elaboration

After defining the system and assessing the significance of the change, in case of significant changes, you move to the most important and giving most feedback stage of the process - hazard identification.

## 4.2 Hazard identification

In order to identify hazards, an interdisciplinary team should be constituted. It would use the most comprehensive hazard identification methodology. Hazards should be identified on the sides of both a human factor, technical means and organizational solutions applicable in the project. The record of hazards should correspond to the system from the hazard register, extended by additionally identified risks that were not previously described. To ensure compliance with the risk management principles set out in the EC Regulation, a hazard register should be prepared in accordance with point 4 of Annex 1 to the above-mentioned regulation. If the hazard risk has been considered as generally acceptable, only hazards not identified so far can be recorded in the hazard register.

## 4.3. Hazard valuation and evaluation

The principle of acceptance is applied to the hazard evaluation, in accordance with the assumptions of the EC Regulation (Regulation, 2013). To estimate the level of overt risk, it is best to use the methodology used by the applicant in his / her Safety Management System. This method is usually based on the FMEA method. Due to the general nature of the study, the material from a doctoral dissertation was used. The valuation will be necessary after the identification of the hazards. To this end, three parameters presented in the FMEA method were used: Oc –occurrence of hazard (1-10); Dt – detection of hazard (1-10); Sr – seriousness of hazard (1-10). Assigning each of them the value from 1 to 10 according to the respective tables. For particular hazards we should assign values from the above tables and calculate the risk level for a given hazard according to the following formula.

$$R_{pn}=Oc \cdot Dt \cdot Sr \quad [1-1000] \quad (1)$$

Then, it is necessary to assess individual risk levels. For this purpose, a risk tolerability table is used - Table 2. The following risk tolerability thresholds have been proposed and recognized by railway companies in Poland. The reference value 125 was adopted as the product of the middle values for individual parameters. Hazards are grouped according to the processes identified in the company. For each hazard, the area of its occurrence is defined: without the discriminant - own risk, with the discriminant - joint risk (within the railway system), with the p-discriminant – other risks. *This allows risk management in particular*

areas. It also facilitates the communication of risk, especially towards the parties involved (other operators, infrastructure managers or, for example, suppliers).

Table 2: Hazard table – level of risk tolerability in the railway industry

RISK CATEGORY	RISK $R_{PN}$	LEVEL OF RISK
1	$R \leq 120$	ACCEPTABLE
2	$120 < R \leq 150$	TOLERABLE
3	$R > 150$	UNACCEPTABLE

Source: own elaboration

Moreover, as one of the codes of conduct, one can use the SMS/MMS procedure which concerns risk management and emanation of its correct application - "Registry of risk". The above document should, however, meet the requirements contained in Annex 1 of the EC Regulation, point 2.3.2. Be widely recognized in the railway industry, be important from the point of view of supervision over the considered risks occurring in the assessed system and be available to assessment bodies at their request. Meeting these requirements will be much easier for entities with nationwide coverage, however smaller entities should not give up this option completely either, especially as a number of analyzed risks may have already been included in generally available and required internal regulations. In this case, only additional and specific risks to the operation of the entity will remain (Bundy et al., 2017). For the risk assessment methodology presented in the publication, an example of the hazard area that can be a component of the form in Table 2 is presented below. The apparent risk was estimated on the basis of a typical description of the process used in rail transport using the FMEA method, based on the average rail operator valuation tables.

**Hazard identification number: 1**

**Hazard name:** Setting up explosives in transport vehicles

**Description of sources of danger:** fundamentalism, prohibited objects - explosives, panic, unauthorized access to the transport vehicle, urban terrain, high density of people in a small area, "important" events, insufficient monitoring of processes, lack of control and risk assessment

**Potential risk effect:** Serious accident, land traffic disaster

**Hazard frequency rate (Oc): 2 Detection rate (Dt): 6 Risk effect rate (Sr): 10**

**Risk value rate (Rpn): 120 Risk classification: ACCEPTABLE**

The risk valuation was based on historical data. The event took place early in the morning on trains bringing people from suburban areas to work in the capital of Spain. 192 people died and 1,900 were injured. In the attack in Madrid, on March 11, 2004, thirteen bombs were used, ten of which were exploded. The specificity of time and geographical distance of the explosion on vehicles has increased the number of victims.

#### 4.4. Risk supervision

To monitor the risk level further, the team should demonstrate hazards that: have not been previously identified by the applicant, the risk acceptance threshold specified for them by the applicant has been exceeded. In the example above, a hazard that was not previously addressed by the infrastructure manager or rail operator was identified (as of today, despite historical data, it is not included in all hazard registers). Despite the extreme approach to its valuation resulting from real data, the estimated level of risk is at an acceptable level and in accordance with the adopted valuation methodology - no additional risk control measures are needed. Experience suggests that the least likely transport hazards imply the greatest effects.

However, considering the objections, included in the description of the risk management process, related to the parameters rate value of 9 or 10, the assessment team should recommend monitoring the hazards associated with the placement of explosives on transport vehicles. At the same time, they should pay attention to the rather significant connection of this risk with the already identified risks related to insufficient safety culture or concealment of risks, as weaknesses from the application of procedures can significantly increase the level of risk associated with the detection of this risk.

## 5. Predictive hazard management

Contemporary approach to valuing transport based on a process approach determines safety as the overriding factor in assessing its proper functioning - safety management systems (Gill & Kadzinski, 2016). The goal of safety management is to eliminate, and if it is not possible, to limit the extent of damage that transport incidents can cause. Along with the development of this area, it is necessary to consider all possible actions that are applied after the incident (reactive activities) and those that are implemented preventively on the basis of analysis of processes and risks (proactive activities) described in this publication. Increasingly, this analysis is also based on predictive actions that identify unlikely risks (most often a compilation of unlikely sources of risk) that cause catastrophic consequences. For the needs of the proactive-predictive risk analysis process, a register of risk sources for civil transport operations was developed and possible scenarios of their combinations - risk areas. Hazard areas presented in Table 3 are a combination of probable sources of risks. The hazard value is determined by the number and type of risks (probability of their compilation) and the effects they may cause leading to the event. A detailed analysis of individual hazard areas for the proposed sources of threats allows for a full assessment of the risk of the transport operator (Skorupski, 2011).

Table 3: Identified hazard categories

<b>Id</b>	<b>Hazard categories</b>
1.	Intrusion into transport infrastructure
2.	falling out of transport infrastructure
3.	collision inside the transport infrastructure
4.	collision outside the transport infrastructure
5.	loss of control during transport operations
6.	violation of the space of controlled transport infrastructure
7.	fire, smoke, fumes
8.	unlawful intrusion into restricted areas of transport infrastructure
9.	unlawful intrusion into the restricted transport infrastructure zone with prohibited items
10.	setting transport infrastructure facilities and equipment with explosives
11.	setting transport vehicles with explosives
12.	hostages in the area of transport infrastructure
13.	taking over a transport vehicle with passengers
14.	taking over a transport vehicle without passengers
15.	acceptance of a vehicle seized at contact points (stations, airports, ports)
16.	acts of sabotage / diversion
17.	violation of order (disturbance of public order, vandalism)
18.	transport disasters not related to human activity (weather anomalies)
19.	damage to technical means with consequences

Source: own elaboration

When analyzing historical data in the area of transport incidents, it is easy to provide possible (and less possible) combinations of risk sources and apply preventive measures in all types of transport (Smoczynski & Kadzinski 2018).

## 6. Summary and conclusions

The basis for the proper risk management in transport is the awareness of the sources of risk present in transport organizations and their surroundings, and thus the awareness of the risk themselves (Okraszewska et al., 2018). Their correct assessment allows for safe transport (in which there is no unacceptable risk). Legal requirements and good practices in the field of detection of hazard sources used in transport are as perfect as it is to anticipate real risks and estimate their possible consequences (Zieja et al., 2018). The correct and conscious application of the risk management process allows not only to meet legal requirements, but above all allows the entities in a systematic and measurable way to take over responsibility for the implemented changes as well as the processes used. The basic added value of the "risk management" process is the strengthening and substantiation of decision-making processes related to decision-making in the field of railway traffic safety - from changes in the maintenance cycle of the railway vehicle and its optimization in connection with the implementation of new materials and diagnostic methods to, for example, deciding where to apply limited resources related to safety measures (Lubieniecka-Kocon et al., 2013). The identification and management of sources of risks in a structured and methodical manner allows to realistically save financial resources through a predictive approach of implementing changes and making appropriate decisions in advance (Maritan & Lee, 2017). It is worth remembering that the correct, independent, responsible and unforced application of the risk management process is the next stage (after implementing the culture of fair treatment) of implementation and raising the level of safety culture in the organization.

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## ATTITUDES OF SOUTH BOHEMIAN CUSTOMERS TO FORMS AND SET LOYALTY PROGRAM CONDITIONS

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**Abstract.** Loyalty programs are already a common tool for sales promotion in a globalized society. The purpose of engaging a customer in these programs is a mutual benefit. On the part of the customer, it is in the form of financial and non-financial advantages and on the merchant side, it is in the form of getting a loyal and satisfied customer. The existence of a large number of loyalty programs on the market causes lower customer motivation to use these ways but also the higher demands. This puts pressure on the creation of sophisticated loyalty programs based on actual preferences, expectations, and attitudes of target customers. The aim of the article is to determine attitudes of South Bohemian customers to forms and set loyalty program conditions. The use of modern forms of communication and information technology within loyalty programs becomes an indisputable aspect that is characterized primarily by the younger generation of customers. Against this background, increased attention will be given to this group of respondents. The article draws on research conducted in 2018, which focuses on customer preferences and attitudes towards loyalty programs. The research was conducted through an e-questionnaire distributed on the web interface. The total number of respondents is 269 and the data obtained is processed using basic descriptive statistics. The presented outputs of the article can serve as a material for the targeted creation of effective loyalty programs in the South Bohemian Region under conditions of globalization.

**Keywords:** loyalty program, customer, customer preferences, marketing

**JEL Classification:** M31, M1, M19

### 1. Introduction

Loyalty programs serve to provide rewards to all customers who often buy a set quantity of products. According to a loyalty marketing study (Kotler & Keller. 2007), we can know that 20% of consumers can make up to 80% of the company's business. If a firm introduces a loyalty program in its neighbourhood first (Branska et al., 2015), it will reap the most benefits, especially if its competitors do not react in time. However, if they start responding in

time, these programs can also become a financial burden for all companies that provide these programs (Cempirek et al., 2015; Dobrodolac et al., 2018). However, some companies are able to work more creatively and effectively in this situation. If we want to define a "loyalty program", we can use the definition of Sharp & Sharp (1997) who understand it as a program that allows consumers to accumulate free rewards when they make repeated purchases with a firm. Such a program rarely benefits consumers in one purchase but is intended to foster customer loyalty over time. Thus, promotions that work as "one-shot deals," such as instant scratch cards, are not considered loyalty programs here (Smolkova et al., 2016). Liu (2015) presents the idea that loyalty programs not only help build customer commitment but also demonstrate firm commitment. It is often costly for firms to initiate and maintain a loyalty program (Kicova & Nadanyiova, 2017). It requires extensive efforts to manage point records and reward issuance (Seemann & Farkasova, 2015; Vetrakova et al., 2018). The globalized economy is characterized by the progressive development of information technology (Fu et al., 2017), product innovation and technological processes (Kampf et al., 2017; Kampf et al., 2016), the use of new communication platforms (Kucharcikova & Miciak, 2018; Lorincova et al., 2016) and the increased pressure of the competitive environment (Fedorko et al., 2017; Virglerova et al., 2017). The experts on loyalty programs present results mainly focused on the impact of loyalty programs on individual customer segments (Krizanovna et al., 2018; Vilcekova & Starchon, 2017). For example, Liu (2015), in his study, states that the loyalty program is different to the purchasing behaviour of customer categories divided into groups on heavy buyers at the beginning of the program and on both light and moderate buyers'. For the first group of customers, there was no increase in the volume of the purchase, they just profited from the program. On the contrary, there was an increase in the regularity of purchases and their loyalty to the other two groups. This article focuses on the use and preferences of the type of customer programs, depending on how the loyalty program operates, and is also interested in using modern communication platforms.

## 2. Methods

The aim of the article is to determine the attitudes of South Bohemian customers to forms and to set the conditions of the loyalty programs. The use of modern forms of communication and information technology in loyalty programs becomes an undeniable aspect, which is particularly important for young generations of customers. In this context, this group of respondents will be given increased attention in the article. The presented results are based on research conducted in 2018, focusing on customer preferences and attitudes towards loyalty programs. The research was conducted through an e-questionnaire distributed on the web interface. Within the presented results, there is a review of customer rating data on the Linkert scale from 1-5. The rating scale for questions about customer preferences is as follows: 1 means not prefer at all, 2 rather prefer, 3 prefer, 4 prefer more and 5 prefer lot. The rate of use of loyalty programs is based on a scale where 1 is never, 2 rarely, 3 sometimes, 4 often and 5 is very often. The total number of respondents is 269 and the sample is composed of age categories up to 29 years (39%), 30-39 years (34%) and 40-50 years (27%). From a gender perspective, the sample consists of 43.5% of men and 56.5% of women (table 1). In the processing of the results, the basic statistical characteristics were used - relative and absolute frequency, weighted arithmetic mean. Dependency of customer preferences from age categories is evaluated through ANOVA Analysis of Variance. Performed analyses are processed using statistical software SPSS Statistic 25.



Table 1: Structure of respondents

			Size of municipalities				Total
			less than 1000 inhabitants	1000 – 10,000 inhabitants	10,000 – 50,000 inhabitants	above 50,000 inhabitants	
Age	up to 29 years old	Count	23	42	21	19	105
		%	21.9%	40.0%	20.0%	18.1%	100.0%
	30 – 39 years old	Count	19	30	20	22	91
		%	20.9%	33.0%	22.0%	24.2%	100.0%
	40 – 50 years old	Count	9	26	19	19	73
		%	12.3%	35.6%	26.0%	26.0%	100.0%
Total		Count	51	98	60	60	269
		%:	19.0%	36.4%	22.3%	22.3%	100.0%

Source: authors

### 3. Results and Discussion

The article presents partial research results that focus on the used and preferred forms of loyalty program operation. Three questions from the questionnaire are analysed for this purpose. The first is the issue of preference for how to grant benefits under the loyalty program: “Which way of working of the loyalty system do you prefer?” The respondent had the opportunity to evaluate these options:

- Points system (after collecting a certain number of points you will get a discount or other reward).
- Discounts system (an immediate discount on the entire purchase or on certain goods upon payment).
- A combination of the point and discount system.
- Non-financial benefits (e. g. limited editions, VIP events, etc.).

On this question, the respondent expressed preferences on the scale from 1 to 5, where 1 is not prefer at all, 2 rather prefer, 3 prefer, 4 prefer more and 5 prefer lot. Table 2 presents the results of the respondents' assessment of this question in the form of frequency, mean and std. derivation. The above results show that the most preferred are the benefits in the form of discounts. Programs offering points benefit system or a combination of point and discounts system are preferred to a comparable extent. The least preferred are benefits of a non-financial nature.

Table 2: Results for customer preference in working way of loyalty system

		Which way of working of the loyalty system do customers prefer?			
Age category		Points	Discounts	A combination of the point and discount system	Non-financial benefits
up to 29 years old	Mean	3.01	3.83	3.03	2.17
	N	105	105	105	105
	Std. Deviation	1.213	1.122	1.236	1.087
30 – 39 years old	Mean	3.16	3.91	2.93	2.05
	N	91	91	91	91
	Std. Deviation	1.232	0.974	1.181	1.037
40 – 50 years old	Mean	3.19	3.77	3.25	1.95
	N	73	73	73	73
	Std. Deviation	1.063	1.124	1.090	0.970
Total	Mean	3.11	3.84	3.06	2.07
	N	269	269	269	269

	Std. Deviation	1.179	1.072	1.182	1.040
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Source: authors

In the results of Table 2, there are not very large differences in the loyalty program preference for each age category. Consequently, the Analysis of Variance was used to verify that the age is of significant importance in terms of preference for the loyalty program type (ANOVA). Table 3 shows, based on the Analyse of variance (5% significance), that age does not have a significant impact on these customer preferences.

Table 3: ANOVA of the working way of loyalty program and age category

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Points program/Age	Between Groups	(Combined)	1.821	2	0.911	0.653	0.521
	Within Groups		370.833	266	1.394		
	Total		372.654	268			
Discounts program/Age	Between Groups	(Combined)	0.874	2	0.437	0.378	0.685
	Within Groups		307.252	266	1.155		
	Total		308.126	268			
Combination program/Age	Between Groups	(Combined)	4.083	2	2.042	1.467	0.232
	Within Groups		370.080	266	1.391		
	Total		374.164	268			
Non-financial benefits/Age	Between Groups	(Combined)	2.238	2	1.119	1.035	0.357
	Within Groups		287.420	266	1.081		
	Total		289.658	268			

Source: authors

The rate of use of the form of loyalty program operation and the preference of this form was another area under consideration. Respondents answered these two questions:

- The loyalty programs you use work through?
- Considering loyalty programs, you prefer more?

The respondents rated the usage and preference level on the Linkert scale from 1-5 (where 1 is never, 2 rarely, 3 sometimes, 4 often and 5 is very often / 1 is not preferring at all, 2 rather prefer, 3 prefer, 4 prefer more and 5 prefer a lot) for the three offered forms of program operation: club cards, mobile apps and a combination of both. Table 4 presents the results of the arithmetic average of the ratings for each age category. Customers use predominantly loyalty programs based on club cards. The first two age categories use mobile apps in a trend approaching the "sometimes". Table 5 provides information that ANOVA confirms age dependence on the usage of mobile apps. Similarly, the results of preference for the form of loyalty program operation. Club cards are the most preferred, but mobile apps are gaining popularity for category of ages up to 39. This is confirmed by the ANOVA test in Table 6. According to the results of the Sig. Value, there is a dependence between the age categories and the preference of loyalty programs through mobile applications.

Table 4: Used and preferred loyalty programs by customers

	The loyalty programs used by customers work through			Considering loyalty programs, customers prefer more		
	arithmetic mean			arithmetic mean		
Age category	club cards	mobile apps	a combination of both	club cards	mobile apps	a combination of both
up to 29 years old	3.97	2.42	2.29	3.96	3.02	2.48

30 – 39 years old	4.33	2.52	2.34	3.77	2.82	2.37
40 – 50 years old	4.19	2.08	2.10	3.82	2.37	2.42
Total	4.15	2.36	2.25	3.86	2.78	2.43

Source: authors

Table 5: ANOVA of the used form of loyalty program and age category

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
club cards	Between Groups	(Combined)	6,412	2	3,206	2,748	0,066
	Within Groups		310,339	266	1,167		
	Total		316,751	268			
mobile apps	Between Groups	(Combined)	8,228	2	4,114	3,602	0,029
	Within Groups		303,794	266	1,142		
	Total		312,022	268			
a combination of both	Between Groups	(Combined)	2,614	2	1,307	1,016	0,364
	Within Groups		342,197	266	1,286		
	Total		344,810	268			

Source: authors

Table 6: ANOVA of the preferred form way of loyalty program and age category

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
club cards	Between Groups	(Combined)	1,946	2	0,973	0,746	0,475
	Within Groups		346,686	266	1,303		
	Total		348,632	268			
mobile apps	Between Groups	(Combined)	18,455	2	9,227	5,814	<b>0,003</b>
	Within Groups		422,162	266	1,587		
	Total		440,617	268			
a combination of both	Between Groups	(Combined)	0,514	2	0,257	0,164	0,848
	Within Groups		415,323	266	1,561		
	Total		415,836	268			

Source: authors

## 4. Conclusion

The aim of this article was to determine preferences within loyalty programs. Attention is focused on the younger and middle age group of customers. Within the point, discount, combined or non-financial loyalty benefits system, customers prefer the most discount system – an immediate discount on the whole purchase or on certain goods upon payment. In this case, customer preferences are not significantly different in dependence on age category membership. Another fact examined was the form of loyalty program platforms used and their preference. Customers make the most of the club card system and prefer it most. The results reveal the trend of gradual leaning towards mobile apps for respondent's category of ages 29 and 30 to 39. The presented outputs of the article can serve as a material for the targeted creation of effective loyalty programs in the South Bohemian region under the conditions of globalization.

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# A COMPREHENSIVE LITERATURE REVIEW OF INTERNATIONAL BRAND VALUATION METHODS

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**Abstract.** Article deals with the brand value as an important and popular concept in business practice in globalizing world. Brand value is a complex, multidimensional and internationally known term. There are numerous approaches to brand value evaluation. Companies and consultant groups use several types of brand evaluation models and methods. Each one is based on different dimensions, factors and determinants influencing the value of the brand. The aim of research is to provide a review of brand evaluation methods with emphasis on specific factors affected the brand value. This research is mainly based on secondary findings through a review of the literature. The paper contains overview of papers dealing with the brand value issues with emphasis on country of origin. Based on this approach, it was found that Slovak Republic belongs among the leaders in the number of published articles. Based on relevant literature sources, three dimensions of brand value (asset perspective, customer perspective and comprehensive perspective) are defined in the paper. Article contains the overview of many factors affecting brand value such as customer loyalty, corporate social responsibility initiatives, innovation, research and development expenditure, advertising expenditure, strategies, sales, environmental orientation etc.

**Keywords:** brand value, innovation, asset perspective, customer perspective, comprehensive perspective

**JEL Classification:** M31, O32, F60

## 1. Introduction

Over the past two decades, brand value has become an important corporate performance metric (Chu & Keh, 2006), and one of the hot issues in the field of marketing. Abundant research has been carried out by scholars' home and abroad on constitution dimensions, measurement models and influencing factors (Jin, 2009). Several theories have been proposed on how a brand can be built and what marketing actions can lead to the creation of a brand (Bhadra & Kachwala, 2018). Brand value is a complex, multidimensional and internationally known term. Brand valuation is one of the genuinely interdisciplinary subject in accounting, finance, marketing and management in general.

Nowadays, brand is a major and inseparable part in marketing strategy and having a brand with higher value will raise easier sale of services for them. Organizations and brand owners spend many costs for their brands and tend to know how much the brand for which they have spent large cost to introduce and maintain it at competitive market is worth (Sabersheikh, 2017). Many authors deal with comparison of brand valuation methods (Abimbola, 2010; Cortazar, 2013; Janoskova & Krizanova, 2017).

## 2. Methods

The aim of research is to provide a review of brand evaluation methods with emphasis on specific factors affected the brand value. This research is mainly based on secondary findings through a review of the literature. There are many relevant sources in Web of Science database. The overview of the number of articles deal with the brand value issues is in the following table (tab. 1).

*Table 1: Articles deal with brand value issues*

Number of papers	Country
1	Pakistan, Oman, Nigeria, Mozambique, Macedonia, Kuwait, Kazakhstan, Hungary, Greece, Egypt, Bosnia and Herzegovina, Azerbaijan, Argentina
2	Wales, Vietnam, Slovenia, Serbia, Qatar, Latvia, Ireland
3	Ukraine, UAE, Thailand, Singapore, Ecuador, Croatia, Austria
4	Scotland, Malaysia, Indonesia, Chile
5	Mexico, Lithuania, Colombia
6	Switzerland, South Africa, Russia, Norway, Belgium
7	New Zealand, Israel, Finland
8	Poland
10	Romania, Portugal, Iran
11	Denmark
13	Netherlands, Brazil
14	Japan, Czech Republic
15	Germany
17	Sweden, Canada
19	Italy
<b>21</b>	<b>Turkey, Slovakia</b>
22	Taiwan
24	France
26	South Korea
29	Spain
33	India
38	Australia
68	England
127	USA
134	China

*Source: own processing according to data from WOS*

Brand value issue is very popular in the Slovak Republic. There are 21 papers deal with this topic in WOS. If the number of inhabitants is taken into account, the Slovak Republic achieves the best result: **3.86 papers per million inhabitants**. Other countries achieve the following results: China – 0.1; USA – 0.39; England – 1.24; Australia – 1.55; India – 0.02; Spain – 0.62; South Korea – 0.51; France – 0.36; Taiwan – 0.93; Turkey – 0.26; Italy – 0.31; Sweden – 1.7; Canada – 0.46; Germany – 0.18; Japan – 0.11; Czech Republic – 1.32;

Netherlands – 0.76; Brazil – 0.06; Denmark – 1.9; Romania – 0.51; Portugal – 0.97; Iran – 0.12; Poland – 0.21; New Zealand – 1.46; Israel – 0.8; Finland – 1.27; Switzerland – 0.71; South Africa – 0.11; Russia – 0.04; Norway – 1.14; Belgium – 0.53, etc. per million inhabitants.

### 3. Results and discussion

Combining the existing related literatures, method of brand valuation depends on the dimension we are looking at brand value. Brand value can be understood from the following dimensions (tab. 2)

Table 2: Dimensions of brand value

Dimension	Formulas
Asset perspective	brand value = brand net profit x brand strength brand value = future earnings x brand strength
Customer perspective	brand value = theoretical target customer base x loyalty factor x cycle purchases x (unit product price – unit unbranded product price) x numbers of cycle within the time limit brand value = the premium x sales/average profit margin
Comprehensive perspective	brand value = brand significance + (brand performance + brand image) + (brand evaluation + brand feeling) + brand resonance brand value = (price advantage + satisfaction/loyalty) + (perceived quality + leading brand/popularity) + (perceived value + brand personality + organization association) + brand awareness + (market prices and distribution channels + market share)

Source: own processing according to Huang, 2015

Brand value based on asset perspective means quantification the value of brand asset from the corporate finance perspective. The main philosophy of this approach is that the brand value is reflected in the financial indicators. There are many factors affect the brand value within this approach, e. g. market share, trend and market characteristics, excess profits, brand protection, residual earnings of a product, revenue, etc. Brand value based on customer perspective means measurement the brand's status in their hearts from the degree of such aspects as their familiarity with brand, perception of the brand quality, and association of the brand (Huang, 2015). There are many factors affect the brand value within this approach, e. g. brand loyalty, perceived quality, brand image, brand awareness, brand valuation, etc. Brand value based on the comprehensive perspective exhibits establishing the link between brand asset and customers (Huang, 2015). Overview of the several studies deal with several determinants of brand value is in the following part of the paper.

Borkovsky et al. (2017) presents the brand's value as the expected net present value of future cash flows accruing to a firm due to its brand. His brand value measure recognizes that a company can change its brand equity by investing in advertising. The asset perspective was also the starting point for research conducted by Cortazar (2013), who investigated correlation between sales indicators and brand value. Corporate governance is another factor with significant relationship with the brand value. Saryazdi (2017) presents in the research that corporate governance indexes like ownership percentage of institutional shareholders in the company and the number of board of directors' members have negative and significant relationship with brand value. On the other hand, the index of corporate governance of executive membership in board of directors has positive and significant relationship with brand value.



The next groups of brand valuation methods are based on customer and comprehensive perspective. This approaches are very famous. Many authors investigate relationship between brand value and many factors of these fields.

Battistioni et al. (2013) investigated the most prominent drivers of brand equity, from a consumer-based point of view. Their research was based on the Analytic Hierarchy Process. They focused on brand reputation, offered products and services, communication strategies, logo, consumer base, strategies for building customer loyalty, pricing. Customer loyalty was identified as key determinant of brand value in other researches (Bhadra & Kachvala, 2018; France et al., 2016). They found out the significant correlation between the brand value and customer loyalty. Important measurement scale that helps firms assess the vale of customers in the brand value co-creation process is the Customer Co-Creation Value (CCCV). CCCV is a multidimensional construct consisting of two higher-order factors and seven dimensions: customer-owned resources (including brand knowledge, brand skills, brand creativity, and brand connectedness) and customer motivation (comprising brand passion, brand trust, and brand commitment) (Merz et al., 2018; Masuda & Kushihiro, 2018). The research of Hassan et al. (2015) validated that consumer experience and brand personality are expected to influence the company to offer service extension facilities, which will also stimulate the overall corporate brand value of a company. Specific types of relationship were base of research of Gupta et al. (2018). Their study investigates three different types of brand-reseller business relationship, namely real-time relationship, collaborative relationship, and mutually beneficial relationship, and discusses how they drive brand value creation in a competitive market.

Based on researches by many authors we identified another group of factors affecting the brand value. This group of factors includes determinants such as innovation, R&D, CSR, managerial skills, strategies and environmental aspects. The innovation performance varies from one company to another and from one country to another, being influenced by a variety of factors (Sipos et al., 2014). On the other hand, innovation is also the factor that can affects the brand value. Innovation and brand value are two important dimensions that drive businesses today; innovation in particular is a primary determinant of brand value. Wang & Su (2016) investigated the influence of scientific and technological innovation on brand value in their research. Their empirical study showed that scientific and technological innovation has significant positive influence on the development of brand value (Wang & Su, 2016). Zhang et al. (2015) also deals with relationship between innovation and brand values. They found that the company implementing competitive strategy could enhance brand value; the company implementing cost leadership strategy could enhance brand value choosing incremental innovation; the company implementing differentiation strategy could enhance brand value choosing breakthrough innovation (Zhang et al., 2015). Innovation is output of R&D activities. R&D expenditures, advertising expenditures, and their impact is the core of the research conducted by Peterson & Jeong (2010). The main objective of the next study is to consider the basic question: „Can corporate social responsibility be a source of competitive advantage and value creation for the company?“ To address this question, the study conducted by Singh & Verma (2018) aims to examine the effect of CSR initiatives on brand value. Findings of this study show that CSR initiatives have a positive impact on brand value (Singh & Verma (2018). Brand value is also affected by environmental orientation of the company. First & Khatriwal (2010) deal with this issue in their research as well as Delafrooz & Goli (2015). The last dimension we have been dealing with is managerial skills because competitiveness of a product and care of a brand value are mainly the work of product

managers and brand managers who play a major role in creating a competitive advantage of their companies. Wroblowska (2016) focuses on a set of requirements for qualifications experiences, knowledge and skills that are imposed on candidates for the position of „Brand Manager“. The overview of selected factors affecting brand value is in the following table (tab. 3).

Table 3: Selected factors affecting brand value

Author	Factors affecting brand value
Gupta et al., 2018	real-time relationship, collaborative relationship, mutually beneficial relationship
Singh & Verma, 2018	corporate social responsibility initiatives
Saryazdi, 2017	ownership percentage of institutional shareholders in the company, number of board of directors' members, corporate governance of executive membership in board of directors
Wang & Su, 2016	scientific innovation, technological innovation
Hassan et al., 2015	consumer experience, brand personality
Battistoni et al., 2013	brand reputation, offered products and services, communication strategies, logo, consumer base, strategies for building customer loyalty, pricing
Wroblowska, 2016	qualifications and experiences of managers
Delafrooz & Goli, 2015	brand-perceived quality, green brand image
Peterson & Jeong, 2010	advertising expenditures, research and development expenditures
Love et al., 2010	consumer regulatory focus
Zhang et al., 2015	strategy, breakthrough innovation and incremental innovation
First & Khatriwal, 2010	environmental orientation
Merz et al., 2018	customer-owned resources (brand knowledge, brand skills, brand creativity, brand connectedness), customer motivation (comprising brand passion, brand trust, brand commitment)
Pinochet et al., 2018	metrics in „social media“ and „site performance indicators“

Source: own processing according to literature review

## 4. Conclusion

The paper presents result of the research carried out to analyse the impact of selected factors on brand value. There are many approaches to brand value evaluation. Each model of brand value consists of several dimensions, factors and indicators. A number of other factors that may not be part of the used model influences the final brand value. Examining these factors and their impact on brand value is very popular research area for many authors. Based on comprehensive literature review, this paper brings overview of these factors. Identification and understanding of these factors is an important starting point for implementing a suitable branding strategy.

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## IDENTIFYING BENEFITS OF A MANAGEMENT SYSTEM IN THE CONTEXT OF GLOBALIZATION

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**Abstract.** The paper deals with the identification of the benefits resulting from the implementation of integrated management systems as voluntary tool for implementing effective, systematic, and process oriented management of an organization in a globalizing world economy. The integrated management system interconnects the functional and process elements of the management with the mission ensure that products and services meet the demands of customers on world markets. Besides that, the goal of integrated management system is to ensure that the organization achieves and demonstrates responsible environmental behaviour, protects the health of employees and creates conditions for a generally safe operation. For both large international companies operating on global market and SMEs operating on local market, the implementation of international ISO standards can create significant change in benefits through improved and systematic alignment of management processes. From the economic point of view, the most significant benefits of introducing integrated management systems include lowering the costs of poor quality, and reducing losses resulting from non-compliance with environmental or safety regulations. In order to rise competitiveness and achieve sustainable development, organizations are currently looking at the global market with new competitive advantages. One of advantage is provided by the integration of management systems including environmental management system, quality management system, occupational health and safety or other management systems. Such new integrated systems are very popular on a global scale. Integration followed by certification of management systems can help increase the efficiency and competitive advantage of organizations.

**Keywords:** global market, integrated management systems, globalization, benefits

**JEL Classification:** M11, M19

### 1. Introduction

The world economy is currently marked by globalization and increase in internationalization and interdependence resulting from it. That brings an increase in interdependence between individual markets, states, regions or other subjects of society. Internationalization processes have an impact even on environmental, safety, quality, or sustainability aspect of organizations' activities.

Internationalization and management systems are inseparably interconnected. Under the conditions of a globalizing world economy, states must support the simplification of international commercial operations as contribution to the process of internationalization (Britvic et al., 2016). These efforts include adaption of structure, strategies and resources of corporate operations to the requirements of international business environment.

Management systems for products, processes, people or the environment play an increasingly important role in the current state of global competition. Customers, whether locally or globally, expect the quality of purchased products and execute pressure on manufacturers to maintain quality level. Manufacturers are increasingly relying on international distribution networks and are aware that without competitiveness in all aspects of quality, it will be difficult to compete or even survive.

At the beginning of the 21st century, many new trends emerged around the world. An increasingly important role in the development of global markets is played by international standards of management systems. Market globalization brings an important and positive shift towards the internationalization of international standards in the area. Standardization has a positive impact on countries that have introduced and adopted these standards and have gained an advantage over countries that are slower or have a negative attitude in this respect (Majernik et al., 2017).

Implementation of different management systems to increase the efficiency and systematicity of management can cause confusion and administrative burden in the organization. For that reason, organizations decided to integrate individual management systems with one another. The integrated management system is a voluntary tool for implementing effective, systemic and process management of the organization (Luchian et al., 2017). It is an opportunity for the organization to demonstrate its commitment to its customers and all stakeholders. At the same time, it is a demonstration of commitment to sustainable development, environmental protection, safety and health at work, and customer relations.

Integrated management system mainly integrates requirements of management systems within the framework of ISO 9001: 2015 Quality management systems. Requirements, ISO 14001: 2015 Environmental management systems. Requirements with guidance for use, ISO 45001: 2017 Occupational health and safety management systems. Requirements and other management systems. The integrated management system should be based on mission, vision, and goals of the organization, consistent with its policy, documents. All activities and processes by integration are planned, managed and audited in such a way that all customer and stakeholder requirements are met.

### **1.1 Integrated management systems - their importance in the process of globalization**

Raising awareness of quality at all levels of economic and social life and its implementation in practice is a long-term process and requires the active cooperation of all stakeholders. Customer satisfaction and their increasing demands on product and service quality motivate producers to address quality improvement as an important factor affecting the performance of the organization (Jaca, 2015). In order to ensure a consistent quality level, processes in the organization must be properly understood and reproducible (Voss, 2016). Quality has a direct effect on the profit level and is a decisive factor in the stable economic

growth of the organization, with large influence on macroeconomic indicators (Georgiev et al., 2017).

One option how organization unsystematically work to meet customer requirements and continually improve the quality, is implementation of management systems or integrated management systems. Organizations with established management systems better meet customer needs, avoid mistakes, also motivate and engage employees to increase efficiency of performance and internal processes (Albulescu et al., 2016).

Established management systems are perceived by the public as a tool to improve the efficiency of the organization and improve its competent at market. They are proposed to permanently improve organization's performance and benefit all stakeholders (Karkalíková, 2015). Even good systems, without a holistic approach to the management system, may lead to bureaus and duplication and may become ineffective (Krnáčová, 2011).

Organizations currently in view of their priorities, decide whether to apply only one of the management systems and then gradually integrate them into one management system or implement an integrated management system at once as an unit in order to more efficiently manage processes in the organization (Trierweiler, 2016). One of their fundamental features is mutual compatibility and they are based on Deming's model PDCA. The decision to implement more than one management system depends on the top management, the character of the organization and its size (Muzaimi et al., 2015).

The mission of an integrated management system is to ensure that products and services meet customer requirements that the organization achieves and demonstrates appropriate environmental behavior, protect the health of employees and create conditions for generally safe working place. Integration of management systems becomes a priority in organizations in order to achieve one comprehensive system as an opportunity to become more competitive. It contributes to the identification of risks and because the organization is integrating management systems, allows to minimize the risks that affect the key aspects of the business with regard to the organization and the stakeholders (Rebelo et al., 2017).

The motivation to implement integrated management systems from the external environment is the success of the organization, its profitability and its competitiveness. For this reason, highly efficient tools for business control and sustainability are certified management systems. Established ISO standards require internal audits to verify organization status and assurance of customer satisfaction (Chen, 2016).

By continually improving, developing efficiency and improving the performance of an integrated management system, performing regular internal audits and second- and third-party audits and applying the principle of preventive systematic actions, the organization minimizes the adverse effects of its activities and provides quality products and services.

Organizations may establish management systems even without certification, but it means they cannot declare an official commitment to carry out activities in line with the requirements set out in the norm. The primary goals of certification are to minimize the risk of rejection of products and services to customers, their claim, increase the competitiveness of products and services, improve the prestige of the organization, internal processes and meet customer requirements. Certification according to the ISO 9001 standard can help maintain the organization's long-term confidence and better customer relationships. The purpose of the study (Lukichev & Romanovich, 2016) was to assess organizations that have

an established and certified quality management system and selection of the certification bodies. The study results show that there are many possibilities to obtain the quality management system certificate, but there is any algorithm for implementing e.g. in architecture.

Integration of management systems is not an easy process. It requires the achievement of strategic synergy, strategic planning, the culture of an organization based on continuous improvement, competent and committed leadership, trained and qualified staff, consultants with professional experience and, last but not least, sufficient financial resources (Moumen et al., 2017), (Ingaldi et al., 2016).

## **2. Methods**

The basis for drawing on and subsequently using the theoretical knowledge necessary to examine the factors influencing the effective and effective implementation of integrated management systems was the literary research and follow-up study of literary sources including both domestic and foreign books and journals in printer or electronic form. Certainly, analysis method was used to divide problems in smaller parts to make them more understandable. The effort was to analyse the benefits of introducing integrated management systems to organizations and identify its effectiveness. To find out the views and attitudes toward integration of management systems, the survey method was used. The survey was conducted using a standardized anonymous questionnaire created through Google Docs application and disseminated electronically to company database we had from previous projects. Out of the total of 360 addressed respondents 117 business entities from different sectors operating in Slovakia filled the questionnaire, of which 54 have an integrated management system. Information from the query were transformed into a form suitable for processing by analytical and statistical methods using Microsoft Excel application. The results of the survey were shown in graphical form for clear interpretation. Besides survey method, other scientific methods were used such as synthesis and comparisons, but also methods (quantitative) that were used to evaluate the results using statistical methods.

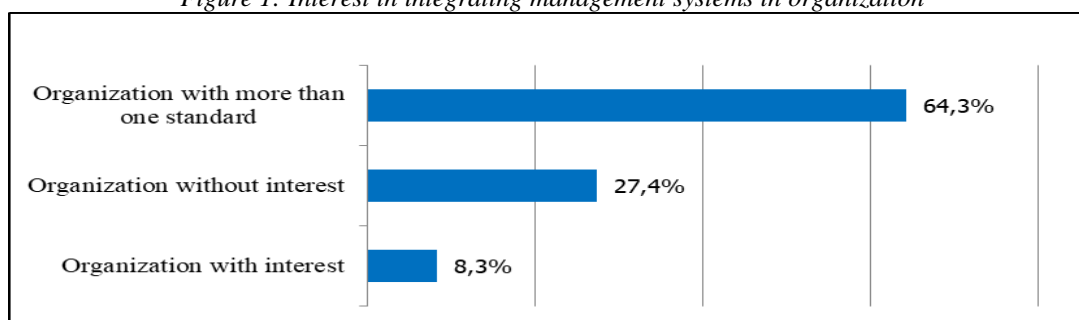
## **3. Results and discussion**

Successful implementation of the integrated management system brings benefits to the organization, although it is a financially and time-consuming process. It is introduced by organizations that have enough financial, human and information resources as well as practical experience. The research focuses on identifying the most significant benefits of deploying individual management systems in organizations, as well as the degree of their integration, so as to gain a holistic view of the benefits of integrating management systems. The research involved 117 business entities from various sectors operating in Slovakia also evaluated the approach of organizations to the integration of management systems and the overall effectiveness of established management systems after their integration. The answers showed that the most frequently used management system in organizations is the quality management system (QMS) according to ISO 9001, the certificate have 64.3% (54) of the respondents, 8.3% (7) of organizations stated that they used non-certified QMS and 27.4% (23) of organizations questioned do not use the QMS at all. Environmental management system according ISO 14001 Environmental management systems. Requirements with



guidance for use system has certified 45.5% of the organizations surveyed and does not use 54.5%. The Occupational Health and Safety Management System according to OHSAS 18001 is established by 30% of respondents and 70% does not use it and is subject to legislative requirements for health and safety at work. Information security management system according standard ISO/ IEC 27001 Information technology. Security techniques. Information security management systems. Requirements. uses 20%, of which 10% owns the certificate, and 10% uses the uncertified management system. The ISO / TS 16949 Quality Management System for Automotive Industry uses 10% of the organizations questioned and 25.4% of organizations use the ISO 22000 Food Safety Management System. Several food industry organizations have stated that beside ISO 9001 management systems they do not use ISO 22 000, because they have applied Good Manufacturing Practices principles as set of manufacturing measures to optimize and minimize health risks. That they consider as the basis for HACCP - Hazard Analysis and Critical Control Points. HACCP, which is legally mandatory for EU food and catering organizations (Bilska & Kowalski, 2014)

Figure 1: Interest in integrating management systems in organization



Source: our research

The research also shows that 64.3% (54) organizations have integrated more than one management system standard with one another. 8.3% (7) organizations are interested in integrating management systems in the future, and up to 27.4% (23) are not interested in integrating management systems (Fig.1).

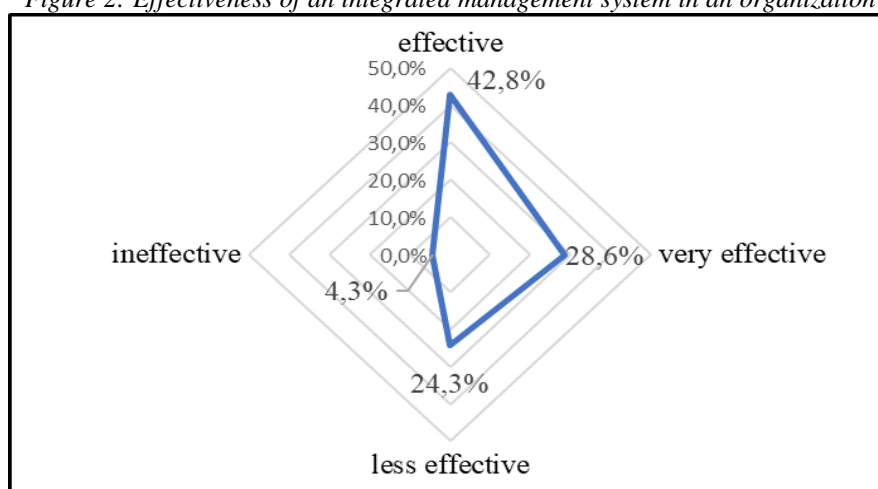
Table 1: Benefits of integrated management systems

Benefits of integration	No	Small	Medium	Big	Very large
Simplified administration and audit	0,0%	15,2%	40,6%	40,6%	25,8%
Cost savings and more efficient use of resources	6,4%	8,0%	21,4%	37,9%	26,3%
Reconciling opposing goals, responsibilities and relationships	0,0%	4,6%	9,3%	51,2%	34,9%
Harmonization and optimization of internal processes	13,3%	5,7%	11,1%	48,8%	21,1%
Better cooperation and removal of barriers between departments	5,4%	0,0%	21,8%	47,2%	25,6%
Risk reduction	17,6%	48,5%	33,9%	0,0%	0,0%
Strengthening the market position against competition	21,4%	52,7%	10,1%	15,8%	0,0%
Increasing profitability	20,6%	54,8%	24,6%	0,0%	0,0%
More efficient internal and external communication	0,0%	8,0%	24,2%	43,7%	24,1%
Higher quality products and services	10,3%	50,6%	27,7%	11,4%	0,0%
Improving the image of the organization	14,2%	13,7%	27,8%	31,8%	12,5%
Better relationships with customers and stakeholders	4,7%	39,9%	26,3%	18,6%	10,55%

Source: our research

The research also focused on the benefits, respectively the benefits that an integrated management system provides to the organization. Benefits based on the integration of management systems have been identified. Respondents evaluated the importance of benefits on a scale of 1 to 5, 1 means minimal, and 5 for the organization's maximum contribution to the integration of management systems (Tab. 1). The most appreciated importance among the advantages of integrating management systems is simplification of administration, reduction of administrative, reduction and simplification of documentation and internal or external audit. Among the benefits that are of great importance, we can include cost savings which bring more resource efficiency. Also important for organizations is the harmonization of processes, better communication between departments, the building of one efficient process management system and thus the increase in the competitiveness of the organization.

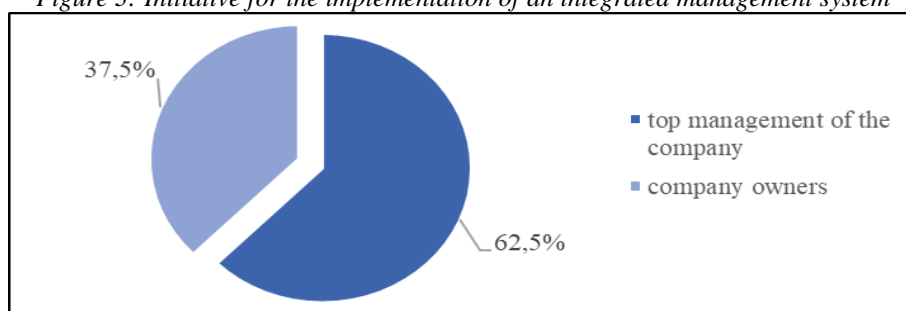
Figure 2: Effectiveness of an integrated management system in an organization



Source: our research

How organizations assess the overall efficiency of implementing management systems after their integration, 42.8% of respondents rated the integration of management systems as more efficient, 28.6% more effective and 14.3% at the same time as equally effective and inefficient. From the results we conclude that the importance of the integration of management systems is considerable (Fig. 2).

Figure 3: Initiative for the implementation of an integrated management system



Source: our research

Integration of management systems takes longer and depends on the size of the organization. The initiative to implement an integrated management system was most often based on the organization's top management requirement, as stated by 62.5% of respondents, or by the organization's owner, respectively was required by the parent company, as stated by 37.5% of respondents (Fig. 3). Based on the research, we can conclude that the importance of

introducing the integrated management system is based on the growth of the organization's competitiveness, which is also reflected in improving its economic performance. Integration of management systems helps the organization gain a better position on foreign markets and obtain new customers, which affects the organization's operating results, market share growth and resource efficiency.

#### 4. Conclusion

For the global market formed by major international, small and medium-sized organizations it's true that the implementation of international standards ISO management systems can mean a significant change in the form of various advantages by improving a systematic unification management processes. In economic terms, it is about reducing the cost of poor quality, reduce losses resulting from non-compliance with environmental and safety regulations, gain a competitive advantage in the market and achieve sustainable development. These reasons motivate entrepreneurs to consider the integration of their management systems. The implementation of management systems and their integration is also related to their certification. Obtaining a certificate is very important to an organization that is interested in implementing one of the management systems, but it should not be the only goal and reason for implementation and maintenance. Organizations that get the certificate also use it from a marketing point of view. An integrated management system must ensure effective long-term and short-term development.

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## TRENDS OF FACILITY MANAGEMENT IN GLOBALIZATION PROCESS IN SLOVAKIA

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**Abstract.** Today the process of globalization creates a more homogenous world, and strategies of enterprises should adapt to this phenomenon, too. Legislation of the European Union has significantly contributed to the creation of the mutual market and increasing freedom of movement of services within the European Union. Its basic principle can be applied to harmonize basic requirements for services and the subsequent normalization - the creation of common European standards. It is also applied to the area of facility management. In many instances, globalization has unquestionably made us more alike; just as it has made us more aware of local differences, which multinational companies try to navigate, understand and in many cases adapt, too. This article discusses facility management mainly at the theoretical level. It presents different definitions of the term facility management that differ in their contexts, describes basic roles of facility manager and presents norms governing facility management. The theoretical part presents also advantages and disadvantages of facility management as well as a view on its implementation to the company, too. In the practical part of this paper, the author offers the most important findings from the questionnaire survey that was undertaken in chosen companies in the Žilina Region. The questionnaire consisted of two parts. The first part of the questionnaire dealt with the satisfaction of the employees, who were performing the supporting processes of companies, the second part was crucial for the used method, namely the maintenance performance evaluation method.

**Keywords:** strategy, facility management, globalization process

**JEL Classification:** F60, L10, M15

### 1. Introduction

Facility management or facilities management is a multidisciplinary activity or discipline, which aim and role is to use maximum synergy effect in the field of property management, an effective balance between the financial sources and operational activities. This integrates activities that create a modern interactive environment in accordance with the nature and connects people, matter, and environment.

One of the earliest references to facility management can be found in the US Congress Library (1981). It defines facility management as the coordination of the workplace with people and work of the organization, integration of enterprise governance principles, architecture, and behavioural and engineering sciences.

In case of Slovakia, the translation of the English form of the term “facility management” is used rarely. Almost in all countries, where the concept of facility management is used, the international English term is preferred. The general term of facility management is also based on the European Standard STN EN 15221 Facility Management. This norm has been also applied in Slovakia since 2007.

Facility management can be defined in many ways. The American definition describes it as the practical activity related to the coordination of the physical properties of the workplace, people and the work of the organization. Thus, it integrates the assumptions of market management of the business, architecture, and engineering sciences. (Bartošová & Valášková, 2017)

In Germany, the term facility management is explained as the holistic complex framework of programmes related to the coordination of buildings, their systems and components, which are constantly ready for use in order to maintain their functionality and they adopt themselves to changing organizational requirements. (Falk, 1997) In Britain, facility management is mainly considered as the properties and support services, which are necessary for the organization to adopt to the market and facilitate to business operations. It is a process, by which the organization delivers and maintains the required range of support services at the requested quality level and reasonable costs to meet business needs. (International Facility Management Association, 2016)

In Australia, facility management is seen as the process of integration the management of people and the process of the organization of the work of the physical infrastructure and material base with the aim to support team activities. (International Facility Management Association, 2017).

In connection with the globalization tendencies and trends, Shan (2008) emphasizes the necessity of the development of facility management as the support activity in the form of the outsourcing that could help to organizations to decrease operational costs by 15 – 20 percent. Based on the study by Langston et al. (2002), more than 90 percent of the organizations across the world prefer to outsource the services as cleaning, security, and maintenance.

Based on the other authors, e.g. Kamaruzzaman – Zawawi (2016), we can stay that facility management has a strategic position. Except that, the services of facility management cover many other areas, such as information gathering, negotiation and meetings, productivity, mobility, hospitality, accessibility, security, representation, differentiation, and sustainability.

The most of the systems of facility management have a primary task of focusing on the information gathering and knowledge gathering. It is growing in importance especially in the context of a changing global market environment. The decision to use facility management services requires the integration of different types of information and knowledge created by different members of building and management teams. Inability to capture and use relevant information in time leads to inefficient decisions and additional costs. Decision-making requires the integration of different information and appropriate methods should be used to make a rational decision. (Lepková, 2015)

Currently, authors deal with facility management such as a sector that is close related to the nature. The industry has been growing rapidly with different impacts on the environment. With regard to the climate change, there is an increasing interest in the debate on sustainable development. Based on Shockley et al. (2016), the facility managers try to adopt their

practices to the sustainability agenda along three areas – economic, environmental, and social.

## **2. Organization of facility management in the world and in Slovakia**

*International Facility Management Association (IFMA)* was established in 1980 to support the increasing educational and information needs in the field of facility management. Currently, this organization includes 24 thousand members in 104 countries. As a globally recognized resource for facility management, the Association exists to mediate and develop its practice around the world. It supports the professional facility managers by providing excellent services, products, assets, and opportunities including training courses, managing the development of the management and industry research, and the development of standards. IFMA funds serve to strengthen knowledge, skills and networks. Except that, the Association connects the facility management community globally, locally, online and personally through councils, communities, social media and events held all year round. (International Facility Management Association, 2017; Paricheh & Osanioo, 2018)

In connection with facility management, it is important to introduce also other association – *European Facility Management Network (EuroFM)*. This association works in the global European environment and its main aim is to develop knowledge in the area of facility management, support its implementation into practice, education, and research. This association – network – covers 78 organizations that are focused on facility management. It has settlements in 20 European countries and represents different national facility management associations, educational and research institutions or organizations. One of its main aim is to offer the members to change information, knowledge, and experience between each other. This is done through different meetings, seminars and workshops, cooperation in research projects, and through the development of joint educational programs. Proceedings of these activities are disseminated through its website, through the annual conference and information leaflets, research papers and publications. (Shin et al., 2018)

The *Slovak Association of Facility Management (SAFM)* is the organization that operates in Slovakia. It was found in 2009. Before the Association was found, in Slovakia had been operating the Association for Facility Management – IFMA SK but only for two years. The Association is the organization of facility managers and institutions that operate in this field in Slovakia. Besides that, it cooperates on the international level because is one of the members of the European Facility Management Network. Its main aim is to gain, gather and disseminate information on facility management in order to get into awareness of the professional public. Its main role is to support and ensure the education for future facility managers. In contrast to the International Facility Management Association, the Slovak Association has members not only the natural persons, but also legal persons. (Somorová, 2013) The Slovak Association supports its members in obtaining the pan-European certification (Site Manager Certification). Since 2016, when the certification started, the Association registers 20 certificated members. Overall, the certification is considered the competitive advantage. (Annual Report of SAFM, 2018)

### 3. Introduction of facility management into a company in Slovakia

The main reason to apply facility management into a company is to enhance business activities and processes that deliver effective performance of employees. Only precise and timely implementation of the results leads to better work and improving work results. *“It is not just about keeping the machines, but also about the improvement of company performance. This results in the economic growth and overall success of the business.”* (Bovaird, 2016)

It is a general rule that all organizations – public or private character – use buildings, properties, and services (in the meaning of the support services) to streamline their core activities. By coordinating these assets and services, using managerial skills and incorporating various changes in the environment through facility management, the ability of a company to actively act and meet set goals is affected (Križanová & Moravčíková, 2017)

In 2017 within the Zilina Region, we did a questionnaire survey by which we investigated the awareness of facility management in Slovakia. 30 companies from this region filled in the questionnaires on the basis of which we can state that facility management was a relatively unknown term within the small and medium-sized enterprises. In the vast majority, they have almost no experience with this term, and they do not even know what the term facility management means. Regarding the international and large companies in Slovakia, this term is already a common standard and is used for managing support processes of companies. The survey also showed, which benefits of introducing of facility management into a business were considered as the main benefits by the managers:

- reducing operational costs,
- reducing the costs of building management,
- facilitating cost planning,
- optimizing the spending of financial sources,
- facilitating the inventory process.

The implementation of facility management into the quality management system in Slovakia is possible to realize in more ways. Vyskočil (2011) presents the options such as STN EN 15221:2007 norm, insourcing, outsourcing, and software tools. To determine how to implement facility management is necessary internal analysis of a company. If a company needs feedback, evaluation of output products, and then comparing them with the required status, the company fulfils the prerequisites for the implementation of facility management. (Vyskočil, 2011)

**Insourcing** is the inclusion of functions that have previously been implemented by other entities into the organizational structure of a company. Partnership is, on the other hand, a situation in which functions are performed as part of a parent enterprise and maintained in the structure of the organization. The decisions on insourcing and outsourcing are results of a continuous process, in which a company evaluates all relevant factors that influence the vertical integration and allow for action that is more effective. (Gogolová, Poniščiaková, Sedláková, 2017)

**Outsourcing** is derived from the external use of sources. Based on Trocki (2001), outsourcing means the abandonment of problematic activities to external suppliers. Such kind of solution is expected to be more effective and will have an impact on the achievement of



previously set goals. The main reason for outsourcing in practice is cost savings, the second reason focuses on a company's core business. The third motivation factor is the lack of technical or competence skills to complete roles within a company. However, the main reason for selecting the insourcing concept is the low financial benefit of outsourcing and low quality of outsourced services. (Ližbetinová & Hitka, 2016; Wong et al. 2018)

Using services or buying products from an external company can reduce production costs, but only if their volume is sufficient. On the other hand, the concept of insourcing stimulates the development of key competencies or strengths of a company or functions that customers consider as valuable, while competitors find them difficult or even impossible to produce. However, insourcing can be risky because it reduces company's flexibility. It should be noted that if suppliers are able to deliver a product or service more efficiently, it is up to the management of a company to decide whether to devote valuable resources to improving its own processes or utilizing suppliers. (Bozarth & Handfield, 2007)

In contrast to insourcing, outsourcing generally increases the flexibility of a company and offers access to the latest products and processes. The risk of aging technology falls on the shoulders of an outsourcing company. In case of outsourcing investments, the resources needed to produce a product or service are definitely lower. Outsourcing also has own disadvantages. (King & Malhotra, 2000)

Companies that decide to use services of outsourcing companies may lost important skills and technologies that are a part of their key competencies. For this fact, companies refuse such kind of threats, try to control the most important activities and operations and continually examine client expectations in terms of meeting their needs.

Table 1: Advantages and disadvantages of outsourcing and insourcing

INSOURCING	
Advantages:	Disadvantages:
<ul style="list-style-type: none"> <li>• high level of control</li> <li>• ability to watch out the whole process</li> <li>• economies of scale and range</li> </ul>	<ul style="list-style-type: none"> <li>• lower level of strategic flexibility,</li> <li>• need to do relatively high investments,</li> <li>• loss of access to primary quality,</li> <li>• products and services provided by the potential of providers</li> </ul>
OUTSOURCING	
Advantages:	Disadvantages:
<ul style="list-style-type: none"> <li>• high level of strategic flexibility,</li> <li>• low investment risk,</li> <li>• better cash flow,</li> <li>• access to more modern products and services</li> </ul>	<ul style="list-style-type: none"> <li>• risk of chosen of improper supplier,</li> <li>• loss of control over key technologies,</li> <li>• problems with communication and coordination of co-operation</li> </ul>

Source: own collaboration based on Bovaird, T., *The ins and outs of outsourcing and insourcing: what we have learnt from the past 30 years*, 2016.

The concept of insourcing is related to the terms outsourcing and partnership. Insourcing is the inclusion of functions that have previously been implemented by other entities into the organizational structure of a company, and the partnership is, on the other hand, a situation in which functions are performed as part of a parent enterprise and maintained in the structure of the organization. Based on Gulbrandsen et. al (2009) the decisions on insourcing and outsourcing are results of a continuous process, where companies assess factors influencing vertical integration and allow for more effective action. Decisions about the acquisition of products and services are usually done at a high level of organizational structure. These are

strategic decisions concerning the products and services to be produced and provided (insourcing), and which should be than outsourced by external partners (outsourcing).

A decision *to make* or *buy* is the task of a strategic choice between producing an item, internal or external purchases. Buy or make decisions are usually made when a company that has developed a product or has partially or substantially changed a product or its part has problems with existing suppliers, has a reduced capacity or has a change in demand.

#### 4. Conclusion

The notion of facility management is a common term, but it can still be said that it is not completely defined. The European Union for the needs of globalization tendencies defines facility management as the norm EN 15221. Since 2017 it is defined as ISO 41011 and ISO 41012. The adoption of standards has never been a simple process, as is the case with facility management. The Slovak Republic adopted the European standard on facility management through the Slovak Office of Standards, Metrology and Testing. Facility management is a discipline that is still under the development, and it is not easy to predict how it will be finalized. So far, it is the “imaginary boundary” of a service that has the task of uniting all services, which are not related to the core business of a company. It should allow companies to deal only with their core activities and everything else to be the task of facility management. Identifying such a range of services and keeping them at a satisfactory level is not an easy task, it is a multidisciplinary range of activities. Facility management is, however, essentially the organizational discipline of managing various contractual services. A company’s decision on the scope of facility management and its implementation in the form of insourcing or outsourcing is up to each company. An internal analysis is important, based on which it is necessary to decide whether facility management will be performed by a company itself or will be outsourced. In case of large enterprises is facility management in their “own direction”. They use to support facility management activities by different systems such as CAFM, CMMS, BAS, EMS or EDMS. In case of small enterprises, the roles of facility management are usually distributed among employees, who in fact do not realize that they are in the position of a facility manager.

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## SOCIO-ECONOMIC FACTORS OF GLOBALIZATION TRENDS IN THE SERVICE QUALITY MANAGEMENT

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**Abstract.** The globalization of the service sector confronts enterprises with different customer's expectations. The internationalization and the entry of foreign producers into the national market shift the requirements to the quality of service to constantly higher levels due to competition. The quality of service is based on the quality of human resources, on the mutual interaction of the customer and the service provider. In services, there is larger place for ethics and enterprise culture, which is transferred to the external environment. The aim of the paper is to emphasize the importance of human resources in the direct contact with a customer, in the process of providing services, that combines the internal and external environment of the enterprise, and it is an important element in ensuring and building of the quality. Based on the results of an empirical survey, pointing to the individuality and the difference in the perception of the quality of service on the customer's side, and on the side of the manager of the company, through the evaluation of the contact persons. Among the contact persons of service presented identified socio-economic factors directly or indirectly influence the creation of the quality of services. Based on the achieved results, a model of implementation and quality assurance was developed for enterprise services. The model highlights the socio-economic factors of the each affected element and of critical points. By respecting these factors, elements and relationships, service processes can be continually improved or upgraded and they can become more effective.

**Keywords:** globalization trends, quality management, social aspects, human resources

**JEL Classification:** M5, M11, M12, M14

### 1. Introduction

Súčasný vek informácií a globalizácie radikálne mení ekonomiku aj kultúru jednotlivých krajín. Táto nová ekonomika sa stáva rozhodujúcou v globálnej súťaži o postavenie v celosvetovom spoločenstve národov, keďže predstavuje obrovský potenciál pre ekonomický rast, zvyšovanie produktivity, zamestnanosti, a teda aj blahobytu ľudí. (Musa et al., 2017) Ekonomicky rozvinuté krajiny sú charakteristické postupnou dominanciou služieb v ekonomike a terciarizáciou materiálnej výroby, internacionalizáciou služieb, vznikom nových moderných foriem produkcie a spotreby služieb. Tieto zmeny vyplývajú predovšetkým z vedecko-technického pokroku a globalizácie. Hlavným zdrojom pri poskytovaní služieb

vysokej kvality sú ľudia, informácie, technológie a logistika. (Nedeliaková et al., 2015) Podniky služieb, napriek neustálemu zdokonaľovaniu techniky a technológií, prichádzajú na to, že vedomosti, zručnosti a motivácia svojich ľudí môžu byť zdrojom konkurenčnej výhody, najmä tých druhov služieb, pri ktorých je stupeň kontaktu pracovníkov a klientov vysoký. Kladný postoj a motivácia ľudí k výkonom sa považuje za neviditeľné aktíva. Spôsob vedenia pracovníkov môže ľahko priniesť alebo spôsobiť stratu zisku alebo rast podniku. (Chen & Reyes, 2017) Na dosiahnutie vyššej produktivity a vyššieho úžitku podniku služieb investujú značné zdroje do školení, tréningov a plánovania kariéry pracovníkov. Výrobky získavajú výhody dizajnom, v službách jeden podnik od druhého rozlišuje hlavne stratégia a pružnosť s prioritou ľudských zdrojov, ktoré naplňajú požiadavky zákazníkov (Šatanová et al., 2015). Služby vyžadujú ľudské zdroje s vyššími znalosťami, aby mohli efektívne reagovať na zmeny globalizujúceho sa prostredia. Implementácia manažmentu kvality do podnikov je dôležitým krokom k zvyšovaniu kvality služieb, k zlepšeniu interných a externých procesov a vzťahov v podniku, k jeho rýchlejšiemu etablovaní sa na trhu v období globalizácie a internacionalizácie. (Lari & Asllani, 2013)

## 2. Význam ľudského faktora v službách

Komunikácia so zákazníkom je súčasťou procesu poskytovania služieb, preto sa priamo premieta do spokojnosti zákazníkov. (Brida, Moreno-Izquierdo, Zapata-Aguirre, 2016) Na kontaktných pracovníkov v službách sú kladené zvýšené nároky, nielen na ich odbornosť, ale predovšetkým na osobnostné vlastnosti a danosti jednotlivých pracovníkov. Ich úlohou je komunikovať na jednej strane so zákazníkom a na strane druhej s manažmentom podniku. Je veľmi dôležité, aby kontaktní pracovníci vnímali zákazníka a jeho potreby a požiadavky splnili čo najlepšie a sústavne ich prenášali do vnútra organizácie, ako podnety na zmeny. (Al-Dujaili, 2013) Kým nové technológie a technické vybavenie sú dôležité prvky mnohých služieb, ľudia stále zohrávajú kľúčovú úlohu, majú povahu ľudského kapitálu. Je dôležité efektívne narábať s ľudskými zdrojmi a viesť využiť ich potenciál. (Sedliačiková et al., 2016) Z toho dôvodu kvalita služieb závisí od ľudských kvalít. Musí sa venovať starostlivosť nájdenu a pritiahnutiu vhodných kandidátov. Podniky služieb musia predávať produkty nielen svojim klientom, ale aj odbornosť svojim zamestnancom. Pre trvalý úspech musí manažment podniku služieb plniť funkciu osobnostného rozvoja svojich zamestnancov. (Šatanová, Sedliačiková, 2015) V podniku služieb sú podstatné dva aspekty v riadení ľudského potenciálu (Sedliačiková et al., 2015):

1. Zabezpečiť prijímanie správnych ľudí, ich zamestnávanie a využívanie ich potenciálu. Podniky služieb kladú veľký dôraz na výber a sledovanie svojich zamestnancov. Niektoré služby vyžadujú adekvátnu kvalifikáciu, iné odlišné osobnosti a danosti.
2. Tréning, školenie, plánovanie kariéry, organizačné zlepšovanie a iné. Podporujú lepšie využívanie prirodzených zručností zamestnancov a ich motiváciu.

Pozitívne alebo negatívne výsledky jednotlivcov majú veľký a okamžitý dopad na to, ako jednotliví zákazníci vnímajú kvalitu služieb, ktoré im boli poskytnuté. Služby poskytované zamestnancami organizácie zákazníkom sa spravidla uskutočňujú v rámci tzv. interaktívne orientovaných procesov. Stupeň významnosti interaktívneho procesu, ako elementu kvality služieb, môže byť diferencovaný podľa dĺžky, intenzity a integrity vonkajších faktorov. (Nedeliaková et al., 2015) Rozhodujúci význam pre vnímanie kvality organizácie má aj to, do akej miery sa podarí prispôsobiť kvalifikačný profil personálu pre kontakt so zákazníkmi.

Úspešnosť podniku v súčasnej dobe je závislá na znalostiach ľudí, na informáciách a na ich vzájomnej komunikácii. (Minárová et al., 2015) Proces globálnej komunikácie zahŕňa internú a externú komunikáciu a ich vzájomné prepojenie.

### 3. Materiál a metodika

Spokojnosť interných zákazníkov sa vo veľkej miere odráža v spokojnosti externých zákazníkov organizácie služieb. Preto by organizácie mali pravidelne skúmať a riešiť aj spokojnosť svojich zamestnancov. Od toho závisí vo veľkej miere lojalita zamestnancov, stabilita podniku a jeho meno na trhu. (Chen & Yang, 2003) Cieľom príspevku je zdôrazniť dôležitosť ľudských zdrojov v priamom kontakte so zákazníkom, v procese poskytovania služieb, ktorý prepája interné a externé prostredie podniku a je dôležitým článkom pri zabezpečovaní spokojnosti zákazníkov. Prieskum bol realizovaný vo finančných službách, ktoré majú vo vzťahu k zákazníkovi informačný charakter. Pre zachovanie anonymity bola použitá papierová forma dotazníka, bez klasifikačných otázok. Výsledkom empirického prieskumu bolo determinovať rozhodujúce sociálno-ekonomické faktory, ktoré pôsobia na kontaktných pracovníkov v službách. Ďalšia časť výskumu hodnotila individuálnosť a odlišnosť vnímania kvality služieb na strane zákazníka a na strane manažéra podniku, cez hodnotenie kontaktných pracovníkov. Na základe dosiahnutých výsledkov bol navrhnutý model, ktorý zobrazuje vplyv zistených sociálno-ekonomických faktorov na spokojnosť kontaktných pracovníkov, jeho postavenie voči ostatným záujmovým skupinám a vplyv na spokojnosť externých zákazníkov. Dôraz je kladený na komunikáciu, ktorá priamo alebo nepriamo ovplyvňuje kvalitu služieb a postavenie podniku na trhu.

### 4. Výsledky a diskusia

Nasledujúca časť uvádza výsledky výskumu spokojnosti kontaktných pracovníkov v službách, zameraných na sociálno-ekonomické faktory pracovného prostredia. Na hodnotenie bola použitá Likertova 5 stupňová škála (5 – najvyššie hodnotenie). V ďalšej časti výskumu, zameranom na hodnotenie kontaktných pracovníkov, bola použitá metóda pozorovania a metóda mystery shopping.

#### 4.1 Vyhodnotenie sociálno-ekonomických faktorov zamestnancov

**a) Komunikácia a informovanosť.** Výsledky štatistického spracovania a jeho ukazovatele z oblasti komunikácie a informovanosti v organizácii sú uvedené v tabuľke 1.

Table 1: Hodnotenie komunikácie a informovanosti zamestnancov

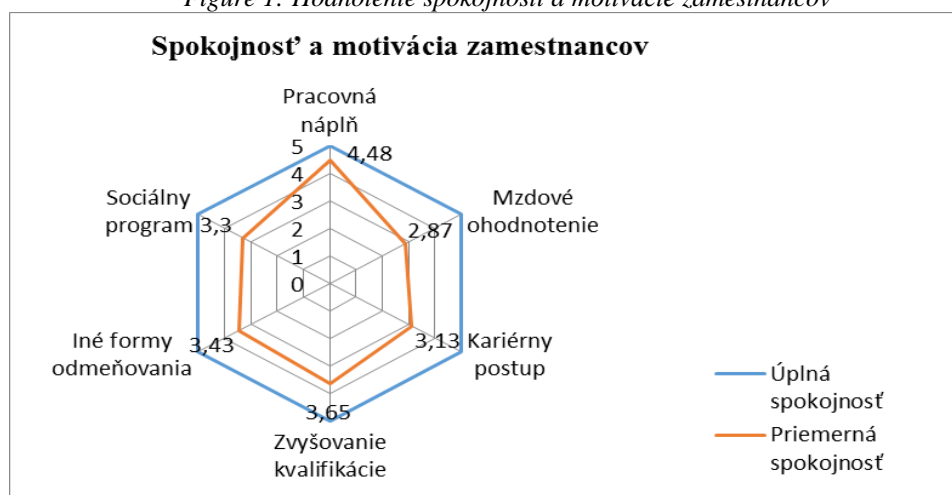
Komunikácia a informovanosť	Priemer	Medián	Modus	Štandard. odchýlka	Max.	Min.
Poslanie organizácie	4,91	5	5	0,28	5	4
Informovanosť o cieľoch organizácie	4,22	4	4	0,72	5	2
Informovanosť o aktuálnom dianí v organizácii	3,74	4	4	1,03	5	2
Dôvera k vedúcim pracovníkom	4,74	5	5	0,44	5	4
Komunikácia s kolegami	4,17	4	5	1,09	5	1
Komunikácia s priamym nadriadeným	4,52	5	5	0,88	5	1
Atmosféra na pracovisku	3,00	3	3	1,02	5	1

Source: vlastné spracovanie

Najlepšie bolo hodnotené *Poslanie organizácie a Dôvera k vedúcim pracovníkom*, obe kritériá dosahujú najvyššie priemerné hodnoty a najnižšie štandardné odchýlky, čo signalizuje najnižší rozptyl odpovedí. *Vysoké hodnotenie 4,52 dosahuje aj Komunikácia s priamym nadriadeným*, čo je veľmi pozitívne v organizácii služieb, dôvera a dobrá komunikácia s nadriadeným vedie k rýchlemu riešeniu a odstraňovaniu problémov. Najnižšie ohodnotili zamestnanci kritérium *Atmosféra na pracovisku*. Hodnota rozptylu patrí k vyšším, takže nemôžeme konštatovať, že všetci zamestnanci majú rovnaký názor na hodnotené kritérium. Zamestnanci nie sú celkom spokojní ani s *poskytovaním informácií o dianí v organizácii*. Komunikáciu a informovanosť v organizácii možno považovať za jednu z najdôležitejších oblastí, ktorá má priamy alebo nepriamy vplyv na motiváciu zamestnancov. Informovaní zamestnanci majú pocit podielu na riadení organizácie, čo zvyšuje u nich pocit zodpovednosti a zainteresovanosti (Závadský & Závadská, 2014).

**b) Spokojnosť a motivácia zamestnancov.** Najvyššie hodnotili zamestnanci spokojnosť s *Pracovnou náplňou* 4,48, štandardná odchýlka dosiahla len 0,58. *Nespokojní* boli s oblasťou *Mzdového ohodnotenia*, priemerná hodnota 2,87. V tomto kritériu je najvyšší rozptyl. *Finančná odmena* bola označená ako najdôležitejšia motivácia v práci. V radarovom diagrame (Figure 1) prehľadne vidieť rozdiel medzi úplnou a priemernou spokojnosťou s pracovnými motívmi.

Figure 1: Hodnotenie spokojnosti a motivácie zamestnancov



Source: vlastné spracovanie

Celková medzera, ktorá vznikla v spokojnosti s motiváciou zamestnancov, je zo všetkých hodnotených oblastí najväčšia. V piatich otázkach zo šiestich nedosiahla priemerná hodnota 4.

**c) Vybavenie a pracovné podmienky.** Tabuľka 2 uvádza štatistické výsledky u šiestich najdôležitejších kritérií z pohľadu kontaktných pracovníkov. Najnižšie sú hodnotené kritériá: *Priestorové vybavenie a Využitie pružného pracovného času* (3,65), rozptyl odpovedí bol najvyšší (1,34). Pružný pracovný čas je dôležitým sociálno-ekonomickým faktorom, vzhľadom k ďalším rodinným a osobným povinnostiam pracovníkov. Tento zistený fakt spôsobuje aj neustály nedostatok zamestnancov a pracovníkov vo finančných inštitúciách, predovšetkým na kontaktné pozície.



Table 2: Hodnotenie vybavenia pracoviska a pracovných podmienok

Vybavenie a pracovné podmienky	Priemer	Medián	Modus	Štandard. odchýlka	Max	Min
Materiálne vybavenie	3,95	4	4	0,9	5	2
Technické vybavenie	4,30	4	5	0,71	5	3
Priestorové vybavenie	3,67	4	4	0,99	5	2
Úroveň sociálneho zariadenia	4,04	4	4	0,75	5	2
Možnosti stravovania	4,09	5	5	1,32	5	1
Využitie pružného prac. času	3,65	4	5	1,34	5	2

Source: vlastné spracovanie

Stravovanie bolo označené ako jedno z najdôležitejších kritérií pre hodnotenie pracovných podmienok, bolo hodnotené nadpriemerne, čo môžeme považovať za prijateľné, vzhľadom k vysokej individualite kritéria. Najvyššie je hodnotené technické vybavenie organizácie, čo je v dobe globalizácie nevyhnutné, vzhľadom ku konkurencii na trhu. Sledované sociálno-ekonomické faktory sú hodnotené okolo úrovne 4, čo je predpokladom pre spokojnosť zamestnancov a ich lojalitu.

## 4.2 Hodnotenie kontaktných pracovníkov v službách

Hodnotenie kontaktných pracovníkov bolo pre objektivitu realizované z dvoch strán. Tabuľka 3 uvádza výsledky hodnotenia kontaktných pracovníkov zákazníkmi, metódou mystery shopping (stĺpec MS) a hodnotenie interného pracovníka (manažéra) v stĺpci Pozorovanie. Posledný stĺpec uvádza rozdiel v názoroch pre jednotlivé hodnotené kritériá.

Table 3: Hodnotenie kvality kontaktných pracovníkov

Hodnotené kritériá kvality poradcov	Pozorovanie	MS	Rozdiel
1. Ako hodnotíte pozdrav a uvítanie finančným poradcom?	8,20	8,95	0,75
2. Ako hodnotíte náladu finančného poradcu?	7,34	8,50	1,16
3. Ako hodnotíte etiku a štýl vyjadrovania finančného poradcu?	7,94	8,80	0,86
4. Ako hodnotíte komunikatívnosť finančného poradcu?	7,30	9,00	1,70
5. Ako hodnotíte celkové odborné vedomosti finančného poradcu?	6,60	8,68	2,08
6. Ako hodnotíte postup a nadväznosť rozhovoru s finančným poradcom?	6,80	7,50	0,70
7. Ako hodnotíte vysvetlenie novej aplikácie finančným poradcom?	7,68	<b>4,80</b>	<b>-2,88</b>
8. Ako hodnotíte vysvetlenie nutnosti Vášho podpisu pri použití aplikácie?	7,66	<b>5,30</b>	<b>-2,36</b>
9. Ako hodnotíte vysvetlené možnosti investovania?	9,10	8,81	<b>-0,29</b>
10. Ako hodnotíte celkový dojem z finančného poradcu?	7,98	8,67	0,69

Source: vlastné spracovanie

Dosiahnuté výsledky ukazujú, že rozdiely v hodnotení sa pohybujú vo väčšej miere v kladnom vyjadrení, t.j. hodnotenie externého zákazníka bolo vyššie ako hodnotenie interné, od 0,69 pri celkovom dojme, až po 2,08 pri hodnotení celkových vedomostí zamestnanca. Najvyššie záporné rozdiely sa týkajú práce s novou aplikáciou finančného poradenstva, dosahujú až hodnoty 2,88 a 2,36. Ide tu o dva rozdielne názory záujmových skupín na jeden skúmaný objekt – finanční poradcovia (kontaktní pracovníci). Zákazník chce, aby mu bola problematika vysvetlená na úrovni jeho finančnej gramotnosti, tá je u zákazníkov veľmi rozdielna. Poradca musí v rámci úvodného rozhovoru zistiť úroveň vedomostí zákazníka v danej oblasti a prispôbiť úroveň komunikácie. Odborné vedomosti zákazníci hodnotili o 2,08 bodu vyššie ako interný hodnotiteľ (manažér), ktorý sa málo stretáva so zákazníkmi.

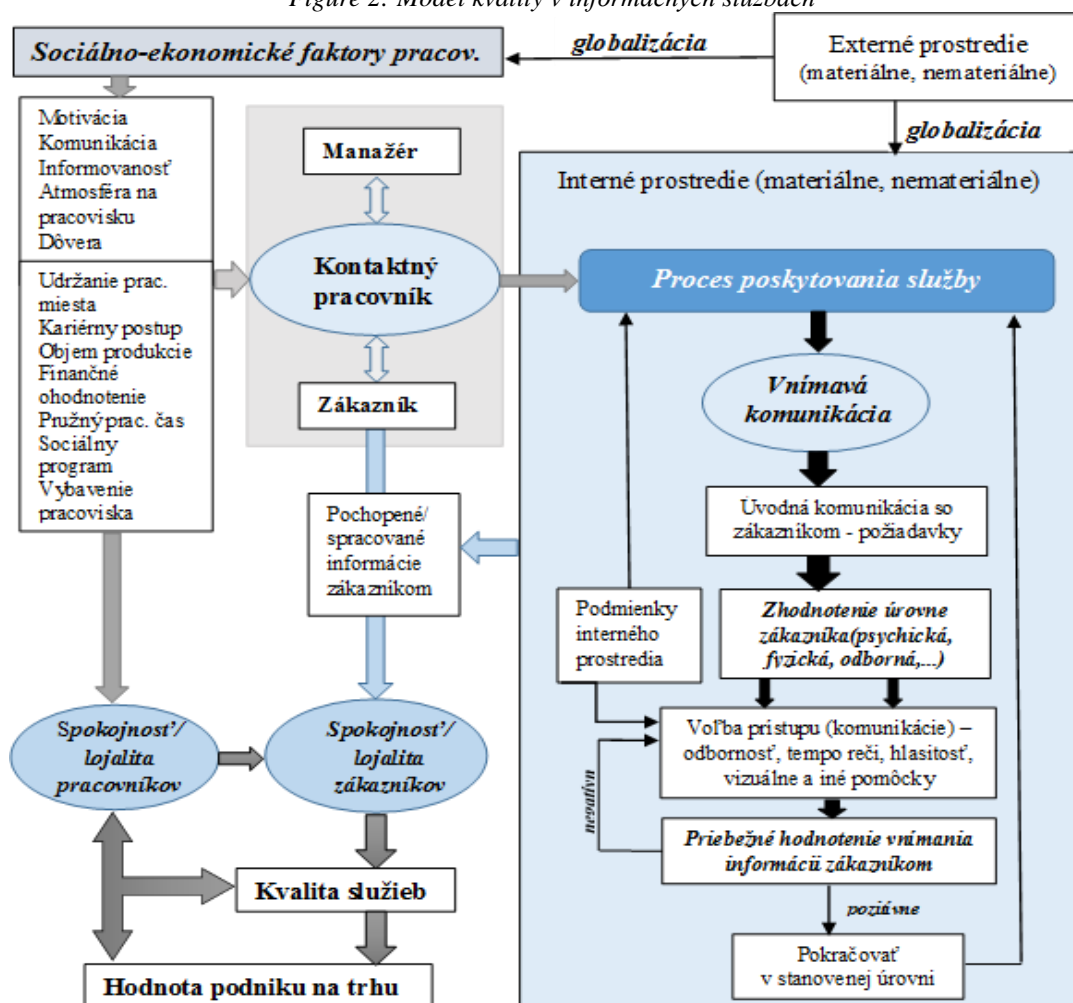
Je dôležité, aby manažéri organizácie spracovali závery, na základe hodnotenia obidvoch strán. Ak zákazníci nepochopia význam ponúkaných služieb, investované prostriedky do

nových aplikácií neprinesú očakávané výsledky, vo zvýšených finančných obratoch alebo vyššej lojalite zákazníkov. V informačných službách musia manažéri a škoolitelia pripravovať kontaktných pracovníkov nielen odborne, ale aj na prácu so zákazníkom, ktorý z danej oblasti má rôznu úroveň vedomostí. Metodiku výkladu nového produktu a komunikácie so zákazníkom, treba postaviť na vhodnú úroveň s vysokou mierou individuality.

### 4.3 Model kvality v informačných službách

Na základe výsledkov čiastkových výskumov bol zostavený **Model kvality v informačných službách** (Figure 2).

Figure 2: Model kvality v informačných službách



Source: vlastné spracovanie

Model zobrazuje pozíciu **kontaktného pracovníka**, v rámci jednotlivých záujmových strán (manažér, samotný pracovník a externý zákazník). Ich požiadavky musí neustále vyhodnocovať, spracovať a komunikovať tak, aby interakcia s externým zákazníkom priniesla, čo najvyššiu spokojnosť pre všetky strany. Aby si udržal svoje pracovné miesto, prípadne sa kariérne posunul, musí spĺňať a prekračovať aj požiadavky manažéra. Kontaktný pracovník má aj svoje vlastné kariérne ciele a priority. Dôležité je plniť predovšetkým potreby externých zákazníkov, ktoré sú rôznorodé a každé jedno stretnutie je individuálne. Model tiež zobrazuje vplyv globalizácie z externého prostredia, ktorý formuje všetky

záujmové skupiny. Formuje tiež interné prostredie v oblasti sociálno-ekonomickej, technickej, technologickej a odbornej. Ľavá strana obsahuje najdôležitejšie zistené sociálno-ekonomické faktory, ktoré ovplyvňujú spokojnosť interných zákazníkov, čo sa prenáša do interaktívnej roviny a spokojnosti externých zákazníkov. Globalizáciou sa zvyšuje potreba ovládania cudzích jazykov, či už z hľadiska nových aplikácií alebo zákazníkov. Model rozpracováva dôležitosť **komunikácie s externým zákazníkom** v informačných službách, kde je komunikácia založená na vysokom stupni individuality, v závislosti na jeho vedomostiach, schopnostiach prijímať a spracovávať nové informácie, aby bola dosiahnutá vysoká miera spokojnosti na strane zákazníka. Schéma uvádza algoritmus komunikácie so zákazníkom, s ohľadom na podmienky interakcie – osobnostné, interného a externého prostredia. Zohľadnením všetkých faktorov možno zaručiť spokojnosť zákazníka, jeho lojalitu a dobré hodnotenie kvality služieb organizácie. Môžeme skonštatovať, že uvedené odporúčania a postupy sú vhodné aj pre iné druhy služieb, nehmotného charakteru.

## 5. Conclusion

Podniky služieb, napriek neustálemu zdokonaľovaniu techniky a technológií, prichádzajú na to, že vedomosti, zručnosti a motivácia svojich ľudí môžu byť zdrojom konkurenčnej výhody, najmä tých druhov služieb, pri ktorých je stupeň kontaktu pracovníkov a zákazníkov vysoký. Komunikácia je základom pri hľadaní a odstraňovaní problémov v organizácii, ale aj pri zlepšovaní medziľudských vzťahov a rozvoja tímovej práce. (Sedliačiková et al., 2015) Dobré vzťahy v organizácii sa prejavujú aj na pozitívnom prístupe k externým zákazníkom. Model zachytáva interakciu zákazníka v procese poskytovania služby, jeho vplyv na kvalitu služby a hodnotenie spokojnosti. Prepája interný a externý pohľad hodnotenia kvality v službách, čím umožňuje objektívnejšie posúdenie kvality a cielenejšie nápravné opatrenia. Zároveň upozorňuje na vplyv globalizácie, ktorá priamo alebo nepriamo formuje požiadavky zákazníkov a technické a technologické prostredie podniku, čím posúva náročnosť na kvalitu ľudských zdrojov stále na vyššiu úroveň. Dôraz je kladený na pozíciu kontaktného pracovníka – jeho úlohy, postavenie, ciele. Je základom vnímania a formovania kvality zo strany zákazníkov a formovania dobrého mena podniku. Preto je podstatné, v rámci manažmentu kvality, venovať tejto pracovnej pozícii veľkú pozornosť. Cieľom manažérov by malo byť zabezpečenie lojality dobrých kontaktných pracovníkov. Kvalitu v podnikoch služieb odlišuje hlavne stratégia a pružnosť, kľúčovú úlohu zohrávajú ľudské zdroje, ktoré efektívne reagujú na zmeny súčasného globálneho prostredia. Správne nasmerovanými investíciami organizácie, na základe spätnej väzby, sa zvýši lojalita všetkých záujmových skupín.

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## CSR AS AN INNOVATIVE CONCEPT OF SME'S BRAND MANAGEMENT IN GLOBALISED MARKET CONDITIONS

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**Abstract.** Brand value building and managing are traditionally the domains of large enterprises with high-quality marketing. On the other hand, less attention is dedicated to the issue of brand management at the level of small and medium-sized enterprises. This situation causes frequent failures in application practice of brand management leading to a reduction in market dynamics as well as to sector monopolization. As a result of competitive indulgence, small and medium-sized enterprises rapidly leave the market, so the consumer becomes more loyal to brands of large enterprises in such a turbulent marketplace as it eliminates the risk associated with making a purchasing decision while there is an absence of information about new entrants on the market. This reduces the market share of small and medium-sized enterprises (mostly national) in favour of large global brands. The aim of the presented paper is to identify the current state of the use of CSR in the practice of building and managing the brand value in specific conditions of the Slovak Republic and to highlight the possibilities of gaining the competitive advantage of small and medium-sized enterprises by implementation of this concept with regard to national specifics. We used modified methods of comparative analysis and chronological benchmark. Our final statements are based on the outcomes of rankings Via Bona Slovakia 2017 and Superbrands 2017. Finally, we found out that brand managers do not use the CSR concept properly at a strategic level in conditions of the Slovak Republic.

**Keywords:** brand, branding, innovation, SME's, Hofstede's socio-cultural profile

**JEL Classification:** M10, M30, M31, O30

### 1. Introduction

Not only practice, but also the theory of corporate governance, are currently facing new challenges that have emerged as a logical consequence of accelerating globalisation. On the one hand, it raises the need to unify the concepts formulated by now to better suit on the international market (with stronger linkage to the mutual interdependence) and at the same

time to reflect specificities resulting from regional disparities caused by divergent socio-political development based on the background of wider historical contexts.

This manager's schism is manifested across the whole spectrum of managerial tasks at all levels of corporate governance. Areas that have been excluded from these tasks until now cover also brand management. Its essence lies in accentuating its own behavioural basis, which represents currently the driving force for verification and modification tendencies within the original predominantly neoclassical constructs created by the assumption of the perfectly rational subject *Homo Oeconomicus*. This applies especially to small and medium-sized enterprises, which are facing a substantial management challenge that significantly affects their competitive strength.

Paradoxically, despite the proven need for a constructive review of contextual approaches to brand management, it represents a perspective competitive advantage for the enterprise in this dynamically changing environment. The reason for this phenomenon is the fact that it is one of the few areas of corporate governance where managers have a proven past experience with irrationality in consumer behaviour.

Based on the above mentioned, it is necessary to review the former approach to brand management as an isolated object of marketing management and to perceive it as a substantial corporate entity that significantly influences the effectiveness of corporate governance under specific market conditions. In the context of building and managing brand value of small and medium-sized enterprises is strategic management an important area of corporate governance. At the level of strategic management can be created a space for brand management to gain a competitive advantage based on the implementation of the concept of CSR (CSR) in line with the present state of knowledge. This is an innovative approach balancing on the edge of the applicability of behavioural theories in the context of regional disparities. However, in order to optimize its effectiveness, it is necessary to take into account the psychological specificities of the national environment.

## **2. CSR in contemporary branding practice of SME's**

The trend of accelerating globalization is currently an essential attribute affecting the saturation of the competitive environment. Therefore, the attention of managers is focused on increasing the emphasis placed on the effective building of a competitive advantage, which will provide the enterprise the required consumer preferences as a prerequisite to fulfil given goal of enterprise.

The perspective way for building a stable competitive advantage of the enterprise is also the activation of the marketing activities through creation and implementation of the concept of socially responsible behaviour of the enterprise. These activities can be denoted not only as declaratory but also as actual fulfilment of corporate economic, legal, ethical and philanthropic obligations, forming the content of the so-called corporate citizenship.

Corporate citizenship can be understood as conscious existence of an enterprise in a society, with regard to all interactions in which the enterprise enters its business, not only in the enforcement of its rights but also in the realization and subsequent fulfilment of its obligations as it was stated by Henry Ford at the beginning of the 20th century. (see Table 1)

*Table 1: The genesis of CSR concept development in the scientific literature*

Period	Essence of CSR	Significant publications
1949–1979	Financial aspect	Alexander & Buchholz (1978), Abbott & Monsen (1979)
1980–1989	Marketing aspect	Cochran & Wood (1984), Aupperle et al. (1985), Miles (1987)
1990–1999	Competitive potential	Wood (1991), Carroll (1991), Mitchell a kol. (1997), McWilliams & Siegel (1997), Carroll (1999)
2000–2009	Triple Bottom Line concept	Margolis & Walsh (2003), Parker a kol. (2003), Liao & Rupp (2005), Rupp a kol. (2006), Bhattacharya & Korschun (2008), Brammer & Millington (2008), Turker (2009)
2010–2018	Altruism, philanthropy, and real corporate citizenship	Mitellman (2012), Majerova (2015), Petrenko a kol. (2016), Jamali a kol. (2017), Wu a kol. (2018)

*Source: own processing*

Corporate Social Responsibility acquires a new dimension in the context of the strategic dimension of corporate governance by moving from a historical production marketing concept to so-called social marketing concept. This is also reflected in brand management, where real business altruism should be a source of stable competitive advantage in line with current state of the knowledge. This should lead to a situation where an enterprise does not implement a CSR concept to gain a competitive advantage, but a competitive advantage is gained as a result of its socially responsible behaviour. Given the existence of this mirror effect, it is important that at the level of corporate governance it is not abstracted from the need to perceive the concept of CSR on two basic levels: corporate and consumer. In order to realistically extract the competitive potential of implementing CSR, it is necessary that CSR concept passed through both levels (corporate and consumer) at the same extent (however the ideal state is to identify with CSR and perceive its internal value at enterprise level higher than at consumer level). This is the only possible way to avoid undesirable phenomenon of radical weakening of consumer perceived value of the enterprise or brand, which is unfortunately frequent in the conditions of the Slovak Republic. It is very important to terminologically distinguish between enterprise and brand within the theory and practice of CSR concept. The reason is related to the already mentioned risk of possible competitive disqualification of the enterprise if the CSR approach is formalized. This means that occurs such situation when CSR is proclaimed and optimally externally communicated at the level of brand, but this situation is not convergent with the philosophy of the whole enterprise. The achievement of implementing CSR concept in the whole enterprise is the imperative of its incorporation into the level of strategic management. In the case of the autonomous building and managing of enterprise portfolio of brands in the context of their own identities and existing positioning, it could eventually result in an undesired counter-effect, i.e. to a decrease in their perceived consumers value. The issue of corporate social responsibility can be viewed as a relatively fragmented from the traditional, definitive approach, but overall it accentuates both, the voluntary integration of social and ecological interests of society in business activities as well as exclusively altruistic movements beyond own business interests. As it emerges from the evolution of the CSR concept, its current form has evolved from the perception of social responsibility as a source of added value to the complex altruistic dimension materialized in the so-called triple bottom line access. Economic growth includes the aspect of transparency of management, external and internal business presentation and maintaining good relationships with its stakeholders, which significantly affect the economic performance of an enterprise. (Filz et al., 2017; Stefko et al., 2015) The environmental dimension is reflected in the environmental conformity of business activities with respect to environmental protection, environmental compliance and environmentally friendly

innovation. (Fai & Kang, 2017) The last dimension forming the essence of the so-called triple bottom line approach to CSR – making social good, is particularly relevant to employees and the local community. (Mantovani et al., 2017; Popp et al., 2018) The broadest space for the penetration of the CSR concept with brand management is created mainly in this area (not only within the brand's communication policy through PR activities, sponsorship, green marketing, etc., which have a substantial impact on the perceived brand value but also across other tools of marketing mix).

The existing theoretical approaches to what can be terminologically subsumed under the concept of socially responsible business can be divided into three basic dimensions, each accentuating another approach to the presented issue, namely:

- holistic approach in which enterprises should be responsible in all areas affected by their business,
- approach distinguishing between the concept of CSR in the context of the main economic activity of the enterprise and its obligations arising from corporate citizenship,
- active stakeholder approach. (Turkel et al., 2016)

Stakeholders are a key concept of CSR and can be defined as entities that interact with the enterprise or brand in different extents. (Farmaki & Pharmakis, 2018). This only proves that terminology is not stable and unified even in this case as in the whole theory of socially responsible business. The potential of the CSR concept is indisputable, regardless of the complexity of the individual definitions formulated within it, in terms of creating a competitive advantage through the prism of consumers' subjectively perceived value. However, it is debatable which specific attributes of socially responsible behaviour are involved in the formation of consumers' perceived value sources and to what extent. The knowledge of the behavioural aspects of consumer's buying behaviour in the selected market is essential respecting the above mentioned. The resulting effectiveness of CSR implementation is mainly dependent on stakeholders and their vision of both corporate and community dimension. It is true that their importance increases with the increasing importance of the so-called word of mouth marketing and vice versa. In the conditions of the Slovak Republic, which is characterized by the average value of the "individualism" dimension according to the Hofstede's model of the socio-cultural profile (available at <https://www.hofstede-insights.com>), the attitude of consumers to this communication activity is ambivalent indicating the importance of exploring the given issues in the context of the specificity of branded production at the level of its sectoral relevance. Taking into account not only the historical development of the corporate use of the concept of socially responsible behaviour in the territory of the Slovak Republic, but also the factual state of the issue, it can be stated that despite the long-term functioning of the market economy mechanisms and the indisputable benefits that the enterprise has for corporate social responsibility, the experience of domestic businesses with marketing activities in this area is deficient in a comprehensive way – not only at the brand management level. The situation in this area is also complicated by the fact that according to the Hofstede's model of the socio-cultural profile of the country, the Slovak consumer does not consider progressive marketing concepts, such as cause related marketing or green marketing, as a source of brand value as this long-term orientation exhibits inwardly to the consumer in terms of his selfish expressions and not externally in the sense of altruism, respectively philanthropy (the value of dimension "long-term orientation").



The inadequate use of the CSR concept in the context of brand management in the Slovak Republic (or insufficient use of the brand for the purpose of facilitating a socially responsible business and already mentioned resulting mirror effect of creating a stable competitive advantage) is also evidenced by the assessment of the social responsibility by Via Bona Slovakia, which has been realised by PONTI foundation in 2017. (see Table 2)

Table 2: Evaluation according to Via Bona Slovakia 2017

Category	Brand	Area of operation
Responsible large enterprise	Accenture	Management consulting
	Slovenská sporiteľňa	Banking
Responsible small and medium-sized enterprises	ANASOFT	Expert training
	BUBO	Travel agency
	NEREUS	Swimming school
Fair player on the market	NosKin	Distribution of farmed food
	Orange Slovensko	Mobile operator
	O2	Mobile operator
Good community partner	Lidl	Global market chain
	GlaxoSmithKline Slovakia	Pharmaceutical company
Green enterprise	GO4 (Švihaj šuhaj)	Courier service
	IKEA Bratislava	Home furnishing and accessories
	Impact Futuristics	Computer consulting
Great employer	Accenture	Management consulting
	Lidl	Global market chain
	VSE Holding	Energetics
Social innovation	Accenture	Management consulting
	Niche	Wholesale
	TESCO Stores	Global market chain

Source: own processing according to <http://www.nadaciapontis.sk/>

The original Slovak small and medium-sized enterprises are presented by Via Bona Slovakia 2017, but not only because a separate category are devoted to them. They have been ranked well also in comparison with brands operating on the global market environment. However, from the point of view of consumers' subjectively perceived value, these brands are not successful. On the other side, none of them are presented in the rating provided by the company Superbrands for 2017. Similarly, vice versa there are no brands in the Via Bona Slovakia 2013 that are active on the Slovak market and are considered to be valuable by consumers. (see Table 3)

Table 3: The most valuable brands in SR and their countries of origin according to Superbrands 2017

Country	Brands	Number of brands
Canada	Jamieson, McCain	2
Czech Republic	Eiffel optic, FOTOLAB, mall.sk, Mountfield, Pilsner Urquell	5
France	Yves Rocher	1
Germany	dm drogerie markt, Kaufland, Rajo, Viessmann	4
Poland	CCC	1
Austria	Baumit, Zepter	2
Slovak Republic	BORY MALL, COOP Jednota,	15

	DEMA, Dormeo, EXIsport, GECO, HYZA, mecom, NAY, Považský cukor, SATUR, SWAN, SUPERZOO, topreality.sk, zlavadna.sk	
Switzerland	Victorinox	1
Great Britain	Bubbleology	1
USA	MARY KAY	1

Source: own processing according to <https://slovaksuperbrands.com/>

Based on the results of Via Bona Slovakia 2017 and Superbrands 2017 is clear that at the strategic level the brand management does not use the CSR concept appropriately in the conditions of the Slovak Republic. If this was not true, there would be linkage between brands awarded for their socially responsible behaviour and brands, which are perceived by consumers as valuable in a competitive comparison. Therefore, the space for a constructive discussion about the possibilities of linking these two areas and exploiting their potential synergies will be created in the future, space for, not only in terms of achieving the objectives of the company at the individual levels of its management but also in terms of ensuring the sustainable development of society in a turbulently changing socio-economic environment of 21<sup>st</sup> century.

### 3. Conclusion

The aim of presented paper was to identify the current state of identify the current state of use of CSR in the practice of building and managing the brand value in specific conditions of the Slovak Republic and to highlight the possibilities of gaining the competitive advantage of small and medium-sized enterprises by implementation of this concept with regard to national specifics. We used modified methods of comparative analysis and chronological benchmark. Our final statements are based on the outcomes of rankings Via Bona Slovakia 2017 and Superbrands 2017. Finally, we have detected that brand managers don't use the CSR concept properly at a strategic level in conditions of the Slovak Republic, because there is no penetration between brands valued for their socially responsible behaviour and brands, which are perceived by consumers as valuable in a competitive comparison.

### Acknowledgment

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## MAKING OUR OWN DECISIONS – MANAGEMENT IN CONFLICT

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**Abstract.** Humans and also organisations make decisions every time. Decisions are not always the own of the decision makers, necessarily, decision makers have to communicate, cooperate, make compromises or base consensus with other parties. They have to build strategies, responsible decisions have to be based on previous procedures –either in the field of public law, or in the subject of civil law- and they have to be supported with several helpful methods and techniques. In this paper I would like to examine the relevant forms of helpful communication leading to a connection between parties in conflict. What kind of activity conflict management can be, what kind of significance trust has got in the subject of the behaviour of the conflict? The paper introduces the connection of conflict management with the powers and potentials of alternative dispute resolution. Alternative dispute resolution system (ADR-system), is one kind of the procedures enables us to solve a conflict. One type of alternative dispute resolution is mediation, which is based on the voluntary participation of the parties. There are several procedures worldwide, persons can choose: the communication can be systematically facilitated with the aim of enabling the parties themselves to take responsibility for resolving their dispute.

**Keywords:** decision, trust, conflict management, communication, alternative dispute resolution

**JEL Classification:** K00, K19, K36, K40, K42

### 1. Introduction

Various definitions of conflict is known worldwide and the definitions lived with historical changes, developed with people and with society. The conflict is a conflict between the interests of natural or legal persons. Some of the conflicts are community conflicts, on the basis of common interest (state, local municipalities), some of the conflicts are based on individual interest, some conflict arises in the international level, between states, and we know, if states were in conflict in the history, there were often wars in connection with their conflicts. There are several examples in countries how to manage a conflict and it is based on historical-cultural development of each country. Through the interdependence of nations and cultures, disputes and dispute resolution processes need to account for much more than just the dispute itself. (Schuler, 2018) Research show paths of the negotiation space and negotiation strategies, agreements between nations, firms, and individuals facilitate trade and ensure smooth interaction. (Ott & Ghauri, 2018) There are several very important consequences of a person's, of a legal entity's or a society's behaviour in connection with decision making and solution finding in the case of emerged conflict. The important aspect of

financial background, of the question how the choice of alternative dispute resolution influences economy through the effects on economic life.

Successful modern societies are based on the willingness to cooperate, supported by GLOBE ([www.globeproject.com](http://www.globeproject.com)) research with international comparisons.

The aim of this paper is to introduce and stress, that every person, legal entity (state), community has its own and special social-historical-financial development level. This paper wants to give an answer to the question if communication has an important role to reach a contract (one way of resolution) and if trust plays an important role in this procedure of communication (non-violent communication). Trust (Lazányi, 2017), (McKnight, 1996), (Rousseau et al., 1998) can support conflict management and is able to give a snapshot of the general state of society, and is capable of influencing person's (people, legal entities, communities, states) compliance with the law.

## 2. Facts and cases about conflicts and resolutions

The term „conflict“ has no single clear meaning. Much of the confusion has been created by scholars in different disciplines who are interested in studying conflict. Reviews of the conflict literature show a conceptual sympathy for, but little consensual endorsement of, any generally accepted definition of conflict. There is tremendous variance in conflict definitions that include a range of definitions for specific interests and a variety of general definitions that attempt to be all-inclusive. Conflict can be considered as a breakdown in the standard mechanisms of decision making, so that an individual or group experiences difficulty in selecting an alternative. (Rahim, 2011)

While mediation is often thought of in the context of personal conflicts or family disputes, business owners realize that mediation services are available to resolve business-related disputes as well. Research emphasizes the importance of participation of organizations in participatory procedures, their involvement in development policy.

In the hungarian legal regulation there are several ways for persons how to resolve a conflict, how to resolve a dispute, how to continue with familiy members, neighbours, colleauges, business partners. Of course, courts fulfill the task to decide in the complaints of clients, to run the procedures of trials.

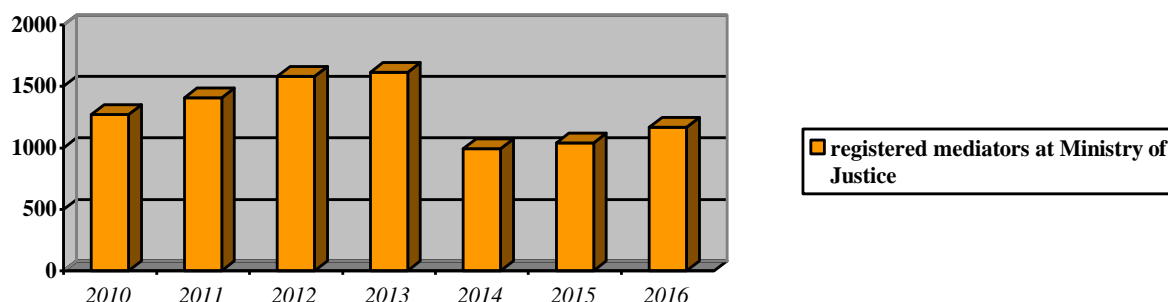
Table 1 and Figure 1 displays what is the number of mediators and how many cases are there yearly to solve. From the year of the Act on Mediation has became to effect, from the year 2007, can we observe an increasing will of natural and legal persons to initiate mediation? The number of registered mediators at Ministry of Justice between 2010-2016 were the following:

*Table 1: Registered mediators at Ministry of Justice Hungary 2010-2016*

	2010	2011	2012	2013	2014	2015	2016
Registered mediators at Ministry of Justice	1272	1408	1578	1615	993	1041	1168

*Source: prepared by the author based on the given datas from Ministry of Justice, Hungary 2018*

Figure 1. Registered mediators at Ministry of Justice Hungary 2010-2016



Source: prepared by the author based on the given datas from Ministry of Justice, Hungary 2018

After three years of increasing in number of registered mediators, a relapse can be observed in 2014, which has been followed by again with slow increase in 2015 and 2016. The requirements of further training and continuative education of mediators included in the legal regulation may influence the issued registered mediators.

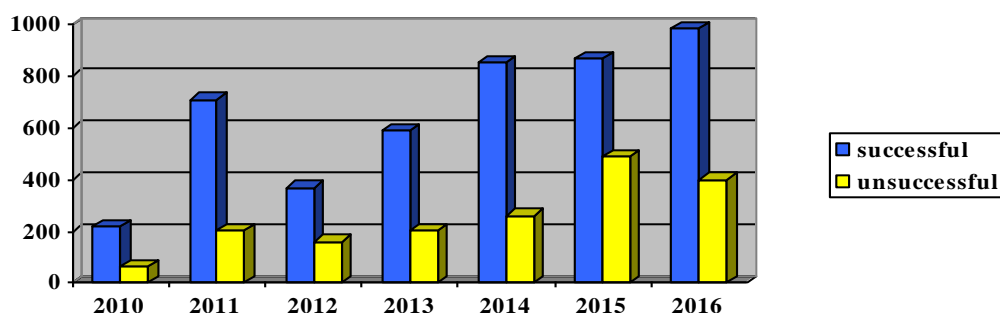
The numbers of incoming cases speak about changes in the old statement according to the saying 'It is good to argue'. Perhaps people and decision makers change their minds and make the choice to choose alternative dispute resolution. Between 2010 and 2016, on the basis of data giving of registered mediators Table 2 and Figure 2 show the conformation of mediated cases, separately the cases with a successful agreement at the end and separately the cases without a successful end.

Table 2: Incoming cases to registered mediators at Ministry of Justice Hungary 2010-2016

	2010	2011	2012	2013	2014	2015	2016
successful	216	708	370	589	851	864	983
unsuccessful	63	203	160	204	260	487	400

Source: prepared by the author based on the given datas from Ministry of Justice, Hungary 2018

Figure 2: Incoming cases to registered mediators at Ministry of Justice Hungary 2010-2016



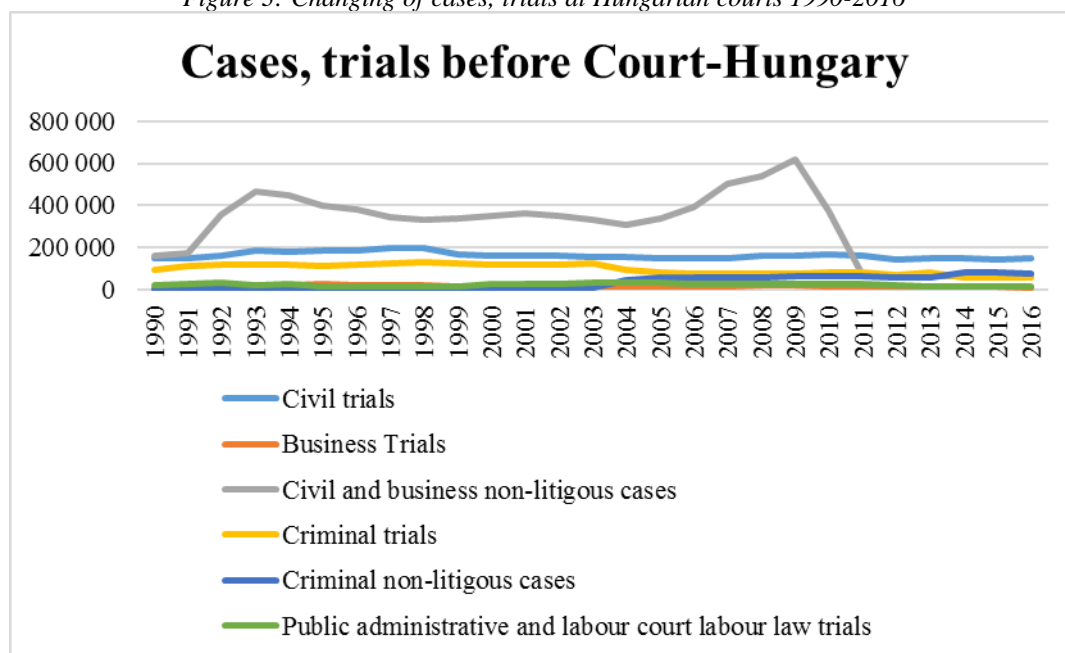
Source: prepared by the author based on the given datas from Ministry of Justice, Hungary 2018

It is stated in Table 2, that from the year 2014 there is a stable increasing in both – successful and unsuccessful ended incoming cases. Starting from the figures in the table, it is hoped that the number of people, firms or even communities that are choosing mediation will grow and overwhelm the old saying that it is good to argue. Hopefully this is despite the fact that Figure 3 shows the development of litigation cases in numbers, and these figures show almost stagnation, growth or only a minor decrease in litigation in all areas, except for one

group of cases. This group is civil and business non-litigious cases, which data for 2010 decreased by 39% compared to 2009 figures and then decreased by 83% from 2010 in 2011.

The development of civil lawsuits between 1990 and 2016 can be said that as a result of the fall in the number of non-litigious procedures, the burden of the courts has been reduced from the year 2010 as depicted in Figure 3. Based on data about the cases, trials at hungarian courts provided by the hungarian Central Statistical Office it is clear that, in 2010, the total number of cases, decreased by 24% from 2009 to 2010. It is most affected by the legislative change that a major group of non-affiliated cases, payment orders are mostly made by notaries.

Figure 3: Changing of cases, trials at Hungarian courts 1990-2016



Source: Hungarian Central Statistical Office Hungary, [www.ksh.hu](http://www.ksh.hu) decreasing number of civil and business non-litigious cases only, civil trials (1), criminal non-litigious cases (2), business trials (3), criminal trials (4), public administrative and labour law trials (5) Stagnate from (2)-(5).

### 3. Trust-decision-connection

The GLOBE survey – GLOBE Research Program- covering 62 countries (including Hungary, from European clusters to Eastern Europe with Albania, with Armenia, Greece, Kazakhstan, Poland, Russia and Slovenia), ranked Hungary 61th in the rankings, as last but one, examining the society's willingness to cooperate.

Eastern European cluster has a population of 232 million and a gross domestic product (GDP) of US. \$772 billion. The cluster's distinctive cultural practices are high power distance and high family and group collectivism. The region is facing significant challenges during its period of transition from communist philosophy to market-based economies. The participating managers value a much greater degree of future and performance orientation, but are strongly attached to their cultural heritage of deep family and group cohesion. They are also highly value charismatic and team-oriented leadership. (Bakacsi et al., 2002)



On the basis of these facts, in the field of social cooperation, Hungarian is a self-interest driven, dissolving society that would surely be more successful if its members were to assume responsibility for the consequences of their acts. As responsibility and willingness to cooperate grow, and we learn to make as many common results as possible from a given situation, then wealth will grow healthily, emotionally and economically. The lack of cooperation will cause enormous damage to the economy, but it also has extraordinary potential for development, resulting in a change of social attitude, quantifiable economic results and savings. Fortunately, since the above research, more than ten years have elapsed, and the development of mediation and financial reconciliation in this article has progressed along with the development of the entire alternative dispute resolution area, and the future is also determined by this trend.

The more we are connected technologically and economically, the more challenges we may face. Through the interdependence of nations and cultures, disputes and dispute resolution process need to account for much more than just the dispute itself. As we follow new social and political trends and developments, intercultural understanding is key to averting potential conflicts and promoting cross-border collaboration. Intercultural mediation is used when a conflict is determined or influenced by cultural differences and when its resolution takes these cultural differences into consideration, even if the cultural differences may not be the actual or original source of a dispute. (Schuler, 2018) Connecting that research is known introducing that even agricultural income shocks drive the weather-crime relationship in developing countries. (Blakeslee&Fishmann, 2017) Social identity theory holds that any individual's self-concept is based not only on his or her personal identity but also on his or her group identity. (Reiche et al., 2015) International business scholars continue to struggle to theorize the relationship between country and cultural group boundaries. (Peterson et al., 2018) Asian example of research that conflict avoidance is common in East Asia, and the Confucian notion of harmony is often invoked to explain this tendency. (Leung et al., 2002)

Apart from some of the highlighted Hungarian examples, they give an insight into where the alternative dispute resolution is today - alternative dispute resolution can be found in many places in the world. To strive for peaceful conflict management and peaceful resolution of disputes, today we call court mediation, mediation, conciliation, arbitration, litigation, and arbitration services as an alternative dispute resolution.

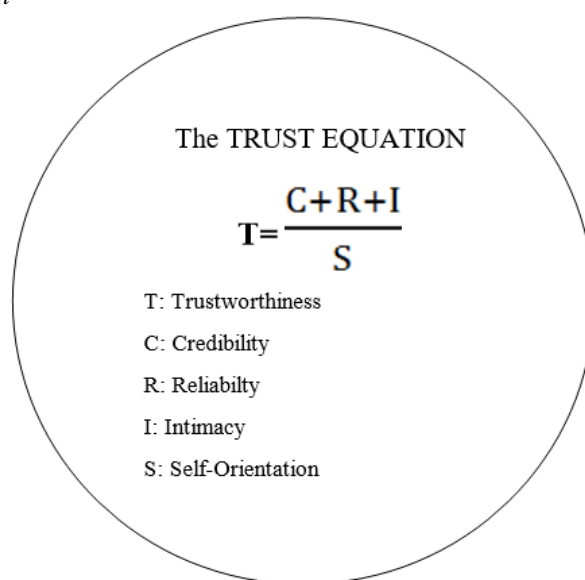
However, the field of business mediation can not be clearly separated from other mediation types, business mediation often fuse with them, furthermore research shows that mediation have to viewed as complementary elements of an integrated system and that the key to successful dispute resolution in international business is conscious and creative design of conflict management process. (Bühring-Uhle et al., 2006)

Mediation is a procedure which may benefit the business. Parties which worked out a consensus are more willing to maintain further relations. Trust does not, of course, play a decisive role not only during the conflict management of legal entities but also in the conflict management of natural persons. Based on trust – this is the fundamentum mediation process can work.

Two conditions of trust are risk and independence. Three phases are building, stability and dissolution. (Rousseau et al., 1998:1) Trust can be conceptualized as an orientation toward society and toward others that has social meaning beyond rational calculations. (Tyler, 1996)

Research examines environments in which agents are randomly matched to play a Prisoner's Dilemma, and each player observes a few of the partner's past actions against previous opponents. (Heller & Mohlin, 2017) It is stated, the level of trust between the trustee and the truster (client) is defined by the sum of credibility, reliability and intimacy divided by the self-orientation.  $T = (C + R + I) / S$  Client can be a friend, family member, student, boss, direct report, or any other person you enter into a trust relationship with. (Greiner, 2013) Figure 4. gives a brief formula titled the trust equation based on the work of Maister (2010). It records that trustworthiness is the summing up of credibility and reliability and intimacy divided by self-orientation. Research argues that social capital as proxied by trust increases aggregate productivity by affecting the organization of firms (Bloom et al., 2012) and that an institution-based view of international business strategy has emerged in emerging economies. (Peng et al., 2008)

Figure 4: The Trust Equation



Source: [thegetralproject.com](http://thegetralproject.com)

Worldwide, NVC (nonviolent communication) now serves as a valuable resource for communities facing violent conflicts and severe ethnic, religious, or political tensions. (Rosenberg, 2015:) Research deal with non-violence and pacifism in a row (Ramsbotham et al., 2011) and point out, that nonviolent communication facilitates the retrieval of the ethic of authenticity. (Nosek, 2012) Findings reveal that power distance between the meeting leader and attendees does relate positively to emotional labor, both surface and deep acting. (Erks, et al., 2017)

What does make peace possible, what kind of resources are needed for peacebuliding? It is abundantly clear across our globe, both historically and at present, that the expenditures and resources consumed by war far outpace those allocated for building peace. Without adequate resources, explicit preparation, and commitment over time, peace will remain a distant ideal rather than a practical goal. The primary goal with regard to resources is to find ways to support, implement, and sustain the building of an infrastructure for peace over the long term. To achieve this goal, we need an expanded understanding of resources. The approach of the question of resources for peace under two broad headings: socioeconomic and sociocultural. The former suggests that resources do, indeed, involve a monetary aspect, but that equally

critical is the sociological dimension in the disbursement of funds. The latter suggests that people and their various cultural traditions for building peace are also primary resources. (Lederach, 1997)

#### 4. Conclusion

Conflict management is a creative activity that can be used to develop profitable professional levels in society for individuals, businesses and focus on the dynamism and balance of conflict and harmony. Conflict management is a creativity. Creativity and one of the ways of achieving peace. Peace is nothing more than a change in the form of conflict or in the antagonists or in the objects of the conflict, or finally in the chances of selection. (Coser, 1998) According to the social meaning of conflict and peace (Lederach, 1995) persons, organizations, working places, families, neighbours, states, consumers in different cultures can bring themselves to a position to do able to make their own decisions. This paper aims to be forward-looking in the sense that it emphasizes the importance of trust as a basis for conflict, its management, connectivity and peaceful settlement, as well as all connections. In trust based relationships liability has a significant role, to be liable for our decisions we may recognized as a profit in society, and look at alternative dispute resolution approach as a progress, society is going to focus on in the way that this process can bring for the individual as well as for the community the greatest benefit.

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## EMPLOYER BRANDING IN SCOPE OF GLOBAL CHALLENGES

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**Abstract.** Extension of branding as of the original marketing concept into all areas of business management is indisputable. Newly observed trend is the integration of brand management into the area of personnel management. The application management practice demonstrated that companies with brands, which are positively perceived by consumers, have no easier or better process of recruiting and eliminating the employees' fluctuation in the specific conditions of the Slovak Republic. This can be justified by the national specifics of the socio-cultural profile that has been identified primarily in the context of Geert Hofstede's sociology. For this reason, the aim of the paper is to analyse the relationship between the socio-cultural profiles of the Slovak Republic and the largest employers in its territory facing the lack of workforce and based on these findings to formulate basic framework recommendations for the practice of incorporating the brand building and managing into personnel management. Based on the above mentioned we found out that dimensions in which the Slovak Republic records the most similarities with the other studied countries are: individualism and long-term orientation. In this context, at the strategic management level, the companies should strive to communicate those aspects of the employer's brand identity which are not principally divergent with the social image and which have the potential to increase its value from the view of its prospective employees. In this process, it is necessary to potentiate the synergic effect of public relations, sponsorship and word of mouth, i.e. viral marketing.

**Keywords:** brand, branding, SMEs, employer branding, national socio-cultural profile

**JEL Classification:** M10, M30, M31

### 1. Introduction

Personnel marketing is a dynamically evolving area of corporate governance with an interdisciplinary overlap not only into the area of marketing and personnel management, but also increasingly into the field of brand management. This is a progressive management concept aimed at reducing the impact of current situation on the labour market on the

competitiveness of the company. Implications of brand management in practice of personnel management are based on the findings of a significant positive correlation between subjectively perceived value of employer's brand and the loyalty of the employee. (Biswas & Suar, 2016). Companies are trying to develop complex strategies not only to attract potential employees, but also to retain their current employees in the context of the growing global lack of workforce. (Khan & Naseem, 2015) The urgency of this situation is proved by results of a global study provided by Manpower company according to which more than 37, 000 employers in 42 countries in the world have experienced the lack of workforce almost at the level 30% (<http://www.manpowergroup.com/>). Paradoxically, since 2009, when the world market has begun to face the global economic crisis, the forecasts for 2018 is the most favourable for the expected development of the so-called labour market index in conditions of the Slovak Republic the overall increase in labour demand is expected to be 10% (EU countries expect higher growth only in Romania – 17%, Slovenia – 17%, Bulgaria – 14%, Hungary – 14%, Greece – 14%, Portuguese – 13% and Poland – 11%). In terms of size of the enterprise the highest net labour market index is expected for large enterprises at 31% (see Table 1). When applying the sectoral approach, the highest value of the net labour market index is expected within the manufacturing industry (20%), on the contrary the decrease of this factor is projected for agriculture, hunting, forestry and fishing (-10%), mining (-8%) and accommodation and food services (-2%).

*Table 1: Net labour market index according to the size of the enterprise*

Size of the enterprise	Increase [%]	Decline [%]	No change [%]	Do not know [%]	Net labour market index [%]	Seasonal adjusted data [%]
micro	4	6	86	4	2	0
small	9	5	83	3	4	6
medium-sized	16	4	75	5	12	12
large	34	3	53	10	31	35

*Source: own processing according to <http://www.manpowergroup.com/>*

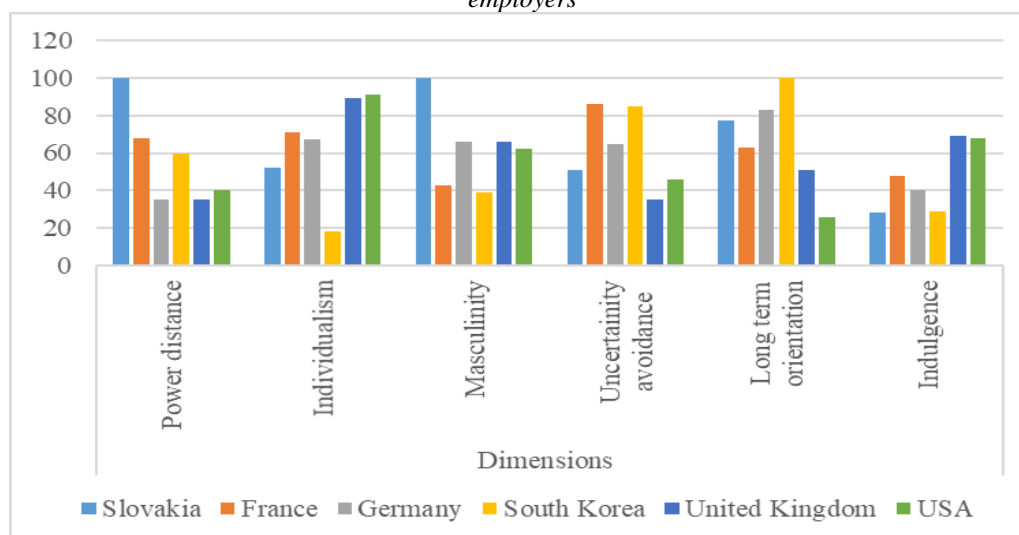
From a terminological point of view, it is necessary to distinguish between so-called "employer brand" and "employer branding". The term "employer brand" is the employer's brand itself - its own identity based on employers' identity, which is true, real and relevant, and which constitutes a sum of the functional, economic and psychological advantages that employer can offer to its employees and which are identified by the enterprise. Later definitions of this concept are enriched by the dimension of organizational identity symbolism and promise of socially responsible behaviour of the enterprise - whether it is a brand towards a customer or employee. (Barrow & Moseley, 2005) The term "employer branding" is terminologically separated from the term "employer brand" (in Slovak language translations these terms are often mistaken as synonyms) and is defined as the purposeful communication process of employers' identity that consists of understanding the needs of jobseekers and talents, planning, strategy implementation and its ongoing evaluation. (Mossevelde, 2014) Yu & Cable (2014) define "employer branding" as a process of acquisition of the competitive advantage on the labour market. Their theories in our conditions are followed by Šlapák and Štefko (2015), who consistently emphasize the growing importance of "employer branding" even under the conditions of so-called transition economies. The significance of the brand in the context of stabilizing the company's personnel policy is accentuated by Lievens & Highhouse (2003). Their studies are followed by Lievens (2007), who defines the importance of the consumer dimension of perceiving the brand value as a competitive advantage in the

context of personal management. Martindale (2010) disputes the identification of the brand value of the product with the employer's brand in view of the assumed fundamental difference in the essentials of value sources. He examines the applicability of the product brand management concepts in terms of employer brand management, while he summarizes that so-called "employer branding" is an effective business strategy to gain competitive advantage on the labour market. (Anees-Ur-Rehman et al., 2016)

## 2. Global challenges for employer branding in specific conditions of SR

However, the current practice of companies in the territory of the Slovak Republic indicates the opposite. The fact that enterprises have a brand that is considered valuable by consumers does not facilitate the process of recruiting employees and eliminating their fluctuations. Brands such as Amazon (5<sup>th</sup> place in Interbrand's 2017 rating with a 29% year-on-year increase as the "top growing" and 26<sup>th</sup> in the "most attractive employer" rating for 2017), Volkswagen (40<sup>th</sup> place in Interbrand ratings for 2017 with year-on-year growth of 1%, and the "most attractive employer" for 2017), Kia (69<sup>th</sup> place in Interbrand's 2017 rating with a 6% year-on-year increase) or Land Rover (73<sup>rd</sup> place Interbrand's 2017 ranking with a year-on-year increase of 7%) must face a critical lack of workforce across its organizational structure. In the context of the above mentioned it is necessary to apply findings resulting from the analysis of the specifics of the socio-cultural profile of the country on "employer branding" as well as they are applied on standard brand management activities. Figure 1 shows a graphical comparison of the socio-cultural profiles of the Slovak Republic and the largest employers in our area facing a lack of workforce.

Figure 1: Hofstede's socio-cultural profiles of the Slovak Republic and countries of origin of the largest employers



Source: own processing according to <https://geert-hofstede.com/>

Based on the figure 1 is obvious that the greatest similarity, according to socio-cultural profiles, is between the Slovak Republic and the United Kingdom (Jaguar Land Rover Slovakia) and the USA (Amazon) followed by France (PSA PEUGEOT CITROËN Slovakia) and Germany (Volkswagen Slovakia) and the smallest similarity is between the Slovak Republic and Korea (Kia Motors Slovakia). In comparison with the United Kingdom and the United States, the Slovak Republic acquires comparable values in the dimensions:

individualism and masculinity and then individually in the dimensions of uncertainty avoidance (USA) and long-term orientation (Great Britain). In comparison with France and Germany, the Slovak Republic acquires comparable values in dimensions: individualism, uncertainty avoidance, long-term orientation and indulgence. Individually, it is within the dimension power distance with France and masculinity with Germany. In comparison with Korea, the Slovak Republic acquires comparable values in terms of: power distance, uncertainty avoidance, long-term orientation and indulgence, while a strong difference between the socio-cultural profiles of both countries is manifested by dimensions of individualism and masculinity. In a complex view of the examined issue it can be stated that dimensions in which the Slovak Republic records the most similarity with the other studied countries are: individualism and long-term orientation. Hofstede defines the socio-cultural profile of the Slovak Republic in the context of personal management implications as follows:

- the high value of the power distance indicates the need for the strictly hierarchical organizational structure, but with the specificity that the manager must be recognized as a natural authority by the team (otherwise such a manager is rejected and the team tends to sabotage or coexist with him as a separate organism, which cooperates more on the basis of the sanction rejection than on the natural motivation),
- there is no clear preference in relation to individualism or collectivism in the performance of work activities – in the context of current trends this means that the solution of the tasks at team level or the so-called open space of the work space do not necessarily have the desired effect in the conditions of the Slovak Republic,
- employees are strongly targeting on success and there is a large degree of rivalry between them, which reduces the effect of potential team work (similarly, it is also true that their motivation factor is not only a publicly individualized valuation of their work results, but also material benefits enhancing their social status)
- employees' attitude is ambivalent to social certainty based on the job stability as well as to changes in the societal approaches towards the enterprise (for employees the certainty of employment is not a relevant source of subjectively perceived value of the employer's brand)
- the high degree of pragmatism is reflected in the reserved approach to corporate identity as well as in the subjective perception of the credibility of the contents of its strategic documents, which in practice means higher tendency to fluctuation and non-recognition of values recognized by the enterprise,
- the unwillingness to take part in changes in business processes and the acceptance of the present position as a passive registrar of the activity, not its active creator (this knowledge is also reflected in the approach to organizing collective labour relations).

The inherent multidisciplinary nature of "employer branding" has led to a broader view of this phenomenon. At the same time, it has brought heterogeneity into conceptual and empirical approaches to its exploration (Edwards, 2010). Thus, scientific discourse around "employer branding" is characterized by the diffused interpretation of individual constructs and managerial applications without the unity of their understanding. So we can still identify with Cable & Turban (2001) statements made more than ten years ago – "previous research about the value of an employer denotes similar terms with different names and denotes different terms with the same name". Specifically, this means that in the area of "employer branding" there are still a few fundamental shortcomings making difficult to use the primary



idea of this concept of personnel management, which was to maximize the efficiency of the recruitment process and to eliminate the fluctuation phenomenon of existing employees. These are in particular the following:

- the incorrect identification of "employer branding" as brand management with a brand as a result of this process (Davies, 2008),
- the inaccuracy in the use of the concepts of equity of the employer's brand, employer's brand value, employer's brand knowledge, employer's brand awareness, employer's brand image, (Saleem & Iglesias, 2016),
- the previous research in the field of "employer branding" has been realized mainly isolative from its relation to marketing and personal management, thereby it was abstracted from the interdisciplinary nature of relevant influence factors (Berthon et al., 2005),
- the absence of consensus about "employer branding" – while conceptual theoretical works focus on both potential and current employees, most empirical researches focus on the importance of "employer branding" in terms of recruiting new employees (Lane, 2016).

The need to apply an equal approach to "employer branding" at the level of both prospective and current employees is also accentuated by Backhaus & Tikoo (2004) who identify a strong interaction mechanism between "employer branding" and corporate culture. Employer's brand awareness and association connected with it for job seekers are primarily related to the own past experience and secondary related to mediated experiences of their surroundings (Cable & Turban, 2001). Therefore, enterprises should seek to communicate at the level of strategic management the aspects of the employer's brand identity, which are not principally inconsistent with its societal image and which have the potential to increase its value from the point of view of its prospective employees. Sutherland et al. (2002) stated that in this process it is necessary to potentiate the synergistic effect of public relations, sponsorship and word of mouth, respectively viral marketing. Collins & Han (2004) later state that these activities need to be implemented with the regard to the character of the occupied position. While for lower and middle level (low-engaged) positions, an enterprise should appeal to affective behaviours of prospective employees through the conventional advertising and sponsorship, in the case of higher organizational positions (so-called "highly engaged"), the emphasis should be placed on the cognitive behaviour of prospective employees and related activities in public relations or modified word of mouth marketing. Cable & Yu (2006) noted the impact of selected media on the efficiency of building and managing the value of an employer's brand, while they prove the higher effect of the dynamic media (internet, oral presentation) in comparison with the traditional – static media (TV, radio, print, outdoor advertising, etc.). Van Hove & Lievens (2009) identified the range of the impact of the so-called dynamic media depending on the extent to which they are linked to the enterprise – i.e. from the extent to which the enterprise has a decisive influence on the content communicated by these media. They conclude that the closer is this relationship perceived by potential employee the less impact this has on the subjectively perceived value of the employer. Kanar et al. (2015) replace the classification based on the exposure by the classification based on the enterprise's image – they made the same conclusion, i.e. enterprises with a neutral image should use advertisers and sponsors as part of the "employer branding", while enterprises with a positive image should use public relations or modified word of mouth marketing. However, in relation to enterprises with a negative image, authors

point out the fact that excessive communication of their brand to prospective employees is counterproductive – i.e. it accelerates the negative perception of this enterprise at the societal level (Baum & Kabst, 2014). Word of mouth marketing has a very specific position in the context of "employer branding". On the other side only a few studies specify this statement (Van Hoyer, 2012). There is a breakthrough study in this area realized by Slaughter et al. (2014) through which they suggested a possible direction of further exploration of ways to incorporate the word of mouth marketing into the marketing communication in the context of "employer branding". They demonstrated the importance of the active word of mouth marketing for which the company created conditions but the content wasn't directly affected (for example they enabled a meeting of current employees with potential employees in the process of selection). These meetings may not be physical, but sufficient is even their virtual character. Part of the conducted studies are conceived as benchmarking while seeking for a "good branding practitioner practice". (Carvalho & Areal, 2016) Joo & McLean (2006) has identified that the effectiveness of individual strategies depends on their horizontal alignment with other brand management activities and their vertical alignment with the business strategy. Saini et al. (2014) have subsequently found out that the positive word of mouth marketing tends to trigger a spontaneous, large-scale media campaign that is essential not only in terms of the subjective perceived value of the employer's brand by potential employees but also by current employees and which has also a positive impact on the financial performance of enterprises. Certification and personal auditing are becoming increasingly important in addition to the previously identified "employer branding" tools. However, Dineen & Allen (2016) point out that it is a tool that is effective in small and medium-sized enterprises and for which states that employee loyalty and its subjectively perceived brand value can be increased only once at the first time of certificate acquisition, whereas with repeated acquisition of such a certificate the perceived value does not change. It is also noteworthy to state, in the context of current trends in the field of "employer branding", that it is becoming more and more used in connection with the non-marketing dimension of the brand equity and it is equated to its financial and accounting attributes.

### **3. Conclusion**

Equity of the brand generally represents the added value that enables a particular brand to influence the consumer's decision and motivate him to purchase. The identification of the personal dimension of the non-marketing component of the brand equity is significant as it indicates the overlap between brand management activities and business activities that are not traditionally associated with the brand. Unlike the original "employer branding" theories, which were based on the assumption of a one-dimensional impact of consumer perception of the value of the brand on the consumer's decision as a prospective employee disposing with such a brand, this theory is developed in favour of its opposite consideration, so the need to examine the impact of "employer branding" on consumer behaviour is beginning to be substantial, not only in terms of preferences of current employees, but also in the context of global brand awareness.

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# ANALYSIS OF FUNCTIONING OF THE REGIONAL BRAND VYSOČINA REGIONAL PRODUCT IN THE GLOBALIZED ENVIRONMENT

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**Abstract.** In the present days, there are many customers, who prioritize regional products. There are numerous reasons for this decision, greater trust in the quality of these products, support for local businesses, or an attempt to promote a given region. Regional labelling can help develop tourism in a given region, especially if it is a protected land area not affected by industrialization. However, the small businesses find themselves in a difficult situation to succeed in today's globalized market environment. The goal of this paper is to analyse how the regional label of Vysočina regionální produkt (Vysočina Regional Product) operates and to present proposals for developing this label using suitable marketing tools in the globalized environment. Labels have many important functions, for example, they help customers identify a product manufacturer or can provide positive or negative motivation to purchase a product, etc. The corporate goal is to represent a specific quality of products and services by the brand, causing return of satisfied customers, and thus ensure further business. Currently, there are dozens of regional labels in the Czech Republic; VYSOČINA regionální produkt®, is one of them. Compared to a number of other regional products, this brand also faces numerous problems, as these mostly small companies do not have sufficient funds and therefore are not able to promote their products. In this paper, a comparison of selected regional brands was conducted, including a customer questionnaire and a proposal for the use of marketing tools to ensure further development of the Vysočina regional product label.

**Keywords:** regional product, globalization, labelling, company, customer.

**JEL Classification:** M31, M37, M21

## 1. Introduction

Product branding has a very long history. Product brands have been used by tradesmen for many centuries and were later used to identify property owned by aristocratic families and the first evidence of trademark law appears in the period of early capitalism. In Czechoslovakia the socialist economy environment disposed of product label functions which were later restored after 1989 when the new Trademark Act (No. 137/1995 Coll.) was brought into force. This law removed any trade-related complications and in particular in relation to the status of the proprietor of that trademark. In the last decade there has been an incredible increase in the quantity and type of products available in all markets. At this time global

markets are creating more and more pressure on manufacturers thus the importance of product labeling is also increasing and their main objective is to differentiate themselves from their competition which is increasingly becoming a problem in today's global economy. This was studied by the global advertising company Young and Rubicam who developed a system called brand science. This is the process of branding without the product losing its marketability and yet remaining distinct. (Trout & Rivkin, 2006). The authors Pelsmacher, Geuens and Van den Bergh (2003) state that "a brand is a name, symbol, color and design combination used for identification of products or services, a vendor or a group of vendors and distinguishing them from competitors' goods and services." Not all brands are a guarantee of success and the so-called "top brand" must not only be a product of excellent quality but must also be accompanied by additional top-level services as well as long-term communication support. The importance of the brand can also be expressed by the financial value (so-called brand index). KL Keller (2007) states that the brand fulfills a number of important and irreplaceable features for the consumer such as identifying the manufacturer of the product, informing about the potential to meet their needs and reducing "product search" costs. For reasons mentioned above, company brands are irreplaceable and they are willing to pay large sums of money for them (especially in mergers and acquisitions) and some companies make up to 70 % of intangible assets.

## **2. Brands and their importance in a globalized world**

Many authors discuss the importance of brands in the current global environment and state that labelling of products helps consumers navigate the large amount of offered goods and services. Stojanovic et al. (2018) discuss the effects of using social media for a brand listed on the stock exchange in a tourist destination in Spain. A quantitative study was conducted that demonstrated the positive effects of intense use of social media to increase brand awareness. The use of modern communication tools such as social media confirm the hypothesis that such communication for the consumer (for example, tourists) has a variety of benefits. At the same time this can dramatically help the tourist destination to increase their competitive potential. In many cases however, it is not enough to only offer content on social media but may be more suitable to use "Inbound Marketing" which evokes the interest of the target audience and their positive emotions (Halliha & Shah, 2009).

Furthermore, it was shown that brand identity positively correlates with the quality of the brand and customer values. Limitations in the reporting capacity of the study is related to the research sample (249 respondents) which were predominantly accommodated at youth hostels in the centre of Valencia.

The relationship of branding and globalization is addressed by Sanaa Ashour (2018), who examines the importance of internationalization and globalization of higher education. German universities provide this form of education to the Gulf states who have enabled the hosting of these educational institutions. An interesting aspect of this globalization of education is the attitude of the German government who prefers to receive no profit because it considers the educational process to be a public good (both in Germany and abroad). The focus of the study programs from the German higher education institutions is primarily in high demand fields such as Engineering, Natural Sciences, Music, Archeology and Egyptology.

Davis (2017) discusses the optimal timing of brand marketing and deciding when to introduce new products is very important for building and maintaining competitive advantages. The role of this time-based competition (TBC) is further enhanced in the context of technological change, widening globalization and the aging population. Time is becoming a very important attribute to the competitiveness of a brand where these strategies are utilized successfully by global companies such as fast food giants McDonalds and Just Eat.

Maurya & Agarwal (2018) discuss in their study the influence of brands (companies) in attracting the interest of talented workers for a job within their company in today's globalized economy. The results of the research have shown a positive effect of the brand to attract skilled personnel to companies which strengthens their competitiveness. Gibson & Warren (2018) focus on the importance of brands within the creative industry in a globalized market environment. Their study showed that companies in this type of industry which were elevated from a local brand to a global brand recorded a massive retail expansion.

Authors Picha et al. (2018) discuss the competitiveness of local brands in a globalized market. It initially appears that small and medium-sized businesses cannot compete with the big manufacturers and retailers but their study shows that customers have a preference for products marked with "regional" or "national" branding. The issues of regional strategies, regional identity, customer preferences in countries and individual regions in a globalized market environment are addressed by a number of authors (Caliendo et al., 2018, Hasan et al., 2017, Markowska et al., 2018, Li et al., 2018).

Miguel Alcantra-Pilar, Del Barri-Garcia and Porcu et. al. (2017) focus on exploring the cultural differences that exist between different markets and indicate the language in which they are presented information about the brand on the internet is an important aspect of competitiveness. Their research has shown that the choice of language is of great importance for the internet user. Authors Roozen et al. (2017) explore regional branding in the era of globalization and specifically its role in Singapore's economic policy. Their study has shown the great importance of branding and regional brand communication.

Jean Noel Kapferer (2005) deals with the phenomenon of post-global brands which was also discussed by Theodore Levitt in his article 'Globalization of Markets' in the Harvard Business Review (1983). According to Kapferer branding has a different dimension in 2005 and states it is necessary to examine the costs and limitations of this phenomenon, selectively use globalization and preserve the national character of businesses. The global differences in customer preferences between states and regions are engaged in a number of authors (Battistin et al., 2003, Corgnet et al., 2018, Falk et al., 2018, Verbeke et al., 2016, 2018).

Antonia Schmiz (2017) discusses the issue of the impact of globalization on the structure and layout of urban agglomerations and migration in particular to the major cities that are seeking new forms of their branding. More and more it has been confirmed that the ethno-cultural diversity of urban agglomerations is considered to be more of a benefit and can be beneficial for both the original and migrant populations.

### **3. Regional brands**

In the last few decades in the Czech Republic as in other States of the European Union we have seen the introduction of regional brands. Although it initially appeared that in a global

market their importance will decline but the opposite is true. Customers in developed countries are showing more and more interest in products associated with the region and with its character, tradition, culture and history. The term 'regional brand' is most often linked to crafts (ceramics, glass, jewellery), food and agricultural products (bread, meat and meat products, milk and milk products) and natural products (such as herbal teas and herbaceous plants) and in recent times popular brands for accommodation and experiences as they are associated with a certain region which represents great potential for product development especially in the area of tourism. However, those interested in a regional brand often encounter specific problems as most business owners and small businesses do not have enough financial means to promote their products and often cannot compete with cheaper products made by multinational companies.

### 3.1 Comparison of selected regional brands

This section will compare selected regional brands from Germany, Poland and the Czech Republic. Each of these brands may help with the development and further distribution of regional products from the Vysočina region. Information obtained from websites may help in further development of regional products from Vysočina and are listed in the table below.

Table 1: Comparison of selected regional products

Regional products	Vysočina (Czech Republic)	Šumava (Czech Republic)	Hont (Slovak Republic)	Dolina Baryczy Poleca (Poland)	Echt- schwarzwald (Germany)
Certified products	Yes (66)	Yes (82)	Yes (41)	Yes (75)	Yes (5)
Certified services	No	Yes (16)	Yes (1)	Yes (116)	No
Certified experiences	No	Yes (9)	No	Yes (4)	No
Website	No	No	Yes	Yes	Yes
Registration fee	Yes	Yes	Yes	Yes	Yes
Coordinator	Yes	Yes	Yes	Yes	Yes

Source: Brodský, M. and Kožená, M. (2018)

### 3.2 VYSOČINA regionální produkt ®

The Vysočina tourist region belongs to an area that have preserved their environment and the region became one of the first Czech regions to become a member of the organization of clean cities and regions. There are several state protected areas and natural parks which is a prerequisite for creating interesting tourist destinations. The VYSOČINA regionální produkt® (VYSOČINA Regional Product) brand has been in use since 2007 and products with this brand are marked with a special logo. This label certifies that the products have passed the certification process which means that they meet the regional standards, are of sufficient quality, are environmentally friendly and unique in relation to the region of Vysočina. The VYSOČINA regionální produkt brand logo ® describes the nature of the region; shows a typical hilly landscape with a potato field which symbolizes handmade work, a personal approach and history. (Fig. 1). Its main objective is to raise the profile of the Vysočina region by using regional products to inform the locals and tourists about their offers.



Figure 1: VYSOČINA regionální produkt logo



Source: <http://www.regionalni-znacky.cz/vysocina/>

To ensure that the manufacturer has obtained permission to use the brand of the VYSOČINA regionální produkt ® they must comply with the demanding certification criteria (Regionální značka, 2018) These include:

- a local entity carrying on their activities and responsibilities in Vysočina for production,
- qualification for production documented by a valid document eg. a trade license,
- no debts and the company must not be in bankruptcy or have any arrears on taxes or social insurance,
- guarantee that the standard of production quality fulfils legal regulations, standards of hygiene and safety etc.,
- production does not damage the environment and the manufacturer complies with principles regarding management of water, energy, raw materials etc.,
- furthermore, must meet criteria specified for the product itself.

The region of Vysočina has permission to use the regional brand for 66 products, most notably Prosetínské tubes, Medovina, Harrach Beer, Benatske pasta, leather and haberdashery goods and women's handbags.

### 3.3 Research of regional brands and VYSOČINA regionální produkt ®

The initial question examined whether respondents were familiar with a survey was used to conduct research from the 26. 2. 2018 until 30 June 2018. The questionnaire was public and took place mainly in the region of Vysočina. The survey was completed by a total of 208 respondents from 10 regions of the Czech Republic. The survey contained a total of 14 questions that focused first on the general knowledge of regional brands and further to the brand of VYSOČINA regionální produkt ® as well as gathering product characteristic information. The aim of the survey was to determine knowledge and awareness of the Vysočina regional brand and also to learn how people perceive this brand and how they are satisfied with the brand.

The concept of a regional brand and 75 % of those surveyed were aware of the Vysočina regional brand. When asked where the respondents learnt about the regional brand, most of them reported through the internet, retail stores or through print. 74 % of the respondents advised that their knowledge of the VYSOČINA regionální produkt ® was either from the

internet or direct retail purchase of these products. Respondents who have used some of these products was quite high at 87 %. Satisfaction with products of this brand was expressed by 90 % of respondents and 55 % expressed regular purchase of these products. Most of the respondents were from the Vysočina region and 164 were from the neighboring Pardubice region and many of them had a university and high school education. An interesting finding was that the majority of respondents ranged in the lower income band (up to 25 thousand CZK) and regularly purchased these more expensively branded products.

#### **4. Discussion**

Comparison of regional brands from the Czech Republic, Slovakia, Poland and Germany showed that the regional brand, VYSOČINA regionální produkt ® does not offer some attributes like the others such as services, experiences and does not have a website. The product that fared the best was the Polish brand Dolina Baryczy which can satisfy demanding customers both with services, experiences and they have a web page where customers can find a description of all their products/services offered. There are also downloadable maps, routes for pedestrians and cyclists along with marked products, services and experiences, as well as videos and upcoming events. The Slovak regional brand presents itself similarly to the VYSOČINA regionální produkt®, and shows photos of past events. The German regional brand Echt-Schwarzwald enables its customers to purchase products online.

Regions of the Czech Republic offer natural beauty and special regional products and services. Regional branding is intended to contribute to the visibility of regions as well as products, services and experiences. The objective of regional labeling is to make the region and its products and services more visible. Customers of these products appreciate in particular their quality, regional origin, are environmentally aware and are unique to that region. Regions are trying to attract as many visitors as they can and alert them to local products and services. Visitors can be assured that local products are made from local sources and made locally. It is not only about the products that the regions offer but also about the regional services and experiences offered.

#### **5. Conclusion**

The research has confirmed that interest in regional products is both from local residents and tourists visiting the Vysočina region. In spite of the higher price of these products customers are interested in them and a large proportion of them buy them regularly. Increased interest in regional products would be strengthened by using a mix of components targeted toward a marketing strategy. There are many product items in the regional area (66) but other brand options have not yet been developed for example, services or experiences. More and more customers (particularly from larger cities) are interested in spending their free time for example, on farms and experiencing rural life. According to research results, the price of the product is not a decisive factor for the majority of respondents but the origin and quality of the products. However, the availability of products for non-local customers is not at an adequate level as there is a lack of online purchasing especially for non-perishable products. Collaboration with business chains where most customers shop regularly can be implemented, for example, through utilizing a facility dedicated to regional food. The weakest element in the marketing mix of VYSOČINA regionální produkt ® is its promotion

through modern media (internet, facebook) which is utilized and followed by a younger generation of consumers. In addition, it could be possible to implement QR codes which would be used by smart phone users.

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## BRAND PORTFOLIO MANAGEMENT AND STRATEGY

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**Abstract.** A successful brand is one of the most valuable resource a company has. Within the current marketing practice, it is quite common to see a company concurrently implementing strategy of various brands, meaning the brands consume available resources of various kinds. It is necessary to plan and manage the existing brands, not just as individual units but also provide their complex management by using advanced management methods and approaches. We are talking about a brand portfolio integrating all brands implemented by a company regardless their success and current life cycle stage. Brand portfolio management as creating, planning, organizing and then maintaining a successful brand is a long-term and costly process involves effective marketing strategies and decisions. The objective of this contribution is to point out the seriousness of application of the complex brand portfolio within the current market environment and define (propose) selected characteristics and approaches that may serve for analyzing, efficient management and adoption of suitable strategic executive decisions regarding the brand portfolio. The paper deals with a proposal for the multidimensional model for brand portfolio evaluation based on knowledge of hard metrics, determines the existing types of linkages between brands in portfolio and describes approach for evaluation of such linkages.

**Keywords:** brand portfolio, brand management, strategy, positioning

**JEL Classification:** M31, M39, L19

### 1. Introduction

We can conclude that the brand is an integral intellectual part of the product that finds expression relating only to this product whether in name or in design and has a stable and strong communication with the customer. All elements of the brand can be divided into two main groups (Majerova & Klietk, 2015):

- rational elements – these are focused on the content of brand communication, its proposals and promises, explain to the consumer what this brand can do for him/her and also, they are perceived by logical reasoning.
- emotional elements - this is, so to speak, a "feeling" of the brand, which is its expression directed to satisfy the spiritual needs of the customer without affecting the scope of rational reasoning. Brands are part of our daily lives of consumers. They are a crucial part of consumer's decision, therefore companies must have a clear strategy

about its brand portfolio and how it is managed. Brand portfolio management is critical to boost firm's sales and profits.

Up to the present day, the brand portfolio management and branding strategies represent open issues with possibility to define new opinions and frameworks towards brand portfolio optimization. The brand portfolio management and branding strategy issues are subject to many, mainly foreign publications as well as studies. The literature in Slovak language provides only partial knowledge without complex solving of the issue. The importance of multiple brands is widely described, but less is known about the composition of the brand portfolio and the positioning strategies to use. The presented approaches and opinions of authors regarding the issue vary in some areas, therefore, we present some of them.

### **1.1 Literature review**

One of the main benefits of a well-managed brand portfolio strategy is to provide the link of a firm's products to its overall consumer's perceptions about the company. Chailan (2008) states that a brand portfolio goes beyond this question of a hierarchical or competitive relationship between one brand with another, in order to examine ways of coexistence and the balance between several brands that are incorporated within a single company, whatever the brand architecture may be. Effective brand portfolio management requires that managers explicitly resolve the implications of brand-portfolio strategy on key issues, including the number of brands necessary in order to obtain balanced management, the impact of globalization, and/or how best to organize the relationships between brands.

In terms of a wide business strategy, firms are motivated to be concerned with brand portfolio management because it provides the structure and discipline needed to support and enable a successful strategy for the company. In this sense, brand portfolio becomes particularly salient when a company confronts pressing growth goals or pending mergers, acquisitions, and alliances (Hsu et al, 2010).

Brand equity sources include consumers' awareness of the brand, distinctiveness, purchase likelihood and strong, favorable and unique associations. The first step in creating brand equity is to develop a brand identity that is achieved through a unique set of associations that a firm aspires to create or maintain. Brand identity strategies, in this sense, guides brand decisions and ensure coherent long-term marketing actions, and should, therefore, be associated with specific core values that are complementary to organizational values and culture (Santos, 2018).

Kendukhov (2008) formulates the definition of the ideal position of the brand as a perception by the consumer, in which he is absolutely sure of the unique advantages of the trademark over other brands, with this brand associated exclusively with positive associations, it is perceived as irreplaceable value and necessary attribute of life; the perception in which the consumer is a fanatical supporter of this brand is fully convinced that consumers who buy goods under other brands make the wrong choice, considers it their duty to recommend this brand to other consumers, and feels the spiritual unity with consumers who have chosen this brand. The positioning is effective if it is done consistently and continuously. If in the absence of planning in the process of positioning elements will prevail chance, important aspects may be lost. Success, if achieved, must be consolidated and

developed not through the weakening, but strengthening the effect on consumer's mind (Trout, 2003).

Crevens (2003) sees the concept of positioning as a formulation of the essence of the company's offer, indicating the ability of the organization to meet the needs and preferences of consumers. Crevens quite rightly notes that the concept of positioning the company should be based on the reasons why customers prefer to deal with it, and not with its competitors, and to broadcast these reasons to the target audience.

The key to developing brand positioning and ensuring the successful outcome is an adherence to certain principles. The brand positioning should be performed under scientific methods, process-based and systematic approaches. The understanding and performing the management decisions in this area not only shall be based on the knowledge of marketing theory and practice but also on psychology, sociology, and other sciences (Fayvishenko, 2018). There are two main constructs in which literature consider the main factors to position a brand (Santos, 2018):

1. the consumer perceptions of the quality of the brand
2. consumer perceptions of the price of the brand in firm's portfolio.

Morgan and Rego (2009) posit that achieve both positions (quality and price) simultaneously for all the brands in a firm's portfolio may also be difficult and relatively rare in practice. For example, consumers often use price as a quality cue, making it difficult to achieve perceptions of both high quality and low price. In addition, achieving strong quality perceptions among consumers is often expensive because it may involve using higher-quality raw materials or better-trained service operatives, superior manufacturing or operations technologies, and greater marketing communication expenditures.

Brand portfolio strategy can be understood as how firms manage their brands and sub-brands within a targeted market, considering the consumer's price and quality perceptions and the competition within the targeted market (Santos, 2018; Sevel et al., 2018).

Most large firms operating in consumer markets own and market more than one brand; they have a brand portfolio (Morgan & Rego, 2009; Dacin & Smith, 1994). Muzellec and Lambkin (2009) identified two types of branding strategies: integration (ascending brand extension) and separation (descending brand extension). They proposed three types of corporate branding strategy within the brand architecture: trade name, business brand and holistic corporate brand. Managers confront difficult questions when developing the ideal brand portfolio. They must decide which brands to retain, and which to remove (Douglas et al, 2001). Many large firms in consumer markets own and market an array of different brands (brand portfolio) and routinely address strategic questions related to brand portfolio management, such as what brands to create or acquire, which ones to modify and which ones to leverage. However, managers generally devote relatively less managerial time, attention and effort to the strategic decision of whether to keep (retain) or kill (discard or discontinue) a weak brand in the portfolio (Varadrajana et al, 2006). According to Laforet and Saunders (1999) branding strategy refers to the ways in which companies combine their brand name on their products. The literature often suggests that larger brand portfolios are inefficient because they lower manufacturing and distribution economies (Hill et al, 2005; Dev, 2018; Nguyen et al., 2018).

## 1.2 Basics of brand portfolio management

Successful brands reflect customer's imagination, personal features with symbolic meaning or emotional values that may create permanent customer's preference with dominant position in relation to product's functional features. Therefore, the brand positioning requires identification of unique characteristics from other characteristics being the same for all other brands in the same industry. Within the current market conditions, there is a general rule that a brand is one of the most significant elements for customer loyalty. Brand loyalty brings significant marketing advantages including reduction of marketing costs, increase of commercial range value, low rate of acceptance of competitive brands by customers, increase of profit, etc. Successful establishment of a brand at the market does not necessarily guarantee its success in future. They are influenced by change of number of market factors such as change of demand, customer preferences, technological advancement, competition, etc. Therefore, it is necessary to provide continuous brand monitoring in terms of its customer influence, demand stimulating, and seasonal effect and evaluate its further existence.

With regard to the brand portfolio management analogy to management of other systems comprising of set of individual or interconnected elements in joint interaction, for proposal of characteristics for brand portfolio specified in this contribution below, we used knowledge and several years of experience of relative, mainly economic disciplines. Our assumptions were based mainly on project portfolio management, financial management, graph theory tools and methods as well as statistics.

It is not possible to execute brand management efficiently without knowing the number of characteristics and indicators (return on investment, risk, customer loyalty customer satisfaction rate, brand interaction, competition, etc.), which represent base for strategic decisions regarding the brand.

In theory, it is possible to talk about the least complicated brand portfolio management if such portfolio comprises of a single brand. By adding further brands into the portfolio, there is a progressive increase of complexity of the whole system, by impact of higher number of brands as well as influence of mutual ties, dependencies and interactions. Such ties may arise for brands additionally, which is probable to influence structure of the future portfolio.

## 2. Results and discussion

For brand portfolio creation, it is necessary to make decision regarding number of brands as well as type of brands, to contribute to achievement of business goals. Inclusion (support) of strong brands with strong customer awareness and possessing high value is necessary prerequisite to achieve the objectives. Successful application of multi-brand strategy involves building of a solid position in minds of customers at target markets for brands included in the portfolio. Portfolio should not comprise of independent brands, however, it should reflect the global market dominance.

When creating the portfolio, we recommend applying mainly the following key principles:

1. Synchronize brands in the portfolio with specific customer requirements and ideas,
2. Synchronize brand positioning strategy with generic competitive strategy, product category and market position,



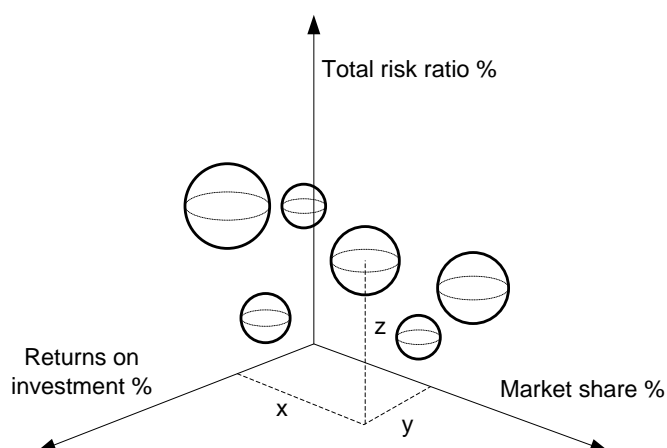
3. Characteristics emphasized in the brand positioning should correspond to each other to create a reliable and trustful brand,
4. One property could be applied to more than one brand within the portfolio - some properties are appealing for each brand and could be applied to more brands in the portfolio,
5. Make strategic decisions related to the portfolio upon results of the continuous monitoring of environment and brand diagnostics only.

## 2.1 Brand Evaluation Model

For brand evaluation of the existing portfolio, we propose to apply the model based on examination of 3 dimensions falling into the hard data category:

1. *Returns on brand investment* - it represents brand's ability to generate profit
2. *Brand market share* - it indicates brand's position in relation to competitive brands within the same industry
3. *Share of risk at the overall risk relative to the whole portfolio of brands* - it represents share of the total risk rate necessary to accept for application of all portfolio brands.

Figure 1. Brand evaluation dimensions



Source: Own work

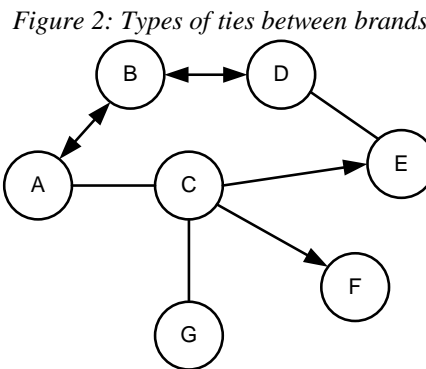
By demarcation of such dimensions, there is a 3-D space created for evaluation for portfolio brands. Individual 3-D balls in the space represent brands included in the portfolio. The ball radius is directly proportional to share of brand at the attained incomes for the whole portfolio. It is possible to add further data not included in Figure 1 into the model. The data could include mutual interrelations (interactions) between brands, we address the matter below. By applying this attitude, we get the complex view of the existing brand portfolio. The evaluating entity may set limiting values for monitored dimensions determining area of the undesirable brand position. such portfolio evaluation model is considered as a simple tool with high testimonial value for brand portfolio management. However, it is necessary to emphasize that further important aspects of successful brand are not taken into account, such as customer brand loyalty, customer's attitude and opinions regarding the brand, brand image, etc. being subject of other analytic approaches.

## 2.2 Interrelations between brands in portfolio

We defined three basic relations between brands included in the portfolio that will be clarified by mutual interrelation between two model brands - A, B. The brand interrelation may have significant influence to total success of portfolio and influence the total risk rate. If we consider brands A and B, their relation may take the following forms:

1. Brands A and B are mutually *independent* - there is no determinant connecting such brands together, each brand is able of independent existence.
2. Brands A and B are in the state of mutual *support* - their relation takes a positive value of synergy, whereby it is possible to have a unilateral or bilateral support of brands.
3. Brands A and B are in the state of *competing against each other* - their relation takes a negative synergy value, positive development of one brand may determine worsening of development of the other brand.

It is possible to represent such ties in a graphic form (Figure 2).



Source: Own work

Figure 2 shows portfolio comprising of 7 brands with determination of types of ties between them. For example, there is a direct competition between brands A and B. To the contrary, brands A and C provide support to each other. The tie between brands C and E is in the form of a one-sided supporting tie.

For determination of a tie (relation) between two brands, it is possible to apply the so-called adjacency matrix with dimensions'  $n \times n$ :

$$A_{ij} = (a_{ij}) \quad i, j = 1, 2, \dots, n \quad (1)$$

Matrix element:

$a_{ij} = 1$ , if  $h_{ij} \in H$ , i.e. if there is a mutually supporting relationship between brands

$a_{ij} = -1$ , if  $h_{ij} \in H$ , i.e. if there is a relationship of competition between brands

$a_{ij} = 0$ , if  $h_{ij} \notin H$ , i.e. if there is no relationship between brands, they are independent

Each element of matrix  $a_{ii} = 0$  for each  $i \in \{1, 2, \dots, m\}$ , meaning there are zeroes on the main diagonal. Elements in the  $i$ -th line of the matrix show impact of the  $i$ -th brand to the other brands in the same portfolio. Number of elements  $a_{ij} \neq 0$  represents number and type of ties to other brands. Elements in  $j$ -th column represent number and type of ties determined by other brands to the  $j$ -th brand. By using such matrix, we can compare brands in the portfolio

when it comes to ties to other brands. If matrix  $A_{ij}$  contains prevalent number of  $a_{ij} = 0$  elements, then the portfolio comprises of brands that can be considered as independent with no significant or mutual interaction. In such case, loss of favourable position of one brand will have no influence to position of other brands of the portfolio.

It is necessary to realize that brand portfolio creates ties between the brands but also influences other functional areas of the company. For example, the brand value is closely linked to the company pricing strategy. It is very difficult to find a brand having dominant position within a particular industry and covering products for relatively low prices.

### 3. Conclusion

Brand portfolio managers must decide what is the best course of action for their brands, based on an analysis of the relevant internal and external influences on the brands.

For example brand management in the Slovak Republic is characterized by a number of specifics (long-term absence of branding in marketing management of domestic brands due to the effects of the principles of a centrally planned economy, which turns out in the lack of experience with branding of domestic managers and the lack of literature dedicated to the specificities of branding in Slovak Republic, reckless acceptance of foreign branding concepts without taking into account socio-cultural and psychographic characteristics of target segment in the Slovak Republic, as well as lax approach to measuring brand value, without knowing which it is impossible to maximize the efficiency of the process of branding etc.), (Majerova & Krizanova, 2015).

Application of the proposed characteristics is not limited by company's industry specification or its size. Input data, problematic to obtain in some cases, have a significant impact to quality of results. Yet again, it is necessary to emphasize the necessity to respect further, mainly qualitative brand characteristics, which are irreplaceable in the brand portfolio management. Due to extensivity of the issue, the qualitative characteristics were not subject to our examination.

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## CORPORATE CULTURE AS A MOTIVATING FACTOR

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**Abstract.** Contemporary modern organization must be able to face changes - especially social, economic and technological changes. However, the new is permanence, dynamics, increasing frequency, complexity and the globalization of changes in an increasingly tougher condition, its growing competition. Corporate culture and its management in today's society is becoming a global trend, which helps maintaining the competitiveness of not only within the local market but even within the international environment. Desirable corporate culture is a crucial factor in the successful development of the company. Corporate culture will be an essential element of modern management for the future knowledge-based society. Strong and desirable corporate culture belongs to the most important factors of company operation and important motivating factor for its employees. The strong and desirable corporate culture belongs to the most important factors of operating management of companies. The aim of this paper is the analysis of the current state of corporate culture. To determine the status of corporate culture via quantitative research, questionnaires VSM 94 will be used. For knowledge economy the desirable cultural dimensions are: small power distance, collectivism, femininity, acceptance of changes and long-term orientation. These dimensions motivate employees to openness, self-development, teamwork, innovative approach, sustainability.

**Keywords:** corporate culture, cultural dimensions, G. Hofstede, motivating factor, long-term orientation

**JEL Classification:** M12, M14, M0

### 1. Introduction

Globalization processes influence the development of human life in all areas, especially economic, social and cultural. The article attempts to find common points for linking these areas. The prerequisite is to understand development trends in the global, regional and

enterprise economies, as well as socio-social and cultural manifestations at these levels. Globalization trends at the transnational level are directed towards the knowledge economy. So, the prerequisite of functional and efficient transfer and use of knowledge is to find the cultural dimensions motivating employees to shift towards the knowledge economy. This means building such a corporate culture that heads towards the knowledge economy and motivates its own employees. Each enterprise has its own specific culture that can motivate or demotivate its own employees. There are several definitions of corporate culture (Guiso, Sapienza and Zingales, 2015). Corporate culture provides fundamentals of enterprise economic success (Babelova and Vanova, 2014; Maldonado, Vera, & Ramos, 2018). Organizational culture also influences the creativity of employees (Ogbeibu, Senadjki, & Gaskin, 2018) and their work satisfaction and organizational commitment (Tobing & Kennedy, 2017). Culturally similar firms are more-likely to successfully merge and greatly improve their performance (Bereskin, Byun, Officer, & Oh, 2018). On the other hand, specific type of corporate culture, its ignorance or inability to change it may lead to poor firm performance (Bui, Fang, & Lin, 2018; Dhanesh & Sriramesh, 2018). Corporate culture has a positive influence on the internationalization of new ventures (Kumar & Sharma, 2018) and it is a critical resource for organizations to adapt to dynamic environments and to survive in the long term (Costanza et al., 2016). This view would imply that if a culture of integrity indeed translates into positive outcomes for the shareholders, managers of public firms with better corporate governance should maintain such corporate value (Guiso, Sapienza and Zingales, 2015). Well-managed companies use their corporate culture as an effective tool for managing and leading their collaborators (Hitka et al., 2015). On the other hand, culture is often difficult to measure. Qualitative approaches are preferable (Acar and Acar, 2014).

## 2. Methodology

The aim of the paper is to identify, analyze and evaluate the dimensions of corporate culture in small and medium-sized enterprises (SMEs) within the defined region in connection with their motivational significance. The paper presents the approach based on Hofstede's cultural dimensions (1994) which are used to measure the corporate culture. The authors attempt to highlight those dimensions of corporate culture that are desirable for the future knowledge economy into which the current global society is gradually entering. At the heart of the culture, according to Hofstede (1999), are values as a general tendency to give priority to certain states of reality before others. The Hofstede's cultural dimensions (2005) work on similar opposites. Hofstede's work (1980, 2001, 2010) remains the dominant cultural theory applied in management research. Lo, Waters and Christensen, (2017) noted while there are critics of Hofstede's work (e.g. McSweeney, 2002), most cross-cultural research in management and organizations still uses Hofstede's dimensions of culture (Triandis, 1988; Tsui et al., 2007). For ease of understanding of individual indexes and cultural dimensions, a simple overview is given (Table 1).

Table 1: Overview of the individual indexes and dimensions

<i>Index</i>	<i>Score of the given dimension</i>	
	<i>Less than 50</i>	<i>More than 50</i>
<i>Power distance – low vs. high (PDI)</i>	<b><i>Low power distance</i></b>	<i>High power distance</i>
<i>Individualism vs. Collectivism (IDV)</i>	<b><i>Collectivism</i></b>	<i>Individualism</i>
<i>Masculinity vs. femininity (MAS)</i>	<b><i>Femininity</i></b>	<i>Masculinity</i>
<i>Fear of uncertainty – uncertainty avoidance</i>	<b><i>Risk acceptance</i></b>	<i>Uncertainty avoidance</i>

<i>vs risk acceptance (UAI)</i>		
Long-term vs. short-term orientation ( <b>LOT</b> )	Short-term orientation	<b>Long-term orientation</b>

Source: Krninská & Duspivová (2013)

#### *Power distance (PDI)*

The low power distance is considered as the desirable state of corporate culture that is heading towards knowledge economy, enables all employees to contribute to business development, and the knowledge flow through the company and its cohesion is secured thanks to good communication (Krninská & Duspivová, 2013).

#### *Individualism vs. Collectivism (IDV)*

Collectivism is a desirable state of corporate culture for the knowledge economy. It paves the way for synergy and teamwork, as the individual gives his uniquely individual abilities to the benefit of the group (Krninská & Duspivová, 2013).

#### *Masculinity vs. Femininity (MAS )*

Femininity is a desirable state of corporate culture for the knowledge economy, it opens the care for mutual interpersonal relations, guaranteeing openness and trust as a precondition for a good transfer of knowledge in the group (Krninská & Duspivová, 2013).

#### *Fear of uncertainty (UAI) – Uncertainty avoidance, need for security vs Changes and risk acceptance*

A low fear of uncertainty, accepting change and risk is a desirable state of culture (Krninská & Duspivová, 2013). Flexibility has a positive impact on performance, as well as external orientation of the company, but mainly in combination with values as flexibility, creativity, risk-taking attitude, team and freedom (Naranjo-Valencia et al., 2016).

#### *Short-term vs. long-term orientation (LOT )*

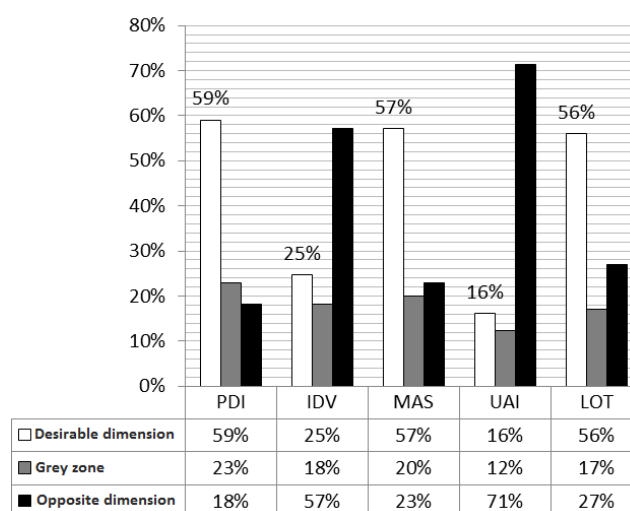
The long-term orientation fulfills the principle of sustainability (replacing immediate maximum profit for optimal profit in the long run) and is linked to the goal of long-term and promising entrepreneurship based on investments that, among other things, are directed mainly towards the development of human capital and its potential, the consequence of which is the development of knowledge and creative innovative approaches (Krninska & Duspivova, 2013).

The data acquisition and processing procedure for VSM 94 is based on data obtained from the research project through a questionnaire survey - the Values Survey Module Questionnaire (VSM 94), written by Geert Hofstede (1994). VSM 94 was filled in both senior executives (managers, owners, executives, HR managers) and employees of the same small and medium-sized enterprises. Questionnaires were completed in 125 small and medium-sized enterprises in the South Bohemian Region. Calculation of individual indices, to determine the relation to basic cultural dimensions by Geert Hofstede (1994), is done according to the following formulas for index calculation.

### 3. Results and discussion

The paper analyzes the state of the individual indices and their relation to the cultural dimensions (fig. 1) in the sample of small and medium enterprises (SMEs) of the South Bohemian Region.

Figure 1: Percentage representation of small and medium-sized enterprises in individual cultural dimensions and their intervals



Source: Authors own elaboration

The power distance (PDI) is based on the degree of tolerance of the unequal distribution of power, which is reflected in the power distance in the management hierarchy. It is not about the real, objective distance, but the distance subjectively perceived, tolerated. Figure 1 shows that in this research sample of SMEs, the cultural dimension of the small power gap is almost three fifths. More than one fifth of enterprises (almost  $\frac{1}{4}$ ) are located in the gray transition zone. The smallest percentage (less than one fifth) of SMEs is practicing a great power gap. The small power gap is a shift towards entering the knowledge economy and expresses the cohesion of society and also the cohesion between the subordinates and the superiors. It is a prerequisite for open and fast communication between employees who are not afraid to express their opinions. This can be a clear incentive for employees to contribute their incentives to develop an enterprise in terms of beneficial innovative approaches. Openness and consistency enable good flow and knowledge transfer through the company.

*Individualism vs. Collectivism (IDV).* For individualism (IDV in Figure 1) there is a distinct accent on the individual, his personal freedom, independence and responsibility, and everyone is expected to take care of himself and his immediate family (Nový, 1996). Collectivism is typical for societies where people are integrated into strong and collaborative social groups. Figure 1 shows that more than half of SMEs surveyed tend towards individualism, so the real current state is based on individual performance rather than desirable teamwork. Collectivism is confirmed only in  $\frac{1}{4}$  of the companies surveyed. Direction towards collectivism is desirable for a knowledge-based economy because synergy in a team allows for synergy effect and therefore not only explicit but also tactile knowledge can be worked with which can motivate for greater creativity and innovation.

The cultural dimension of masculinity (MAS) is the opposite of femininity. In a masculine society, the social roles of men and women are clearly differentiated, whereas these roles



overlap in feminine society (Nový, 1996). It can be seen from Figure 1 that the cultural dimension of femininity prevails in more than half of all enterprises surveyed. Femininity, with its care for interpersonal relationships and trust, can change the quality of life and be a prerequisite for the development of human capital, thus again moving towards the innovativeness of the knowledge economy. Trust is a basic prerequisite for motivating the individual's self-knowledge and self-development processes and developing his creative and innovative approaches. Femininity, with its trust in interpersonal relationships, also ensures the continuity of the flow of knowledge.

*Fear of uncertainty – UAI* (Figure 1) is linked to the degree of need for certainty or willingness to accept change and risk. The need for certainty arises from how the members of society feel vulnerable by uncertain, unknown, ambiguous or unclear situations. A great effort to avoid risk and uncertainty is usually associated with extraordinary efforts to plan and program the overall procedures and process steps, and create detailed timetables and time studies, exact standards, standards and rules; in a detailed, thorough and binding way so that the risk of failure was minimal or was totally excluded. From Figure 1, it is evident that only about one-sixth of the companies surveyed behave in such a way as to withstand today's turbulent transformations of today's society, i.e. they are capable and willing to accept the changes and the risks associated with them. On the other hand, almost 3/4 of the companies surveyed have the need for certainty. A small fear of uncertainty, a willingness to accept changes and risks is a desirable cultural dimension of the knowledge economy, allowing for easier alignment with the rapid discontinuity flow of change in global society. By accepting risk, motivation for creative and innovative approaches is supported.

*Short-term vs. long-term orientation - LTO* (Figure 1). In the short-term orientation, the emphasis is on the activities with maximum or immediate effect. Long-term oriented companies are more involved in activities that bring the effect over a long-time horizon (long-term investment, personal endurance). In our case, more than a quarter of the businesses surveyed are short-term oriented. And more than half of the companies surveyed are in the desired long-term dimension. Long-term orientation is desirable for the knowledge economy, it relates to the goals of long-term and promising business based on investments. These should, among other things, focus on education, the acquisition of new knowledge and the development of human capital, its potential, with the motivation to long-term creative approaches, the result of which is innovativeness.

#### **4. Conclusion**

All-world globalization trends are transnational and are linked to trends in the knowledge economy. The knowledge economy features are linked to educational activities that ensure good flow and knowledge transfer. These features of the knowledge economy can, at all levels of the human community, transnational starting, across national, regional, and ending at the level of corporate culture, also be expressed in the cultural dimensions of G. Hofstede (1994, 2005, 2006). Using these, the current state of entry into the knowledge economy can be identified at these levels. Based on the current situation at these levels, steps can be taken to strengthen the knowledge economy. Generally speaking, for PDI - it is about securing a low power distance with open communication and social cohesion. In IDV, collectivism is desirable, encouraging more effective teamwork. As for MAS, femininity is preferred with a high quality of trust-based relationships. In an atmosphere of trust, employees can develop

their human potential, beginning with self-knowledge gaining processes leading to self-development and self-realization. Self-realization is at the peak of the needs of Maslow's Pyramid of Needs (Maslow, 2016) and relates to internal motivation with long-term effect. This type of motivation based on the highest need for self-realization is the most effective and indeed the longest lasting type of motivation. LTO, long-term orientation relates to investments in the development of human potential and is related to the above-mentioned long-term motivation. UAI, in terms of the knowledge economy, is related to the response to the discontinuous flow of change in the global world in the sense of seeing changes as certain opportunities. In the specific case of small and medium enterprises in the South Bohemian region it can be stated that, in this sample, the desirable cultural dimension of the small power gap (PDI) is found in 59% of enterprises, femininity (MAS) is found in 57% of enterprises and long-term orientation in 56% of enterprises. In these three dimensions, therefore, more than half of SMEs are moving towards the knowledge economy. The cultural dimension of collectivism, which paves the way for synergy and teamwork as a prerequisite for entering the knowledge economy where not only explicit but also tacit knowledge is used, is found in only one quarter of SMEs. Hopefully, a return to the cultural foundations and old traditions of Czech space which are associated with the collective spirit, could happen in the future. Only a small number of enterprises surveyed (16%) is associated with the acceptance of changes (UAI). The need for certainty was still predominant at the time of the survey and was reflected in 71% of enterprises. But it is more than obvious that in today's global, turbulent, fast-changing society, businesses will need to focus on these changes and if they accept these changes and implement innovative approaches, they will gain a great competitive edge. It can be deduced that business culture in the context of a knowledge-based economy can be considered as an indispensable element in the management of not only small and medium-sized enterprises. It is becoming an increasingly necessary part of human resources management. It is inevitable for managers to learn about the state of the corporate culture and then to gain experience in directing it to the desired cultural dimensions so as to be able to bring their businesses to a successful entry into the knowledge economy. If we can create a strong corporate culture with the above-mentioned features of the knowledge economy, we can actually talk about motivating corporate culture. Business competitiveness in the future will be. An efficient flow and use of knowledge in connection with the development of human capital and innovation will be the decisive factor influencing competitiveness in the future.

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## STRATEGIC CUSTOMER ANALYSIS BASED ON BALANCED SCORECARD IN PRESENT-DAY GLOBAL ECONOMIC ENVIRONMENT

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**Abstract.** The balanced scorecard (BSC) is one of well-trialled management instruments that are familiar to all market participants in the world. This fact allows for efficient utilization of BSC in conditions of globalization. The paper considers theoretical aspects of the applied strategic customer analysis (ASCA) based on the customer element of BSC to be applied in the research process of the strategic organization distribution activity aspects and its sales management. The methodology of the research is the BSC concept as well as the concept of the applied strategic analysis concept being developed by the author. ASCA is depicted to encompass comparative assessment, variances diagnostics and indicators forecast of the customer BSC element within the strategic customer goals. It encompasses analysis of customer profitability level, analysis of products distribution market share, analysis of customer base volume, composition and structure, and analysis of customer demands satisfaction degree. ASCA results in ability to be employed for the long-term, medium and short-term management decisions in the field of the organization distribution activity in conditions of the modern world economy. The author draws a conclusion that ASCA is a sufficiently effective instrument to research strategic aspects of the organization distribution activity and to form an analytical support for its strategic sales management in present-day global economic environment.

**Keywords:** applied strategic customer analysis, balanced scorecard, distribution activity, organization

**JEL Classification:** L19, M19, M41, O12

### 1. Introduction

In present-day global economic environment a long-term sustained development of an organization (enterprise, firm, company, business entity) ensuring its utmost market value assumes satisfying the requirements of stakeholders, customers being the most important of them.

The customers expect their organization to meet their ultimate demands. They anticipate the organization performance to reach a certain acceptable level corresponding to the image, products quality, delivery dates and price-to-quality ratio.

A need for taking account of the customers' expectations mentioned in the strategic organization distribution activity, i.e. sales, transforms them into the appropriate strategic

customer element goal of the balanced scorecard (BSC) setting, firstly, a direction for the organization activity and enabling it to understand market research structure, customers research process, products planning, their promotion and distribution, and pricing planning as well. Secondly, it ensures that each organization subdivision seeks to reach well-defined objectives interrelated with the overall organization goals. Thirdly, it encourages coordination of various functional directions efforts. Fourthly, the BSC customer element causes the organization to assess its strengths and weakness from their rivals' standpoint, opportunities and threats within the environments. Fifthly, this BSC element specifies alternative actions or combinations to be undertaken by the organization. Sixthly, it sets the base for the resources allocation. Seventhly, it demonstrates the importance of the performance assessment procedure applied.

However, it is worthwhile as to assess a degree of certain strategic decisions accomplishments in the field of the sales management as to find out the cause of the variance (if any) and to forecast the situation development, the whole and the parts facilitates the development and improvement of the appropriate analytical tools.

In view of the mentioned above, the author of the paper seeks to consider his applied strategic analysis to be employed in the process of the analytical support development for the strategic sales management.

## **2. Previous Research**

To enhance strategic management efficiency in difficult conditions of the present-day market economy we have developed the applied strategic analysis (ASA) to improve its information-analytical support, to evolve theory, methodology and methods of the overall strategic economic activity aspects to the level of the financial analysis being an efficient research instrument of the financial aspects of the organization economic activity based on the financial indicators and described experience.

ASA, as a strategic management function, assumes an overall research of the strategic economic organization activity aspects based on the BSC (Krylov, 2013, 2014).

The balanced scorecard concept as an analytical instrument applied in the field of strategic management was developed by American scientists Robert Kaplan and David Norton (Kaplan & Norton, 1992) at the beginning of the 90s of the XX century, evolving both in their works (Kaplan, 2008), (Kaplan & Norton, 1993, 1996), (Kaplan et al., 2010) and those of other scientists studying economics (Inderst & Ottaviani, 2013), (Niven, 2014, A), (Niven, 2014, B), (Niven, 2014, C), (Maisel, 1992), (Shrinkle, 2012), (Villas-Boas, 2007), (Witcher & Butterworth, 2001), (Zhang et al., 2015), and was multiply tested. At present BSC is considered to be one of the essential instruments of the organization management system.

Balanced scorecard as a whole is understood as an aggregate of parameters featuring an overall organization performance in up-to-date market economy. It reflects a balance to be brought about between short-term and long-term goals, financial and non-financial indicators, basic and auxiliary parameters, as well as internal and external factors of the organization economic activity (Kaplan & Norton, 1992).

The scores of the balanced system are formed depending on the outlook and strategic goals of any particular organization and have individual features. They represent a balance between

external accounting data for the owners (shareholders) and internal characteristics of the most significant business processes, innovations, training and growth that is the balance between the results of the organization performance and future growth. The system comprises a combination of objective quantity estimated data and subjective somewhat arbitrary parameters of future growth (Kaplan & Norton, 1993).

The main goal of the balanced scorecard is to transform a company strategy into specific tangible objectives, indicators and end up with events (Niven, 2014, A).

The balanced scorecard is founded on the cause and effect; results attain factors and their interrelation with financial data (Maisel, 1992).

The balanced scorecard encompasses four basic interrelated elements: finance, a customer, internal business processes ones as well as training and personnel development element. The BSC scores enable to characterize comprehensively an activity of commercial, government and non-for-profit organizations, the scores being relatively few (about 25 scores in average, as a rule) (Kaplan & Norton, 1996).

It should be taken into consideration that basing on the balanced scorecard system special for any particular organization the applied strategic analysis lacks any standard methods. Hence, the ASA methods are special as well for any particular organization (Krylov, 2013).

The goal of the applied strategic analysis implementation is to form analytical support for taking strategic management decisions.

The ASA accomplishment principle, a deduction principle presumes, firstly, an investigation of the general BSC indicators, then specific indicators. The principle defines general sequence of the ASA analysis according to the following leads: analysis of financial indicators, analysis of customer indicators, analysis of internal business-processes (process of after-sales service, operational process and innovative process) indicators, analysis of training and personnel development indicators (Krylov, 2014).

The ASA commences from the comparative evaluation of the financial indicators and is completed by the forecast of training and personnel development.

Discussing the ASA contents as a complex category of economics in their previous works the author has assumed the applied strategic innovative analysis (ASIA) to be a kind of the applied strategic analysis presuming overall complex research of the strategic aspects of the organization innovative activity based on the innovative balanced scorecard element (Krylov & Ilysheva, 2016) and the applied strategic financial analysis (ASFA) implying overall complex research of the organization financial activity by the financial element of its balanced scorecard (Krylov & Ilysheva, 2017). The present paper treats the following kind of ASA – applied strategic customer analysis.

### **3. Results**

#### **3.1 Concept and essence of the applied strategic customer analysis**

An applied strategic customer analysis (ASCA), a kind of the applied strategic analysis, assumes a complex, comprehensive research of the strategic organization distribution activity

aspects basing on the customer element of its balanced scorecard. It can also be taken as a facilitating function of the strategic sales management.

The ASCA subject is the customer BSC element indicators (customer indicators) and the factors specifying them.

The ASCA object is strategic organization distribution activity aspects.

The aim of the applied strategic customer analysis is to form an analytical support of making strategic decisions in the field of sales performance management.

The ASCA objectives are as follows: comparative assessment of the customer BSC element indicators, diagnostics of the customer BSC element indicators variances, forecast of the customer BSC element indicators.

Notice, that all the objectives of the applied strategic customer analysis are closely interrelated since each subsequent objective follows from the previous one. So the diagnostics is effected by the results of the comparative evaluation of the customer BSC element indicators and their forecast considers the diagnostics results.

Comparative assessment of the balanced scorecard customer element implies a comparison of their real and target figures, finding corresponding variances and their qualitative characteristics. The qualitative characteristics of the BSC customer element real and target figures variance depend largely on their value (Table 1).

*Table 1: Exemplary qualitative estimation of the variance characteristics of the bsc customer element's real and target figures*

Real figure variances values of the BSC customer element from the target ones, %	Qualitative estimation of the BSC customer element real figure from their target ones
Up to $\pm 1\%$	Fairly small
From $\pm 1\%$ to $\pm 5\%$	Essential
From $\pm 5\%$ to $\pm 10\%$	Significant
From $\pm 10\%$ to $\pm 20\%$	Large
$\pm 20\%$ and higher	Very large

*Source: (Krylov, 2014)*

The diagnostics of the balanced scorecard customer element indicators variance is based on the cause and effect links combining BSC values, the customer element included, into the balanced complex of general indicators and their specifying factors (results attaining factors). While diagnosing the BSC customer element indicators variance found are the results attaining factors, which are mostly impacting on the general or outcome indicators of the balanced scorecard customer element, and determined is its value. It should be noted that the outcome customer indicators of more specific BSC elements (internal business-processes, personnel training and development) could be considered as factors determining factoring indicators variances of more general customer element.

The customer BSC element indicators forecast are of the purposeful nature. In case of the objective conditions the values of the customer BSC element indicators forecast is targeted at the primordial determination and/or correction of the target values of the customer BSC element indicators and either determination of the specific ways of their attainment or the development of the events aimed at the elimination of the variance emerged between outcome and target values of the customer BSC element indicators in the future. Notice, that



the forecast commences with the general (outcome) indicators, the factoring ones being derived from them.

The ASCA aspects imply proper strategic aspects, tactical aspects and operational aspects. Within the scope of the strategic aspect of the applied strategic customer analysis estimated, diagnosed and forecast are final BSC customer element indicators for the time-period of the developed customer (distribution) strategy functioning, *i.e.*, their strategic values. Within the frame of the tactical aspect of the applied strategic customer analysis estimated, diagnosed and forecast are interim BSC customer element indicators by the each year end, *i.e.*, their tactical values. Within the scope of the operational aspect applied strategic customer analysis estimated, diagnosed and forecast are interim BSC customer element indicators by the end of each month, *i.e.*, their operational values. It should be noted, that all the ASCA aspects mentioned are interrelated and agreed: the results of the operational BSC customer element indicators values analysis make an impact on their tactical values and the results of the tactical values analysis – on the strategic ones.

The ASCA methodology instruments comprise an aggregate of techniques (ways, methods) to facilitate handling the essential problems of the analysis accomplished and, respectively, its goal reached. The basic methods of the applied strategic customer analysis include techniques of absolute, relative and average values, comparison, grouping, graphic and table methods, correlation-regression analysis, factoring analysis, cluster analysis, and expert evaluation methods.

### 3.2 Information base of the applied strategic customer analysis

The ASCA information base is the customer BSC element (Table 2), the formation comprising a number of steps: definition of the strategic customer process goal, construction of the strategic customer process map, selection of the customer indicators, definition of the target customer indicators values, development of the strategic customer events.

Table 2: Customer balanced scorecard element of the organization development

Key problem of the customer balanced scorecard element	Strategic customer goal	Customer indicator	Target value	Strategic customer event
What goals concerning structure and customer demands do they have to set to attain financial goals?				

Source: the table was developed by the author

### 3.3 Sequence of the applied strategic customer analysis execution

The applied strategic customer analysis as a kind of the applied strategic analysis is carried out in compliance with the principle of deduction encompassing research firstly, general indicators of the BSC customer element then specific ones.

The basic components of the ASCA are the following:

1. Analysis of customer profitability level.
2. Analysis of products distribution market share.
3. Analysis of customer base volume, composition, and structure.
4. Analysis of customer demands satisfaction degree.

The process of the ASCA analysis exercise can be presented by means of considering its main objectives i.e. diagnostics of the variance and the forecast of the customer BSC element (Table 3).

Table 3: Matrix of the ASCA elements

Basic ASCA elements (i)	Major ASCA objectives (j)		
	Comparative assessment of BSC scores (1)	Diagnostics of BSC scores variances (2)	Forecast of BSC scores (3)
Analysis of customer profitability level (1)	Comparative assessment of customer profitability level	Diagnostics of customer profitability level variances	Forecast of customer profitability level
Analysis of products distribution market share (2)	Comparative assessment of products distribution market share	Diagnostics of products distribution market share variances	Forecast of products distribution market share
Analysis of customer base volume, composition, and structure (3)	Comparative assessment of customer base volume, composition, and structure	Diagnostics of customer base volume, composition, and structure variances	Forecast of customer base volume, composition, and structure
Analysis of customer demands satisfaction degree (4)	Comparative assessment of customer demands satisfaction degree	Diagnostics of customer demands satisfaction degree variances	Forecast of customer demands satisfaction degree

Source: the table was developed by the author

Examples of the outcome and factoring indicators analyzed per every complex ASCA element are provided in Table 4.

Table 4: Examples of the analyzed outcome and factoring indicators per every complex ASCA element

Basic ASCA elements	Indicators analyzed	
	Outcome	Factoring
1. Analysis of customer profitability level	Net sales to sales revenue ratio (overall).	Separate consumers net sales to sales revenue ratio; Separate items net sales to sales revenue ratio; New goods net sales to sales revenue ratio; Each item net sales to sales revenue ratio.
2. Analysis of products distribution market share	Organization market share.	Market shares of separate customers; Market shares of separate products manufactured; New products market share.
3. Analysis of customer base volume, composition, and structure	Permanent customers' share within total number of customers; New customers' share within total number of customers; Permanent customers' transactions within overall transactions; New customers' transactions within overall transactions; Sales share to permanent customers within overall sales volume; Sales share to new customers within overall sales volume; Growth of total number, number of permanent and new customers on absolute and per unit basis; Growth of total transactions, transactions with permanent and new customers on	Total number of customers; Number of permanent customers; Number of new customers; Number of prospects; Total number of transactions; Number of transactions with permanent customers; Number of transactions with new customers; Overall sales volume; Sales volume to permanent customers; Sales volume to new customers.

	absolute and per unit basis; Growth of overall sales volume, sales volume to permanent and new customers on absolute and per unit basis; New customers to prospects ratio.	
4. Analysis of customer demands satisfaction degree	Rating of customer demands satisfaction degree.	Customers questioning results; Number of repeat transactions with the same customers.

Source: the table was developed by the author

## 4. Conclusion

Completing a consideration of the applied strategic customer analysis a number of conclusions are drawn:

Applied strategic customer analysis is new and sufficiently efficient instrument to research strategic aspects of the organization distribution activity forming analytical support of the strategic sales management;

Its methodology constitutes concepts of the balanced scorecard and applied strategic analysis;

ASCA presumes comparative assessment, variances diagnostics and forecast of the BSC customer element indicators of the organization within its strategic customer goals;

ASCA comprises the analysis of customer profitability level, analysis of products distribution market share, analysis of customer base volume, composition and structure, and analysis of customer demands satisfaction degree;

ASCA commences from comparative assessment of outcome indicators, characterizing customer profitability level and is completed by factoring indicators forecast of customer demands satisfaction degree;

Results of applied strategic customer analysis may be applied for the development and implementation decisions of long-term, medium-term and short-term character in the field of sales management.

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## IMPLEMENTATION OF CUSTOMER RELATIONSHIP MANAGEMENT IN RETAIL TRADE ENTERPRISES OF THE BALTIC COUNTRIES

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**Abstract.** Private consumption is one of the main cornerstones of economic growth in any country. Within the process of retailing, different relations between enterprise and customer arise; still both parties have their specific interests. The main interests of the retailer are related to increasing turnover and making profit, but customer can have several aims – to obtain the necessary item in the necessary place and quantity and also to receive information, attitude and incentives for the purchase. Globalization of the market is increasingly affecting also retail businesses, which have led them to seek fair solutions for competitiveness and development. In order to identify factors of competitiveness, the authors of the current article have put forward the goal – to analyse processes of retailing related to customer relationship formation and management in the Baltic countries. To attain this goal, the authors, first, research the theoretical background of the customer relationship formation, then analyse the retail trade development in the Baltic countries and, finally they conduct customer survey to identify the basic relationship formation factors. This research will provide retailers with comprehension of necessity to develop a customer relationship system, taking into account industry requirements. The scientific novelty of the current article lies in the fact that the authors defined the unified approach to formation of customer relationship system in retailing. The authors conclude that upon knowing the main influence factors, the enterprise can manage this process, and that this could be one of the instruments of enhancing competitiveness.

**Keywords:** customer, retail trade, customer relationship management, efficient response marketing

**JEL Classification:** F1, F6, M1, M3

### 1. Introduction

Private consumption is one of the cornerstones for economic growth and therefore retail trade can be considered as an indicator of national economic growth. The basis of all entrepreneurship is the satisfaction of consumer needs which ensures the achievement of an enterprise's aims. Several relationships are formed between the enterprise and the consumer during this process and each party has definite goals to achieve in mind. For enterprises firstly

it is to attract and retain consumers, increase the turnover and market share, make a profit. Consumers on the other hand want to get the necessary product/service at a particular place, time and amount, receive the necessary information and service quality. The basis of this relationship is the mutual benefit gained. Therefore, the satisfaction of consumer needs is the primary task of any retail business. Consumers' choice is based on the goods (assortment and quality), price and place and service that meet their expectations, and the necessary information. In the current market situation, it is easy for consumers to gain information about the best offer on the market and retail enterprises have to come up with solutions to be leaders in the fight to attract and retain consumers and maintain long term relationships with them. Retailers need a tool that would ensure their competitiveness and create the desire in consumers to be loyal i.e. carry out repurchases and continue their relationship with the enterprise, its products and brands. Therefore, it is very topical to design and use a system that under real circumstances would enable retailers to enhance their working principles with legitimate aids and ensure competitiveness. One of the systems offered for ensuring efficient operations in retail trade is a system for management of relationships with consumers based on Consumer Relationship Management (CRM) and Efficient Consumer Response (ECR).

Four systems for management of consumer relationships that have been studied in theory and implemented in practice in retail trade should be highlighted: loyalty programmes, consumer relationship management (CRM), Efficient consumer response (ECR), and Relationship Marketing Management (RMM). (Evans, 2012; Reisheld, 2003) Retail enterprises use various relationship management systems but with evolution each new system incorporates definite elements from the previous system and appends it. In order to identify the factors of competitiveness, the authors of the current article have put forward the goal – to analyse processes of retailing related to customer relationship formation and management in the Baltic countries. To attain this goal the authors, first, research the theoretical background of the customer relationship formation, then analyse the retail trade development in the Baltic countries and, finally they conduct customer survey to identify the basic relationship formation factors. Research methods employed are: the monographic method was used to establish the theoretical framework of the problem in question; the customer survey was used to identify the main factors of customer satisfaction and loyalty formation. Data were processed by the means of SPSS, MS Excel. Research limitations are as follow: the current investigation concentrates upon the retailing mega-chains in all three Baltic countries. Research period: survey data were collected in the years of 2016 and 2017.

## 2. Literature review

Summarising the information on consumer satisfaction and its elements, the authors on the basis of the conclusions drawn offers the following definition of satisfaction – *Satisfaction/dissatisfaction is a complex consumer – cognitive, emotional and by intensity different – reaction that is formed in relation to the actions during the pre-purchase, purchase and post purchase market stages.* This definition reflects the concept of satisfaction as a result. Attempts of researchers to create a universal consumer satisfaction theory which is called the C/D paradigm (Confirmation/Disconfirmation Paradigm), or offer conformity/disconformity model are logical. (Linina, 2016; Linina, 2017) Reviewing the research works of various authors it could be concluded that there are differences in the consumer satisfaction formation process in three sectors of the economy: consumer products sector

(Lewis, 1995), industrial products sector and service sector (Ding & Morris, 2004; Cadotte & Turgeon, 1988).

One of the important forms of expression of consumer satisfaction is loyalty. It is significantly more expensive for enterprises to attract new consumers rather than retaining existing consumers as regular consumers spend more and cost less for enterprises (Karjalainen et al., 2012). Summarising the information on theoretical aspects of the concept of loyalty the authors offer the following definition of loyalty. *Loyalty is the result of consumer perception of the offer (goods, service, brand etc.) that leads to a positive attitude (cognitive, conative and affective) and actions favourable for the enterprise towards the offer (repeat purchases, additional purchases, high consumption intensity etc.).*

Loyal consumers have the following specific features: they buy more and are loyal for a longer time; they are less sensitive towards price increase; they recommend other consumers to buy and consume/use a product/brand, which is profitable for the enterprise.

The research in the field indicates that there exists a close link/correlation between the consumer satisfaction and loyalty. (Mittal & Kamakura, 2001) Based on the analysis of the advantages and disadvantages of the loyalty model the authors offer to take into account specific features of the retail brand. (Linina, Zvirgzdina, 2016) The following features of the consumer loyalty formation model in retail trade can be highlighted:

- Consumer can be loyal to a sales outlet;
- Perception of the three mentioned factors depends on the geographic, demographic, social and psychological characteristics of the target audience;
- Attitudinal loyalty mainly relates to product/brand values and relation “product/brand values – consumer costs”; and action loyalty – to service quality;
- There are various consequences of consumer loyalty but the main form of expression is repeat purchases.

Many experts, researchers and managers have come to the conclusion that under the circumstances of intense competition one of the most significant success factors for an enterprise is consumer satisfaction with its products on offer and their loyalty to the products/brands/enterprise. It is this favourable attitude and loyalty which forms the basis for the creation of the enterprise’s consumer capital. However, to reach the desired level of consumer satisfaction and loyalty enterprises should manage their relationships with consumers. Consumer satisfaction and consumer loyalty will not be formed automatically. In our opinion, there exists the following correlation.

Having analysed several publications and other sources on management of consumer relationships (Reisheld, 2003; Evans, 2012), the authors have come to the conclusion that four systems researched in theory and applied in practice in retail trade should be highlighted:

- 1) Loyalty Program – LP;
- 2) Consumer Relationship Management – CRM;
- 3) Efficient Consumer Response – ECR;
- 4) Relationship Marketing Management – RMM.

Retail enterprises use several management systems in practice but with evolution, each newly developed system includes both positive and tested elements of previous systems and new elements. The authors agree with an opinion that „the CRM is not just technology and

therefore it is not possible to enhance the quality of relationship with consumers just with the help of a software programme. CRM is a strategic component of the interaction between the enterprise and its consumers.” Often the definition of CRM does not differ significantly from LP definition. Summarising the information gathered from the relevant publications and internet sources the author proposes the following CRM definition: *Consumer relationship management (CRM) is an enterprise strategy to attract, differentiate, serve and retain consumers by understanding and satisfying consumer needs, developing long term cooperation based on creating and maintaining consumer database.* (Linina & Zvirgzdina, 2016). In essence, the CRM system matches the needs of retail enterprises, of course taking into account the specific features of the sector. Having analysed publications on the use of CRM in retail trade (Kim et. al., 2004), the authors have come to conclusions regarding certain the CRM system features that should be followed in retail trade. The consumer relationship management (CRM) systems were followed by ECR (Efficient Consumer Response) which means „efficient response to meet consumer needs”. Analysis of results of publications in the field of ECR (Seifert, 2001; Crandall & Crandall, 2015) allows the authors to state that despite the insignificant differences all the authors consider that ECR is „cooperation between retailers/distributors and manufacturers with the aim of satisfying consumer needs and promoting prevention of irrational costs in the supply chain from the manufacturer to the consumer”. While agreeing to the statements of the abovementioned researchers regarding the ECR the authors, however, consider that it is unreasonable to plan and implement this relationship management system with consumers in practice separately and independently from the introduction of the CRM in retail trade. In essence the ECR is modernised and updated the CRM as it serves the same purpose – managing relationships with consumers to satisfy their needs for products and increase their loyalty level. It is clear that close cooperation between manufacturers and retailers is necessary in this field. (Zvirgzdina et al., 2015) Improvement in product quality may mean nothing if retail enterprises are unable to ensure high quality service to their customers (the CRM system function) and their loyalty indicators would go down due to the above reason. Summarising the information gathered it could be concluded that the efficient use of the CRM and ECR systems is the basis for creation of consumer relationship management systems in retail enterprises.

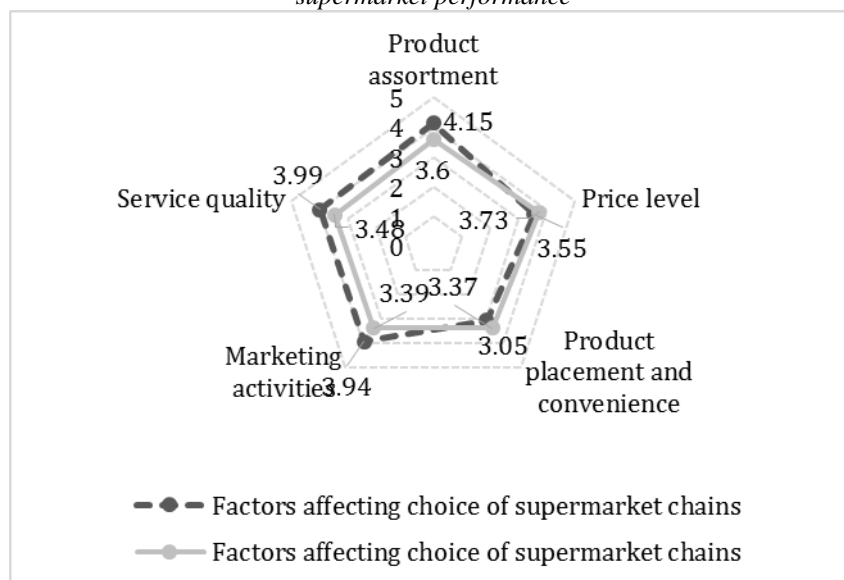
### **3. Research and discussion**

To evaluate the application (advantages and disadvantages) of the CRM and ERM in the retail stores in the Baltic countries from the consumers’ viewpoint the authors employed the survey method (the questionnaire). The survey was carried out in all three Baltic countries – Latvia, Lithuania and Estonia. Considering the aim of the research and characteristics of the respondents the standardized questionnaire was used. All respondents were offered the similar statements in the identical order, the evaluation was according to 5-point Likert scale (the form of the Google documents was used as template). The non-probability snowball sampling method was used to gather information, namely, the first set of respondents were contacted by the means of e-mail, they, in their turn, identified the next set of respondents, and so on. The questionnaires were distributed also through the members of the trade associations. As the result 1446 questionnaires were admitted as valid: 673 from Latvia, 388 from Lithuania, and 385 from Estonia (the population – residents of all countries). According to 95% data accuracy, the research sample size was calculated as 385 respondents (min.). In Lithuania and Estonia the minimal sample size was reached while in Latvia – it exceeded the



minimal level. The respondents (consumers) answered questions about factors that influence their choice of supermarket, assortment of goods, buying frequency, and time spent in the supermarket, price level, product placement and shopping convenience, marketing activities, service quality, communication, etc. The results were processed and analysed by the SPSS. The authors performed the comparison of the supermarket choice factors according to the customer evaluations and the factual situation evaluations (see Figure 1). It could be concluded that the evaluation of performance of supermarkets are lower than those reflecting the choice of supermarkets. This means that the real performance is lower than the expectation of customers. On the other hand, the evaluation of real performance in terms of price level and product placement and convenience is higher the evaluations for the same criteria as factors influencing the choice of supermarkets. According to the author it is wrong to assume that there is nothing to be improved in these criteria.

Figure 1. Comparison of mean of factors influencing the choice of supermarkets to the evaluation of supermarket performance



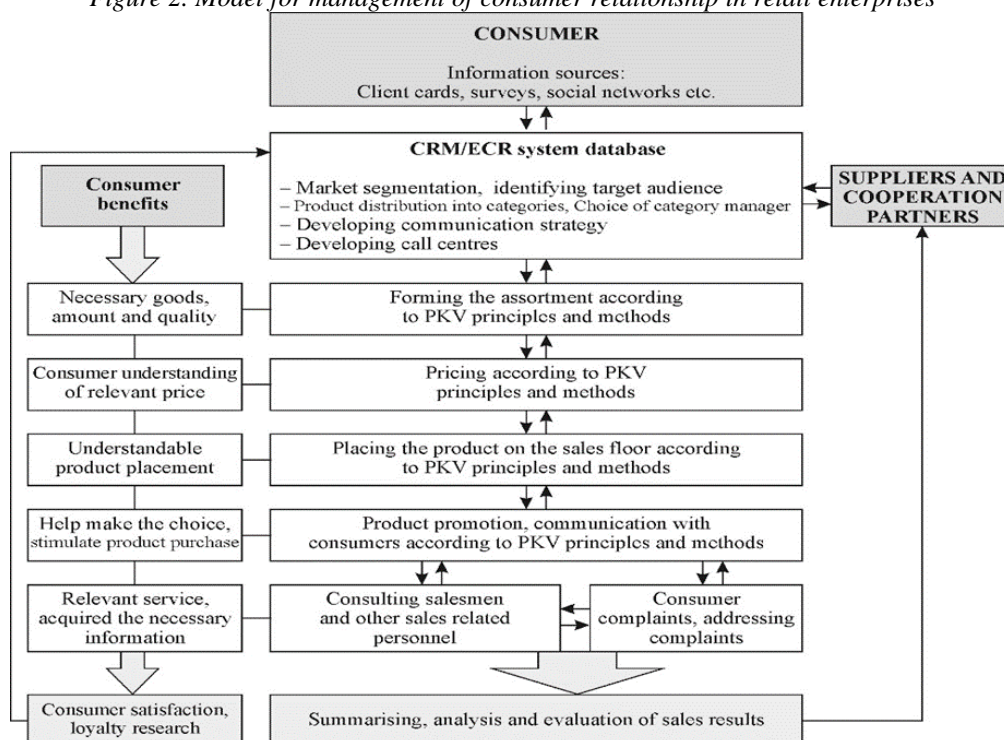
Source: (Authors')

The situation in the market can change rather quickly due to changes in the internal and external environment of the retail trade enterprises. At the same time, the improvement of performance, thanks to the introduction and application of CRM and ERM can facilitate certain changes in the consumption patterns (for example, the product placement and shopping convenience can become the significant factor of the supermarket choice).

Summing up the research results, it is possible to conclude that consumers in the Baltic countries exhibit a relatively low level of loyalty coefficient towards super-markets. Retail enterprises do not use all the options available yet to attract and retain consumers including the using of CRM and ECR. Consumer loyalty towards retail enterprises on the one hand would further the increase in value and on the other hand would be profitable to the whole sector and the national economy. Product assortment indicators, product placement and convenience, pricing, promotional activities and consumer service quality are mainly average and the low consumer evaluations indicate the inefficient introduction and use of CRM and ECR systems in supermarket operations. The present market situation requires improvement in the information management by the retailers. Although the majority of enterprises pay attention to this aspect, our research proves that they do not use all possibilities of the

information management. On the whole the empirical research showed and proved that the introduction and use of CRM/ ECR systems in Baltic retail enterprises is a topical issue that must be resolved to ensure consumer satisfaction on the one hand and the development of the retail sector, on the other hand. Taking into account the specifics of the retail sector, expert opinion on the use of CRM and ECR systems in Baltic retail enterprises and the current situation from the consumers' point of view, the authors worked out a "Model for management of consumer relationship" which comprises working model of CRM/ECR system (see Figure 2). The model is based on the identification of retail enterprise processes (related to consumer satisfaction) and design of subsequent activities to build and retain long term goal oriented relationships with consumers. The model comprises the design of data gathering, summarising and a set of actions that would enable the conversion of huge amounts of data into knowledge and its subsequent use in the process of introduction and use of a system for management of consumer relationship. The CRM/ECR system working model consists of three mutually interrelated parts: (1) retail enterprise operations; (2) suppliers and cooperation partners; (3) consumer benefits.

Figure 2. Model for management of consumer relationship in retail enterprises



Source: (Authors')

In order to successfully implement the model in retail enterprise operations, the authors propose a methodology for functioning of the CRM/ECR system. In order to introduce the proposed system in the day to day operations the authors propose to develop the methodology of the CRM/ECR implementation. It is useful for those enterprises that already use the system to learn the author proposed methodology and compare it to their approach on these issues and where necessary continue the improvement of the system factors. According to the specialised literature CRM system can be classified into three groups (Corsten & Kumar, 2005):

- Operational CRM – information gathering on the market situation, competitors, partners, transactions and other external elements and their use together with internal information;
- Analytical CRM – information processing and analysis on product sales, marketing activities, consumers etc.;
- Collaborative CRM – close organisation of consumer activities with respect to target audience incl. consumer personalisation, initiating dialogue, interactive communication etc.

In the authors' opinion, from the proposed the CRM definition and working principles of the system, retail trade development problems and empirical research it follows that retail enterprises combine all the three the CRM functions. The implementation of operational, analytical and collaborative e CRM would not be fruitful if they fail to achieve the goals of the retail trade and ensure consumer satisfaction and loyalty. It should be taken into account that the ECR in essence is an integral component of the CRM which cannot be used efficiently and developed without the CRM database. Therefore, summarising the research works and practical solutions (Corsten & Kumar, 2005), the authors have worked out and offer the following sequence of actions for the use of the CRM/ECR system: (1) operational CRM (internal information of the enterprise); (2) analytical CRM (analysis of enterprise performance, analysis of consumer behaviour, etc.); (3) ECR (evaluation of suppliers); (4) collaborative CRM (interactive communication, target audience service, collaborative events, etc.). The implementation of CRM/ECR system does not automatically ensure the achievement of enterprise goals and consumer satisfaction. In case of efficient use of the system there are various benefits for the enterprise as well as consumers.

#### **4. Conclusion**

On the whole the processing and analysis of consumer survey results using SPSS leads us to the following conclusions: Consumers have a relatively low level of loyalty towards supermarkets in the Baltics. Retail enterprises do not use all the options available yet to attract and retain consumers incl. the using of CRM and ECR; Product assortment indicators, product placement and convenience, pricing, promotional activities and consumer service quality are mainly average and the low consumer evaluations indicate the inefficient implementation and use of CRM and ECR systems in supermarket operation; The comparison of factors influencing the choice of supermarkets to the evaluation of supermarket performance indicate that three choice criteria (product assortment, promotional activities and service quality) were evaluated higher than the real performance of supermarkets. The implementation of CRM/ECR system in retail enterprises will ensure the basis for management of consumer relationships but its efficient use is very important. The following CRM/ECR system functions were analysed in the article:

- Consumer segmentation and marketing activities;
- Product assortment management;
- Building relationship with suppliers;
- Consumer service and communication;
- Planning sales floor layout and product placement.

The authors suggest to implement and develop the CRM/ECR system in the retail trade enterprises according to the proposed model, taking into account specific situations and factors, as well as subjective and objective barriers: Prior to implementation of the CRM/ECR it is necessary to work out the plan to identify problems and tasks to be accomplished; It requires an organizational structure, that would include a manager of the CRM/ECR implementation, management board, performance quality control, technical support and analytical groups, and a training consultant; It is necessary to create the CRM/ECR system database that would include information about consumers, suppliers and other stakeholders, that would help to determine the target audience, to perform segmentation and eventually lead to customer satisfaction.

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## LOYALTY PROGRAMS FROM A CUSTOMER'S PERSPECTIVE IN THE REGION OF SOUTH BOHEMIA

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**Abstract.** The rapid spread of new trends, technologies, innovations, increased competitive environment and more quantity of demanding customers are among the consequences of a globalized economic environment. Businesses use many ways to attract and retain these demanding customers. The development of information technologies in a globalized environment has brought widespread opportunities not only in advertising but also within loyalty programs. The aim of the paper is to present preferences within the framework of possible tools used in loyalty programs and their comparison with what is actually offered to customers in the Region of South Bohemia. The attention is focused on the younger and middle-aged generation of customers, who are more open to new technologies and trends. The paper is based on partial research outputs focusing on customer loyalty preferences. The data were obtained in a questionnaire survey (e-questionnaire) in 2018. The selected sample consists of 269 respondents. The obtained data are evaluated by using basic descriptive statistics. Moreover, there is an independent two-sample t-test used to average the mean values of two groups of data in terms of their determination of significant differences. The presented outputs of the paper can be used as a material for the targeted creation of effective loyalty programs with respect to the attitudes and preferences of customers in the conditions in the Region of South Bohemia within the context of globalization.

**Keywords:** loyalty program, customer, customer preferences, marketing

**JEL Classification:** M31, M1, M19

### 1. Introduction

Currently, it is the main effort of all companies to keep a customer who is profitable for the company, and this approach is called the CRM strategy. According to Kotler & Kellner (2007), the CRM system is able to acquire important customer information, "Who are our customers?", "What do they need?" and "How do they behave?". This approach is also necessary because of the conflict with the use of new communication technologies (Fu et al., 2015). It is possible to allow mutual communication between the consumer and the seller (Lošťáková, 2006). A significant influence can be attributed to the globalization and internationalization of all markets (Lorincova et al., 2016). The companies may face a competition with the other companies who may be on the far end of the world. Consumers are well supplied with products from the whole world. There is also an expansion of the customer's needs, as well as the localization of worldwide cultures who supply the consumers

with products from anywhere in the world (Cempirek et al., 2015, Lizbetin & Stopka, 2016). The additional reasons are:

- Accelerated growth in work productivity (Kucharcikova & Miciak, 2018).
- The emergence of new demographic changes in the composition of consumers, which may influence the development of demand (Smolkova et al., 2016, Vetrakova et al., 2018).
- The continued emergence of new technologies, processes or products i.e., the business may be constantly changing and improving the production processes (Virglerova et al., 2017), so the subsequent products will emerge very quickly, and thus the market situation may develop very hastily. In addition, new companies may emerge, among which there will be no rules of mutual competition (Dobrodolac et al., 2018, Seemann & Farkasova, 2015).

Every consumer requires more products and services that try to work with different CRM tools. If a company wants to use all CRM tools properly, they need to learn how to properly classify their customers into groups and then use them with the right tools (Wessling, 1996).

Loyalty programs, or loyal programs, are a classic tool for sales promotion (Branska et al., 2015). The customers can get involved in these programs, where they can get a variety of discounts on their purchases, gifts, or trips. Typical are, for example, retail chains where loyalty cards can be obtained, at banks where they offer bonus programs, but these are typical for many other organizations today (Kicova & Nadanyiova, 2017; Krizanova et al., 2018). They represent a very effective way to persuade customers to make regular purchases. Thanks to these programs, it is very efficient to build databases with customer contacts (Karlíček, 2016).

Nowadays, a large number of companies are trying to segment their markets as best as possible with loyalty status, using loyalty programs. They are trying to find the most loyal customer. They hope that some consumers are completely loyal because they buy the same brand (Vilcekova & Starchon, 2017). A larger proportion of consumers are loyal only to a certain extent, as they are supposed not to like just one brand, but they buy two or more. The third part of consumers has no brand loyalty because they always want something else or buy goods on sales (Kotler & Kellner, 2007).

## 2. Methods

The aim of the paper is to present the preferences within the range of possible tools used in loyalty programs and compare them to what is really offered to customers in the Region of South Bohemia. The attention is focused on younger and middle generation of customers who are more open to new technologies and trends. The sample of respondents is therefore composed of age categories up to 29 years (39%), 30-39 years (34%) and 40-50 years (27%). The paper is based on partial research outputs focusing on loyalty preferences for customers.

The data were obtained through the e-questionnaire in 2018. The selected sample consists of 269 respondents who live in the Region of South Bohemia. Their structure is shown in Table 1, consisting of 43.5% male and 56.5% female. The data obtained are evaluated by the use of basic descriptive statistics. Based on a variance analysis and a weighted arithmetic

mean, the preferences of the collaterals within the loyalty programs and what is most commonly offered to them, are evaluated.

On these questions, respondents could indicate their preferences in the Likert scale, where No.1 is - prefer not at all, No.2 - rather prefer, No.3 - prefer, No.4 - prefer more and No.5 – means prefer a lot. In evaluating the fact that these benefits are actually offered, the range of 1-5 is used, where No.1 means never, No.2 rarely, No.3 sometimes, No.4 often and No.5 is very often. The evaluation of the statistically significant differences of the compared arithmetic means is performed by the use of an independent t-test with two samples. In case of the t-test, the Levene's Test for Equality of Variances is used. Performed analyzes are processed using statistical software SPSS Statistic 25.

*Table 1: The structure of sample*

		Primary education	Secondary education without a school leaving certificate (GCSE)	Secondary education with GCSE	Higher education (college, university)	Total
Male	Count	6	21	59	31	117
	%	5.1%	17.9%	50.4%	26.5%	100.0%
Female	Count	4	19	86	43	152
	%	2.6%	12.5%	56.6%	28.3%	100.0%
Total	Count	10	40	145	74	269
	%	3.7%	14.9%	53.9%	27.5%	100.0%

Source: authors

### 3. Results and Discussion

In practice, a wide range of tools are used to create loyalty programs for customers. It is efficient for a company to know which tools are really interesting for customers and preferred by them. Then it is possible to create more specifically more efficient programs in such a manner that not only do they use the composition of preferred tools but they also do not finance the non-preferred ones.

The paper presents a comparison of the number of 21 tools (table 2) used in the loyalty programs in terms of customer preferences in comparison to the actual offer there is in the reality. Within the surveyed facts, respondents were offered new and more progressive forms of tools. Moreover, this comparison is then evaluated from the point of view of the selection of categories - financial and non-financial instruments.

*Table 2: Compare of customer's preference of the loyalty program benefits*

Type of benefit of loyalty programs	How often are you offered these benefits under loyalty programs?			How do you prefer these forms of loyalty program?		
	Mean	Std. Deviation	Variance	Mean	Std. Deviation	Variance
<b>1. Discount on each purchase</b>	<b>2.75</b>	<b>1.110</b>	<b>1.233</b>	<b>3.48</b>	<b>1.193</b>	<b>1.422</b>
<b>2. Discount on regular purchase</b>	<b>2.94</b>	<b>1.051</b>	<b>1.104</b>	<b>3.43</b>	<b>1.120</b>	<b>1.254</b>
3. Discount when buying over a certain amount	3.14	1.104	1.219	2.97	1.141	1.302
4. Discount based on the total annual volume of purchases	2.29	1.125	1.266	2.55	1.264	1.599
5. Discounts on selected goods	3.71	1.092	1.192	3.43	1.169	1.366
6. Discounts on BOGOF (buy one get one free)	3.41	1.053	1.109	3.46	1.144	1.309



7. Points that customers exchange for the goods in the catalog	3.07	1.188	1.412	2.74	1.224	1.499
8. Special discounts (e. g. birthday)	2.63	1.147	1.317	2.71	1.247	1.556
9. A free gift with a purchase	2.76	1.005	1.010	3.03	1.218	1.484
<b>10. Refund of part of the amount paid out of the purchase</b>	<b>2.16</b>	<b>1.101</b>	<b>1.212</b>	<b>2.94</b>	<b>1.188</b>	<b>1.410</b>
11. Assisting services	2.18	1.112	1.237	2.47	1.161	1.347
12. Invitations to VIP events of cultural or sporting character	1.79	0.975	0.951	2.22	1.170	1.368
13. Limited edition aimed at members of the loyalty program only	2.22	1.083	1.172	2.50	1.177	1.385
14. Offers specially tailored to the customer (sent by social media)	2.16	1.132	1.282	2.29	1.128	1.272
15. Purchase option before official launch	1.87	1.068	1.141	2.26	1.190	1.417
16. Engaging in a draw for the purchase of goods	2.48	1.193	1.422	2.45	1.179	1.390
17. Promoting humanitarian, sports and environmental programs by purchasing goods (e. g. support for schools, medical facilities, planting of trees)	2.20	0.990	0.980	2.51	1.158	1.340
18. Registration of members' receipts in the e-system	2.08	1.098	1.207	2.17	1.160	1.346
19. Purchase discount at agreed partners	2.42	1.082	1.170	2.52	1.074	1.154
20. Extended warranty	2.77	1.142	1.305	3.18	1.237	1.530
21. A reward for registering in the loyalty program	2.86	1.160	1.346	2.93	1.173	1.375

*Notice: The bold highlights items are more preferred in compare with offer and the italic marked items are more offered as preferred by customers.*

*Source: authors*

What can be seen from Table 2 is that the most preferred by the customers are:

- Discount on each purchase (1.) - With this tool, the biggest difference is the customer preference and the real opportunity to use this benefit (up to 0.73 difference in arithmetic mean).
- Discounts on BOGOF (buy one get one free) (6th) - This tool is almost as much offered to the customers as it is preferred by them. This fact speaks of its effective inclusion in loyalty programs.
- Discount purchase (2.) - This is also a very popular loyalty program. However, unlike the previous one, it is not sufficiently embedded in loyalty programs as it would be interesting for customers (difference by 0.5 of arithmetic mean).
- Discounts on selected goods (5.) - This is the 4th most preferred benefit but it is about 0.28 of the arithmetic mean included in the programs more often than interesting for customers.
- Extended warranty (20.) - This benefit is 0.4 arithmetic mean preferred by customers more than they can use.

It is the difference between preference and actual status:

- Registration of members' receipts in the e-system (18.) - The least preferred benefit from the point of view of the colliers (difference of the arithmetic mean 0.1)
- Invitations to VIP events of cultural or sporting character (12.) and Purchase option before official launch (15.) - Both benefits are less utilized than customers would like. Nevertheless, these items are among the least preferred on average. These results are related to the fact that they are mainly associated with branded and luxurious goods. It

is possible to assume that customers who are interested in this type of goods would like to welcome this benefit to a greater extent (14.) - The fourth least preferred option in the customer's view.

Consequently, the research has focused on the significant differences in customer preference and their true use of loyalty programs. We test the null hypothesis: "Customer preference is the same as the possibility of using these benefits in loyalty programs." In contrast to the hypothesis No.1: "The customer preference does not match the possibility of using these benefits in loyalty programs." By means of an independent t-test division there are determined the following statistical differences, which are presented in Table 3.

Table 3: Independent Sample test

Number of benefit	Equal variances assumed	Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	p-level	T	df	p-level (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
1	yes	2.482	0.116	-7.301	534	0.000	-0.728	0.100	-0.923	-0.532
	not			-7.301	531.247	0.000	-0.728	0.100	-0.923	-0.532
2	yes	5.647	0.018	-5.285	534	0.000	-0.496	0.094	-0.681	-0.312
	not			-5.285	531.768	0.000	-0.496	0.094	-0.681	-0.312
3	yes	0.160	0.689	1.768	534	0.078	0.172	0.097	-0.019	0.362
	not			1.768	533.475	0.078	0.172	0.097	-0.019	0.362
4	yes	5.794	0.016	-2.564	534	0.011	-0.265	0.103	-0.468	-0.062
	not			-2.564	526.951	0.011	-0.265	0.103	-0.468	-0.062
5	yes	3.165	0.076	2.861	534	0.004	0.280	0.098	0.088	0.472
	not			2.861	531.505	0.004	0.280	0.098	0.088	0.472
6	yes	3.744	0.054	-0.393	534	0.695	-0.037	0.095	-0.224	0.149
	not			-0.393	530.116	0.695	-0.037	0.095	-0.224	0.149
7	yes	0.613	0.434	3.231	534	0.001	0.336	0.104	0.132	0.540
	not			3.231	533.462	0.001	0.336	0.104	0.132	0.540
8	yes	2.497	0.115	-0.757	534	0.449	-0.078	0.104	-0.282	0.125
	not			-0.757	529.991	0.449	-0.078	0.104	-0.282	0.125
9	yes	7.418	0.007	-2.780	534	0.006	-0.269	0.097	-0.459	-0.079
	not			-2.780	515.385	0.006	-0.269	0.097	-0.459	-0.079
10	yes	0.797	0.373	-7.794	534	0.000	-0.772	0.099	-0.967	-0.578
	not			-7.794	530.963	0.000	-0.772	0.099	-0.967	-0.578
11	yes	1.099	0.295	-3.039	534	0.002	-0.299	0.098	-0.491	-0.106
	not			-3.039	533.156	0.002	-0.299	0.098	-0.491	-0.106
12	yes	8.492	0.004	-4.578	534	0.000	-0.425	0.093	-0.608	-0.243
	not			-4.578	517.834	0.000	-0.425	0.093	-0.608	-0.243
13	yes	4.536	0.034	-2.909	534	0.004	-0.284	0.097	-0.475	-0.092
	not			-2.909	530.126	0.004	-0.284	0.097	-0.475	-0.092
14	yes	0.046	0.831	-1.299	534	0.195	-0.127	0.098	-0.319	0.065
	not			-1.299	533.998	0.195	-0.127	0.098	-0.319	0.065
15	yes	7.333	0.007	-3.939	534	0.000	-0.384	0.098	-0.576	-0.193
	not			-3.939	528.048	0.000	-0.384	0.098	-0.576	-0.193
16	yes	0.065	0.798	0.328	534	0.743	0.034	0.102	-0.167	0.235
	not			0.328	533.930	0.743	0.034	0.102	-0.167	0.235

<b>17</b>	yes	11.048	0.001	-3.283	534	0.001	-0.306	0.093	-0.489	-0.123
	not			-3.283	521.435	0.001	-0.306	0.093	-0.489	-0.123
18	yes	1.882	0.171	-0.957	534	0.339	-0.093	0.097	-0.285	0.098
	not			-0.957	532.594	0.339	-0.093	0.097	-0.285	0.098
19	yes	0.004	0.948	-1.126	534	0.261	-0.104	0.093	-0.287	0.078
	not			-1.126	533.994	0.261	-0.104	0.093	-0.287	0.078
<b>20</b>	yes	0.895	0.345	-3.985	534	0.000	-0.410	0.103	-0.613	-0.208
	not			-3.985	530.583	0.000	-0.410	0.103	-0.613	-0.208
21	yes	0.116	0.733	-0.741	534	0.459	-0.075	0.101	-0.272	0.123
	not			-0.741	533.982	0.459	-0.075	0.101	-0.272	0.123

Notice: The bold highlights items are more preferred in compare with offer and the italic marked items are more offered as preferred by customers.

Source: authors

The T-test has refuted the zero hypothesis in the cases of benefits (sorted by the size of the difference in arithmetic mean): (0.77 difference in arithmetic mean) Refund of part of the amount paid out of the purchase (10.), (0.73) Discount on every purchase (1.), (0.5) Discount on regular purchase (2.), Invitations to VIP events of culturally or sporting character (12.), Extended warranty (20.), Purchase option before official launch 15.), Promoting humanitarian, sports and environmental programs by purchasing goods (eg support for schools, medical facilities, planting of trees) (17.), Assisting services (11.), Limited edition (13.), A free gift with a purchase (9.) and Discount based on the total annual volume of purchases (4.).

In case of these benefits, there are more preferred attributes from the perspective of customers, but they are inadequately incorporated into loyalty programs. On the contrary, there are benefits that are included in the loyalty programs more than it is necessary, with the view to customer preferences: Discounts on selected goods (5.) and points in the catalogue (7.). For these benefits, a significant difference between the rate of benefit utilization in practice for loyalty programs and customer preferences was determined.

## 4. Conclusion

The presented results point to the fact that the significant difference between the customer preferences and what is actually offered to them is not just in the financial benefits i.e., (1. Discount on each purchase and 2. Discount on regular purchase), but they are mainly in non-financial ones (12. Invitations to VIP events of cultural or sporting character, 20. Extended warranty, 15. Purchase option before the official launch, 17. Promotion of humanitarian, sport and environmental programs by purchasing goods support for schools, medical facilities, planting of trees), 11. Assisting services and 13. Limited edition only for members of the loyalty program. These results suggest that although non-financial benefits are of lower customer preference than financial ones, they are underestimated in the loyalty program making process and there is an assumption that they have their potential to be successfully used for the younger and middle category of customers. In the global economy, these elements of loyalty programs also have a unique position, and this trend is gradually being reflected in the Region of South Bohemia.

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## REGIONAL MARKETING AND BUSSINES IN CONTEXT „ACT LOCALLY, THINK GLOBALLY“

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**Abstract.** The paper deals with selected theoretical and practical aspects of open innovation system in relation to marketing in global perception. Nowadays, due to globalization companies have to face consequences as well as challenges that are connected with it. The best course of action is to be active in the area of creating mutual relations of cooperation which are typical for clusters. The marketing of active clusters in the region is a growth element that is typical for clusters aimed at building the regional well-being. Clusters are successful in enhancing reputation of the place where they are acting. They also increase employment and economic growth in the region. Clusters provide a forum for dialogue among key actors in the region influencing its development, so they are representative of an effective partnership between public and private sectors that help share information, marketing and costs to achieve the mutual goal when modifying the original context „Think globally, act locally“ in the context of regional marketing, business and business clusters in the context „Act locally with global feeling“. There is a space for implementing innovation because their role is important not only at the national level, but it also plays an important role in the global context.

**Keywords:** innovation, regional marketing, business.

**JEL Classification:** M31, O31, M10.

### 1. Introduction

The quote “Think Global, Act Local” seems to have originated with Patrick Geedes, a Scottish urban planner in the early 20th century. The term “global” invokes environmental inclusiveness rather than the worldwide perspective we understand it to mean today. In the 1970s to 1990s, the rising media and public interest in the human, social and ecological environment gave the term “global” its modern geopolitical dimension. Acting locally is a call on people to become the active participants, no longer the passive subjects, of what is being done for and by them (Tarantola, 2013).

Enhancing the competitiveness of the economy at national level is based on innovation (Loučanová et al., 2017; Parobek et al., 2016; Štěrbová et al., 2016; Kalamárová et al., 2014). The role of innovation is important not only at the national level, but also plays an important role in the global context (Loučanová et al., 2015). As Krajňák & Meier (2016) states, at

present globalization affects practically the whole economy. The consequence of globalization tendencies is an expanding market space where a business entity can be active.

Processes associated with internal and external business activities are part of each business. Some definitions of a business process are presented in the professional literature. Most of them get a common idea, especially that a business process consists of mutually linked activities and their output represents a value for the customer. Another approach explains the business process as a sequence of activities performed repeatedly, whereby it has a strictly given start and end (Kováčiková & Repková-Štofková, 2016).

It rules globally that the business process and its outputs can lead directly or indirectly to the creation of end value for the customer. The process itself consists of smaller sub-processes or operations that can be displayed on a map of sub-processes. It is also possible to characterize this process as a sequence of partial activities with a mutual objective. In the first part of the process, the results of the process are generated by the defined partial processes with the use of the allocated resources (Štofko et al., 2016; Olšiaková et al., 2016, Straka, 2013).

At present, marketing represents a tool of business connection with its environment and customers to meet their needs. In constantly changing market conditions, it is necessary to respond to changes and customer requirements as quickly as possible. It can be realized by involving customer needs and demands directly into marketing using innovative tools that are part of the open innovation system.

The open innovation system in this case is the ability to share information among various subjects in the network (Schurmann et al., 2014). Snyman et al. (2007) mentioned that an open innovation system represents an important competitive advantage in terms of restricted access to information within the innovation process, known as closed innovation system. The real-time innovation process is based on five elementary principles such as courage, openness, realism, influence and sustainability (de Arias et al., 2014; Parobek et al., 2016; Loučanová et al., 2017).

In the next part of the paper we deal with selected theoretical and practical aspects of open innovation in relation to marketing in global perception. Regional marketing and business in the context „Think globally, act locally“ modification in context of regional marketing, business and business clusters „Act locally, think with global feeling“.

## **2. Regional marketing and business clusters**

As we have mentioned, regional marketing should consist of four pillars. Three of them (local business support, creating a suitable environment and conditions for investors, external and internal image improvement) are directly focused by the marketing of regional industry clusters. The fourth pillar of regional marketing - support for domestic tourism, is influenced by the marketing cluster only indirectly through the image building of the region in which it operates (see Figure 1).

Figure 1: Regional marketing



Source: Loučanová, 2009

The marketing of active clusters in the region is a growth element that is typical for clusters aimed at building the regional well-being. As clusters provide a forum for a dialogue among key actors in the region with a focus on its development, they are representative of an effective partnership of a public and private sector. It supports the mutual share of information, marketing, costs, and so on.

The cluster marketing is focused on its entire structure consisting of:

- Core, which is presented by businesses of the given sector in the region,
- Specialized support companies, including specialized regional suppliers as well as direct investors attracted to fill capacity gaps and to expand existing regional clusters,
- Soft infrastructure, which is created by so called support institutions such as schools, business associations, business angels, science parks, and last but not least, the regional government. The regional government is in most cases the main initiator of regional clusters formation and it has a close involvement in the cluster core function,
- Technical infrastructure (so called hard infrastructure) that includes state and private infrastructure, specialized and integrated facilities serving the cluster as well as the region.

Practically, active clusters increase the ability to create the wealth in the community. They facilitate participation in economic development of those who are at a disadvantage and they create a competitive advantage. It results in a higher income and more jobs for the region. This in turn enhances reputation, highlights the location, and leads to employment creation and economic growth.

Therefore, cluster initiatives by companies can create benefits not only for clusters, respectively companies in the cluster, but also for the local economy as a whole. They also represent a lobbying tool with government to improve infrastructure or services, so the region becomes more interesting for investors and it increases its profile and locality image at national as well as international level.



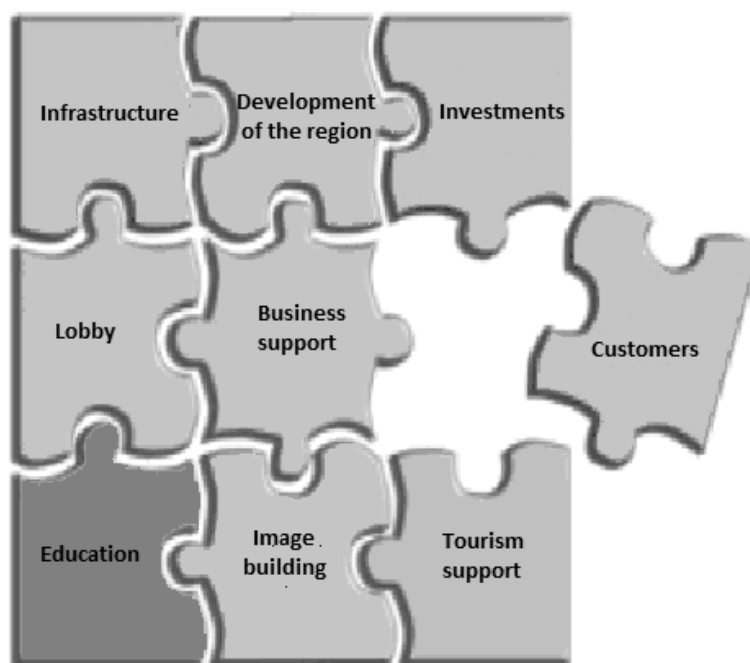
In addition, cluster attracts specialized direct foreign investments, filling capacity gaps and expanding existing cluster. It spreads the reputation, builds the image of the regional cluster as well as the region. In this way, impressed investors are more likely to integrate faster into the community, and then to attract further specialized investments.

Regional marketing and marketing of the cluster thus represent sort of a "puzzle" (see Figure 2). Its common goal is a customer. In this case, customers can be understood from different points of view, such as:

- Direct consumers of the regional products,
- Investors,
- Appropriate workforce for businesses in the region and investors,
- Inhabitants of the region, etc.

In general, they represent an external and internal target.

*Figure 2: Regional marketing versus marketing of business cluster*



*Source: Loučanová, 2009*

The "puzzle" of regional marketing and cluster marketing not only fits together, but it also influences and creates feedback in the context of "Act locally, think globally". It is created an instrument of direct business support by building a common image of the region as well as a cluster, with the possibility of lobbying for building the appropriate regional infrastructure, which is one of the attractions for investors but also for the further development of domestic entrepreneurs. On the contrary, for the inhabitants of the region, this instrument secures job opportunities, good infrastructure for own transport as well as living in an attractive and evolving region.

On the contrary, for the population of the region, this tool subsequently job opportunities, good infrastructure for own transport as well as living in an attractive and developing region.

A special area presents an education, which is supported mainly by entrepreneurs who want to educate their employees according to their needs. On the contrary, for the inhabitants of the region, there is the possibility for their own qualification growth and the associated opportunities.

Tourism support is largely built on regional government, respectively entrepreneurs in this sector. However, it is not excluded to integrate this aspect into this region's marketing system, by the regional tourism cluster itself that will provide business support in this sector.

The overall marketing system of the region thus consists of two basic pillars: regional marketing and regional cluster marketing that actively complements it. The main objective of such a region's marketing system is to build the image of the region at the national as well as international level.

*Figure 3: Marketing system of region*



*Source: Loučanová, 2018; Pixabay, 2018*

At the end we can state that marketing system of the region is in the hands of regional marketing and cluster marketing is helpful in creating the regional image on the whole global market as it is presented in Figure 3 (Loučanová, 2009, Loučanová et al., 2018).

### 3. Conclusion

In Slovakia, institutional infrastructure for regional development is already being developed and experience with strategic planning is being expanded, which is an important pillar of the regional marketing. However, the main effort is focused on the use of cluster resources, which are perceived as the main way to solve problems and to start development. Therefore, in the near future, the development of regions will be defined gradually especially by strategies developed at the transregional level. Provided the economic performance and

regional awareness growth, conceptual approaches resulted directly from the region could be strengthened.

## Acknowledgment

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## IMPLEMENTATION OF GLOBALIZED TOOLS OF GREEN ECONOMY IN BUSINESS PRACTICE IN SLOVAKIA

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**Abstract.** One of the key aspects of globalized socio-economic development strategies today is the green growth represented by the greening of the economy. From the level of major world socio-economic clusters, the sophisticated tools of the green economy are relevant to the research and implementation of the globally accepted and applied indicator of such growth. Contributing authors, based on this knowledge, present the results of their research and development work in the form of a model for the implementation of globally used standardized and less formalized tools of economic and environmental management in business practice to prepare for enterprises an implementation guide how to integrate their economic and environmental performance. The solution is based on the design of the upgraded system business model as an input-output process-controlled input transformation system to the required outputs and the recognition that enterprises are interconnected in the network of input – output connections. The identification and analysis of progressive instruments of green socio-economic growth and greening of the economy are relevant in terms of their suitability for individual areas of economic activity according to the globally used structured NACE codes and within the enterprise associated with the functional phases of the input - the transformation process – the output of business activities. The elaborated theoretical and methodological aspects of the implementation of green growth, green economy and sustainable production tools have been dimensioned and validated in the realistic practice of an organization oriented according to NACE codes in the area of activity Production 29.

**Keywords:** green enterprise economy, environmental management, globalized instruments, areas of economic activities, implementation model

**JEL Classification:** O44, M21, F64, O13, L15

### 1. Introduction

The growth of the world economy, as well as the world's population, has been on the rise for several decades. Growing demand is also increasing the consumption of all natural and

material resources. The way in which our society is advancing is not sustainable. It is restricting opportunities for those less privileged, but in particular jeopardizing the quality and fullness of the lives of future generations. At present, society is moving ever more rapidly beyond the imaginary boundary of a sustainable environmental burden. Despite the long-standing commitment of various international organizations to implement a sustainability strategy and its rules into practice, its implementation is still inadequate.

The majority of the responsibility for the implementation of a sustainable development strategy lies in particular with companies and enterprises. The concentration of enterprises should not be limited only to their profitability, but must also consider social responsibility. In order to grow and develop business activity, it is necessary to implement more precise tools and solutions that will bring enterprises sustainable and measurable progress, green growth and increase competitiveness of globalized markets.

## **2. Green growth and the green economy**

Over the past decades, humanity has begun to face ever greater environmental problems. With the increasing severity of problems, their complexity and connectivity are also increasing. The use of natural resources is irreversibly close to critical points, when their exhaustion will cause irreversible negative changes. These problems highlight the need for an immediate change in the trend of socioeconomic development. (Majerník et al., 2017)

To change the current unsustainable development of the global ecosystem, the major think tanks are proposing a revolutionary economic reform. They are convinced that the new concepts of reform should be based on ecological, green growth and the green economy (Vazquez-Brust, 2012). By green growth, we mean balanced growth with environmental protection centered on quality. It represents low-carbon and energy-efficient growth with a focus on value creation through "clean" technologies, natural infrastructure and innovation in the environmental markets that are the driving force of economic growth. The focus of environmental growth strategies should be to overcome the continuing obstruction of the environment and unsustainable economic growth and poverty and to replace it with a cycle of quality, environmental improvement and social inclusion (Vazquez-Brust & Sarkis, 2012).

Greening the economy and sustainable green growth cannot be applied equally everywhere. It is important to recognize that needs vary with different cultural, environmental, political and economic conditions. Therefore, countries, regions, businesses, or local communities should develop their own strategies of sustainable and green growth (Mulder, 2006; Conti et al., 2018).

Companies are more and more interested in the improvement of sustainability performance of products, services and processes. For this reason, appropriate and suitable assessment tools supporting the transition to a green economy are necessary. (Lenzo et al., 2018) Activities for green economy and green growth open doors for a more extensive debate, thus creating a chance to reactivate the universal objective, that is, sustainable development. (Kasztelan, 2017) The awareness of sustainable development through the green economy is increasing and it is becoming the main subject of politicians, agencies and research programs. Their efforts are beginning to focus on signalling the changes that are needed to ensure sustainable trade and investment leading to global development. (Kovacikova & Repkova Stofkova,

2016). These changes will affect legal structures supporting trade, investment and, in general, a new understanding of the driving forces of globalization (Blanco, 2012).

At present, environmental management and responsible behaviour in the environmental field offers enterprises an opportunity to differentiate themselves from the competition and the associated opportunity to provide their customers and shareholders with a higher value based on the promise of greening. (Loučanová et al., 2015). We can define greening simply as "not being wasteful" and emphasize the adoption of suitable technologies, efficiency of operation and the optimal use of resources. There is a need for the organization to have sufficient means to meet demand without the degradation of the environment and natural resources (Sahay, 2006). A green enterprise is any organization that engages in ecological and environmentally-friendly activities not only to ensure profitability, but also to ensure that all company production and output activities adequately address the current environmental challenges (Cuaresma et al., 2013). The essence of green business is to adequately meet the needs of today's society without interference and threatening the fulfilment of the social needs for future generations. Green business is a process of product design that assesses the ability of products to function sustainable under the current environmental situation and current natural resources (Aagaard, 2016).

Porter and Kramer (2006, p. 120) emphasize the need to link corporate social responsibility, sustainable entrepreneurship and competitive advantages: "Addressing social issues by creating a shared value will lead to self-sustaining solutions that do not depend on private or government representatives. When a well-managed enterprise uses its resources, experience and talent management on the issues they understand and share, it can have a greater impact on the social good than any other institution or philanthropic organization".

### **3. Monitoring and measuring progress in the green growth sphere**

When introducing green growth concepts, periodic monitoring, checking and evaluating the effectiveness and success of applied resources and measures is necessary. The results of these observations help enterprises make further decisions on what measures they should take and how they will proceed. Effective monitoring and control of adherence to new practices and concepts requires an instrument that is made up of a group of internationally recognized and comparable indicators and tools. Environmental indicators gained importance in the nineties of the last century. They are currently actively used and applied in OECD countries. They are used primarily for reporting, planning, clarifying strategic goals and priorities, creating budgets, and evaluating performance (Majerník et al., 2017).

### **4. Practical tools for green growth and a green business economy**

Voluntary tools are schemes where organizations are committed to improving their environmental behaviour beyond legal requirements. The goal of the voluntary green economy tools of an enterprise is to achieve a certain predetermined state of the environmental components within a certain timeframe. In practice, the most widely used enterprise tools include the Environmental Management System (EMS), which defines green business process orientation by applying the worldwide standard of STN EN ISO 14001:2016 and the environmental labelling of products according to ISO 14020-14025 standards. The

European Flower label has been introduced in the European Union, while the Environmentally Friendly Product label ([www.ekologika.sk](http://www.ekologika.sk)) is used in Slovakia.

The OECD, in its material flow and resource productivity document, distinguishes three main types of voluntary approaches by parties involved in defining voluntary approaches to environmental protection commitments.

Table 1: Types of voluntary access

Types of voluntary access	
1. Public volunteer programs	<ul style="list-style-type: none"> <li>• they include commitments processed by the Environment Agency and where individual enterprises are invited to participate</li> <li>• since participation in a voluntary program is a choice for individual organizations, they can be considered as optional regulations (e.g. EMAS)</li> </ul>
2. Negotiated agreements	<ul style="list-style-type: none"> <li>• contain environmental protection commitments that are developed through negotiations between the public authority and the business entity.</li> <li>• they are often signed at the national level between the industry and the public authorities, although agreements with individual organizations are also possible</li> </ul>
3. Unilateral commitments	<ul style="list-style-type: none"> <li>• defines a sector that acts independently without any involvement of a public authority</li> </ul>

Source: OECD, 2009

The use of all three types of voluntary approaches can be found in each individual OECD country where different models of voluntary agreements can be identified. These emphasize the importance of institutional and economic disparities. Despite the considerable institutional diversity between the Member States of the European Union, it is possible to identify the overall representative model of the use of voluntary instruments. These have been developed as part of a regulatory reform that seeks to improve the effectiveness of environmental greening policy. Enforcement is secured by the threat of new legislation if the agreed pact does not reach its goals.

Applying greening tools is important not only for businesses and their functioning, but also for society in general. Prevention, as one of the characteristics, helps to improve the state of the environment and thus contributes to fulfilling the commitments related to sustainable development. For the enterprise, this is not only the fulfilment of environmental responsibility and the reduction of operating costs, but also the creation of a more attractive image and the strengthening of competitiveness. (Šoltés & Repková Štofková, 2016)

We divide the voluntary tools for green enterprise growth into 3 areas according to their focus on the enterprise as an enterprise-wide input-output system:

#### A. Tools for the procurement of business inputs:

- *Environmental Impact Assessment (EIA)*

The importance of the Environmental Impact Assessment - EIA (Glasson et al., 2013):

- *Establishment of an autonomous environmental policy*
- *Protection of natural resources, environmental quality and public health.*



- *Full and publicly accessible disclosure and providing all environmental impacts of the proposed action.*
- *Objective assessment of all reasonable and appropriate alternatives.*
- *Assessment of product life cycle (Life cycle assessment)*

- *Assessment of product life cycle (Life cycle assessment)*

The objective of the life cycle assessment is to analyze the environmental impacts of the cycle in order to streamline processes (Guinée, 2004). The overall system of processes and elements involved in the product life cycle is called the product system. The product system includes all product life phases. Product Life Cycle analysis is able to classify, compare and quantify impacts at different phases of the product cycle (Hoogervorst, 2004).

- *Energy mix*

The essence of the green energy mix is to make the most of renewable energy sources. The share of energy from biomass, water and wind energy, as well as geothermal and solar energy (MacKay, 2013) is monitored.

- *Eco-innovation*

*"Eco-innovation is any form of innovation geared towards significant and demonstrable progress towards the goal of sustainable development by reducing environmental impacts or achieving more efficient and responsible use of natural resources, including energy" (European Commission, 2007).*

Andersen (2008) proposed a classification of eco-innovations based on radical and incremental changes, which is built on the main types of eco-innovation pointing to their specific market position.

## **B. Tools focused on environmental-economic transformations of business inputs on outputs:**

- *Eco-Management and Audit Scheme (EMAS)*

Companies that already have an established and certified ISO 14001 management system can move to the EMAS III scheme for recertification and oversight auditing. Environmental management, according to ISO 14001 is currently more widespread in Slovakia compared to registration in the EMAS scheme. It requires lower finance charges and less burdensome administration, such as exemptions from the development and validation of an environmental statement. EMS is also suitable for any type of organization, regardless of its focus, size, activity, or sectoral rank (Majerník et al., 2017).

- *Environmental Management Accounting (EMA)*

Environmental accounting began as a concept at the end of the last century. It focuses on identifying, retrieving, analyzing, assessing and transmitting data related to environmental costs and yields and other relevant information needed for the proper operation of an enterprise. The use of EMA can be linked to the support of some voluntary tools already in place, such as environmental reporting, or the effectiveness of environmental management systems (Jasch 2008).

## **C. Instruments for the Economization of Outputs:**

- *Eco-design*

Eco-design is a concept that serves to design and build products that prioritize product development and reduce their adverse effects throughout the life cycle. Environmental thinking must be integrated into the human lifestyle and throughout the lifecycle of all products and services (Yim, 2007).

- *Eco-labeling of products (Eco-labeling)*

Eco-labeling is one of the voluntary tools that identify environmentally-friendly products, considering their lifecycle. The eco-label is granted to impartial third-party products that meet the specified environmental requirements, which can be classified as the most trusted eco-labeling method as it is a highly transparent testing and verification of compliance with the criteria and the environmental adequacy of products and their lifecycles (Rubik, 2015).

- *Environmental reporting.*

Environmental reporting or the submission of environmental reporting is, irrespective of the name, a way of publishing the relevant data needed for decision-making within an organization. The environmental reporting on a company deals with the periodic publication of information on environmental burden and the efforts of organizations to reduce negative environmental impacts through environmental policy, environmental activities in accordance with legislation and other adjustments to the organizational structure and activities to achieve the set environmental objectives (Wells, 2013).

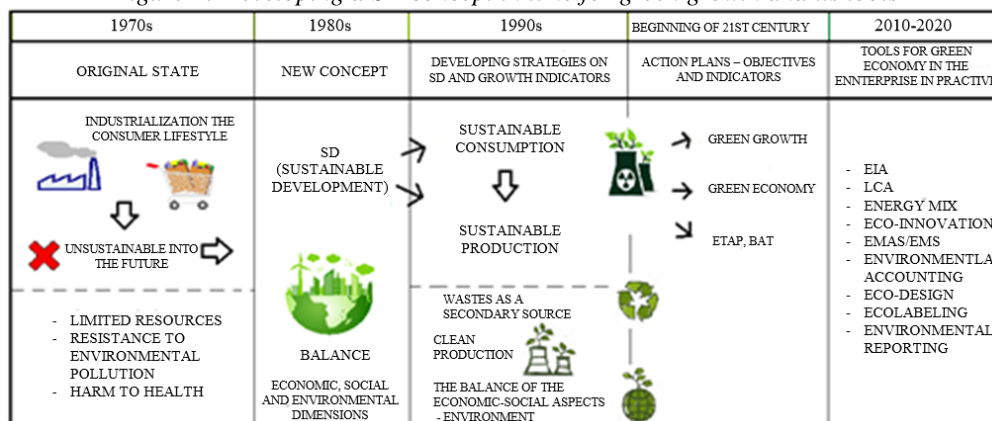
We include the following among internal reporting functions:

- *functions to determine the enterprise's environmental policy, strategic goals and activities to achieve them in an enterprise,*
- *a function of supporting and motivating workers and leadership to promote and implement environmentally-friendly activities (Tehrani & Sinha, 2011).*

## **5. The concept of sustainable development**

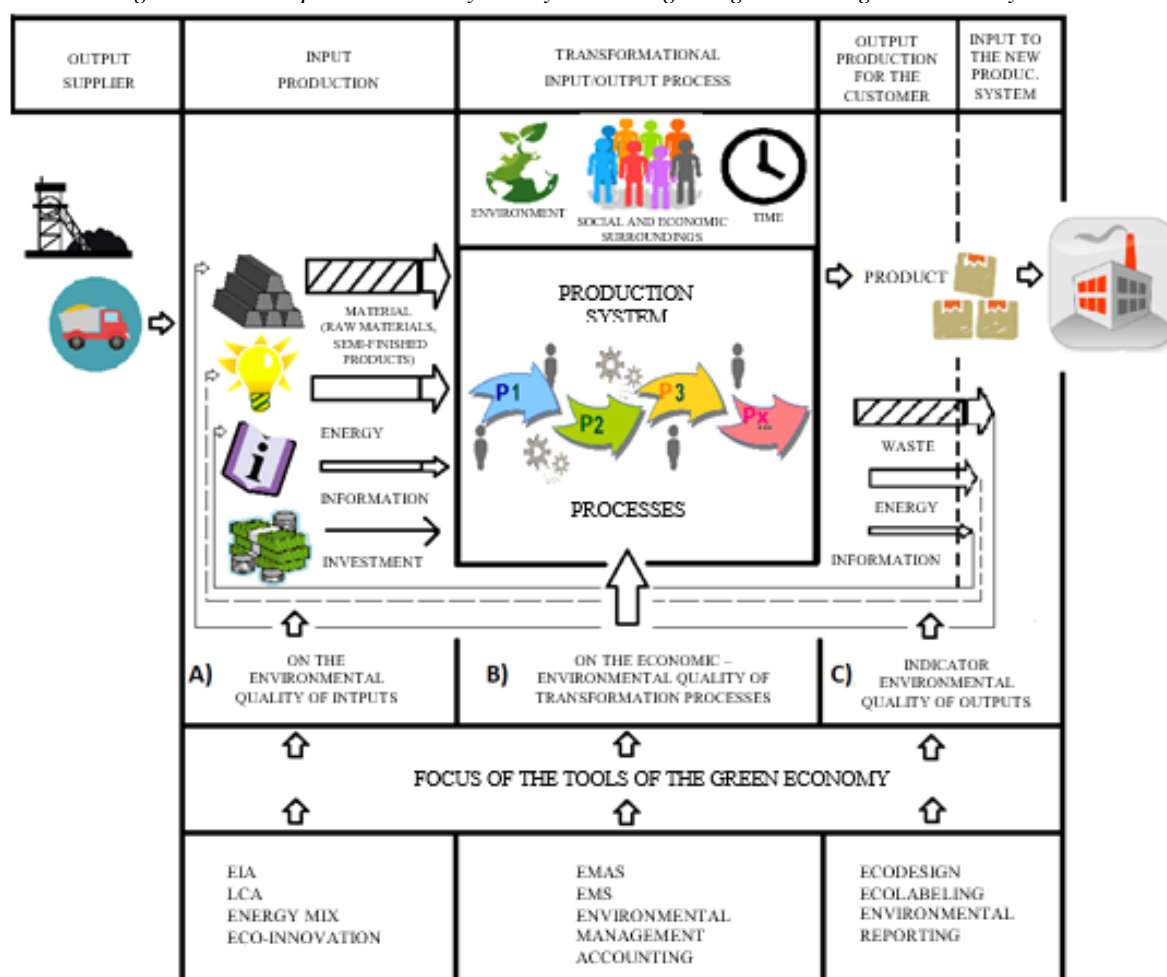
The concept of Sustainable Development (SD) has been forming in the world for more than four decades. The necessity of its implementation and enforcement stemmed from the threats and the negative effects of developed industrialization and its outcomes on the environment itself. The World Institutions have issued a critical warning sign about the unsustainability of the current consuming way of life and the associated reduction in the supply of limited and non-renewable resources, increasing environmental pollution and, last but not least, damaging the health of humanity itself. The concept of sustainable development and the resulting equivalence concept have been known since the 1970s. Initially, its main role was to maintain a quality environment, as not only the growth of consumption, production or pollution, but also population growth is unsustainable under conditions of limited resources. At present, the concept of SD is more complex than the penetration of socio-demographic, environmental, economic and institutional aspects of the growth and advancement of society. In order to monitor compliance with and fulfil the principles and objectives of SD, SD indicators have been introduced and globally standardized to monitor, measure and evaluate to what extent the objectives are being met. To implement SD in enterprises and to fulfil its principles and objectives, the European Union is pursuing various voluntary environmental policy instruments. Enterprises are implementing these in their activities.

Figure 1: Developing a SD concept in time for green growth and its tools



Source: Own processing.

Figure 2 An enterprise as an entry-exit system with green growth and green economy tools



Source: Own processing.

In general, these tools are applied in the enterprise as the introduction of standardized forms of environmental management. Environmental management in an enterprise is a complex of strategies using green economic tools. The management of an enterprise is responsible for selecting and applying these tools within the various stages of the production process. The choice is primarily based on legislative regulations, but it also monitors the

needs of the enterprise and market requirements. Specific instruments of the green economy have been commissioned into our three main groups in terms of their possible application in the enterprise as an input / output system (Figure 2).

## 6. The choice of a suitable voluntary instrument

Identified and analysed voluntary tools to improve the environmental performance of enterprises are now almost a common part within the European Union. It is not easy to select and dimension one optimal tool for a particular business with regard to its economic activities and size. Table 2 summarizes our findings in the recommendation on the selection and implementation of progressive voluntary instruments according to areas of economic activities of enterprises to fulfil principles, goals and principles of green growth and the green economy. Areas of individual economic activities are specified according to the standard NACE codes used for the certification of management systems. It is clear from the conceptual recommendation that some instruments, such as EMAS, EMS, EIA or Eco-innovation, should be used in enterprises with any kind of economic activity focus. Other tools, such as Eco-labeling, LCA, or Eco-design, are already specific to some of the marked areas. Recommendation on the use of voluntary instruments is based on the experience gained with the implementation and application of these tools in foreign companies and the results of our research. At the same time, however, it may be different and adapted to specific conditions because of the ongoing formation of the Slovak economy in relation to the European economic area. People are becoming more and more aware of environmental protection and changing legislation is tightening in the environmental sphere, leading companies to make positive changes related to the environment. Voluntary tools and their implementation in business processes have become a matter of course, especially if businesses are trying to penetrate new or foreign markets.

## 7. Conclusion

The methodology for choosing an appropriate green economy instrument consists of the following steps:

1) *Characteristics of the surveyed business and its activities*

We classify the analysed company into appropriate areas of economic activities and formalize its activities and the processes that take place in it.

2) *Level of impact of business activities*

By defining business activities in a suitable area of economic activities according to NACE codes, we determine the intensity of their environmental impacts. We will use Table 3 to correctly determine the level of impacts.

3) *Identification of existing and potential risks in the enterprise*

We analyse the progress of the partial business processes and identify existing or threatening issues affecting the smooth running of the enterprise.

Table 2 Possibilities of using GG and GE tools in individual OECs

Green Growth Instruments and Areas green econo_ economic milestones activities according to NACE codes	Agriculture, forestry, fishing	Mining and quarrying	Industrial production	Supply of electricity, gas, steam and cold air	Water supply, sewage treatment and waste management	Construction	Wholesale and retail trade, repair of motor vehicles, motorcycles, mopeds and light trucks	Transport and storage	Accommodation and catering services	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical	Administrative and support services	Public administration and defence	Education	Health care and social assistance	Arts, entertainment and recreation	Other activities
The level of the enviro. aspects and impacts	M L	H L	H L	M L	M L	M L	M L	S L	S L	L L	L L	M L	S L	L L	S P	L L	M L	S P	S P
EMAS	●	●	●	●	●	●	●	●	●	○	●	○	●	●	●	○	○	●	●
EMS	●	●	●	●	●	●	●	●	●	○	●	○	●	●	●	○	○	●	●
EIA	○	●	○	○	○	●	○	○	○	○	●	○	○	○	○	○	○	○	●
EMA	○	○	●	○	○	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Enviro. reporting	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Ecolabeling	●	○	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
LCA	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Eco-design	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Energy mix	●	●	●	○	○	●	●	●	○	○	○	○	○	○	○	○	○	○	○
Eco-innovation	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Explanatory notes: HL - high level of environmental aspects and impacts ML - medium level of environmental aspects SL - small level of environmental aspects and impacts LL - limited level of environmental aspects and impacts SC - Special case of environmental aspects and impacts										● - a tool very suited to the given area ○ - usable tool with limitations ○ - unusable tool, or only secondary usable in the given area									

Source: Own processing.

#### 4) Selection of the focus phase of green economy instruments

According to the identified problems, which the company faces, we choose the phase in which the problem occurs. The individual phases represent inputs to production, the transformation input / output process and outputs to the customer.

#### 5) The selection of a specific instrument for the green economy

Following the identified problem, we will determine the appropriate instrument that is adequate for the phase where the mentioned problem occurs. The choice of the instrument will also be based on the inclusion of the enterprise's activity in economic activities according to the proposed concept in Table 3.

Table 3 Level of environmental aspects and impacts of individual areas of economic business activities

Level of environmental aspects and impacts	Area of economic activities according to NACE codes
High	<ul style="list-style-type: none"> <li>- Mining and quarrying</li> <li>- Industrial production</li> </ul>
Medium	<ul style="list-style-type: none"> <li>- Agriculture, forestry, fishing</li> <li>- Supply of electricity, gas, steam and cold air</li> <li>- Water supply, sewage treatment and disposal</li> <li>- Construction</li> <li>- Wholesale and retail trade, repair of motor vehicles and motorcycles</li> <li>- Real estate activities</li> <li>- Health and social assistance</li> </ul>
Low	<ul style="list-style-type: none"> <li>- Transport and storage</li> <li>- Accommodation and catering services</li> <li>- Professional, scientific and technical activities</li> </ul>
Limited	<ul style="list-style-type: none"> <li>- Information and communication</li> <li>- Financial and insurance activities</li> <li>- Administrative and support services</li> <li>- Education</li> </ul>
Special case	<ul style="list-style-type: none"> <li>- Public administration and defence</li> <li>- Arts, entertainment and recreation</li> </ul>

Source: Own processing.

1) *Application of the selected tool for the business activity*

After selecting the tool appropriately, we will create a simulation of the progress and the progress of the implementation of the tool, the enterprise, its processes and activities.

2) *Assessing the impact and benefits of implementing the facility on an enterprise*

Finally, we determine the effect of the applied business tool and evaluate the changes and the level of their positive impact that would occur after implementation.

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# IMPACT OF GLOBALIZATION ON CONSUMER BUYING BEHAVIOR

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**Abstract.** In a number of ways, globalization can be seen as a synonym of today's times as it affected not only the economic, and political areas of managing individual economies and people's lives, but also the cultural, religious and social spheres. From the point of view of consumer buying behaviour, free market with almost unlimited opportunities is the consequence of globalization. Products that cannot be bought at the home stores are ordered via the Internet or mobile device from anywhere in the world. In addition, the price and the quality of the goods can be quickly and efficiently compared and buyers can choose the best alternative, i.e. goods that meet all their requirements. Not to mention that a lot of information about products or new trends can be searched for through the Internet and we can communicate with people from all over the world. For this reason, globalization processes supported by internationalization, information technologies, top-level logistics systems and advanced communication have created a global market where there are almost no restrictions. The products and services offered by domestic and foreign companies are being constantly improved and upgraded because of consumers whose demands and needs grow from year to year. The aim of the paper is to highlight the advantages and disadvantages of globalization that have an impact on the consumer behaviour of particular generations, whereas attention will be paid to online shopping, trends and communication.

**Keywords:** globalization, consumer, buying behavior, communication, online shopping, trends

**JEL Classification:** M3

## 1. Introduction

The current period is characterised by many changes that have an impact not only on the economies of particular countries but also on the environment. By focusing just on the consumer habits, we can identify significant changes between nowadays and 1950s. They are caused by the growth in income and consumption, by the development of information and communication technologies, demographic changes, distance shortening and globalisation. *"Globalisation is a contemporary phenomenon that affects both economic and social determinants of the current world."* (Hejduková, 2015) *"It is the process of removing national economic boundaries and establishing the global market resulting in an increase in the competitive environment"*. (Spring, 2015) *"Globalisation, whether with positive or negative impacts, creates significantly changed conditions for business activities. In order to be able to respond to these changes and thus, become successful in the conditions of globalisation, it is first of all necessary to introduce new methods, tools and techniques, set ambitious goals,*



*emphasise stable company performance, monitor a comprehensive set of performance criteria, introduce strategic innovation "*. (Jack, 2015; Boncinelli et al., 2019; Chang et al., 2018) In the context of globalization we can also talk about gradually fast growing time-space compression that is, crossing barriers through production, transport, communication and information technologies. Due to these technologies, time and distance are no longer a barrier to the market economy. The system of supply of goods and services has been constantly accelerated and geographically expanded. (Huba & Ira, 2004; Jacobs et al., 2018; Motyka et al., 2018) There is an increase in consumption, in the standard of living of the population, in economic growth, as well as an increase in demands for exploiting natural resources used for products manufacturing. The mass character of consumption results in producing and buying more, better, and newer product as well as, consequently, in unnecessary goods hoarding resulting in the growing production of waste that can have a negative impact on the environment. *"Environmental sustainability, elimination and prevention of the adverse impact of economic activities on the individual parts is, therefore, an inevitable part of each economic policy and a factor significantly influencing a long-term competitiveness of particular economies. "*(Miklenčičová & Čapkovičová, 2014)

From the global point of view, the protection of the environment is currently the key factor of business activities that has a significant impact on the pollution of the environment and is, thus, considered a serious problem affecting the quality of life of the society. Due to the fact that the European Commission imposes high sanctions on the failing waste management sector which for the business sector is a huge barrier to the economic development and growth of companies, companies respond to the worsening of the environment and the exhaustiveness of natural resources by producing "green" products and applying "green" technologies and practices". The environmental characteristics of products and processes has, consequently, become a key factor in a business strategy and the reason for finding new, innovative ways to minimize the negative impacts of products on the environment. (Sangroya & Nayak, 2017; Falahat et al., 2017)

## **2. Environment and sustainable development**

Currently, the issues related to the global threats of the environment represent a special, increasingly more significant category of global issues. The main cause of the constantly changing conditions of the environment is the economic growth itself as it is closely connected to the growth of **population**, satisfaction of the man's needs and a consequent increase in consumption. With the increase in consumption, there is an increase in the use of natural resources which we perceive as a usable resource that results in the transformation of raw materials into materials being used in the production of consumer goods. The energy used in the production, together with the reusable resources, is being later returned to the economic cycle in the form of waste. However, the way we currently use resources is not sustainable. *"The needs and values of the population are being moved into the area of overproduction (more products are produced than the total social need, the enterprises earn higher profits) and overconsumption (more products are consumed than the total social and individual needs and the purchasing power of the population; therefore, there is a higher drawing of non-renewable resources and wasting) "*. (Hes & Hesová, 2016)

Besides the previously mentioned, we consume and extract much rawer materials than our planet is in the long run able to offer. Already in 1970s, this inequality, between the existing

resources and the rate of their exploitation, was pointed at by scientists who came to the conclusion that people totally exhaust by their activities some of the non-renewable resources, such as drinkable water, coal, oil and natural gas. (Aschemann-Witzel & Zielke, 2017; Chung et al., 2017) These results were later dealt with by the World Commission on the Environment, which, in its report, drew attention to the fact that we cannot take of nature more resources than we can reproduce without loss on further productivity.

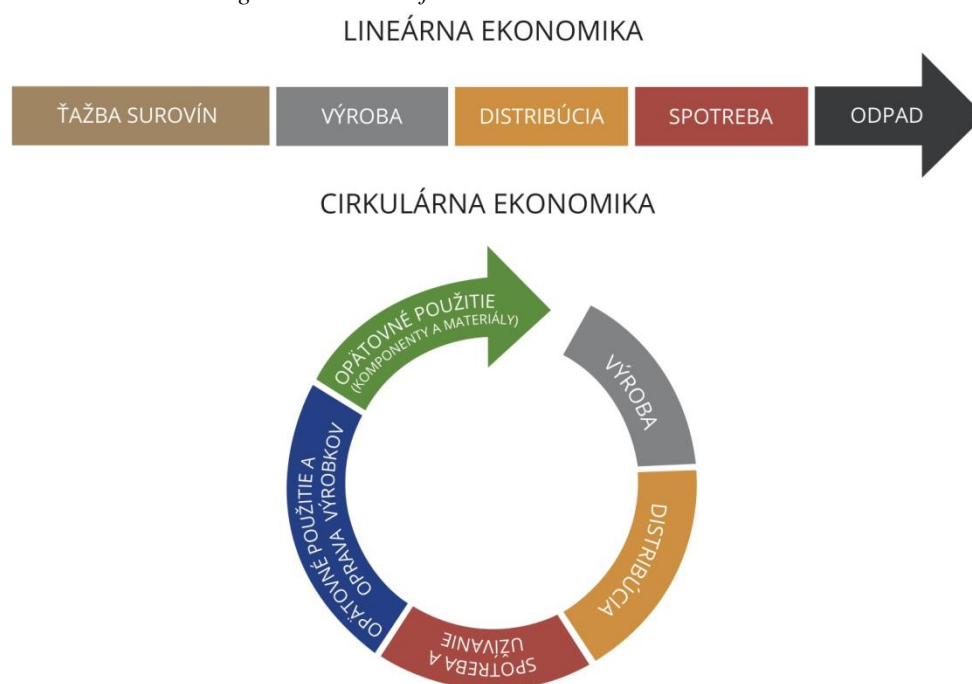
Concerning this fact, the concept of "sustainable development", which was defined as *"development that meets the needs of the current generation, without limiting the possibilities of future generations to meet their future needs, was introduced in the report for the first time."* (Ekologická stopa, 2018) The European Parliament has formulated the definition of the sustainable development as improving the living standards and well-being of people within eco-system capacity while preserving natural values and biodiversity for present and future generations. Similarly, is the concept of sustainable development understood also by Šálková, Regnerová and Hes, according to whom *"sustainable development represents the balance of the economic, social (including ethical) and ecological aspects of a prosperous society that will sparingly exploit its resources, whereas sustainability is not only a target state; it is a permanent process in which it is necessary to deal with the most pressing and current issues."* (Šálková et al., 2015; Garnefeld et al., 2018; Visser et al., 2018) with the aim to improve the quality of the environment, protect human health, achieve a reasonable and rational utilization of natural resources, minimise waste and promote measures to address not only regional challenges but also global environmental issues. Ensuring environmental sustainability and protection of natural resources are the key environmental policy objectives that require action at all levels. For this reason, it is important that the economy is transformed to be able to produce higher value from a smaller amount of materials and to make necessary changes in consumption patterns. The environmental strategy, as outlined in the EU's Environmental Action Program until 2020, sets out *"an overall approach to the environment aimed at achieving an ecological and competitive economy that will protect our natural resources and health for present and future generations."* (Politiky EU, 2015) Within the framework of the environmental policy, the importance of moving to a greener and more cyclical economy, which is considered to be the simplest and most rapid way to address long-term environmental problems and the achievement of a sustainable economy, will increasingly be emphasised. (Yadav & Pathak, 2016; Xiang et al., 2016)

### **3. Circular economy and its application in practice**

From the point of view of environmental protection, the purchasing power and the size of the population are important factors to be considered. They determine the consumption of natural resources, the generation of waste and the harmful emissions emitted into the air. The European Union countries, including Slovakia, are addressing these contradictions between growth and consumption, by shifting towards a system of production and consumption quality based on the concept of a circular economy or a green economy. According to this concept, growth should be achieved only under the condition of reducing the amount of waste and waste consumed, as natural resources decline and waste generation is from year to year higher and higher. The circular, respectively closed or green economy, is a counterbalance to a linear economy characterised by a one-way process of "resources - products - waste", aimed at maximising social wealth, and profits that excessively consume natural resources, produce

uncontrollable waste, thereby, damage the environment. Unlike the linear economy, the circular economy is a kind of environmentally-friendly economy based on a sustainable development model. It is characterised by a closed cycle of material and energy flow taking into account natural and human resources, science and technology. (Vidová, 2015). *"Under the European Commission's Programme (2014), we understand it as a system that allows the added value of the products to be maintained the longest time possible whereas waste is eliminated. At the end of this product life cycle, the resource (or resource) is retained within the economy, so that the product or component is used multiple times, and then forms the next value."* (Maťová & Kaputa, 2017) To sum up, we may state that the goal of a circular economy is to use a smaller amount of resources to produce new products by more efficient processes and to prevent generation of waste by reusing, repairing, re-processing and recycling. (circular economy, 2018) It follows that the basic principles of the circular economy are based on the idea that all product and material flows will be re-integrated into their cycle after their use, where they will then become sources for the production of new products and services. In practice, it means that waste as such will no longer exist. (Zaušková & Grib, 2016)

Figure 1: Models of Linear and Circular Economies



Source: INŠTITÚT CIRKULÁRNEJ EKONOMIKY. „Cirkulárna ekonomika“ [online] [cit. 2018-07-10]. Available: <http://www.incien.sk/cirkularna-ekonomika/>

### 3.1 Practical examples

*„In connection to the constant growth in the number of population, and by the reduction of the amount of non-renewable resources and the deterioration of the environment, the pressure on the rationalisation of economic processes is increasing.”* (Szkuráková & Bednárík, 2014) The most important actors in introducing the circular economy into practice are companies that currently apply various "circular approaches" resulting from protecting the environment, increasing competitiveness, reducing costs, lowering the shortage of raw

materials and their high price, or pressure from customers who want to buy environmental products in their entrepreneurial activities. Examples include:

**U.S. Steel Company Košice** uses a number of by-products for the production of steel and steel products. In addition, they recycle, for example, converter, coke and steel gas, which are then reused to produce electricity for their own consumption. Annually, their iron and steel production also generates about one million tonnes of slags that are subsequently sold or recycled in further production. In a granular form, the blast furnace slag is mainly used in the production of Portland slag cements, blast furnace cements and hydraulic lime. Construction is used as a slow-setting binder in the underlying layers of roads and motorways. In some cases, it is used as a substitute for natural gravel, whose mining is a burden on the environment.

**Nay Company** - Customers can deliver small electrical waste such as, batteries and fluorescent lamps in stores free of charge. Larger products can be brought to the stores when buying the same product type. The collected electrical waste and used batteries end up in the appropriate place - at the processing plant. By ecological processing of old electrical appliances secondary raw materials that will be used to produce new products (eg iron and non-ferrous metals, precious metals, plastics, glass) are generated.

**Nosene** - This business network is located in Bratislava and Banská Bystrica. Customers can bring clothing that they no longer wear. If it is usable, it is sold further, if it is no longer suitable for wearing, it goes for recycling to organizations, such as the Swiss organisation I: CO, which produces new clothes from old textiles, resp. uses it as an insulation or filling of toys.

**SK-Tex** - annually processes approximately 4,500 tons of textile waste and turns it into different types of insulation, fiber, or torn pieces, suitable for the automotive, furniture and construction industry, that can be recycled again.

**AVE SK** processes old tires from which it produces pressed rubber mats, suitable as anti-noise barriers in sports fields and playgrounds.

**Re-Tek** financially or otherwise supports the collection of used IT products, which are then transformed, repaired, and re-sold. Re-Tek will use all the useful parts of electronics, whether spare parts or precious metals. Only less than 1% of the products collected end up in landfills.

**Orange** - has set up a collection program to collect and recycle unnecessary mobile devices. By recycling mobile phones, the company recovers valuable materials such as plastic from the cover and keypad of the phone, metals such as nickel, lithium, zinc and platinum from the battery of the phone, and precious metals such as silver, gold, palladium and platinum from the printed circuit board. Plastics make up more than 50% of mobile phones, metals are more than 25% and the rest is glass, ceramics, flame retardants, and the like. After recycling, these precious materials are subsequently used. A big plus is that there is no need to extract other primary raw materials, mostly associated with high energy consumption and long-distance shipping of material.

The **H & M** brand has been for a long time trying to create a line of sustainable fashion (H & M Conscious) and the use of recycled materials. In all Slovak and Czech Brand Branches,

customers can deliver bags with worn, unwanted clothing of any brand. The garments are then categorized and divided into specific groups to be reused or recycled.

**IKEA Business** - In the production of furniture, Ikea Business uses composite wood, that enables to save up to 60% of wood in the workboards production. For cotton products, the company uses cotton from sustainable sources, ie cotton produced with less water, fertilizers and pesticides, and higher profits for farmers. Kitchen doors are made of recycled wood and plastic.

The number of companies applying the principle of the circular economy principles in current business practice is not only abroad but also in Slovakia gradually growing. *"Practical examples show that the circular economy has enormous economic and environmental potential, which would mean a sustainable profit, job creation and better environmental quality."* (Jurišová, 2017) However, the precondition for the successful transformation of the current unsustainable system into an effective cooperation between all stakeholders, especially in research, development, industry and services, has to be both financially and legally supported by the state, and by customers who represent a change in consumer behaviour.

#### 4. Conclusion

Environmental protection, resource efficiency and waste management are the issues that need to be solved globally. The current way of exploiting resources and manufacturing new products is unsustainable. We consume and extract rawer materials than our planet can in the long run provide. The situation with waste is very similar. Hand in hand with the growing consumption there is an increase in waste dumps, which has a negative impact on the environment and human health. A transition to a circular economy that will help mitigate environmental and health problems caused by the application of the current, linear economy principles can be the way how to solve these problems. In practice, however, this will require extensive changes in production and consumption systems that go far beyond resource efficiency and waste recycling. The fact that the transition to the closed economy has a positive impact on the environment and earns a sustainable profit is illustrated by the previously described examples from practice.

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## PROJECT RISK MANAGEMENT IN GLOBAL ENVIRONMENT

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**Abstract.** At present, the integration of project management into all areas of business activities is a global trend in this field. From a global business environment perspective, project management has been developing and improving over the last few years. Project risk management has a very important place in this environment. In Slovakia and the Czech Republic, compared with abroad, very few companies deal with risk management and therefore many projects end in failure. According to the elaborated studies and surveys, the insufficient risk management in Slovakia and the Czech Republic is, in more than 66% cases, the reason why the projects exceed the budget; they do not respect the time schedule or the resource management plan. However, there is a similar problem in the world, where more than 50% of project managers feel significant project management gaps. Many managers do not know enough to learn from past project mistakes. The idea of the paper is to assess the current state of project risk management in a global environment based on the domestic and international studies and surveys. The part of the paper is elaboration of a project risk management proposal by integrating the requirements set out in the international standards ISO 31 000 and ISO 21 500. This is an attempt to achieve more effective preparation of preventive measures to meet the set objectives of projects and to ensure the successful implementation of projects for the international business environment.

**Keywords:** risk, project management, risk management, enterprise, global environment

**JEL Classification:** G32, L21, M21, O22

### 1. Introduction

At present, if a successful project to be done, it is necessary to focus on meeting the expectations and objectives of the project. The most frequently mentioned criteria for a successful project include delivery of the project within the specified deadline and budget with required quality of the outputs. In case of unsuccessful projects, which are according to Barafort (et al., 2017) statistically more frequent and other surveys mentioned in the paper (PMI, 2018; E & Y, 2018; Software advice, 2013), insufficient or improper project risk management are the major factors that cause the project failure.

According to several authors who are taking this issue, e.g. Zhang (et al., 2018); Broll & Mukherjee (2017); Ahmad (et al., 2018) project risk management complements and enhances the possibilities of successful completion of the project at the right time, with the right cost



and the right quality of project outputs. It appropriately ensures identification and addressing potential opportunities and threats that may affect the project. In order to continuously improve project management, it is necessary to apply current tools that are conducive to more effective project risk management. Project managers should not only identify the risks but also analyse and evaluate them and propose measures to reduce them. Project risk management should become a strategic tool for each company that deals with the projects (Broll & Mukherjee, 2017).

**The objective of the paper** is to propose a project risk management approach through the integration of the requirements set out in the international standards ISO 31 000 and ISO 21 500, based on an assessment of the current state of project risk management in the global environment. The benefits are to achieve a more effective preparation of preventive measures to meet the objectives of the projects and ensuring the successful implementation of projects for businesses.

## 2. Methods

Scientific methods such as analysis and synthesis have been applied to meet the stated goal. The analysis was used to process the results of various foreign studies and surveys, to describe the current state of project risk management in the world, Slovakia and the Czech Republic. The method of analysis is important in explaining the development and dynamics of project risk management in a global environment. Using the synthesis method, a project risk management approach was developed through the integration of the requirements set out in the international standards ISO 31 000 - Risk Management and ISO 21 500 - Guidance on project management.

## 3. Results

### 3.1 Assessing the current state of project risk management in the world

**Worldwide surveys** of various institutions which are focused on finding the current state of project risk management are regularly carried out abroad. These institutions include e.g. KPMG, Ernest & Young, Project Management Institute and Software Advice. An interesting survey is also provided by M. Jamalludin, who focused on the use of project risk management methods and tools. Based on the above mentioned global reviews of 2013, 2016, 2017, 2018 (KPMG, 2017; E&Y, 2018; PMI, 2018; Software advice, 2013; Farooq, et al., 2018) it is possible to summarize the following conclusions:

The most frequent reason for the failure of the project is the **improper management (undervaluing)** of the preparatory or planning phase of the project, i.e. the scope and purpose of the project as well as the individual resource plans are inappropriately defined. At this stage, the most common mistakes are **poor project risk management** (lack of identification of risks and opportunities), change of project priority, change of project characteristics, poor communication, insufficient project specification, resource utilization, etc.

In 2017 it was found that due to insufficient project risk management, financial losses arose on projects. With the \$ 1 billion invested, the loss is \$ 97 million, which represents a reduction of almost 20% of the investment value compared to last year (PMI, 2018). Project

managers are scarcely dealing with risks and identify them many times only on the basis of their own estimates and feelings. Up to 50% of cases, project managers fail to follow the correct procedure for using methods and techniques, which subsequently causes problems in projects.

On the other hand, project managers perceive **numerous shortcomings in the implementation of project risk management in enterprises**. The lacks of interest of senior management to address project risk management as well as an insufficiently defined policy of risk management in the company are considered as the shortcomings. Other reasons for the failure of the project may be due to the **insufficient progress of the project**. Many projects lack effective monitoring and prompt resolution of individual problems in the project.

Surveys then show that project managers most often use the **assessment of probability and consequences** as a qualitative method and **expert judgment** of project risks as a quantitative method. Both methods are considered to be easy to apply and are also supported by the PMBOK and IPMA project methodologies.

### 3.2 Assessment of the current state of project risk management in Slovakia and the Czech Republic

In the Czech Republic and the Slovak Republic, the investigations on the subject are being processed for a long time by Ernest & Young and the Project Management Company. Both companies are also exploring the current state of risk management of projects in practice. Based on these surveys (E & Y, 2018, SPR, 2015), it is possible to summarize the following conclusions:

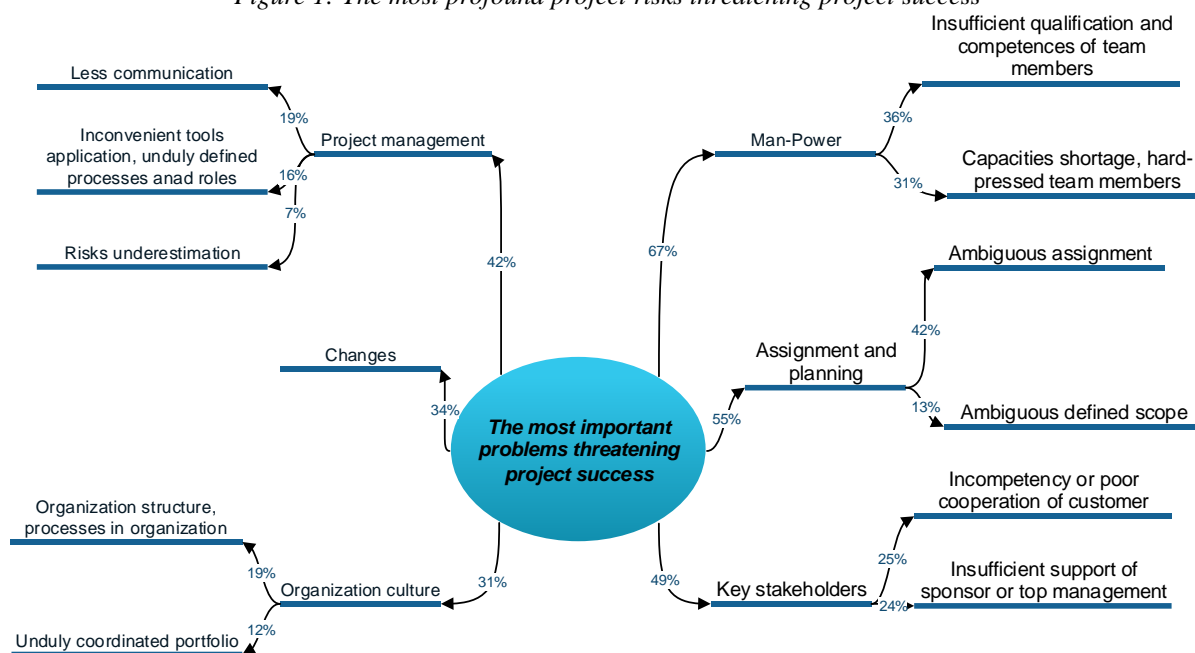
Project risk management has greater deficiencies compared to the global environment. The main reason for this is the lack of support or lack of interest from top management on the issue of project risk management and improperly set corporate culture. This is confirmed by the authors Hudáková & Lusková (2016), Havko (et al., 2016) who describe the lack of implementation of risk management policy in corporate culture.

In Slovakia and in the Czech Republic, the most frequent cause of the project failure is the **improper management (undervaluing) of preparatory or planning phase of the project**, i.e. the scope and purpose of the project as well as the individual resource plans are inappropriately defined. At this stage, the most common mistakes are (E & Y, 2018): **insufficient project risk management**, insufficient top management support, the difference in expected outputs of the project, change in project scope, etc.

In 2015, only 56% of the projects were completed within the set deadline and cost. Surveys show that top management and project managers have failed to learn from their past mistakes and repeated the same mistakes that have caused the failure of projects (E & Y, 2018). In 2017, up to 34% of unsuccessful projects were focused on research, development or on the modernization of information technology. For projects focusing on restructuring and process innovation, the failure increase of 9% compared to the previous year was recorded (E & Y 2018). The least successful projects included projects focusing on IT upgrading (34% ended with failure), process reorganization (24% ended with failure), cost reduction (17% ended with failure) and research and development (12% ended unsuccessfully) (E & Y 2018).

The **most profound project risks** can be summarized from the results of these surveys in the Slovak Republic and the Czech Republic (SPR, 2015), see Fig.1: personal risks (perceived by up to 67% of managers), ambiguous project assignment and insufficient project planning (perceived by 55% of managers), problems with stakeholders (perceived by 49% of managers), ineffective project management (perceived by 55% of managers), the occurrence of uncontrolled changes during the implementation of the project (perceived by 55% of managers), insufficient corporate culture focused on risk management (perceived by 55% of managers)

Figure 1: The most profound project risks threatening project success



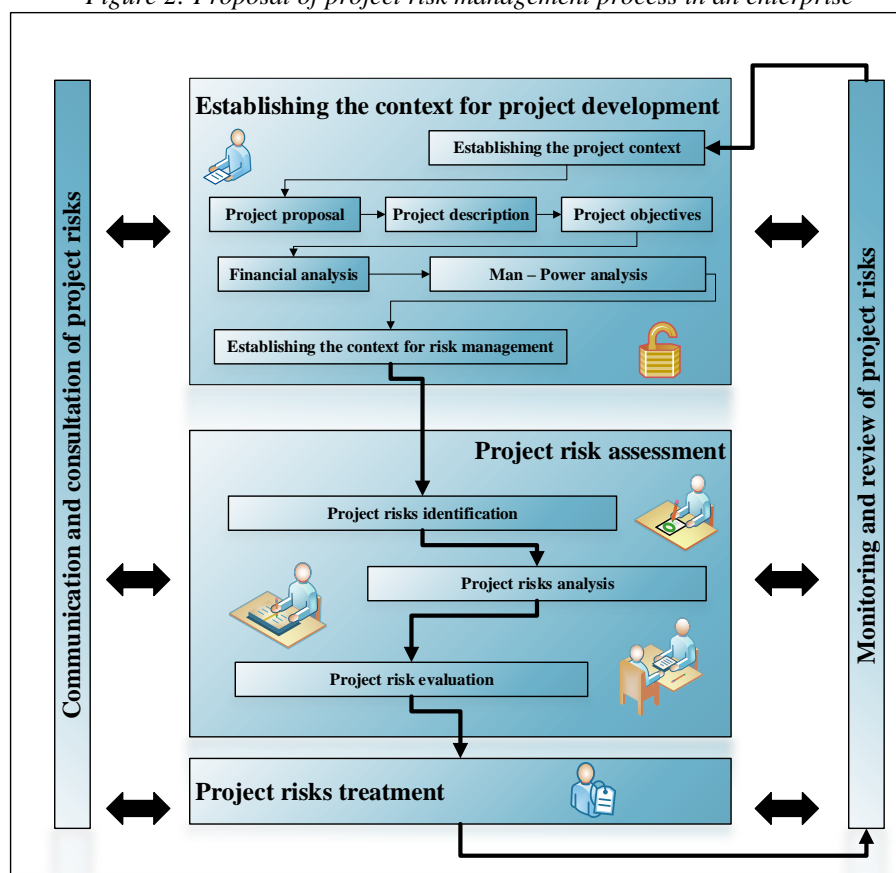
Source: modified according to SPR 2015

### 3.3 Proposal of the project risk management process in an enterprise

Project Risk Management Process is considered as one of the most important part of Project Management. Risks minimization and opportunities exploring are important for each project. Based on the assessment of the current state of project risk management in the global environment, requirements set out in ISO 31000 and ISO 21500 (De Oliveira, et al., 2017; Varajao, et al., 2017; Pereira & Lima, 2016) and the practical requirements, we have proposed a project risk management approach for the purpose of efficient and successful project implementation. The proposed project risk management process is in line with the requirements set out in international standards and consists of the five basic stages defined by ISO 31000: 2009 applicable to project management (Figure 2):

**1. Establishing the context for project creation.** It is the most important part of the proposed project risk management process. At this stage, emphasis should be placed on creating a project context and creating context from the point of view of risk management. At the stage of creating a project context, attention must be paid to project design, project description, project objectives, financial analysis, and project staffing. Creating a context for project creation from a risk management point of view is the stage that creates the individual contexts that are necessary to apply the project risk management process.

Figure 2: Proposal of project risk management process in an enterprise



Source: own elaboration

**2. Assessing project risks.** At this stage, attention should be paid to identifying, analysing and evaluating project risks. It is necessary to identify as many risks as possible which can affect the project both negatively as threats and positively as opportunities. In the project risk analysis phase, the risks should be more detailed analysed, i.e. described and characterized their causes. When assessing project risks, the risks need to be further evaluated on the basis of the established criteria and values created at the phase of establishing the context for project creation. Subsequently, the likelihood of the occurrence and consequences of project risks should be determined, which will be assessed overall and the significance of the individual risks will be assigned.

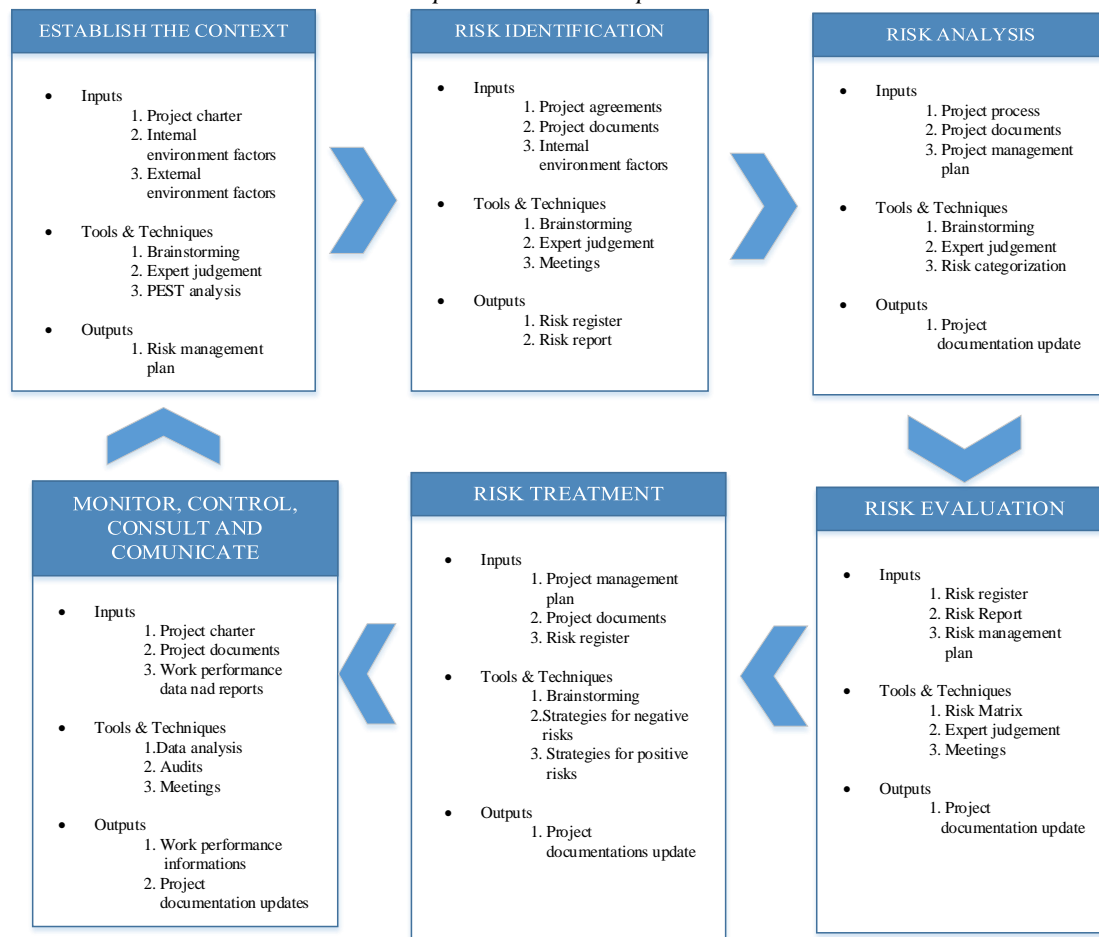
**3. Project risk management.** In the third stage, assessed project risks need to be categorized as acceptable and unacceptable. In the case of unacceptable risks, it is appropriate to set out a strategy by which managers attempt to reduce, transfer, avoid and accept the risk, and the opportunity to increase, accept, share and benefit.

**4. Communication and consultation in the design and implementation of projects.** This stage should serve in the project risk management process to provide support through experts or members of the team who are not listed in the implementation team. It is also necessary to determine the way of communication and the dates of individual meetings.

**5. Monitoring and reviewing project risks.** Finally, tools and procedures for monitoring acceptable risks should be specified in detail, as well as an examination of the effectiveness of preventive measures against unacceptable risks.

Figure 3 shows the specific inputs, outputs, selected tools and techniques for each stage of the proposed project risk management process in an enterprise.

Figure 3: Inputs, outputs, selected tools and techniques for each stage of the proposed project risk management process in an enterprise



Source: own elaboration according to (De Oliveira, et al. 2017; Varajao, et al., 2017; Ahmad, et al., 2018)

## 4. Discussion

On the basis of the above-mentioned global surveys and the elaborated results, it can be concluded that the most frequent cause of unsuccessful projects are the improper management of the preparatory phase of the project and the resulting inadequate project risk management. Project managers also perceive the lack of top management interest to deal with project risk management and lack of a clear risk management policy in the enterprise. In the Slovak Republic and the Czech Republic, the most frequent cause of the project's failure is the undervaluing the preparatory phase of the project, insufficient project risk management and lack of support from the top management. This is confirmed by other results from the above-mentioned surveys which identified the most serious project risks, i.e. personnel risks, insufficient project preparation, incomprehension of the stakeholders, inefficient project management, uncontrolled changes and lack of corporate culture.

Project managers deal with risks only superficially or incorrectly what affects the cost of the project and increase the complexity of project implementation (Kormancová, 2013). The

reason for this is the lack of understanding of the benefits of risk management or poor support from top management.

The proposed project risk management approach should accept several important principles. For example, it is important to accept the development of project management in a country that always decides whether a management process can be applied in a country or not. It is essential for the process to be processed in a clear and simple manner. This should include current trends in risk management and project management so that project risks can be managed as efficiently as possible. It is imperative that the proposed project risk management process also fulfils the other rules that result from project management in a particular enterprise (Karanja, 2017).

## 5. Conclusion

The current state of project management points to the need to address project risk management issues. More than 34% of research and development-oriented projects were identified as unsuccessful due to insufficient management support or insufficient project risk management. The development of agile methods and techniques and their integration into project management adds a new dimension to it. Not only project managers but also top managers in Slovakia and the Czech Republic should try to apply project management, create a risk management policy and a positive attitude towards risk management within the corporate culture. The proposed project risk management approach is a tool for managing managers to manage project risks in an enterprise correctly. The main benefit of the proposed process is to achieve a more effective preparation of the planning phase of the project and preventive measures to meet the objectives of the projects. Also ensure successful implementation of projects for companies, fulfillment of project expectations and compliance with the project budget.

## Acknowledgment

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## FACILITY MANAGEMENT IN INTERNATIONAL CONTEXT

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**Abstract.** Facility management has a direct and indirect impact on the ecosystem, civil society and the national economy. The primary task of the facility management is to integrate employees, locations, buildings and facilities in organizations with external environments. In other words, facility management represents an interaction between the organization and its surroundings. Most of scientists' point to its interdisciplinary character. Over the last decade, we have seen a rapid increase in the usage of facility management on the American and European continents. Currently, many private, public, and nonprofit organizations use facility management to reduce operating costs and increase the efficiency of primary activities in organization. European Committee for Standardization (ECS) has developed specific standards for facility management because the European Union (EU) demonstrates facility management as an appropriate tool to reduce energy intensity to support competitiveness for many European organizations in global environment. The primary precondition for applying the facility management is to quantify and evaluate the organization performance to identify the strengths and weaknesses. The aim of this paper is to summarize the current theoretical and empirical knowledge of facility management in international context. We find that facility management is applicable in various sectors, because enable to reduce energy intensity mainly in non-ecological buildings to support the sustainable development of civil society. This paper is only a part of the project outputs focused on the theoretical base of the facility management.

**Keywords:** facility management, management, performance indicator, standard

**JEL Classification:** M10

### 1. Introduction

Mann (2009) defines *facility management* as an interdisciplinary area that primarily deals with the maintenance in commercial and institutional buildings such as hotels, schools, administrative complexes, sports facilities, etc. These days many authors concentrate research on facility management, for instance, Shin & Lee (2018), Brown (2018), Oyediji (2018), Veitch (2018), etc. Facility management focuses mainly on reducing energy intensity and cleaning work. In addition, many organizations support *administrative facility management through information technology*, *Computer Aided Facility Management (CAFM)*, *Facilities Management Systems* or *Computerized Maintenance Management Systems* to simplify the



organization's operations. Furthermore, Ashcraft (2008) points to *Building Information Modelling* (BIM). This tool is used by suppliers and subscribers to reduce costs, improve quality and design a solution that was not possible without digital technologies. National Institute of Building Sciences (2017) defines BIM as an information model of a building that uses advanced digital technology to provide a reliable view of all physical and functional features of the device, it means that serves as a storage of information about the device. British Institute of Facilities Management (2018) claims that BIM is a holistic approach to design and construction for facility management that is used in a built environment. BIM helps create and maintain equipment that is more efficient and safer because it has lower operating costs. However, these benefits are not possible without the involvement of integrated supply teams. Lepkova & Zukaite-Jefimoviene (2012) claim that *facility management* is considered a relatively new occupational discipline. However, the history of facility management is associated with furniture maker Herman Miller, who organized the conference "*Impact on Productivity*" focusing on equipment productivity in 1978. Generally, facilities include buildings, mechanisms, equipment, technical support equipment and infrastructure. Similarly, Best, Langstron & De Valence (2003) explain the facility concept as an infrastructure that encourages employees individually and collectively to realize the organization goals. Payne (2000) and Rimbalova & Vilcekova (2013) note that in the United Kingdom, facility management has a long history which is associated with increase the organization performance. Recently, many authors are concerned with measuring performance in different areas, for instance, Huang, Kerstein & Wang (2018), Kim, Kim & Qian (2018), Shah, Cross & Levin (2018), Brymer & Simon (2018), Hauser (2018), etc.

At present, facility management is governed by different standards. Hajnal (2016) points out that the European Commission (EC) has developed the *EN 15221: 2011 standard* which describe facility management. The aim of this legislative amendment was to unify business processes in the business sector, and in the public administration the application of these standards is a major challenge. Junghaus (2011) explains that the European Union (EU) supports sustainable economic growth, which contributes to the facility through an interaction between the business and its environment. Facility management has a direct and indirect impact on society, among "direct" factors belong support of primary processes, developing infrastructure, developing people and organizations. In addition, facility management contributes indirectly to protect the environment and support national economy. Janoskova (2016) argued that the facility management play a significant role in building a competitive advantage. Chlebkova & Bielikova (2015) note that competitiveness is needed to quantify.

## **2. Facility management in global environment**

In many developed countries there are various associations with focus on facility management. These associations differently define facility management. The International Facility Management Association (2018) defines *facility management* as an occupation that includes multiple disciplines to ensure the functionality of built environment through people integration, process locations and technology. Similarly, British Institute of Facilities Management (2012) emphasizes that its focus will be on increasing engagement in construction, supporting low cost design, standardization, classification systems and datasets, and multi-sectoral collaboration, namely construction and design buildings. On the other hand, German Facility Management Association (2018) defines *facility management* as a

management discipline that provides support for basic business and increases return on capital. In other words, the German association prefers the economic point of view. Human resource development center (2017) argues that *facility management* is based on comprehensive approach, transparency and lifecycle. From the holistic point of view, the facility management has technical and economic factors. Technical factors include real estate management, technical equipment, operating equipment, communication, environmental management, energy management, maintenance, space management and security management. Economic factors include controlling, capital investment and accounting. Furthermore, European Committee for Standardization (2018) defines *facility management* as the integration of processes within organization to provide and develop agreed services that support and improve the efficiency of primary processes in organization. In 2006, this institution established European standards for facility management, namely EN 15221-1 Terms & Definitions, EN 15221-2 Guidance on FM Agreements, EN 15221-3 Guidance on Quality in FM, EN 15221-4 Taxonomy, Classification and Structures in FM, EN 15221-5 Guidance on FM Processes, EN 15221-6 Area and Space Measurement and EN 15221-7 Guidelines for Performance Benchmarking. In addition, ISO TC 267 - Progress to Date (ISO 18480-1: Facilities Management Terms and Definitions, ISO 18480-2: Facilities Management - Sourcing Process and Development of Agreements), ISO 41000: FM MSS Management System Standard).

Mitchell & Whittaker (2015) argue that *standard* is a document that provides requirements, specifications, guidelines or characteristics used to ensure the suitability of materials, products, processes and services for given purpose. They emphasize that standards help to create a competitive advantage by improving performance and minimizing disruption through effective risk management. Mitchell & Whittaker (2015) claim that IFM and BIFM mainly contributed to the establishment of facility management in the 1980s. The role of standards is to present and measure performance. IFMA's World Workplace (2016) notes that there are international standards in the field of facility management, including International FM ISO Standards, namely ISO 9001 (Quality Management System Standard), ISO 14001 (Environmental Management System Standard), ISO 18480-1 (41011), ISO 20121 (Event sustainability management systems), ISO 22301 (Business Continuity MSS), ISO 27001 (Information Security Management Std), ISO 41001 (Facilities Management System Std), ISO 45001 (Occupational Health and Safety Management Systems), ISO 55001 (Asset Management System Standard), ISO 18480-2 (41012) and ISO 50001 (Energy Management System Standard). The main reason for using standards is to create a competitive advantage by improving performance, generate value through sustainable business, ensure quality, define the level of service requirements and customer requirements, and include performance indicators. According to ISO 41001 - Facility management (Management system standard guidance for use) contains a goal. It explains that an organization must be able to demonstrate robust process which designs, manages and improves its integrated facility management system.

Brauers, Zavadskas & Lepkova (2017) explain that *facility management* is divided into "soft" and "hard" services. So-called "hard" services mean activities associated with the building operation, namely maintenance, system operation, energy management and landscaping. On the other hand, so-called "soft" services include cleaning, meals, reception, laundry, home care, etc. Facility management improves building performance through low-cost strategies and proactive operational management and maintenance. Outsourcing reduces

production costs, tax burden, etc. Hashai (2018) explains how high-tech companies use outsourcing in manufacturing, assembly and logistics activities. On the other hand, outsourcing is the process of insourcing.

Smith (2002) argues that *facility management* is concerned on staff and places. In many cases, employees generate most of costs. On the other hand, if the employer has professional employees, then he has the potential, creativity and perceptiveness. These factors create high level of success probability. Buildings are a typical place where employees work, buildings and facilities also create significant cost, too. In many cases, they represent second largest cost category, regardless of whether these buildings and facilities are owned or leased. It can be extremely important, because these devices support core business goals that enable employees to achieve high efficiency level. Additionally, technologies also play an important role that include communication and information devices as well as software and data management.

Junghaus (2011) argues that facility management contributes directly to sustainable growth of built environment in three areas of responsibility, namely to support, improve the main activities, maintain and develop the provision of services in both area, i. e. place and infrastructure, but also people and organization. It should be emphasized that Junghaus (2011) prefers facility management with a focus on building and building management. Buildings and facilities fulfil company demands to maintain profitability and achieve economic growth while the construction and maintenance of buildings requires a large amount of electricity and other resources. In addition, facility management indirectly contributes to sustainable development, ecosystem, civil society and national economy. Facility management represents a specific area of responsibility at the interface between primary business activities and secondary business processes. In other words, facility management creates an interaction between building and business environment.

Elmualim, Valle & Kwawu (2012) found that legislation is the most important factor in the implementation of sustainable practices, namely 74 % of respondents see legislation as a driving force in implementing sustainable practices in organizations. Furthermore, 61% of respondents consider corporate image as an important factor in ensuring sustainable progress in organizations. In this area, management (39%), customer pressure (29%) are important factors. On the other hand, employees are less important (21%), similarly as shareholders' pressure (15%).

### **3. Key performance indicators in facility management**

Rimbalova & Vilcekova (2013) point to key performance indicators (KPIs) that provide basic information on the performance of services provided. They emphasize that choice of indicators is extremely important. In addition, they recommend that the number of factors should be low. The authors are concerned with determining relative KPI weights within facility management to ensure the sustainability of buildings. Rimbalova & Vilcekova (2013) note that there are several methods for determining the relative weighting of indicators in terms of materiality, for example, *method of ordering*, *Fuller method*, *Saaty's method*, *weighting criteria using decision tree*, etc.

Based on the questionnaire authors conducted matrix in which they calculated weights by multi-criteria method. Fuller method, Saaty matrix and geometric mean indicate that the

economic aspects within facility management have the most significant impact on core business, namely the Fuller method (0.6364), Saaty method and geometric mean (0.5000). Furthermore, the social aspects reach 0.3333 according to all methods and the environmental aspects reach according to Fuller method (0.0303) and Saaty method and geometric mean (0.1667). The other authors who are involved in identifying relevant key performance indicators to adequately assess facility management in various sectors in the national economy, particularly in the public sector (education and health) include Kim, Kim, & Kim (2018), Omar, Ibrahim & Omar (2017) and Liu & Itoh (2013). Kim, Kim, & Kim (2018) explain that there is no specific standard focusing on facility management for Korean universities. The aim of article was to identify performance indicators to improve the quality of facility management services in educational institutions. These authors selected 44 indicators, which were divided into four groups within the Balanced Scorecard (BSC). Therefore, they conducted a deplhi survey to identify Key Performance Indicators (KPIs).

Finally, authors analysed results using the importance-performance analysis (IPA) and Kendall W. Kim, Kim & Kim (2018) identified 8 key performance indicators, namely utility costs, building maintenance costs, operating costs (financial perspectives) equipment safety, adequate spatial distribution (customer perspectives), workforce management (education and growth perspectives), security management and energy consumption (internal processes perspective). Moreover, Liu & Itoh (2013) addresses the theoretical framework of holistic management in hospitals, specifically dialysis facilities, based on selected performance indicators in Japan. Based on a questionnaire, 66 indicators were measured using a three-point rating scale. Consequently, Liu & Itoh (2013) divides performance indicators into three perspectives, namely patient perspectives, employee perspectives, and management. The first group focuses on patient, so primary metrics include patient satisfaction, employee satisfaction and waiting times. The second group includes employee satisfaction, occupational health, safety, working conditions and employee competencies. The third group includes health statistics, organizational efficiency, device efficiency, financial efficiency, staffing and security. Omar, Ibrahim & Omar (2017) note that public hospitals need efficient maintenance management. The goal of article “*Key Performance Indicators for Maintenance Management Effectiveness of Public Hospital Building*” is to identify Key Performance Indicators (KPIs) for public hospital facilities. The authors analysed responses from 32 questionnaires from maintenance managers in the northern region of Malaysia using descriptive statistics in statistical and analytical program SPSS in which they evaluated 10 factors, namely monitoring, task swapping, information system, maintenance, spare parts management, outsourcing strategy, policies and organizations, human resources management, financial aspects and continual improvement. Authors found that most important factor is task planning and maintenance access. The reason is that equipment maintenance deals with various technical complexities, procedures and management tasks. Consequently, management needs to develop a strategic maintenance approach. Evaluating device performance through KPIs is extremely important because they identify gap between current and expected situations. The authors state that individual factors, maintenance aspects, administrative and organizational factors have a significant impact on the overall maintenance performance in public hospital facilities.

## 4. Conclusion

For the application of facility management is necessary to assess the current organization status especially from the economic point of view. However, at the first we must identify relevant financial indicators as well as non-financial indicators. Based on several expert articles, we note that there are no universal indicators to assess the organization's performance.

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## THE IMPACT OF GLOBALIZATION ON THE LEGAL ORDER OF THE SLOVAK REPUBLIC

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**Abstract.** Globalization is a main concept, essence of which is convergence, unification, interconnection of states and the creation of a homogeneous object in different areas such as economics, culture, politics, and, last but not least, in the area of law. The article focuses on the essence of unification and approximation of law due to relatively dynamic globalization, mainly from the economic and labour law aspect. We ask the question of the existing discrepancy and the possible mantinels of globalization and the impact on our legal system as a whole. In this article we discuss the impact of unification and implementation of legal norms from the point of view of natural globalization on the development of legal theory and practice in the field of international law and labour law. The fact is that even though globalization is a great benefit to the European Union, it has brought many challenges. Globalization has helped hundreds of millions of people around the world to break out of poverty, and poorer countries have made it possible to catch up with the richest. Thanks to world trade, the EU's economic growth has been fostered. Cheaper households also benefit from cheaper imports. However, these benefits are not automatic and not evenly distributed among our citizens. In our conditions, the product of globalization is also convergence and extension of the legal orders of the European Union with the shared competences of the main bodies of the European Union, which has transferred powers in the form of a personal union. We also discuss the European Commission's debate of 1 March 2017 on the sustainability and benefits of globalization for the individual in the context of the existence and impact of the four fundamental freedoms of the European Union, such as the free movement of goods, capital, services and persons.

**Keywords:** globalization, international law, labour law, approximation of law

**JEL Classification:** K31, K33, K10

### 1. Introduction

Cieľom príspevku je na základe dostupných údajov načrtnúť, čo globalizácia znamená pre Európsku úniu a aký ma vplyv na náš právny poriadok. Globalizácia ovplyvňuje každý aspekt nášho života, preto je nesmierne dôležité uvažovať nad tým, čo môžeme urobiť, aby sme ju usmernili v súlade s našimi záujmami a našimi hodnotami. Tiež považujeme za zásadnú ochranu európskych občanov a poskytnutie pomoci, zvyšovanie vzdelanosti a znižovanie sociálnych rozdielov.



Aproximácia nášho právneho poriadku, resp. jeho harmonizácia bola jednou zo základných podmienok pre vstup Slovenskej republiky do Európskej únie. Ide teda o akési zbližovanie nášho právneho poriadku s právom EÚ. Je to veľmi zložitý proces, ktorého cieľom je získanie jednotnosti a výsledkom je transformácia slovenského právneho poriadku v smere akceptácie *aquis communautaire*. (Kunová, 2002)

Globalizácia ako proces navzájom sa prekrývajúcich procesov prináša veľké množstvo otázok. Globalizácia prebiehajúca na rôznych úrovniach spoločnosti a má spoločného menovateľa, ktorý upravuje spoločenské vzťahy ako také a síce, právo a právny poriadok. Keďže o globalizácii môžeme hovoriť ako o jave, ktorý nie je priamo merateľný ale len do istej miery geograficky a druhovo predpokladateľný pri jeho realizácii sú nevyhnutné ekonomické, kultúrne alebo sociálne spojenia medzi štátmi. Za hlavný „motor“ globalizácie môžeme považovať ekonomické hľadisko teda prepojenie krajín tovarom, prípadne výrobou alebo diverzifikáciou rôznych činností. Ide o prepojenie alebo prepojenosť a závislosť jednotlivých krajín alebo častí sveta. O globalizácii môžeme hovoriť ako o jave ktorý vznikol v polovici minulého storočia.

Nepopierateľnou výhodou globalizácie je z ekonomického hľadiska rozvoj zamestnanosti v regiónoch, zvyšovanie plurality a mobility na pracovnom trhu, v priestore, na trhu zvyšovania konkurencie, zväčšenie sortimentu a v neposlednom rade zvýšenie životnej úrovne. Vedľajším efektom globalizácie je kultúrna globalizácia, preberanie kultúrnych vzorov, ekonomická migrácia, zvyšovanie vzdelanosti a podobne. Často pertraktovanou otázkou je otázka životného prostredia a hranica možného neustáleho čerpania neobnoviteľných zdrojov. Synonymom globalizácie môže byť aj modernizácia, efektivita, rozvoj. Krajiny EÚ a USA vedú v globalizácii prím a zohrávajú v nej hlavnú úlohu. V roku 2016 sa podpredseda Európskej komisie Marek Šefčovič vyjadril jednoznačne: „Globalizovaný svet núti EÚ a USA pokračovať v partnerstve“.

V našich podmienkach sa priamo vplyv globalizácie spojil v zbližovaní slovenského právneho poriadku s právom Európskej únie, aproximáciou práva. Tento jav začal so vstupom do EÚ 1.5.2005 a pristúpením k zakladajúcim dokumentom EÚ ako aj neskorším prijatím zásadných zmlúv ako Lisabonská zmluva v ktorej bola subsumovaná charta základných práv a slobôd občanov EÚ, alebo zmluva o fungovaní európskeho spoločenstva. Silným prejavom globalizácie v práve v kontexte EÚ je využitie štyroch hlavných slobôd v rámci európskeho priestoru a síce voľný pohyb tovaru, osôb, služieb a kapitálu. Z tohto dôvodu Slovenská republika prijala množstvo opatrení od referenda, ktoré predpokladal naše vnútroštátne právo až po aproximáciu práva prostredníctvom oddelenia európskych záležitostí pri Ministerstve vnútra Slovenskej republiky.

Globalizovaný svet a väčšie možnosti zamestnania prinášajú prirodzenú migráciu a nutnosť právnych poriadkov na ne flexibilne reagovať. V podmienkach Slovenskej republiky je pracovné právo úzko spojené s Európskym vývojom pracovného práva v 20. storočí až do súčasnosti. Vďaka Európskemu priestoru a aproximácii práva sa rozšírili možnosti ochrany zamestnanca prijatím Európskej sociálnej charty v roku 2008 a jej revidovaní v roku 2009. Priamym prejavom rozšírenie práv zamestnanca prostredníctvom zamestnaneckej rady zakotveného v dodatkovom protokole Európskej sociálnej charty.

Z pohľadu vývoja na náš právny poriadok sa Európske pracovné právo odzrkadľuje najmä v snahe o zefektívnenie pracovnoprávných vzťahov. Smeruje k väčšej ochrane zamestnancov, ich dôstojnosti a istote v pracovnoprávných vzťahoch. Zároveň však podotýkame, že najmä v

Slovenskej republike nastupuje akási potreba zabezpečenia istoty aj pre zamestnávateľov, ktorí nevedia zamestnancov pri ich zvyšujúcich sa nárokoch udržať, alebo nenachádzajú dostatok kvalifikovanej pracovnej sily na našom trhu. Preto práve globalizačné procesy v Európe vyžadujú presuny zamestnancov z jednej krajiny do druhej podľa potreby. Avšak pretože sú zamestnávatelia nútení neustále znižovať výrobné náklady, pod týmto tlakom migrujú do krajín s lacnejšou pracovnou silou. Pod vplyvom takýchto globalizačných procesov zamestnanci strácajú svoje istoty stabilného a celoživotného zamestnania, čo spôsobuje nižšiu výkonnosť, nezáujem a strach.

Globalizácia prináša aj obrovské ekonomické možnosti a možnosti rozvíjať sa. Je potrebné zdôrazniť, že Európska Únia z nej predovšetkým ťaží. Každá miliarda eur dodatočného vývozu tovarov a služieb mimo EÚ znamená 14-tisíc pracovných miest. Z týchto výhod čerpá aj slovenská proexportne orientovaná ekonomika. Z pohľadu ekonomiky musí byť prioritou aj ochrana čerpania dotácií, alebo obchádzanie daňových pravidiel. Boj s takýmito spoločnosťami sa ukazuje ako úspešný na príklade spoločnosti Apple, ktorá musí doplatiť daň 13 miliárd eur.

Európska únia cíti tlak narastajúcej globalizácie, preto začiatkom marca 2017 Jean - Claude Juncker ako predseda Európskej komisie predložil dokument, ktorý avizoval už v septembri 2017 - Bielu knihu o budúcnosti Európy. Tento dokument predstavoval 5 možných scenárov, ako by sa mohla Európska únia vyvíjať v ďalšom desaťročí. Prvý scenárom bolo „Pokračovanie v súčasnom smerovaní“, druhým scenárom bol „Iba jednotný trh“, tretím scenárom bol „Tí, ktorí chcú, robia viac“, štvrtým scenárom bolo „Menej, ale efektívnejšie“, a posledným bolo „Oveľa viac spoločne“. Táto kniha bola predstavená, aby zahájila diskusiu ešte pred samotným samitom v Ríme o budúcnosti sociálneho rozmeru Európy, o využívaní globalizácie, o budúcnosti financií EÚ a pod. Do konania samitu sa vyvinula rozsiahla diskusia o kľúčových témach ďalšieho smerovania. Mnohí Európania majú obavy, že globalizácia je synonymom straty pracovných miest, sociálnej nespravodlivosti alebo nízkych štandardov v oblasti ochrany životného prostredia, zdravotnej starostlivosti či ochrany súkromia. Napriek tomu, že globalizácia ovplyvňuje takmer každý aspekt nášho života, občania Únie vnímajú tento vývoj odlišne.

Tak ako sme naznačili vyššie, v dôsledku globalizácie a technologického vývoja dochádza aj k dopytu po kvalifikovanej pracovnej sile, čo automaticky znižuje počet pracovných miest pre ľudí s nižšou kvalifikáciou, a to najmä v oblasti výroby. Z dostupných údajov z júla 2018 je zrejmé, že na Slovensku pracuje 60 136 občanov zo zahraničia, z čoho 31 857 boli občania Únie. Zamestnávatelia však v našom právnom poriadku neustále nachádzajú legislatívne prekážky pre zrýchlenie a zefektívnenie prijímania občanov do pracovného pomeru z iných krajín. Vzhľadom na to, že v niektorých výrobných podnikoch na Slovensku ide doslova o otázku ďalšej existencie, vláda Slovenskej republiky chystá v najbližšej dobe systémové zmeny v právnej úprave. V prípade, že by členské štáty nereflektovali na tento nedostatok pracovnej sily, hrozí, že globalizácia znásobí účinky technologického pokroku a prispeje k ďalšiemu zvyšovaniu nerovností a polarizácii spoločnosti. Okrem toho sa neustále musíme snažiť zlepšovať sociálne a pracovnoprávne normy, a to najlepšie v spolupráci s medzinárodnou organizáciou práce, ale aj s občianskou spoločnosťou, podnikateľmi a súkromnou sférou.

Je tiež preukázané, že v roku 2025 bude 61% z 8 miliárd ľudí na svete žiť v Ázii, hlavne v Číne a Indii. Podiel Európy na celkovom počte obyvateľov sveta sa zníži, pričom štáty EÚ

budú predstavovať len 5,5% obyvateľov. Takisto sa zvýši mobilita. V súčasnosti žije mimo rodnej krajiny menej ako 4% obyvateľstva. Do roku 2025 sa aj pod vplyvom globalizácie bude presúvať čoraz viac ľudí. (Diskusný dokument o využívaní globalizácie, 2017) Preto za jednu z najvýznamnejších investícií by mala byť podpora mierovej a ekonomicky stabilnej budúcnosti v krajinách pôvodu, z ktorých majú obyvatelia tendenciu utekať najmä v posledných rokoch.

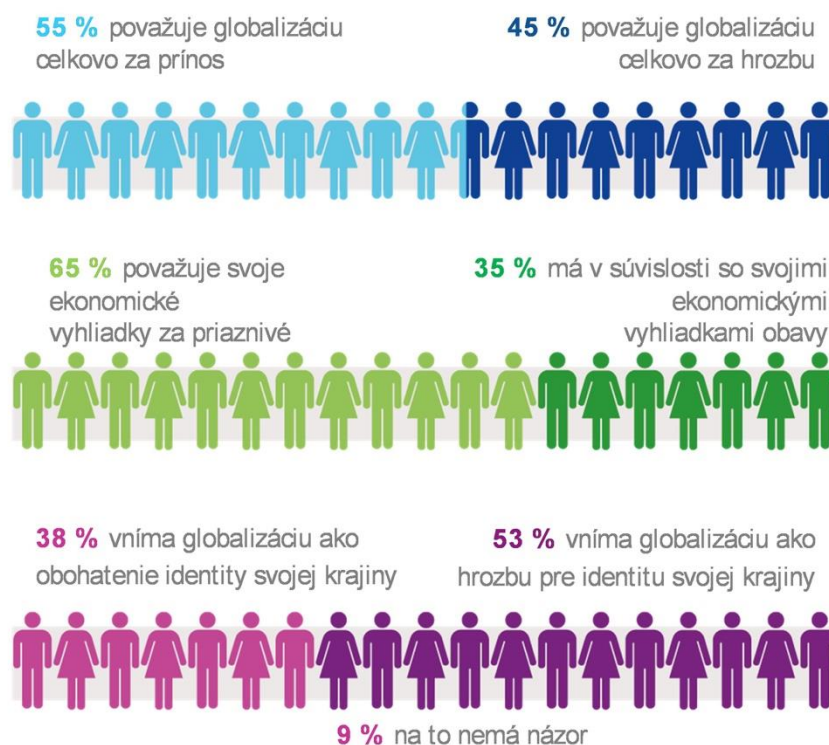
Pod vplyvom odporu voči globalizácii niektorých krajín došlo k nedávnomu výraznému spomaleniu rastu globálneho obchodu. Preto zatvorenie hraníc, čo presadzuje určité politické spektrum vo viacerých členských krajinách, by znamenalo obrovské straty, a v konečnom dôsledku by zvýšil nielen náklady, ale aj ceny pre samotných spotrebiteľov. Podľa dohadov by 10% nárast počtu obchodných obmedzení viedlo k 4% strate národného dôchodku. (Cingano, 2007) Aby sme sa tomuto vyhli, je potrebné presadzovať spoločné riešenia, ako napríklad globálne hospodárstvo, alebo vyhýbanie sa daňovým povinnostiam. Je teda možné jednoznačne konštatovať, že ak sa má globalizácia využívať v náš spoločný prospech, je nevyhnuté zaradiť viac globálneho riadenia a spoločných pravidiel. Zároveň musia byť tieto pravidlá podporené vnútroštátnymi zákonmi, ktoré zvýšia našu konkurencieschopnosť a odolnosť. (Diskusný dokument o využívaní globalizácie, 2017) V oblasti globálnych pravidiel stále nie sme jednotní. Ide najmä o úpravu digitálneho hospodárstva, nekalosúťažné konanie, daňové úniky, korupcia, nelegálne finančné toky, štátne dotácie a pod. Ako spoločný referenčný bod slúži Program trvalo udržateľného rozvoja do roku 2030. Spustenie tejto platformy je odzrkadlením nového prístupu, v rámci ktorého všetky zúčastnené strany spájajú svoje úsilie s cieľom podporiť prácu Komisie. V rámci platformy sa zišli zástupcovia akademickej obce, mimovládnych organizácií (MVO), podnikov, občianskej spoločnosti, Európskeho hospodárskeho a sociálneho výboru a Výboru regiónov, aby vyjadrili podporu Komisii a aby jej poradili pri dosahovaní cieľov trvalo udržateľného rozvoja na úrovni EÚ. Medzinárodné organizácie, ako napríklad Svetová banka, Organizácia Spojených národov a Európska sieť trvalo udržateľného rozvoja (ESDN), sa na stretnutí zúčastnili ako pozorovatelia. (Európska komisia – Tlačová správa, 2018) Pre lepšie riešenie kríz, ktoré prináša globalizácia je potrebné, aby sa spájali investície a obchod, príspevky súkromného sektora, aby sa mobilizovali domáce zdroje, dodržiavali zásady právneho štátu a ľudských práv.

Figure 1: Globalizácia je realitou dneška



Source: McKinsey Global Institute, OSN, Svetová organizácia pre cestovný ruch, OECD, Európska komisia.

Figure 2: Európania majú na globalizáciu zmiešané názory



Source: Bertelsmann Stiftung a Európska komisia (2016)

Pri príležitosti 60. výročia podpísania Rímskych zmlúv, ktoré tvoria jeden zo základov terajšieho európskeho spoločenstva, došlo dňa 25.3.2017 k podpísaniu Rímskej deklarácie všetkými 27 členskými krajinami. Na tomto samite lídri členských krajín spoločne vyhlásili: „Budeme postupovať spoločne, v prípade potreby rôznym tempom a s rôznou intenzitou, ale rovnakým smerom, ako sme postupovali a konali aj v minulosti: v súlade so zmluvami a s otvorenými dverami pre všetkých, ktorí sa k nám budú chcieť pridať.“ Dokument definuje „Rímsku agendu“ pre budúce obdobie okolo 4 hlavných priorít: vnútorná bezpečnosť, prosperita a hospodárska udržateľnosť, sociálna Európa a silnejšia Európa na globálnej scéne, vrátane spoločnej bezpečnostnej a obrannej politiky.

## 2. Conclusion

Stotožňujeme sa s argumentom, že v čase globalizácie sa pracovné právo vyvíja smerom ochrany zamestnancov, čo brzdí ekonomický rozvoj podnikateľov, a preto vyvstáva potreba zaoberať sa aj zvýšeniu ochrany postavenia a práv zamestnávateľa. Z pohľadu vývoja globalizácie a automatizácie môžeme predpokladať návrat ekonomiky späť do Európy, avšak pri plnej automatizácii výroby aj značný pokles pracovných miest. Medzi ďalšie riziká globalizácie môžeme zaradiť tiež migráciu, terorizmus, klimatické zmeny, či útoky hackerov. V našom právnom poriadku musíme teda dbať na zvýšenú ochranu našich obyvateľov, zabezpečenie celoživotného vzdelávania, a kvalifikovanej odbornej prípravy. Ako kľúčovú tiež vidíme prípravu zamestnancov na novú podobu pracovného trhu, inovácie, automatizácie a digitalizácie. Vzhľadom na to, že Európa a svet sa pod vplyvom globalizácie neustále mení

a vyvíja, stojíme pred otázkou, ako dosiahnuť dostatočný ekonomický rast, aby mohlo pohltiť pracovné sily v dôsledku technologického pokroku.

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## GLOBAL TREND IN SUPPLY OF SMALL AND MEDIUM-SIZED HOTEL ENTERPRISES

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**Abstract.** The global trend of offering local product in SMHE's is one of the major factors of increasing the competitiveness of local farmers and SMHE's. Considering the fact that tourism and agricultural production activities are of a great interest for Croatia, as well as the fact that there is a growing trend in production of domestic food worldwide, Croatia should explore its high production potentials due to its geographical position and natural conditions. Organically produced foods are becoming an increasing attraction to tourists and herein lay an opportunity for small and medium-sized hotel enterprises to enhance their gastronomy offer. The main purpose of this study is to analyse the impact of local products on competitive abilities of small and medium-sized hotel enterprises. The survey results show that supply quality is significantly influenced by the offer of dominantly local products and also tourist satisfaction is significantly influenced by the offer of dominantly local products. The offer of dominantly local products is not significant for market share and quality of business cooperation with suppliers. The study also investigates that in small and medium-sized hotel enterprises, which mainly offered local products from farmers the share of organic ingredients is higher and that they give priority to domestic meals.

**Keywords:** global trend, local products, small and medium hotel enterprises, competitiveness, organic food

**JEL Classification:** C12, C83, L83, M21, Q13

### 1. Introduction

The pressure of globalisation is having a major impact on the small and medium hospitality enterprises (SMHEs). Globally acting suppliers, decreasing transportation costs and emerging new destinations have put pressure on the small and medium enterprises in traditional destinations. Since many European countries are economically very dependent on tourism, a need for effective policy support arises. Business cooperation of SMHEs becomes reality of the global economy and successful performance in the tourism market. Cooperation and partnerships are needed, because the tourist market permanently increases business productivity of hospitality enterprises and constantly generates innovation in operations. SMHEs have used strategic links as global trend in hospitality industry to address issue have realised that entering into strategic linking with competitors, suppliers and enterprises in other industries such as agriculture is an opportunity to build strengths. Clearly, relationship between SMHEs and farmers in the developed world is considered ambiguous, complex and changeable. It oscillates in various situations where SMHEs can compete together with



agricultural producers in a manner to buy their domestic agricultural products. SMHEs have the potential to encourage the development of local farm or farmers through retrograde links that allow local farmers to supply SMHEs in need foodstuffs. The changes in the tourist demand have resulted in a changed concept of mass tourism – to include a much more demanding offer of entire regional and national resources (natural, traditional and nutritional). Such global trends have influenced the emergence of specialised producers and offer of typical regional products (wine, olive oil, smoked ham etc.). The change in nutritional habits and the structure of foodstuff consumption in tourism has influenced changes in the structure of agricultural production in tourist regions. Agricultural farms adapt their production to consumption trends in tourism, especially within characteristic tourist regions. Due to consumers' concerns about their health and a rise in their ecological consciousness, there is increasing demand for organic food. There is an increase in total agricultural land surface used for organic farming and it is estimated that it accounts for about 10% of total agricultural land surface. The market for organic products in Croatia is developing. High quality food is essential to SMHEs. Linking between SMHEs and farmers would greatly improve the gastronomic offer. SMHEs are linking in order to be able to offer high quality products. It should be emphasized that the strategic linking of SMHEs and farmers has to be aimed to increase competitiveness of domestic agricultural products, better use of local resources and fostering business cooperation between them. Strategic linking of hospitality enterprises with farmers enrich their offer with domestic and quality products while increasing the competitiveness of farmers by placing food on the tourist products while increasing the competitiveness of farmers by placing food on the tourist market which enabled them extension of existing business and the possibility of placing their products on the domestic market. For such cooperation is not enough just to linking between the hospitality industry and agriculture it is necessary to participate the local authorities to support the business relationship and make it easier linking business which will increase the competitiveness of the entire local community.

## **2. Literature review**

Due to globalisation, small and medium sized enterprises face increasing pressure from competition from across the world. Enterprises in links share competence and resources so that each enterprise can reach goals through participation. Therefore, cooperation and relations are fundamental for value creation, i.e. competitiveness. It is very important for the sector of small and medium hotel enterprises as it helps strengthen and preserve the market position of domestic product, improves the quality through facilitated market performance, and increases market recognition (Krželj-Čolović et al., 2016). Agriculture is rightly seen as promising particularly good opportunities for networks. The link between local food and tourism has significantly increased in importance in more recent years. Gastronomic image (GI) has increasingly been recognized as a valuable and inimitable source of competitive advantage by many destinations (Chang, Mak, 2018). Clear gastronomic identity can be a critical factor for destination success particularly in highly competitive markets (Fox, 2007). Culinary tourism refers to journeys made in certain places, regions where local cuisine, including beverages, are the main motivation for travel. Today, the consumer is much better educated, has better physical condition, travels longer, lives longer and is concerned with his own health and the environment. As a result, food and drink have become more important and have priority for certain social groups. Food is the new cultural capital of the destination. One



thing is certain: it has to be a quality product (Nistoreanu et al., 2018). For some tourists as well as destinations, local foods is seen as a push as well as a pull factor motivating tourists to visit the destination (Boniface, 2003; Hall et al., 2003; Sims, 2009). Some destinations in the world have capitalized in their local foods and in recent years have become highly famous because of their local cuisine. Such destinations include: France, Italy, Singapore, Hong Kong, Malaysia, UK, South Africa, Australia and New Zealand (Henderson, 2009). If hotels use local products, this may imply a more sustainable path for development. One successful and often quoted example is the village of Waltensburg in south-eastern Switzerland where a local co-operative has built and operates the 72-bed Hotel Ucliva according to the principles of sustainable tourism. Food is obtained locally as much as possible, and traditional and regional recipes are used in the restaurant. Fruits and vegetables in season are preferred to preserved foods, and menus using organic foods have been introduced slowly so that farmers and suppliers can adapt their techniques to respond to the demand. Assistance in new growing methods has been provided by the hotels to the local farmers. By 1989, all eggs, butter, milk, and meat were purchased locally, as well as 70% of the vegetables (Telfer & Wall, 1996).

The connections between suppliers and the hotel have various elements. First, the two are connected through dependencies of resources (resource ties), second, through supply chains (activity links), and third, through actor bonds, which is complementarities in capabilities and identities (Forbord, 2016). The lack of networking between stakeholders (e.g. hotel and restaurant chefs, farmers, food suppliers) to promote the consumption of local foods was reported in several studies (Telfer, 2001). Torres (2003) found in her study on Cancun that although tourists showed an interest in experimenting with locally grown food, its use was not encouraged sufficiently by the hotels.

Organic farming can be defined as a “farming system that makes ethically acceptable, environmentally clean, economically and socially equitable agricultural production worthwhile” (Wengel et al., 2018). The market for organic products in Croatia is developing. Study conducted in 2007 had the objective of examining the attitudes of tourists and their preferences toward organically produced food. The study showed the double benefit of connecting tourism and eco-agriculture. By offering organic food, the tourist offer became enriched in the field of gastronomy primarily intended for tourists. Sale of organic food on the tourist market would encourage the development of organic farming in Istria (Težak et al., 2008). Another study conducted on the sample of 42 small and medium hospitality enterprises in Croatia showed that SMHEs did purchase food from farmers that used organic farming, but insufficiently so. It also showed that most foods purchased from local farmers had priority when it came to putting local food on the menu (Krželj-Čolović et al., 2012).

Guests at SMHEs are now looking for a different kind of hotel services. Modern lifestyle and growing health concerns require a quality hotel offer that will give tourists the opportunity to feel the authenticity of the tourist destination in which an SMHE is located. In order to create such a hotel offer, it is necessary to differentiate the hotel offer in terms of value, quality and guest satisfaction. Enjoying food and drinks becomes all the more important because food is a “culinary and gastronomic experience more or less integrated into the system of values established culture of food each tourist consumer” (Kim & Eves, 2012). Local gastronomy and its traditions can be seen as an integrated part of the local identity of destinations. Enjoying the complete offer of „how it used to be in the old days“, and of the „home atmosphere“ increasingly attracts tourists to an SMHE, but also calls for a different approach by the developer of the tourist offer. Nowadays, agriculture and tourism are

connected only to rural tourism (Philips & Moutinho, 2014), linking SMHEs and farmers, and have become an integral part of hotel offers in cities and seaside villages. SMHEs need to connect with farmers to develop their hotel offers, and promote numerous unused resources from natural to human resources, including agriculture, livestock production, wine growing, the possibility of opening new production facilities, and even the use of hydropower, solar energy, wind and so on (Pillay & Rogerson, 2013).

### 3. Research methodology

Research on the global trend in supply of small and medium hotel enterprises based on 107 samples collected in the period of March to October 2016. Data were collected by means of mail survey questionnaire completed by owners or their general managers of small and medium- hotel enterprises located across Croatia. For the selection of the sample used is a list of hotels in Croatia, available at the web address<sup>1</sup>. The said websites in March 2016, found 350 small and medium hotel enterprises. A random sample formed from a defined frame of choice. The sample using a random number generator selected 250 small and medium hotel enterprises, and the survey so that small and medium hotel enterprises contacted by email for willingness to participate in the study, some were contacted by telephone, and a some of small and medium hotel is interviewed by the author personally. One hundred seven (107) questionnaires were answered properly. This response rate (42.8%) is considered to be satisfactory and sufficient for the adoption of the relevant conclusions.

During the interviews, the managers of SMHEs were firstly asked a number of open-ended questions and then questions about impact of local products on competitive abilities of SMHE's. Although the study instrument includes many questions concerning the business of SMHE's in Croatia, for the purposes of this paper we will present only that part of the study instrument that covers the differences in the assessment of competitive ability between SMHE's that offer dominantly domestic agricultural products and those who are not.

The managers evaluated SMHEs competitive advantages in terms of supply quality, market share, quest satisfaction and quality of business co-operation with suppliers. These dimensions were measured by 5-point Likert type scale items. Five items measured competitive advantages (from very weak – 1 point, to very satisfactory – 5 point).

In order to determine the impact of domestic agricultural products on competitive abilities of SMHEs we set following hypotheses:

H1: The offer of dominantly domestic agricultural product is significant for supply quality.

H2: The offer of dominantly domestic agricultural product is significant for market share.

H3: The offer of dominantly domestic agricultural product is significant for guest satisfaction.

H4: The offer of dominantly domestic agricultural product is significant for quality of business co-operation with suppliers.

The study also investigates what is the state with share of organic food and with domestic meals in supply of SMHE's. In order to determine that we set two more hypotheses:

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<sup>1</sup>[www.croatiahotelsguide.com](http://www.croatiahotelsguide.com), [www.omh.hr](http://www.omh.hr) (01.03.2016.)

H5: In SMHE's which mainly offered agricultural product from domestic producers the share of organic ingredients is higher.

H6: In SMHE's where predominatly domestic groceries are used a significant higher priority is given to domestic meals.

#### 4. Research results

Among the analyzed enterprises in 32% were small enterprises and in 68% were medium enterprises. Regarding the form structure of the analyzed enterprises 44% were joint stock company, 53% limited company and 3% were craft. While considering their geography position 55% belongs to Dalmatia, 15% to Coastal Croatia, 3% to Lika and Gorski Kotar, 20% Northern Croatia and 7% Continental Croatia.

Besides defining the profile of enterprises, it is necessary to get a picture of the offer of domestic agricultural product, the domestic meals and organic ingredients in SMHE's. In the sample were 58.3% of enterprises which offer dominantly domestic agricultural products, 45.8% SMHE's offer organic ingredients and 55.5% of the analysed enterprises gives higher priority to domestic meals.

In order to determine the impact of domestic agricultural products on competitive abilities of SMHE's the chi-square test was used. Test results showed in the Table 1.

Table 1: Chi-Square Test

Hypotheses:	Chi-square value	Df	Asymp. Sig. (2-sided)
H1	11.092	3	0.001
H2	2.043	4	0.728
H3	16.114	3	0.001
H4	0.156	2	0.925

Source: Calculated from survey data

Therefore, it can concluded that there is significant difference among ranking supply quality and guest satisfaction by managers from SMHE's that offer dominantly domestic agricultural products and those who are not. Managers from SMHE's that offer dominantly domestic agricultural product ranking significant higher supply quality and guest satisfaction so hypotheses H1 and H3 are true and the offer of domestic agricultural product is significant for supply quality and for guest satisfaction.

The chi-test showed there is no significant difference in ranking market share and quality of business co-operation with suppliers by managers from SMHE's that offer dominantly domestic agricultural products and those who are not. It can be also concluded that hypotheses H2 and H4 are reject and that the offer of domestic agricultural product isn't significant for market share and quality of business co-operation with suppliers.

In order to determine the state with share of organic food and with domestic meals in supply of SMHE's the chi-square test was used. Test results showed in the Table 2.

Table 2: Chi-Square Test

Hypotheses:	Chi-square value	Df	Asymp. Sig. (2-sided)
H5	13.825	1	.000
H6	18.555	3	.000

Source: Calculated from survey data

The chi-test showed in SMHE's where predominatly domestic groceries are used a significant higher priority is given to domestic meals and also in SMHE's which mainly offered agricultural product from domestic producers the share of organic ingredients is higher.

In enterprises that offer dominantly domestic agricultural products 73.8% of them give priority to domestic meal in supply, while in the other only of 30% enterprises give priority to domestic meal. In SMHE's which mainly offered agricultural product from domestic producers the share of organic ingredients is 64% while in the other the share of organic ingredients is only 20%.

## 5. Conclusion

When SMHEs purchase agricultural products from local farmers, this has the potential of strengthening the competitiveness of the farmers on the market, and in turn it strengthens the competitiveness of SMHEs on the tourist market. From international experience, there is no simple formula for increasing the use of local agricultural products in SMHEs. In order to improve the competitiveness and development of SMHEs and agricultural producers, their networking should aim for increasing the placement of domestic agricultural products. Through contacts with the managers of SMHEs in the Republic of Croatia, it became evident that they were interested in increasing the placement of domestic agricultural products in order to improve their competitiveness on the tourist market. Food can be central to tourism development, which, in turn, can be essential for the overall economic advancement of a country. However, for food to contribute significantly to economic development, it is imperative for tourism players to clearly understand all the perils and complexities surrounding local foods.

Food offered by agricultural producers on the tourist market helps to enrich the tourist offer in the field of gastronomy. By placing their food on the tourist market, farmers enrich the tourist offer. By encouraging the development of agriculture, as well as ecological agriculture, small and medium hospitality enterprises enrich the gastronomic offer of the tourist market.

This paper is based on research on the global trend in supply of small and medium hotel enterprises based on 107 selected SMHE's in Croatia. In the sample were 58.3% of enterprises which offer dominantly domestic agricultural products, 45,8% SMHE's offer organic ingredients and 55.5% of the analyzed enterprises gives higher priority to domestic meals.

Basis on the results in this paper the following conclusions can be made:

- The offer of dominantly domestic agricultural product is significant for supply quality.
- The offer of dominantly domestic agricultural product isn't significant for market share.
- The offer of dominantly domestic agricultural product is significant for guest satisfaction.
- The offer of dominantly domestic agricultural product isn't significant for quality of business co-operation with suppliers.

- In SMHE's which mainly offered agricultural product from domestic producers the share of organic ingredients is higher.
- In SMHE's where predominately domestic groceries are used a significant higher priority is given to domestic meals.

We hope that the ideas presented in this paper will inspire and enable further research on these issues.

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# KNOWLEDGE OF OUTDOOR BRANDS IN MARKETING COMMUNICATION CAMPAIGNS ON THE WAY OF GETTING NEW CUSTOMERS IN CONDITIONS OF GLOBAL MARKET

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**Abstract.** Nowadays, customers worldwide are not satisfied only by the value of the product for their needs, because they want to get much higher quality, excellent brand and of course story behind the product. According to an adequate story, many companies realize more businesses than ever. This situation is quite specific in the sector of outdoor clothes, where operate various companies, which have small wild nature to use the full potential of outdoor clothes. The knowledge of these companies prepares an environment for suitable business. The purpose of this paper is to find out a specific condition of the choice of an outdoor company according to the marketing communication campaigns, by which these producers promote your own products. For the purpose of the paper and to get target information there was a focus group in mini form. In these mini-focus groups, 49 persons participated in twelve separated groups, where they give own opinions on the given topic and the others evaluated their answers. From these mini focus groups, we got results, which are connected to brand knowledge of the outdoor clothes in global market from both sides of producers and sellers. Each customer in global market chose products of outdoor clothes, which could be added as the brand from Alpine, Scandinavian or countries with extreme nature, and they consider these products as products with higher quality in comparison with brands from other countries.

**Keywords:** global brand, marketing communication, outdoor clothes

**JEL Classification:** L26, M31, M37

## 1. Introduction

Marketing communication is not only one tool for presentation inside a company, but in interaction with external stakeholders as customers, business partners, suppliers etc. Therefore, mean communication is possible to talk about marketing communication. Marketing communication is the tool by which company could influence customer behavior and creates competitive advantage. The purpose is to inform, convince and remind of brand, company, and products in direct or indirect ways. Marketing communication includes both commercial and non-commercial communication to support corporate marketing strategy (Kotler & Keller, 2012).

Marketing communication waits upon customers' day-to-day purchasing process. In the stores, there is influence purchasing process by a lot of factors, which help to inform customers about product offer. Except for this offer, business notification in marketing communication helps to fulfill the main objective to intervene and persuade target customers' group.

## **1.1 Principles of knowledge management**

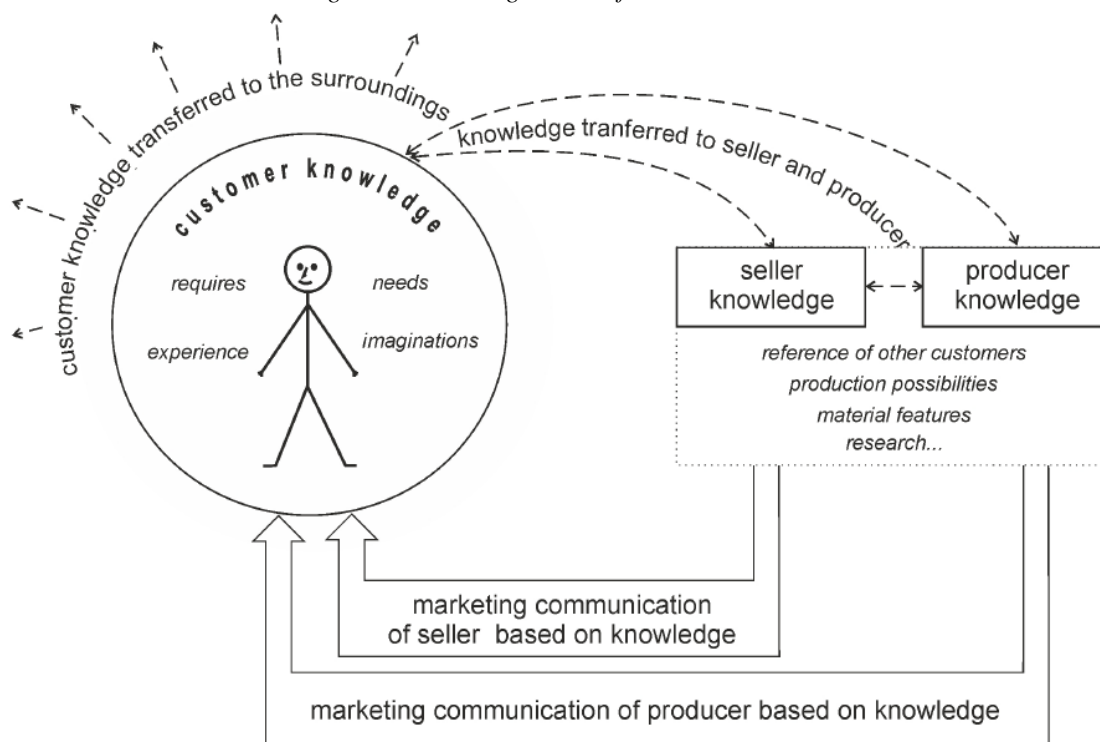
The knowledge management could be described as a collective organization knowledge. It includes the knowledge, which is set in the company, also as the knowledge, which are selected and gained from external sources. Knowledge management is more than only information gathering and putting in computer databases or websites. The correct knowledge control ensures, that the persons of all organization levels have the approach to the information, which they need to fulfill their tasks, and at the same time helps to fulfill the aims of all the organization (Shockley, 2000; Bureš, 2004). Knowledge management is a controlled information process, at which by gaining the definite knowledge, its application and the resulting experience from this application the organization self-educate and by a natural way (but controlled) develop the information system (Yildirmaz et al., 2018; Xiong et al., 2018). Stähle & Grönroos (2000) claim that the knowledge management is not only about information systems. It is about the correct economy with time and trustfulness. Special literature features some possible author's sights for knowledge delimitation. Truneček (2004) defines the knowledge as a set of created experience, values, belief, related information and expert sights providing the frame for evaluation and integrating the new experience and information, appearing applied in the people's mind. According to Wiig et al. (1997), the knowledge contains the truth and conviction, perspective and conception, judgment and expectations, methodology and know-how. The knowledge is a set of aspects, experience and procedures which were considered right and true and which govern the thoughts, behavior and the communication among people (Wiig, De Hoog & Van der Spek, 1997; Chahine & Malhotra, 2018). Verhaegen (2005) and Su (2017) add, that the knowledge supports informatively the decision authority and innovate the controllability of risk. The knowledge is classified according to different criteria and by individual authors are understood from some sights. It is about a complete definition, which is attractive to many scientists from different branches (Greiner et al., 2007; Koudelková, 2015; Choi & Lee, 2003). The most significant dividing is a classification into two groups of knowledge, i.e. explicit and tacit (Polanyi, 1966; Nonaka et al., 2000; Truneček, 2004). Knowledge information is not only the key first step in the most initiatives of knowledge management, but it also has significant impacts on the subsequent process steps in the knowledge management. By this, the knowledge creation is an important essence in the frame of knowledge controlling. The conclusion of most researches are also, that the knowledge creation is successful and bigger investment to knowledge controlling has a consequence of higher gains in the organization (Reus et al., 2009; Nonaka et al., 2000; Zaim et al., 2013). The customer in the segment of outdoor clothing in the Czech Republic for the product familiarization the most frequently use the information of producer or specialized outdoor shop, whereas he is the most affected by friends' recommendations. The brand of used materials is very important for him, by which he can suppose both a quality and perfect properties. The brand of clothes in a little bit less important for him and the lowest sense for him is the image of the seller. At outdoor clothes choosing also insists on the possibility of everyday use. His decisions are influenced by



fashion trends in the area of outdoor clothing. For the buying, he chooses specialized outdoor shops or chains with sports products. Sales and actions enact him (Mráček, 2012). This situation and necessity of outdoor equipment confirm from another region Ramsay et al. (2017).

Systematic observation and mystery shopping revealed, that the sellers, in the most cases, are able to sell information to the interested people and also try to suitably recommend for the customers to gain information about themselves. Only in some cases was noticed ‘disinterest’ in the customer (Mráček & Mucha, 2015). From the found information it is possible to deduce a result, which is shown in the picture (Fig. 1).

Figure 1: Knowledge circle of outdoor market



Source: Mráček, Mucha, 2015

## 1.2 Marketing communication

Marketing communication is one of the parts of the marketing mix (4P) and also of conception 4C, where the communication is instead of publicity (Kotler & Keller, 2012). It is a part, which wholly focuses on communication, thanks which the wide surrounding incl. the customers can get to know about the company, product, services etc. According to Jakubíková (2008), the knowledge marketing is a component of business communication, which concentrates on sale stimulation and which must be in harmony with the business communication aims in the interest of the unified image creation. Vysekalová & Mikeš (2007) by the idea of marketing knowledge think every relevant communication with the market. The line here the basic tools as is advertising, sales promotion, public relations, direct marketing, sponsoring and new media, but also packaging. According to Bearden et al. (1995), the main aims of knowledge management is to inform, persuade and remind. The knowledge management's task is to ensure the communication of producer, seller or product provider with the customers and with the other key markets, to increase the product

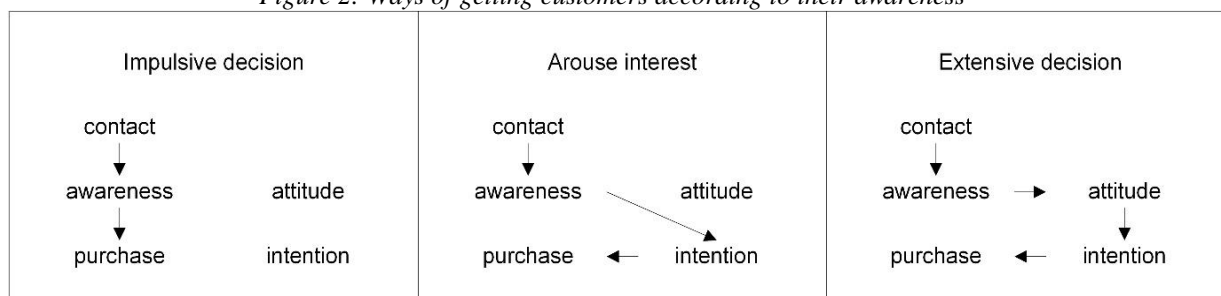
significance, to help the customers to orient on the market and evaluate the total offer of the products (Terho & Jalkala, 2017; Vidová & Vida, 2007; Bearden et al., 1995).

Příkrylová & Jahodová (2010) feature that the traditional aims of knowledge marketing are to provide information, create and stimulate the demand, differentiate the product (product differentiation), emphasize the utility and the value of a product, stabilize the turnover, establish and grow the mark, strengthen the company image.

According to the turbulent times companies, it is necessary that companies have to improve current processes to meet new challenges. It is caused by entering into a new economic stage. This stage is created thanks to IT bloom, a rapid development of internet and mobile phones which bring down costs of marketing communication (Kotler & Keller, 2012). With technology, progress obtains new ways to overbid own goods and services. Companies which use traditional communication tools influence customers through representative groups, agents or research agencies. That approach lacks enough direct interaction with consumers which is crucial.

According to the classical concept of communication is clear that marketers have control of the flow of communications through the media. New media use model with interactivity and digital media (Tomek & Vávrová, 2011). Their substantiality is utilization via new technology (especially internet) because of customer's feedback. The concept of communication flow has become more necessary than ever. Unconventional marketing tools could include various ranges of the tackle, which from point of view of target audience imply in particular factors of viral and guerrilla marketing. From the point of view of the effectiveness of marketing communication, the customer must go through five stages: contact, awareness, attitude, intention, and purchase. The combination of these steps should influence in three possible proceeding how a company could get customers (see Figure 2).

Figure 2: Ways of getting customers according to their awareness



Source: Tomek, Vávrová, 2011, p. 246

The main inwardness of each marketing message is the knowledge of target groups, based on the marketing communication strategy. Therefore, planning of communication strategy cannot be moved haphazardly. Creating communication strategy must be based on knowledge of the communication objectives, target groups, and situational analysis, which leads to customer knowledge management (Wang & Xu, 2018).

## 2. Methodology

There was used an experiment to observe which kind of marketing communication (due advertising, billboards or banners) could impact specific customers with maximum effect. In this experiment, there was used mini focus groups during December 2017. Focus group is

considered as non-standard interview within framework scenario for group discussion. The purpose of the focus group is using the interaction between all group members. Each person evaluates the opinions of others with no critique, which leads to influencing states and opinions of all members. During realization of a focus group is possible to reach a general opinion about the topic.

For purpose of the research, there were participated twelve mini focus groups, including participants between 3 and 6 persons (in total 49 persons participated). Each mini focus group was managed by a moderator and observer. The whole experiment was recorded by a hidden digital camera. Observer person was applied as "minute clerk" to make a notation of whole mini focus group. To process the results of the experiment there was used a qualitative approach of content analysis. In the stated groups there were a different number of men and women. This condition could have an impact on the final result. Unfortunately, there is no obvious relationship between them, because all people could focus on outdoor activities and need accurate equipment.

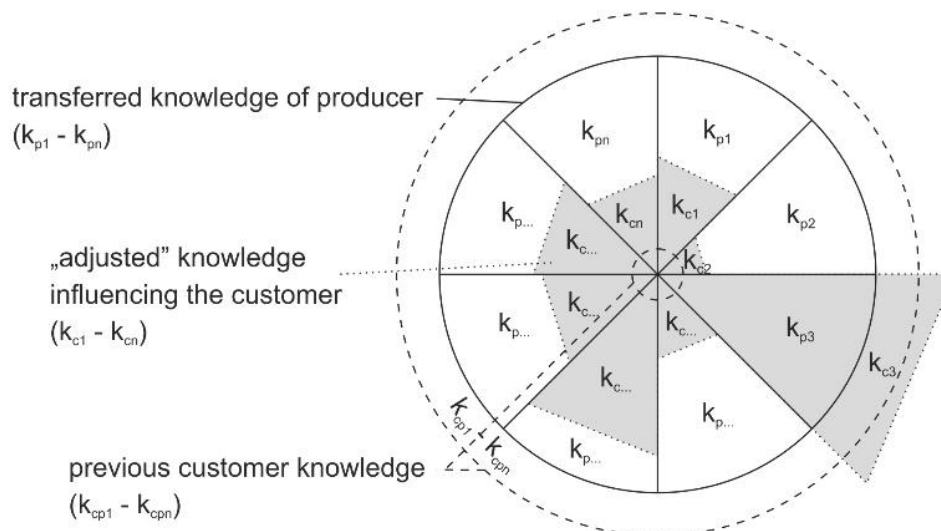
### 3. Results and Discussion

The results referend to the fact, that the customers perceive the product's knowledge as the details for their next decision. Every customer has a sort of knowledge about the product itself even before meeting the producer communication. This knowledge can be transferred from the surrounding (from friends, from different reviews, previous experience etc.). The previous experience can be big so that it exceeds any marketing knowledge of producers. It also happens, that if the customer does not meet the marketing knowledge of producer, he does not know anything about the product. Figure 3 represents transferring and 'modification' of customer knowledge by marketing knowledge of producer. In the case, that the producer uses the knowledge of what the customers want to hear, it helps to readjust the perception of separate factors of customer influence.

The separate knowledge communicated by a producer (in the figure  $k_{pl} - k_{pn}$ ) always should be elected on the basis of the knowledge about customers. The number of communicated factors should be set so that the customer (the receiver of communication message) would not be flooded and could correctly perceive the information, which he needs after his decision. Just this identified key information transferring the knowledge about the product to the customer always should be visible. Thanks to this information can come to influence the receiver, who will approach the product positively and he will consider its purchase. Customer/receiver access the information provided by marketing knowledge. This information he compares with a previous knowledge, where he puts them and consequently readjusts the knowledge inwards.

This knowledge is shown in the figure as  $k_{cl} - k_{cn}$ . The rate of the accepted knowledge could be to a great extent connected with a quality and by the way of information presentation. Accepted / 'modified' knowledge can often be bigger than the knowledge transferred by producer's communication. It can be in the case that the communication of a given factor is weak, or in the case, that the customer (communication message receiver) has already had a previous experience knowledge of the given product. This fact is shown by a pie  $k_{c3}$  in the figure. The size of 'modified' knowledge is always depending just on the

Figure 3: Transferring and modification of customer knowledge by marketing knowledge of producer



The influence size on the basis of used knowledge is depending on many factors, which are not always directly influenced by a producer. That is why it is necessary all the time to deepen the knowledge about the customers and to apply this knowledge to offer and marketing knowledge. If the producer knows, that the knowledge of some facts is necessary for the customer it is needed to put it in the communication for the better customer influence.

Marketing communication has become a key part of strategic marketing, which is connected to corporate strategies and other important parts such brand, image, products etc. Aims of each company would cover up all customers into two higher levels (partner and advocate) because they create the biggest value for the company (Šimberová, 2008).

Actually, there was a transfer of information about up-to-date marketing campaigns of individual outdoor sellers and brands. Several members of mini focus groups had knowledge about high quality from past about these brand, shop, and materials. If received knowledge of the brand is applied in a good way, it could support own competitiveness (Zich, 2010).

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## ETHICAL BEHAVIOR OF MANAGERS AND BUILDING TRUST WITHIN AN ENTERPRISE IN A GLOBAL ENVIRONMENT

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**Abstract.** Globalization is one of the most significant trends of the contemporary reality that needs to be accepted and adapted to the changes it brings. These changes relate to different quality, quantity, and intensity. Among other things, management rules are changing. In view of this, the effect of globalization on the managers themselves is increasing. In terms of development, globalization is inevitable. It can, however, meet our expectations if based on ethical behavior and ethically and globally respected goals. The problem of ethical behavior of managers is a sensitive, and not a very evident issue. Ethical behavior manifests in relation to the external environment of an enterprise, but also within the enterprise, towards the people who work there. Enterprises are constantly facing problems and conflicts, which managers solve with empathy, being sensitive to specific situations. Globalization is connected with permanent search for new ways of developing and maintaining interpersonal relations – ways of management, which are based on humanistic behavior, respect for human dignity, and responsible actions. The paper deals with the ethical behavior of managers in selected Slovak enterprises. Character and attributes of managers are essential for ethical behavior, which is an important and at the same time the least costly way of building trust in an enterprise. For a leader, being virtuous and honest is not only a matter of surviving, but also a matter of ethics. Employees in enterprises seek and demand such leaders that can be trusted. Leaders of the global enterprises must be masters of interpersonal relations.

**Keywords:** globalization, trust, character, manager, ethical behavior

**JEL Classification:** D91, M12, M14

### 1. Introduction

In every enterprise, it is mainly the manager who influences other people by his behavior, in order to achieve a certain goal with their help. Fulfilling demanding tasks, and ensuring a good reputation and a good position of the enterprise in the market, however, is a hard task if the manager does not apply creative and ethical thinking, responsibility towards him/herself, and respect towards others. The manager's ethical attitudes thus create conditions for him to achieve the position of a leader, regardless of what his or her position is within the hierarchy of an enterprise. What is essential is to possess certain abilities to work with people. The manager's character is the main factor determining the manifested behavior, while it is based

on values. However, the reality is that the importance of ethics in manager's work is often greatly undervalued. Managers do not fully realize this fact, and thus they unknowingly decrease their chances for self-fulfillment, and the fulfillment of the managed subject in the conditions of market globalization. Trust of others gives the manager a status of a leader, which closely relates to loyalty, and as such is a prerequisite for the success of an enterprise.

## **2. The theoretical background to the problem**

In global environment, what loses the importance is the classical approach, according to which only that who is able to create a vision, and choose and implement strategy, is the one who thinks and acts strategically. Employees gradually grow into realizing their values, and create their own list of values. In global management, the humanization trend has gained importance, i.e. utilizing the results of globalization in order to benefit all people. Global environment leads the organization to a change in the management system, changes in the scope of a manager's work, as well as the changes in quality of working life for the employees (Seková et al., 2016). With growing globalization, organizations are forced to reevaluate their market strategies and marketing approaches (Musová et al., 2016). The system of knowledge is an effective theory of management, which provides the leaders with a frame of thought, mainly for those who wish to transform their enterprise into an effective one, with the goal to achieve success in the global market. (Malá et al., 2016). It is the managers and the way they perceive ethics in the economic sphere that has a direct effect on how ethics influences the decision-making process in a specific enterprise. The symbiosis and synergy of economics and ethics is given by the economics determining the effective way to achieve the goals, and ethics helping to evaluate and judge the morality of the given goal or purpose, i.e. if the attempt to meet this goal is going to be made. In the times of globalization, the importance of managerial ethics is increasing. Ways are found towards new interpersonal relations within the corporate environment. The reason why the importance of managerial ethics is currently increasing was explained by former Vice-President and pilot of Lufthansa Airlines Dieter Uchtdorf, who told his students at the University of Utah Valley that globalization is a virtue which has one critical imperfection: everyone perceives the connection, but no one feels responsibility. People do not view responsibility as a part of high standard of ethical management. Therefore, contemporary ethics is much more important than ever before, as we live in the globalized world (Dytrt et al., 2011). Managerial ethics presents such way of managing people that is primarily based on humanistic behavior, respect to human dignity, and responsible behavior. The essential values are justice, honesty, tolerance, trust, objectiveness, etc. (Bowie & Werhane, 2005). At present, manager becomes a model and is respected as a personality not for the personal power, but because of their personal influence. The art of being a leader lies in the ability to stimulate and motivate employees to creative work, while an important role is played by mutual trust, respect, and responsibility, which manifest in both the internal and the external environment of an enterprise. Managers' behavior in response to ethical questions, and their willingness to tackle ethical issues, and trust among stakeholders, are all topics addressed by many authors (Hernandez & Sitkin, 2014; Riivari & Lamsa, 2014; Muller et al., 2014; Simha & Stachovicz-Stanucs, 2015; Kashif et al., 2018; Machová, 2014; Mura, 2014). Jaiswal & Dhar (2017) and Gu et al. (2015), on the other hand, confirm a close relation between moral leadership, trust, and creative behavior of employees. According to Kashani & Shabani (2018), the results show that transformational management has an important positive effect on organizational trust;



organizational trust has a positive effect on moral judgment; and moral judgment positively influences the effectivity of an enterprise.

### **3. Research methodology**

In each enterprise, it is the manager who affects other people – employees, by his behavior, so that a certain goal may be achieved with their assistance. The result which the manager achieves is one of the important factors in creating trust. The object of our research was the selected traits and characteristics of managers in Slovak enterprises, as well as the way how managerial ethics and morality are implemented in practice, with regard to creating trust in an enterprise. The questions in the questionnaire were divided into three parts: questions related to personal traits and characteristics of managers, those related to managerial ethics, and the questions concerning building trust in a workplace. As to personal traits, it was twenty-one traits and characteristics, which the respondents were asked to evaluate on a 4-degree scale, expressing their view from strong, through moderately strong, moderately weak, to weak. We further investigated how much the given traits characterize the respondents (very much, moderately, somewhat, not at all), on 15 statements provided to them. Implementing managerial ethics was investigated through evaluating the ‘ethical climate’ in the enterprise (1-best, 5-worst), and through those factors that influence the level of managerial ethics (1-most, 5-least). Another focus of our research was the opinions of managers related to trust, which was done on a scale from 1 (full trust) to 5 (complete distrust). We attempted to find out what culture of trust exists in the enterprise, as it closely relates to such values as honesty, responsibility, fairness, and solidarity. Within the research analysis, we used descriptive methods, method of analysis, synthesis, and comparison. From the methodological point of view, what we consider important is the interdisciplinary approach which enabled us to use the knowledge of more scientific disciplines, mainly ethics, management, marketing, economics, philosophy, psychology, and sociology. The main methods enabling the analysis were the mathematical-statistical functions of frequency, percentage, and mean.

484 managers have participated in the research, while the most indicated management level was middle management (by 51% of respondents). The prevailing respondents were men (334, which represents 69%), since in Slovakia, there is still a majority of male managers of female ones. Another observed characteristic was the number of direct subordinates managed by the given respondent. We distinguished two groups: ‘up to 10 employees’, and ‘more than 10 employees’. A more frequent representation in our research was by managers with a smaller scope of responsibility (63%). Most participating managers were from medium-sized enterprises (47%), followed by small enterprises (27%). This representation was expected, since small and medium enterprises (SMEs) in Slovakia make up as much as 99.9% of the total number of enterprises, and provide jobs to almost 75% of active labor force, while contributing to gross production and gross added value by more than 50% (Marková, 2015). Most managers in the analyzed enterprises have worked in their managerial position for 2-5 years (32%), followed by those who have more than 10 years of experience (20%). The smallest number of managers (14%) have worked in their position for 1-2 years. The next chapter presents the selected results of our research, which are compared with the results of other available studies and researches related to the given problem.

## 4. Results and discussion

The requirements put on manager's personality change with the changing global corporate environment. We present partial results of a research related to such traits of a manager's personality which are based on moral principles, and manifest in manager's behavior.

### Personality traits and characteristics of a manager

There are numerous researches in the world, relating to characteristics and capabilities of successful managers – leaders. According to Executive Lounge International (Prague, 2007), the most common characteristics are: vision (52.7%), integrity (47.3%), competence (33.3%), reliability (25.8%), courage, and focus on results (both 19.4%). The most dominant capabilities are: the ability to communicate (57%), social skills (49/5%), strategic planning (39.8%), managing change (36.6%), the ability to coach people (30%), etc. The most common reasons for failures of leaders are: lack of social skills, personal flaws and imperfections, mismatch with corporate culture, and insufficient visionary or strategic skills (Stýblo, 2012).

In our research, we investigated the traits and characteristics of managers as perceived by them. The given traits and characteristics enable us to form a picture of a specific manager and his/her personality, charisma, or abilities and skills, which a leader in an enterprise should possess. We perceive them as an important component of the ethical maturity or moral sensitivity of a manager, which we consider an essential determinant of building trust.

*10 traits and personality characteristics of 21 were identified by managers as a moderately strong disposition. Strong disposition was identified for five traits: (act in an honest and fair way, be realistic, treat others with respect, be modest and humble, and possess self-control). The following were identified as moderately weak disposition: listen without prejudice, delegate tasks, accept responsibility, admit a mistake, and be generous and courageous.*

Our goal was further tested through statements in which managers were asked to evaluate their attitudes. The given statements focused on identifying if managers have influence, and if they are capable of earning trust of others.

The question of assertion of a manager at work closely relates to self-confidence, self-assurance, and positive thinking. Assertiveness is a suitable tool in developing self-confidence. It concerns the style of behavior, in which the basic requirements, such as free expression of opinions and emotions, open, honest, and appropriate communication with others, understanding and tolerating other people's behavior, and the ability to make own decisions and understand others through agreement or compromise, are greatly preferred. The significance of assertive behavior could be seen in having a solid 'healthy' self-confidence, and maintaining it for a long time. An assertive manager can be recognized by their self-assured body language, and a clearly communicated need while at the same time respecting the needs of others. Almost one half of respondents (48%) possess assertive behavior, and are able to express their opinion even if the other party does not agree. Another half (52%) claims to be rather unassertive, and incapable of openly expressing their views, which can lead to a disruption of mutual working relations. Despite a small difference (20 respondents) in favor of the unassertiveness, we may state that the addressed managers do possess appropriate skills

to establish interpersonal relations, and are able to adjust them, which we view as a positive fact.

The second statement of our questionnaire focused on the managers' correct understanding of the assertiveness. 46 managers believe that to be assertive means to be aggressive, while 67 have a moderate tendency towards this claim. It is a small percentage (23%), but despite that, assertiveness and aggression of a manager should not be viewed as similar qualities.

We further investigated *the inclination of managers towards manipulative behavior*, which is a counter pole to assertiveness. Manipulation, the strategy of which lies in emotional challenges, may be successful in a short term. Its different forms are used in sales; but it is not effective as long-term motivation. A more complex form of manipulation through personal communication is represented in such statements of a person which aim at preventing a discussion about a certain topic, or at attempting to end this discussion (Kashani et al., 2018). Our research has produced a majority of positive answers (279) – 'yes', and 'most likely yes'. Based on these findings, we may claim that 58% of the addressed managers use manipulation as a way of communication in the workplace, which we consider a negative fact. Manipulation in an enterprise should have a decreasing trend, as it disrupts relations among employees, and thus the atmosphere of trust. Unfortunately, what can be seen rather frequently is a situation when a superior, or a person with manipulative tendencies, harasses such individual who is not assertive, or does not want to enter conflicting situations.

325 managers are capable of *estimating the other people's needs*, while attempting to meet them, which we view as a positive fact. This also means that managers perceive themselves as empathic, and are able to recognize the feelings or weaknesses of their subordinates. On the other hand, adapting to other people appears to be a problem for more than a half of the managers (254 respondents). Managers who participated in our research are successful in *establishing new relations* (249); however, 160 respondents selected the answer 'rather not', and 65 the answer 'no', which may be caused by the manager's inability of self-reflection, or, on the other hand, by their excessive modesty and humility. Another positive finding is seen in the statement *'I am often surprised how other people respond to my behavior.'*, where as many as 325 managers admitted that the reactions of others to their behavior surprise them quite often. This statement focused on the extent of managers' social perceptiveness.

*The ability to understand others*, act in compliance with social requirements, the knowledge of social norms, and flexibility in different social situations, are qualities that form the foundation for social intelligence of managers. The ability to comprehend social situations, and thus process social information was reported by 324 managers, while for 160, the responses were 'rather not', and 'no'. *Sense of humor* is a personal trait that helps managers to lower the intensity of pressure, as well as unfriendly or even hostile atmosphere in the workplace, and provides them with energy and enthusiasm. To create positive energy, develop relationships, and thus create a friendly workplace, is an ability reported by 401 respondents, which is viewed very positively with regard to the analyzed enterprises.

Managers should show interest in facts, and should be able to listen to all involved parties, prior to making an assumption. For 384 managers, justice means *treating all employees in the same, fair way*. *Creativity* of managers showed to be a weakness among our respondents. 301 managers do not believe they view things differently from others. Within our research, creativity should be understood as the ability of managers to think differently, find new

directions and ways that have not yet been tested. Managers who possess this quality are able to see problems and tasks differently when compared to other people, and thus can help other co-workers to look for new approaches, and solutions to working tasks. *Openness of managers* is a quality that helps managers to listen to other people's ideas and suggestions rather than to condemn them. 288 managers confirmed that they are able to accept different solutions offered by their co-workers. Modest and humble managers know that they are equal to the rest of their team in this matter. They do not only assert themselves, but also try to understand others and help them, which proved to be a case in our sample of respondents. 409 managers claim that they do not only assert themselves and their opinions in working tasks, but also try to *help other members of the team*. The last two statements of our research were: '*I can appreciate good quality work, I am able to praise others*' and '*in conflicting or problematic situations I accept responsibility*', and focused on such personal traits of managers (virtues) that are controlled by heart and emotions. *Greatheartedness and humbleness* are qualities related to leadership. The fact that 470 managers are capable of sharing success, and give others credit for their performance, and also 332 are able to *accept personal responsibility* for a failure, is viewed as very positive. The other team members thus feel more comfortable, their self-confidence rises, and in the end, they create a better working team.

The research also focused on *the interest of managers in life of their employees outside work*. Only 125 respondents stated that they are involved in this matter, out of which 89 were women. 359 respondents provided negative responses, while the most common reasons for their disinterest were: high fluctuation of employees (49%), 'do not know, I have not thought about it' (45%), lack of time (53%), and the belief that it is not appropriate to interfere with private life of others (19%). These results may be viewed as not very positive, since we believe that interest in personal life of employees may be an important factor in building trust. Naturally, care must be taken, as some people may be sensitive with regard to their privacy, and showing interest in their personal life must not mean an attempt to control them.

The statement '*I can appreciate good quality work, and am able to praise others*' is related to the supplementary questions in our research. We wanted to find out if *managers in enterprises appreciate the success of their employees, and if so, how they do it*. Positive answers were provided by all respondents, which is a very important finding. No less important, however, is the way how the success in an enterprise is rewarded. For the majority of respondents (52%), material rewards prevail, while other than material rewards (praise, employee of the month, personal acknowledgement of good work, written appraisal) are preferred by 31% of managers, and 17% use both methods. It is extremely important to recognize good work, mainly because the productivity of employees proves to be 14% higher in those enterprises where managers appraise and appreciate good work on a regular basis.

Every person longs for appreciation and recognition of their work; no one wishes to be viewed only as a part of a large mass of employees; and everyone has their name. Our research also asked if superiors use employee names when talking to them. Names of subordinates are used by 45% of managers; 40% use names with certain employees, and 15% responded negatively, the reason being the inability to remember the names.

### **Building trust in an enterprise**

Naturally, it is not the described traits that make a manager, but rather the fact that as a person they are able to use them effectively in given conditions. All personality traits of a

manager would remain unknown if they did not show through their work. The next part of our research focused on how managers implement the principles of managerial ethics in a workplace. It is the managers who are expected to be trusted, mainly in the times of crisis, when employees are controlled by emotions and worries. Firstly, we asked them what they think prevails in Slovak enterprises in general – trust or distrust. 64% managers believe that it is the atmosphere of distrust that prevails, and, on the other hand, 36% perceive culture of trust. We also asked how they perceive the overall workplace atmosphere. According to 48% of managers, the atmosphere in their enterprise is good, while 41% perceive it as tense. Moreover, 11% of the addressed managers view the atmosphere as conflicting. Based on this, we asked about the extent of trust in their subordinates, and the superiors, on a *scale from 1 (full trust) to 5 (complete distrust)*. Full trust towards subordinates was expressed by 37% of respondents, 42% of managers indicated moderate trust, 15% moderate distrust, and 6% complete distrust towards employees. Trust of managers in their direct superiors appears higher. More than a half of respondents (53%) trust them fully and 28% moderately, while only 9% have no trust in them. The overall comparison has revealed that managers mostly trust their superiors, and have less trust in their subordinates, which is not a positive result. In the question ‘what trust in the workplace relates to most’, managers could indicate three most relevant issues that have an effect on trust in their enterprise. The most frequent response (294 responses) was that trust relates to satisfaction with one’s income; followed by the response that trust is connected with clear rules in an enterprise (289), and the third most frequent response was that trust relates to charisma of a manager (178). The ability to trust and build trust is an expression and manifestation of high emotional intelligence. As obvious from the presented results, lowering the level of trust among employees in a workplace is greatly affected by a constant requirement of managers to be trusted. We recommend creating culture of trust, which is not only a matter of rational or conscious behavior, but for the most part, is influenced by one’s subconscious perception of signals which mean ‘*I trust you.*’. These signals are based on emotional relations and cannot be forced. Trust in an enterprise does not develop automatically by presenting its mission and vision. It is not built by promoting the value system of an enterprise; employee will not listen what or who they ‘should’ trust, and what views they ‘should’ identify with. This kind of marketing of trust has an opposite effect to what the top management expects, when people will start to be distrustful. We do not recommend using the requirement formulated as: ‘Trust me.’, since we consider it to be rather manipulative, and believe that it may cause feelings of shame or guilt for those who find it difficult to trust others. To preach water and drink wine is easy. To keep one’s word however, requires a real ‘fight’. We recommend that managers turn their words into actions, and thus build their *integrity*. They are capable of adhering to and fulfilling high moral principles and professional standards. When employees decide about following a manager as a leader, they take account of two main areas: *character* and *capabilities*. Employees need to know if their manager is a person worth following, and if this person can move them forward. Based on the synthesis of our research results and the theoretical foundations, we are able to express under what conditions a manager may build and develop trust in an enterprise through ethical behavior. With regard to this, we have identified four dimensions of ethical behavior. It is essential for a manager’s personality to encompass such personal traits which lead to a homogeneous, predictable way of behaving ethically. We may state that ethical behavior of a manager is linked to their social and personal maturity, which relates to their moral qualities, and to typical qualities of a manager, which are: personal traits showing the *relationship of a manager towards him/herself*; those that show his/her

relationship to other people; the attitude of manager to morality and moral behavior (manager's personality), and the relation of a manager toward the enterprise. The research assured us that the implementation of managerial ethics to corporate culture is not possible without personal engagement of managers, who must strongly believe in the importance of ethical behavior on managing and enterprise and building trust.

## 5. Conclusion

Synthesizing the theoretical background to the given problem, and the results of partial researches, we focused out attention on the selected components of a manager's personality, while emphasizing the altruistic behavior, which significantly contributes to the atmosphere of trust, and thus to the overall prosperity of an enterprise in the global market. Our assumptions have also been declared by leaders of the most successful contemporary enterprises (e.g. IBM, Hewlett-Packard, SAP, or CISCO), which can be characterized by a purposeful and constant development of the atmosphere of trust. Trust in a workplace forms the basis for developing the interpersonal relations in an enterprise. Managers realize that in order to be trusted by others, it is necessary for them to be trustworthy, which is only achieved by people with integrity (unity between one's words and actions); i.e. those who both "preach and drink water", set a good example, and have natural respect. In other words, it is people with great character who adhere to moral values and principles in every situation. When managers behave towards their employees and customers with respect, they will create an atmosphere of trust, while at the same time forming such environment that enhances ethical thinking and behavior of employees.

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## BRAND AS A STRATEGIC MARKETING TOOL OF A COMPANY IN CONDITIONS OF GLOBALIZATION

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**Abstract.** The brand has enormous importance for producer and owners of brand especially in the conditions of globalization. With new technology and continuous innovation bringing down the life span of products on the one hand, and integration of emerging economy competitors into global economy increasing overall competitive intensity on the other, brands are to grow to survive and sustain in the long run. Successful brand owners can count, that the difficult times surpass the crowd standing loyal customers for the brand. The brand becomes one of the most valuable assets of the company. The difference between success and failure may depend on how strong brand value the company can build. The aim of this paper is the analysis of a brand of a company in conditions of globalization. Based on the knowledge of actual state, realized search, information about market trends and discoveries of benefits design marketing activities, which usage can cause strengthen its brand. The introduction describes opinions and visions of different authors, who are interested in this area, about familiarisation of discussed topic by theoretical knowledges gained from literature. There is the analysis of the brand of the company, which was realised by personal interviews with chosen company and questionnaire, which was based on obtaining the information about the knowledge of brand of company in the mind of consumer. Based on this analysis, the paper shows the suggestions of marketing activities, which aim is to strengthen the brand of the company.

**Keywords:** brand, marketing tool, the strategy of brand

**JEL Classification:** F60, L10, M15

### 1. Introduction

The brand can be defined from different angles. Generally speaking, the concept of the brand goes into the distant past. Since its inception it has been used to identify various subjects (Brexendorf et al., 2017). For a company whose brand name is the most valuable asset and adds value to the product's products. From the consumer's point of view, this is a distinctive element through which the purchasing process is decided (Nadanyiova, 2015). The brand is part of the marketing strategy of each business. Efforts to incorporate it into the lives of consumers become an inherent part of the company's strategy. In order to anchor the



business brand in the minds of consumers, the company needs to take into account the ever-changing trends and increasing demands of its consumers every day (Dong & Gleim, 2018; Stefko et al., 2014). Today's company does not pay for its creative ideas and postpone ideas for later. Businesses need their marketing strategy and the brand that is an essential part of their development (Bahadir et al., 2015). If companies do not do their business and do not spend time marketing their brand, competition becomes stronger and the business can quickly lose its assets (Jakubikova, 2008).

## **2. Brand, its fundamental and importance in the process of globalization**

In order to create a brand in the process of globalization, it is imperative to recognize the direction in which the mark could be a long-term benefit for customers (Jevons, 2005). It is necessary to have the courage, to determine the time horizon of the future changes of the environment and to motivate the employees to make changes in their realization (Natarajan et al., 2018). It is necessary to realize that the brand vision consists of three components. These components are the required future environment, brand value and brand purpose (how the world becomes a better place). The individual components are interconnected and mutually supportive (Dunes & Pras, 2017; Peters, 2017 A).

An important part of vision creation is employee engagement. Branding a brand vision is a teamwork that consists in gradually modifying concepts through a combination of analytical thinking and fantasy. The result of this process is a statement that should be simple to understand. Employee involvement in the vision process provides the organization with more ideas, better understanding of the resulting vision and, above all, employees aware of the potential challenges and opportunities of the future (Gogolova & Majerova, 2013; Bratu, 2017). If the brand is to succeed, the vision should be created about the future environment that the organization wants to achieve over the next few years.

Creating a brand vision is an important task that determines the brand's future. The process of creating a vision is time-consuming, but by supporting discussions and constantly emphasizing clarity and openness, the process can be very beneficial (Larkin, 2013).

An important role of a brand strategy is to create a consumer-friendly business, avoid competition, or use its weaknesses and, on the contrary, use its own benefits while minimizing its weaknesses (Srivastava et al., 2001). The brand strategy process has several goals. For these purposes, we consider identifying the key strategic uncertainty that affects the overall brand strategy. (Stefko et al., 2016) Uncertainties help to create a priority for information gathering or analytical activity. Another primary goal is to speed up the decision to specify the brand identity, product classes, the amount of investment, or its role within the branding system (Heinberg et al., 2017; Peters, 2017 B). In defining brand strategy, three views are needed: consumer analysis, competition, and own analysis.

## **3. Trends in marketing communication in the globalization process**

One of the most important tools for customer behavior and business environment is modern marketing and marketing communication (Lam et al., 2012). The course of the 20th century has brought several comprehensive concepts of modern marketing. At present, different technological changes are coming at a rapid pace, and what is modern today is not

necessarily tomorrow. It depends on the consumer's decision which product or service to choose or what information to receive. Consumers have already ceased to be the subject of marketing communication (Majerova & Zvarikova, 2014). The primary role of marketing communication is to facilitate the choice of products and services for customers by making use of their experience or someone with their confidence (Duffy & Feltovich, 2006). Rapid technological development creates changes in the media. Consumers spend a lot of time consuming the media daily. Nowadays the internet is the most popular communication medium. Television or radio has lasted for many years to hit a large number of the public as the Internet, which has reached that amount over four years (McIntyre & Subramaniam, 2009). New, digital, electronic, mobile, and so on. Businesses are constantly looking for new concepts and communication ways to reach the target group (Kotler, 2013). Consumers become immune to classic advertising. Here are some of the communication methods or concepts. These include, for example, product placement, buzz marketing, word-of-mouth, and more.

### **Product placement**

This method is less violent than classic ad. It is the use of a real product or service in movies, TV shows or serials or computer games. The entire course of such advertising is based on pre-agreed terms and conditions (Majerova & Zvarikova, 2014). This type of advertisement perceives the audience, but does not cause disturbing impressions. Product placement is considered as the most attractive type to support product sales. In audiovisual works, product placement can occur in a variety of ways. The product can only be played in parts, the product uses one of the characters, or the product is located in some part of the movie.

### **Guerilla communication**

Guerilla communication is used by businesses that do not have enough funds for a classic campaign, but want to increase their previous earnings. This type of communication is aimed at attracting the consumer's attention and achieving the best possible effect with minimal resources. It is part of the marketing concept of guerilla marketing. These two terms often blend into one because the strength of guerilla marketing is in the style of communication. Guerilla communication uses non-standard media of non-traditional ways. It focuses on ways that attract the attention of consumers and attract interest and brand (Navratilova & Milichovsky, 2015).

Guerilla marketing is based primarily on creativity, creativity and the use of various objects such as benches, public transport, shop interiors, trash cans and the like. Fighting with competitors, this type of communication wins by creating shares in unexpected places. If the activity is recorded by other media, the company may also gain further publicity. Increased attention and frustration among consumers is a response to the well-established guerilla marketing. A proven tactic that is used to create guerilla communication is to make communication in an unexpected place, focus on a precisely targeted target group and then download it back.

### **Mobile marketing**

Mobile marketing has come to the forefront of ever-increasing use of mobile phones. The mobile phone is nowadays a matter of every man, and therefore it is also the basic means of mobile marketing. This type of marketing originated gradually in terms of the development of

networks of various mobile operators. Mobile marketing is based on text messages and various advertising information is delivered to customers in the form of SMS, MMS, ringing tones, logos and the like. Mobile communication is similar to product placement closer to younger generations of people, although this communication does not target only a certain age group. For many mobile users, the mobile phone is an essential part of life and therefore the information will reach users with immediate attention (Gajanova & Kramarova, 2016).

Mobile marketing is mainly used to increase awareness of the product, brand, various loyalty shares, and so on. It's a quick and easy way to provide easy-to-measure information and the ability to accurately target your campaign. Mobile marketing includes a lot of tools. They are advertising sms, mms, sms competitions, surveys, bidirectional sms communication, advergames, cell broadcasting, special graphic codes, location-based marketing, pictures and more (Prikrylova et al., 2010). The special form of mobile marketing is proximity marketing, which uses bluetooth on a mobile device. The use of this form of communication is usually directly at the point of sale of products or services. Users who have bluetooth enabled are addressed and sent coupons, logos, games, wallpapers, and other information of various formats. This form of marketing focuses on introducing new products and services and placing them on the market. There is also the possibility of combining mobile marketing with the internet. In this case, it is a mobile Internet that brings new mobile ads to the mobile user according to the user profile. Through the Internet on your mobile phone you can email, make purchases, and perceive different ads. Obstacles, however, may be the unwillingness of users to provide their media with advertising.

### **Viral marketing**

Viral marketing is based on the dissemination of information by users. The content of the ad is so compelling for the user to extend it further with their own resources. Such a viral report may take various forms. It can be a video, email, text, image, game, link, and more. However, the biggest use is e-mail that appeals to those users who are in the database and have previously given their consent to send information. Electronic postcards are also a popular form of viral communication, and have expanded to include entertainment videos aimed at promoting branding on Internet servers. Viral marketing is financially less demanding and provides rapid implementation of the dissemination of information and the attention of recipients (Batruga & Dmitrijeva, 2011).

### **Word-of-mouth**

Word-of-mouth is a way of personal communication. This method is based on the exchange of information about the given product or service between friends, relatives or target consumers. People exchange information based on satisfaction or dissatisfaction with a particular product (Scheibe, 2015). This type of communication has a very strong effect because recommendations come from people we know and are in our neighborhood. When it comes to purchasing financially more demanding or long-term consumption products, most consumers get their advice from their friends and acquaintances. This type of communication has also gone through a number of research. One of them states that a disgruntled customer talks about his bad experience with the product or service up to three times more often. Every consumer can then mark a product or brand with his / her opinion (Majerova et al., 2013). The exchange of information in this form is underway and is influenced by new information technologies. Modern word-of-mouth marketing can take two forms. It can be a spontaneous or informal form, characterized by an unsupported way of passing information from one

person to another. The second form is an artificial word-of-mouth that is aimed at spreading information among people. It is the result of the marketing activities of the company.

Buzz marketing is one of the often-used word-of-mouth marketing communication techniques. It is used to excite the interest or disturbance around the brand, stock, product or service. It is also related to the induction of emotions that cause some attraction. It is relatively low-cost, but demanding for content (Batra & Dmitrijeva, 2011). Creating such marketing is to find a topic that would cause the necessary upheaval in both the media and consumers. It is one of the ways companies communicate with customers. This process has a significant impact on the quality of services and the relationship between the companies and the customers.

Word-of-mouth is the most trusted method of communication that is very demanding to control. New ways of marketing communication are still evolving and characterized by their variability (Bao & Chang, 2016).

#### **4. The brand as strategic marketing tool of the Slovak companies**

The survey was conducted on selected businesses in December 2017 by the 2Muse s. r. o., which fully ensures qualitative and quantitative market research. The survey was conducted on a representative sample of the Slovak population aged 15-65 and was attended by 400 respondents. The implementation was conducted by the Agency on the basis of a controlled interview. The actual survey was carried out via an online questionnaire, which is now an increasingly widespread form of exploration. Ensures better anonymity, lower financial costs, timely and locally independent fill-in, and once the questionnaire is completed, the data is immediately available. The questionnaire was compiled from 20 branding questions as a strategic marketing tool for 110 respondents, of which 48 respondents were women and 62 respondents were men. The largest number of respondents was in the age group 25-44 years and their number represented 65 respondents. The second most frequent group was the 15-24 age group, with 41 respondents. The third respondents were aged 45-65 years old. The survey involved 81 respondents, 28 students and 1 retired respondent.

Obtaining theoretical knowledge, necessary business information, and analyzes can be said to have created the scope for further marketing activities in all businesses to strengthen brand strength. In all the forms we use, we identified a gap, the removal of which could lead the company to increase the awareness of the brand awareness of the enterprise in consumer awareness. Businesses use only a small amount of personal communication with their consumers. While people are living in the digital world today, one should not forget the traditional consumer contact, which can sometimes bring more benefits to getting a customer to his side faster than many promotional trailers. Given the high intensity of competition, businesses could use, in addition to traditional tools, modern marketing communication tools. These tools are not used by companies at all. One of the most modern tools can be product placement, which is becoming an increasingly widespread tool. The essence of this tool tip is to place the product in film or TV production. However, the possibility of raising consumer brand awareness may not only be the use of new tools or the use of personal form of communication. The analyzed businesses have a wide range of different marketing tools that can be further developed and deepened. Ways of internet communication also bring new brand forms that complement the portfolio of consumer-oriented formats and are suited to

achieving different goals. In this case, we are talking about a bumper advertising that takes only a few seconds and is not very costly for the enterprise. From the point of view of the marketing tool, sales support that the company uses through consumer engagement in competitions, we see the potential of focusing on a particular target group through a competition that could be a family with children. With regard to the analyzed businesses that have built up their reputation during long-term marketing, we have decided to design marketing communications tools that will be in line with their business policy, and their use could be realistically considered by the business in their marketing strategy.

## 5. Conclusion

The current development of information technologies, various marketing communication methods, or increasingly demanding individual customers help businesses to advance and constantly develop their existing practices to maintain their customers and market positions. As technology advances, the substance and importance of brands is increasing. In the past, the symbols were a symbol that guaranteed certain product features. The consumer was guaranteed to find what he expects in the right quality and quantity (Dwivedi & McDonald, 2018.). At present, however, consumers regard the functional properties of the product as a matter of fact and are more interested in the brand associated with their personality. Depending on what brands consumers buy, they also express their view of the world. Creating a successful brand means understanding the needs of the target group, as well as creating a relationship or branding between the brand and the consumer. the brand plays a significant role in the success of the brand, especially because the brand is the most valuable asset and adds value to the product itself.

The key to the success of each brand is to create a marketing strategy that raises interest in branded products in the minds of consumers and ultimately ends up in their shopping carts. Undertakings that are able to sell and market their products have a dominant position on the market. It is necessary for businesses to communicate with their consumers constantly, and thus to create some kind of mutual help. From the consumer's point of view, it is a regular purchase, from the point of view of the company, it is about creating interest in their products.

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## GLOBAL TRENDS INFLUENCING RESPONSIBLE BEHAVIOUR OF CONSUMERS AND BUSINESSES

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**Abstract.** The behaviour of businesses and consumers is closely connected. Consumer preferences and their buying behaviour significantly influence behaviour of businesses. If businesses want to be successful on the globalized market, they need to follow current trends reflecting consumer behaviour and take these trends into account also in their activities. Based on consumers' needs and demands they should try to adjust the product offer. Understanding, analysing and keeping track of consumer's behaviour is very critical for businesses to retain the competitive market position. The paper is focused on the selected global consumer trends, which affects buying behaviour of responsible ("ethical" and "environmental") consumers in the globalization era. We assume that Slovak consumers are increasingly demanding environmentally friendly products and expecting more environmental responsibility in behaviour of businesses. Consumer behaviour is also affected by ethical or unethical practices of businesses. The aim of our paper is to present selected results of the questionnaire survey, which was realized to identify significant factors influencing responsible consumer behaviour. The obtained data from sample of 274 Slovak respondents were evaluated by selected statistical methods. Based on the research results the appropriate strategies for businesses are suggested, reflecting current trends of consumer behaviour and contributing to the greater responsibility in globalizing environment.

**Keywords:** consumers, businesses, consumer behaviour, responsibility

**JEL Classification:** M10, M14, M30

### 1. Introduction

Zodpovedné správanie podnikov je v období dynamických zmien a vplyvu globálnych trendov v trhovom prostredí reakciou na zvýšený tlak informovanejších, vzdelanejších a náročnejších zákazníkov, ktorí sú stále menej ochotní akceptovať nekvalitné produkty za prehnané ceny, výrobné a distribučné procesy poškodzujúce životné prostredie či nepravdivé a zavádzajúce informácie z marketingovej komunikácie podnikov. Spotrebitelia prejavujúci zodpovednosť za seba a svoje okolie si dostatočne uvedomujú svoje oprávnené požiadavky a dôrazne vyžadujú ich akceptovanie zo strany ponúkajúcich – výrobcov, predávajúcich, poskytovateľov služieb (Musova, 2013).

Zákazníci preferujú vzťahy s tými podnikmi, ktoré im ponúkajú najvyššiu hodnotu. Hodnota zákazníka pre podnik a hodnota pre zákazníka sú v tesnom vzťahu, ktorý vyžaduje



hľadanie a zabezpečenie stavu rovnováhy (Lesakova, 2009; Dedkova et al., 2011; Kusa & Karaffova, 2016). Zákazník robí v rámci svojho spotrebiteľského nákupného rozhodovania zásadné rozhodnutia o tom, čo, kde, kedy, ako, od koho a v akom množstve bude nakupovať. V rámci procesu rozhodovania o nákupe, pri hodnotení ponúkaných alternatív si bude vyberať podľa osobných kritérií a predpokladá sa, že veľká časť má v súčasnom období vo svojom hodnotiacom rebríčku zaradené aj etické a environmentálne kritériá (Richterova et al., 2015). Pre podnikateľské subjekty je v tomto kontexte významnou príležitosťou, aby svoje ponuky sprostredkovali etickým spôsobom, aby brali do úvahy vplyvy svojich aktivít (a produktov) na okolie a životné prostredie potenciálnych zákazníkov. Domnievame sa, že zákazník takto obohatenú ponuku (o rozmer väčšej zodpovednosti) ocení a zohľadní to pri svojom rozhodovaní. (Garnefeld et al., 2018; Sangroya & Nayak, 2017)

Uvedený model spotrebiteľského správania podporujú aj viaceré globálne trendy v spotrebiteľskom správaní. Významný je vplyv trendu „snaha o prosperitu, zdravie a pohodu“, keď spotrebitelia preferujú zdravší životný štýl, ktorý zahŕňa starostlivosť o zdravie, fyzickú a psychickú pohodu, zdravé životné prostredie. Zdraviu prospešné produkty nakupujú, pretože si chcú zlepšiť celkovú kvalitu života. V súvislosti so zdravým životným štýlom sa rozvíja aj trend rastu spotrebiteľského a environmentálneho povedomia spotrebiteľov. Spotrebitelia sa stávajú náročnejšími a vyžadujú zdravotne neškodné, používateľsky nenáročné, environmentálne priateľské produkty, ktoré sa dajú recyklovať. Od podnikov očakávajú spoločensky zodpovedné správanie (Musova, 2013; Visser et al., 2018; Falahat et al., 2017)

Spoločensky zodpovedné správanie je novou perspektívou, z ktorej podniky pristupujú ku každodennému plánovaniu a uskutočňovaniu podnikateľských rozhodnutí. V procese rozhodovania si zodpovedný podnik musí uvedomiť dôležitosť dlhodobého uspokojovania potrieb a želaní svojich zákazníkov (a spoločnosti), ktoré ale môžu byť v rozpore so snahou dosiahnuť krátkodobý zisk. Manažéri, ktorí myslia dlhodobo, identifikujú a využívajú nové podnikateľské príležitosti súvisiace s etickým a environmentálne vhodným správaním. Starostlivo posudzujú svoje súčasné postupy a pozitívne reagujú na nové výzvy dôslednejšou prípravou budúcich stratégií a ich implementáciou (Mura, 2014; Minarova et al., 2015).

Za veľmi dôležitú, ak nie najdôležitejšiu, záujmovú skupinu podniku sa považujú zákazníci. Významnú pozíciu zákazníka – konečného spotrebiteľa v trhovom prostredí potvrdzuje aj teória „konzumnej slobody“, „kráľovskej“ pozície spotrebiteľa, jeho suverenity, o ktorých sa už v 18. storočí zmieňoval vo svojich prácach ekonóm Adam Smith. V súčasnom globalizovanom prostredí sa spotrebitelia zásadne menia. Majú lepší prístup k informáciám, jednoduchšie sa dozvedajú o často neetických a nekorektných aktivitách rôznych podnikov, o narastajúcich globálnych environmentálnych a sociálnych problémoch (Onel & Mukherjee, 2016). Narastajúca informovanosť o týchto otázkach zároveň zvyšuje tlak spotrebiteľov na väčšiu zodpovednosť podnikov a ich etický, environmentálny a sociálny prístup v podnikaní (Hroncova Vicianova et al., 2017; Zauskova, et al., 2016). Podľa Horskej (2009) je zodpovedný spotrebiteľ osoba informovaná a vedomá si svojich spotrebiteľských návykov. Pozná a vyžaduje si svoje spotrebiteľské práva, vyberá si spotrebu s najmenším možným negatívnym dopadom a najvyšším pozitívnym efektom na spoločnosť.

Environmentálne uvedomelí spotrebitelia uprednostňujú podniky, ktoré sa zodpovedne stavajú k ochrane životného prostredia. Environmentálne uvedomenie spotrebiteľov sa stáva popri spoločenských, osobných, psychologických a kultúrnych faktoroch ďalším významným faktorom nákupného správania spotrebiteľov (Moravcikova, et al., 2017; Vokounova et al.,

2013). Tento typ nákupného správania možno nazvať environmentálne zodpovedným správaním. Spomenúť treba tiež tzv. etické nákupné správanie, ktoré Harrison et al. (2005) klasifikuje napríklad aj podľa postoja spotrebiteľa k produktom resp. podnikom do viacerých skupín. Príkladom môže byť bojkotovanie (odmietanie určitých produktov, materiálov), tzv. pozitívne nakupovanie (napr. produktov označených „fair trade“, bioproduktov..), či „anti-konzumizmus“ alebo trvalo udržateľný konzumizmus (spotrebiteľ sa vyhýba produktom a podnikom, ktoré nepodporujú trvalo udržateľný rozvoj, snaží sa o znižovanie nadmernej spotreby určitých produktov, zabezpečuje si niektoré produkty svojpomocne a pod.).

Správanie spotrebiteľov pri nákupe sa v súčasnosti nezadržateľne mení. Viac ako v minulosti ich ovplyvňujú moderné technológie, zaujímajú sa o pôvod produktov, zloženie potravín, správajú sa zodpovednejšie vo vzťahu k výdavkom za nákupy. Súčasný spotrebiteľ podľa agentúry GfK Slovakia je presýtený informáciami, ktoré čerpá z médií, najmä z internetu, má individuálny až špecifický životný štýl a túži po zážitkoch a prekvapeniach. Žije často v jednočlenných alebo neúplných domácnostiach, je ekologicky zodpovednejší a často bojuje s nedostatkom času. Zvažuje svoje životné priority, zaujíma sa o oblasti zdravia, wellness, duševnej harmónie a pohody (Musova, 2013; Xiang et al., 2016)

Poznanie spotrebiteľských trendov a nákupného správania je pre úspech podnikov v súčasnosti dôležitejšie ako kedykoľvek predtým. Trendy poháňajú stratégie podnikov a hlavne od nich závisí, či podniky budú konkurencieschopné. Pri ich sledovaní sa podniky snažia predvídať, ako budú zákazníci rozmýšľať, čo budú robiť a zistené poznatky následne zakomponujú do svojich stratégií. Medzi najvýznamnejšie trendy ovplyvňujúce spotrebiteľské správanie Higham (2010) radí rýchlosť zmien u spotrebiteľov aj produktov, zahmlievanie tradičných demografických hraníc, globalizáciu a narastajúcu moc konzumenta.

## 2. Cieľ a metodika

Cieľom nášho príspevku je prezentovať čiastkové výsledky výskumu, ktorý bol zameraný na skúmanie faktorov ovplyvňujúcich zodpovedné spotrebiteľské správanie. Pozornosť sústredíme na vnímanie zodpovedných podnikových aktivít spotrebiteľmi a ich možný vplyv na nákupné rozhodovanie spotrebiteľov. Východiskom nášho skúmania je už naznačená skutočnosť, že spotrebiteľia sa vplyvom globalizačných procesov a ďalších významných spotrebiteľských trendov v makroprostredí menia, stávajú sa zodpovednejšími a zároveň vyvíjajú väčší tlak na podnikateľské subjekty rovnako v očakávaní ich väčšej zodpovednosti.

V prvej časti príspevku vychádzajúc z dostupných sekundárnych zdrojov teoreticky vymedzíme problematiku týkajúcu sa spotrebiteľského správania a rozhodovania, s dôrazom na vyššiu environmentálnu zodpovednosť a jeho etický rozmer. Rovnako pozornosť venujeme spoločenskej zodpovednosti v podnikaní. Následne prezentujeme čiastkové výsledky dotazníkového prieskumu, v ktorom sme sa zaoberali skúmaním zodpovedného spotrebiteľského správania a faktorov, ktoré ho ovplyvňujú. Dôraz kladieme na environmentálne a etické faktory a mieru ich vplyvu na spotrebiteľov pri vyhľadávaní, výbere a nákupe produktov.

Dotazníkový prieskum sme realizovali vo februári 2017 distribúciou tlačených a elektronických dotazníkov spotrebiteľom na Slovensku. Výber respondentov bol náhodný. Oslovených bolo 250 respondentov starších ako 18 rokov, rôzneho pohlavia, z rôznych krajov, rôzneho vzdelania, zamestnania a príjmu. Pre zabezpečenie reprezentatívnosti

výberového súboru podľa pohlavia a veku, sme v druhej fáze zberu primárnych údajov cielene dopytovali respondentov z nedostatočne zastúpených vekových kategórií. Celkovo sme do vyhodnotenia údajov mohli zaradiť odpovede 274 respondentov. Pri ostatných socio-demografických charakteristikách reprezentatívnosť dosiahnutá nebola.

Pri spracovaní problematiky sme využili štandardné metódy vedeckého skúmania. Išlo o kolekčnú (zberovú) metódu, následne o analýzu a syntézu získaných poznatkov – osobitne pri teoretických východiskách. Údaje zozbierané primárnym výskumom sme spracovali a analyzovali s použitím vybraných matematicko-štatistických metód a prostredníctvom programu SPSS Statistics.

### 3. Výsledky

Dotazníkového prieskumu sa zúčastnilo 274 respondentov, z toho bolo 130 mužov (47,45 %) a 144 žien (52,55 %). Predpokladali sme reprezentatívnosť výberového súboru podľa pohlavia (podľa údajov ŠÚ SR k 31.12.2015 percentuálny podiel mužov predstavoval 48,75 %, percentuálny podiel žien 51,25 %). Hypotézu o reprezentatívnom výberovom súbore podľa pohlavia sme overili v programe SPSS a na hladine významnosti  $\alpha = 0,05$  ju môžeme potvrdiť (p-hodnota 0.666).

Podobne sme predpokladali, stanovili si a potvrdili hypotézu, že výberový súbor je reprezentatívny podľa veku respondentov (na hladine významnosti  $\alpha = 0,05$ , p-hodnota 0.802). Výskumnú vzorku tvorilo 37 respondentov vo veku 18-25 rokov (13,5 %), 60 respondentov vo veku 26-35 rokov (21,9 %), 49 respondentov vo veku 36-45 rokov (17,88 %), 67 respondentov vo veku 46-60 rokov (24,45 %) a 61 respondentov starších ako 61 rokov (22,26 %). Najviac respondentov bolo z Banskobystrického kraja (až 59,85 %), ostatné kraje boli zastúpené približne rovnakým počtom respondentov. Z hľadiska dosiahnutého najvyššieho vzdelania najväčšiu časť tvorili respondenti s vysokoškolským vzdelaním 2. stupňa (48,18 %) a respondenti so stredoškolským vzdelaním (41,24 %). Podľa dosahovaného čistého mesačného príjmu dominovali vo vzorke respondenti s príjmom od 501 do 700 eur (29,93 %) a od 701 do 1000 eur (26,64 %).

V našom výskume sme zisťovali, či spotrebiteľov ovplyvňujú pri nakupovaní informácie o etickom príp. neetickom správaní podniku (výrobcu, predávajúceho, poskytovateľa služieb). Respondenti mali na výber niekoľko aktivít a činností podnikov a mali sa vyjadriť, do akej miery tieto aktivity ovplyvňujú ich nákupné správanie (na 5-stupňovej škále – jednoznačne áno, skôr áno, skôr nie, jednoznačne nie, neviem posúdiť). Ponúknuté aktivity a činnosti podnikov patria k spoločensky zodpovedným aktivitám vo všetkých oblastiach (ekonomická, sociálna, environmentálna). Aktivity sme zoradili podľa ich vplyvu na spotrebiteľov. Poradie sme si štatisticky overili (hypotézou o tom, že všetky posudzované aktivity a činnosti ovplyvňujú spotrebiteľov v rovnakej miere). Uvedenú hypotézu zamietame na základe Chi-Square testu (p-hodnota je .000, čo je menej ako hladina významnosti  $\alpha = 0,05$ ), prijímame teda predpoklad o tom, že uvedené činnosti podnikov neovplyvňujú respondentov v rovnakej miere. Stredné hodnoty jednotlivých faktorov (Friedmanov test) sme zoradili od najnižšej po najvyššiu (klamlivé balenie a označovanie – Mean Rank 5,42; testovanie výrobkov na zvieratách – 7,52), ich poradie podľa vplyvu na základe Wilcoxonovho testu štatistickej významnosti zobrazuje výstup z programu SPSS v nasledujúcej tabuľke 1.

Table 1: Wilcoxonov test – Zodpovedné/nezodpovedné činnosti podniku

Ovplyvnia ma pri nákupe informácie o etickom, prípadne neetickom správaní podniku?	Z	Asymp. Sig. (2-tailed)
predĺžená záručná lehota – klamlivé balenie a označovanie	-,844 <sup>b</sup>	.398
znižovanie negatívneho vplyvu na ŽP - predĺžená záručná lehota	-,822 <sup>c</sup>	.411
netransparentný prístup - znižovanie negatívneho vplyvu na ŽP	-2,055 <sup>c</sup>	.040
zavádzajúca reklama - netransparentný prístup	-,299 <sup>b</sup>	.765
nejasne stanovená cena - zavádzajúca reklama	-1,119 <sup>c</sup>	.263
výroba znečisťuje ŽP - nejasne stanovená cena	-1,863 <sup>c</sup>	.063
nátlakový predaj - výroba znečisťuje ŽP	-,524 <sup>c</sup>	.600
prispievanie na charitatívne účely - nátlakový predaj	-,180 <sup>c</sup>	.857
nevhodné pracovné podmienky - prispievanie na charitatívne účely	-1,903 <sup>c</sup>	.057
etický kódex - nevhodné pracovné podmienky	-,258 <sup>b</sup>	.797
testovanie výrobkov na zvieratách - etický kódex	-1,468 <sup>c</sup>	.142

Source: Vlastné spracovanie na základe výstupu z programu SPSS

Pre určenie poradia jednotlivých činností podniku sme porovnali p-hodnotu s hladinou významnosti  $\alpha = 0,05$ . Ak je veľkosť p-hodnoty nižšia ako uvedená hladina významnosti, zamietame hypotézu  $H_0$  o rovnosti vplyvu činností podniku na našich respondentov. Nakoľko sa len pri jednej činnosti preukázala štatistická významnosť a zamietli sme nulovú hypotézu, všetky činnosti sú rozdelené podľa miery vplyvu do dvoch skupín. Prvú skupinu činností podnikov (s najväčším vplyvom) zobrazuje nasledujúca tabuľka 2.

Table 2: Vplyv vybraných činností podniku na správanie spotrebiteľov (1.skupina – najvýznamnejšie)

Ovplyvnia ma pri nákupe informácie o zodpovednom resp. nezodpovednom správaní podniku?	Jednoznačne áno	Skôr áno	Skôr nie	Jednoznačne nie	Neviem posúdiť
Podnik klamlivo balí a označuje svoje výrobky.	133	58	15	48	20
Podnik poskytuje predĺženú záručnú dobu a k riešeniu reklamácií pristupuje spravodlivo.	100	117	29	5	23
Podnik sa snaží znižovať negatívny vplyv na životné prostredie (napr. využívaním kvalitných technológií).	88	130	29	6	21

Source: Vlastné spracovanie výsledkov prieskumu.

Najviac respondentov ovplyvňuje informácia o klamlivo zabalených a označených výrobkoch (69,7 % jednoznačne a skôr áno). Spotrebiteľov sa táto skutočnosť dotýka priamo a aj sa s ňou reálne môžu stretnúť. Respondenti tiež preferujú podniky, ktoré poskytujú predĺženú záručnú dobu – ovplyvní to až 79,2 % opýtaných v našom prieskume. Z uvedených výsledkov nám vyplýva, že respondenti sa orientujú viac na také činnosti podnikov, ktoré ich prinášajú priamu výhodu. Napríklad predĺženie záručnej doby dáva spotrebiteľom pocit, že podnik vie (a týmto to prezentuje aj svojmu okoliu), že vyrába kvalitné produkty. Treťou činnosťou v prvej skupine je environmentálne zodpovedná aktivita – znižovanie negatívneho vplyvu na životné prostredie (79,5 % respondentov). Záujem o životné prostredie (u spotrebiteľov aj podnikov) má rastúci trend. Stále viac spotrebiteľov preferuje produkty od podnikov, ktoré majú záujem o ochranu životného prostredia. Je to jeden zo spôsobov, ako spotrebiteľia prejavujú svoju environmentálnu zodpovednosť.

Všetky ďalšie aktivity podnikov sa podľa odpovedí našich respondentov zaradili na druhé miesto (z hľadiska vplyvu), nakoľko sa medzi nimi nepreukázala štatistická významnosť. Znamená to, že pri nákupe ovplyvňujú našich respondentov približne rovnako. V nasledujúcej tabuľke 3 uvádzame reakcie respondentov na ďalšie spoločensky zodpovedné/nezodpovedné aktivity podnikov.

Table 3: Vplyv vybraných činností podniku na správanie spotrebiteľov (2. skupina – významný vplyv)

Ovplyvnia ma pri nákupe informácie o zodpovednom resp. nezodpovednom správaní podniku?	Jedno- značne áno	Skôr áno	Skôr nie	Jedno- značne nie	Neviem posúdiť
Podnik netransparentne pristupuje k zákazníkom, nie je férový (napr. nejasne stanovené zmluvné podmienky).	116	67	19	49	23
Podnik propaguje výrobky zavádzajúcou reklamou.	113	57	36	54	14
Podnik nejasne stanovuje cenu produktov (napr. odlišná cena pre rôzne skupiny zákazníkov).	107	73	23	43	28
Výroba podniku znečisťuje životné prostredie.	81	80	44	41	28
Podnik využíva na zvýšenie tržieb nátlakový predaj.	88	62	44	48	29
Podnik aktívne prispieva na charitatívne účely.	43	119	68	17	27
Podnik nevytvára vhodné pracovné podmienky pre svojich zamestnancov.	58	93	52	26	45
Podnik má vypracovaný etický kódex a riadi sa podľa neho.	39	119	62	10	44
Podnik testuje svoje výrobky na zvieratách.	71	63	49	41	50

Source: Vlastné spracovanie výsledkov prieskumu.

Zistenie, že podnik netransparentne pristupuje k svojim zákazníkom a nie je férový, by jednoznačne ovplyvnilo 42,3 % respondentov. Pri ostatných činnostiach sú rozdiely v odpovediach malé. V každom prípade, podľa našich výsledkov negatívna skúsenosť a neetické správanie ovplyvňujú budúce rozhodnutia a správanie spotrebiteľov. Menší vplyv sme zaznamenali pri aktivitách v sociálnej oblasti (napr. charita, podmienky pre zamestnancov), ktoré sa spotrebiteľov priamo nedotýkajú. Pri týchto podnikových činnostiach respondenti častejšie uvádzali aj odpoveď „neviem posúdiť“ (16 – 18 % odpovedí).

Negatívne postoje k neetickému správaniu podnikov potvrdil aj prieskum Musovej a Musu (2017), podľa ktorého viac ako polovica respondentov prieskumu (zameraný na skúmanie názorov slovenských spotrebiteľov na dodržiavanie resp. nedodržiavanie etických zásad a pravidiel pri realizácii marketingových aktivít na Slovensku, 164 respondentov) sa vyjadrila, že ak sa stretne s neetickým správaním, produkt si nekúpi a skúsia nájsť inú alternatívu na uspokojenie svojich potrieb. Necelá štvrtina respondentov prejaví svoju nespokojnosť aktívne, prostredníctvom sťažnosti, uplatnením reklamácie, napísaním primeranej recenzie. Prekvapivo až 14 % opýtaných sa nezaobrá neetickosťou marketingových praktík, zaujíma ich len uspokojenie vlastnej potreby bez ohľadu na spôsob.

Z výsledkov nášho prieskumu konštatujeme, že najväčší vplyv na správanie spotrebiteľov pri nákupe má správanie podnikov voči nim. To znamená, že respondentov najviac zaujíma, ako sa podniky, v ktorých nakupujú, s ktorými majú vytvorené nejaké vzťahy, správajú práve voči svojim zákazníkom. Predĺžením záručnej doby a spravodlivým riešením reklamácií získava podnik konkurenčnú výhodu a môže prehľbiť zákaznícku lojalitu. Naopak, klamlivé označovanie a balenie produktov, neférový prístup, netransparentná a zavádzajúca komunikácia, či nátlakový predaj majú na rozhodovanie negatívny vplyv. Priamy kontakt spotrebiteľov s takýmito praktikami dokonca odrádza spotrebiteľov od opakovaného nákupu a môže viesť až k poškodeniu dobrého mena. Vplyv informácií o podnikových aktivitách, ktoré sa netýkajú priamo spotrebiteľov (napr. neetické správanie podnikov k svojim zamestnancom, nevytváranie vhodných pracovných podmienok, charitatívne aktivity podnikov, znečisťovanie životného prostredia) už taký jednoznačný nebol. Napriek tomu

podnikom odporúčame, aby princípy zodpovedného podnikania implementovali do svojej praxe komplexne a vo vzťahu k všetkým záujmovým skupinám.

#### 4. Conclusion

Podniky pracujú v dynamicky sa meniacom globálnom prostredí. Ak chcú uspieť v boji o zákazníka a udržať si stabilnú pozíciu na trhu, musia zdôrazňovať nielen ekonomické, ale aj spoločenské a sociálne hodnoty. Spoločenská zodpovednosť sa stáva neoddeliteľnou súčasťou ich podnikania. Je nevyhnutné, aby sa podniky správali tak, aby prispievali k celkovému blahobytu spoločnosti a celej planéty. Podniky by si mali svoju pozíciu budovať na princípoch transparentnosti a integrovaného prístupu, na udržateľných produktoch a službách a na aktívnej spolupráci so všetkými záujmovými skupinami. Len tí, ktorí poskytujú kvalitné produkty, správajú sa eticky a férovo k všetkým záujmovým skupinám, rozvíjajú spoluprácu s miestnymi komunitami, starajú sa o životné prostredie, môžu byť úspešní a konkurencieschopní.

Vplyv zodpovedných podnikových aktivít na správanie spotrebiteľov, ich zákazníkov, potvrdili aj výsledky nášho prieskumu. Informácie o zodpovednom resp. nezodpovednom správaní podnikov časť spotrebiteľov nepochybne sleduje a využíva ich ako jeden z faktorov rozhodovania pri výbere podniku resp. produktu. Samozrejme, vplyv takých aktivít, ktoré sa priamo dotýkajú spotrebiteľov (produktové charakteristiky, spôsob komunikácie so zákazníkmi, transparentnosť a pod.) je výraznejší v porovnaní s aktivitami, ktoré sú spotrebiteľom vzdialenejšie (podnikový etický kódex, pracovné podmienky zamestnancov, charita, vplyv na životné prostredie).

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## SPECIFIC ASPECTS OF THE BRAND IN A GLOBAL PERSPECTIVE

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**Abstract.** The brand and everything around it is one of the greatest challenges in the globalization process and, in addition, in the form of a trademark it fulfils the essence of ownership in the sense of the letter of the law, so the interest in brand is increasing worldwide. The brand has become a marketing communication tool that is totally autonomous in nature (it has been dematerialized from the product). Brand has the iconic features that wipe and obscure the basic economic substance of the relationship between the manufacturer and the consumer, there is a stronger link between the brand and the consumer. A condition for making the most of this kind of ownership is the application of appropriate strategies, the use of which has changed in connection with the development of international business. In the new millennium, many different factors influence the brand, notably the various processes of increasing concentration, internationalization, globalization, cooperation and diversification of trade, the emergence of strong ties between manufacturers and business companies, supported by new technologies, consumers' pricing, increasing the importance of marketing activities, and last but not least the Internet as a communication medium and new ways of selling (e-shop) have an enormous impact on brand management. The paper focuses on the description of specific aspects of brand and brand management in a global perspective.

**Keywords:** globalization, brand, brand management

**JEL Classification:** F60, M21, M31

### 1. Introduction

New trends are emerging also in international brand politics, which are influenced by the globalization process, in particular by internalization, concentration, liberalization and increasingly intensive competition. Global trends also affect societal factors that emphasize ecology, social ethics, environmental protection, social responsibility and consumer protection (Kicová, 20016; van Gelder, 2005). The current brand management is characterized by the following trends: the growing importance of private brands, strengthening the role of corporate brands, building global brands, international brand



unification and co-branding in within the brand support. The most important part of the global marketing strategy is the global brand.

## 2. Global brand

The word brand was first introduced in the world of advertising in the late 1950s by David Ogilvy who created brand-image advertising (Majerova, Kliestik, 2015). For a basic demarcation of a brand it can be used these definition: a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Kotler and Armstrong, 2004). Larkin (2013) defines brand a set of assets (or liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service. The brand identifies the manufacturer, service provider, or merchant. Branding is a key tool for communicating with target groups. The goal of marketing strategies is to make consumer brand perception as something specific, which can optimally satisfy his / her needs (Mehrpouya & Willmott, 2018; Stefko et al., 2015; Popescu et al., 2017).

The concept of brand can also be an important phenomenon of the marketing mix. Mostly, in this context, external brand features such as name or artistic expression that distinguish goods or services in a competitive offer from competition are emphasized (Lizbetinova, 2017; Starchon, 2017). The brand, however, is not only a rational phenomenon that meets functional needs. It has strong emotional characteristics based on the subjectivity of the perceptions of the brand and the feelings they produce (Bronnenberg, et al., 2015; Fanelli & Ryden, 2018). This is also a concept of a brand that emphasizes the link of the brand to the needs of the customer, which are create and change in every encounter with the brand. The brand is above all the notion of "brand placement" in the customer's head (Chabowski et al., 2013; Weberova, 2016).

Some other authors further develop the idea and emphasize the role of associations in the mind of the customer with the brand and also his emotional links to the brand. In the view of many managers, the concept of the brand contains much more - they define it as something that has already penetrated people into the consciousness, has its name and important position in the commercial sphere (Townsend, Yenyurt & Talay, 2009). The brand according to Steenkamp, Batra and Alden (2003) is a set of thought associations that are found in people's heads. Some view is also offered by Kapferer (2008) who claims that the brand is a shared desirable and exclusive idea embedded in products, services, places or experience. If more people share this idea, the brand becomes stronger.

The brand can be almost everything from products, services, organizations and people through places, regions and countries to sports, entertainment, art or thoughts. In addition to the fact it allows to the product to escape from anonymity, it also carries certain characteristics, culture and values, and the presence of functional and emotional values is what the trade mark and brand differ (Heinberg, Ozkava & Taube, 2017; Giroux, 2017).

If we look for information specific to the global brand, the authors are a little more consistent in their definitions. Cambridge Dictionary states that it is the name of a product or service that is known and sold in all parts of the world by a particular company. Larson (2011) agrees, adding that while the word "standardization" has been associated with this

term, brands are currently tailored to the requirements and habits of the target area. Sarkar and Singh (2005) according to Randall define the following features of the global brand:

- uniform quality,
- the same nature, identity and value,
- the same strategic principles and positioning,
- the same marketing mix to the fullest extent.

The global brand has a clear consistent value or identity for consumers without geographical boundaries (Giroud & Mueller, 2017). In general, it has the same position in all countries. Basically, it's the same product composition, it provides the same benefits and uses a consistent advertising concept. We cannot say that there is no place for local adaptations. In fact, there must be space for adaptation to local needs. But there is no justification for differences. The global brand is the same for all parts of the world. Aaker and Joachimsthaler (2000) define global brands as brands with a high degree of similarity across countries with respect to brand identity, position, advertising strategy, personality, product, packaging, and look and feel. According to Hankins and Cowking (1996) the global brand offers consumer across the world a consistent (i.e. standardized) proposition and the same product formation.

### **3. Foresight of global brand management**

With the creation of global brands, we met for the first time more than 100 years ago. The main stimulus for creating global brands is the fact that people around the world have a great deal of needs and wishes that do not differ due to their cultural or religious differences. It follows that there are many branded products that are successfully sold on the world markets. Of course, it does not work for some branded products. They can only be successful on the domestic market. At present, there are two opposing trends on the global market within the international and global branding. On the one hand, global brands are increasingly being promoted on the world markets, leading to disadvantages and displacement of local brands. On the other hand, we can come to the conclusion that global brands are so homogenized and unified that they lose their credibility and their value. By contrast, local brands have the ability to adapt effectively to national specificities, and thus have a greater chance of success. The number of brands with gradual globalization will wane, the brands divide the world, and it is only a question of how long it will be, and whether their position is so unshakeable. With new media access, where people are more in touch, branding is more vulnerable, because the most effective way of communicating is what people say among themselves. Big brands are aware of this and are trying to be socially responsible. Now companies are faced with another challenge, and that is sustainable production and consumption. They will try to consume less resources and do more. A significant importance for the success of the brand is also its indigenous origin. Brand development is geared towards globalization, but still in certain categories, local branding is preferred to global. Because globalization simultaneously creates tendencies toward some degree of cultural (structural) homogenization while at the same time it encourages people to identify more strongly with their ethnic or national grouping (Maynard and Tian, 2004). The Nielsen Global Brand-Origin Survey highlights consumers' preferences for and sentiment toward products manufactured by large global/multinational brands versus locally manufactured products across 34 categories, and the extent to which preference and sentiment influence purchasing behavior (Nielsen, 2017).

Applying the global brand strategy brings many benefits, but it is also associated with a number of risks. Using a global brand allows cost savings because the company can expand its already established brand to foreign markets relatively quickly, simply and cheaply. At the same time, the company can effectively exploit the experience it has gained on its home market on the global market. The global brand enables quick consumer orientation when visiting foreign countries; among other benefits of global branding, we can include high marketing strategy efficiency, reduced advertising costs, a uniform brand image over the world. On the other hand, the use of the global brand is associated with certain risks, the main disadvantages of global brands include problems with the black market, the possibility of negative significance, or legal complications. In the field of industrial property, which also includes trademark issues, EU actions are aimed either at harmonizing the national rules of the Member States or at creating uniform legal titles at EU level (Giannimo, 2018). Another goal in the field of trademark law is to deal with the inconsistency of the practice of individual EU trademark offices. To that end, a convergence program was developed in June 2011, reflecting the joint commitment of national authorities, OHIM and user associations and other industrial property protection organizations, to gradually establish a European Trade Mark and Design Network, which would contribute to a more stable environment for intellectual property in Europe. The vision of this program is to ensure and disseminate clarity, legal certainty, quality and usability for both rights holders, such as trademark owners or solicitors, as well as for authorities (European Trade Mark and Design Network, 2018).

#### **4. Conclusion**

In the new millennium, many different factors influence brands, especially intense competition on the global market. The rising pace of globalization puts pressure on globalization of brand portfolios and focusing on strong brands supporting. Nowadays there is a moving from tradition to modernity, from basic goods to value-added products and branded goods. The brand no longer selects consumers, but the consumer chooses the brand himself and it becomes his individual expression based on his attitudes and behavior. Individual nations, however, still retain their individuality independently of the inevitably created global culture. And thus at present, there are two opposing trends on the global market within the international and global branding. On the one hand, global brands are increasingly being promoted on the world markets, leading to disadvantages and displacement of local brands. On the other hand, we can come to the conclusion that global brands are so homogenized and unified that they lose their credibility and their value. By contrast, local brands have the ability to adapt effectively to national specificities, and thus have a greater chance of success. According to surveys the consumers around the world are displaying a growing preference for global brands rather than locally manufactured products at this time. Applying the global brand strategy brings many benefits, but it is also associated with a number of risks, especially in the field of law.

#### **Acknowledgment**

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## **BLURRING BOUNDARIES BETWEEN PRODUCTION AND CONSUMPTION IN PLATFORM-BASED LABOR MARKETS. AN EMPIRICAL ANALYSIS**

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**Abstract.** We follow recent research (e.g. Mair and Reischauer, 2017) showing that the global sharing economy has activated economic and socially significant underlying forces, altering current markets. Using the data from BLS, ChunkofChange, Edison Research, Marketplace, National Technology Readiness, The Office for National Statistics (UK), and Statista, we performed analyses and made estimates regarding annual on-demand economy spending (billions), the proportion of the gig economy, and the share of generational groups who think that the gig economy is good thing for everyone in the U.S. Empirical and secondary data are employed to support the claim that sharing economy entities operate a digital platform that enables workers to share resources. Culture shapes the option of organizational configurations and gives a reason for the heterogeneity of sharing economy entities. The sharing economy is a network of markets in which workers utilize diverse types of compensation to carry out the reallocation of and access to resources, facilitated by a digital platform administered by a company. A sharing economy entity supplies the infrastructure that people employ to distribute resources. The underlying forces of the sharing economy entail processes of market transformation, may encompass mechanisms of market emergence, and may comprise deliberate and unexpected effects of organizations' behavior. Sharing economy entities adhere to rule-like instructions ascendant in their cultural setting, resemble widespread requirements in their economic systems, and use manifold routines to assimilate digital platform users.

**Keywords:** production, consumption, platform, labour market

**JEL Classification:** E24, J21, J54, J64

## 1. Introduction

The sharing economy enables a more all-encompassing array of compensation types than the established one does. In the sharing economy, diverse types of compensation are employed for business deals, the market is the site of transactions, the reallocation of supplies and the right to use them constitute the target of transactions, people are the operating associates, and business deals take place through digital platforms administered by companies. Digital platforms are set up in the established economy, whereas in the sharing one they function as an alternative for links between providers, producers, and customers (Havu, 2017; Knutas, 2017; Leskaj, 2017; Mihaylova, 2017; Nica et al., 2017, A, B, C) that are prevalent in the established economy. Digital platforms represent the principal infrastructure in the sharing economy. Behind digital platforms there are sharing economy entities running and upgrading them. (Mair & Reischauer, 2017)

## 2. Literature Review

Companies count on disseminating tasks to crowdsourcing platforms to decrease work and capital expenses, raise the scale of production, and approach considerable subject pools rapidly. The architecture of the platform creates market disorganizations which convey a large proportion of market capacity to employers. Workers, especially more recent platform actors with a reduced amount of practice or links to other individuals, are extremely sensitive to experiencing supplementary expenditures demanded by the deficiency of correspondingly available data. Platform suppliers are stimulated to play down the prospect of being regarded as employers under the law. Numerous platforms endeavor to entirely harmonize computational infrastructure (Lăzăroiu, 2017; Nica, 2017, A, B; Popescu et al., 2017; Profiroiu & Nastacă, 2016) and individuals-as-a-service, possibly removing the interactivity related to labor markets. (Kingsley et al., 2015) As employers gradually deploy knowledge-intensive jobs via digital platforms, the incidence of worldwide labor teams will seemingly persist in growing. (Lyons, 2017) Online labor markets enable swift recruitment of significant amounts of workers for substandard remuneration. Online workers are inclined to make detrimental decisions, even at notably inferior wages, being sensitive to performance-oriented wages that are as operational in activating significant endeavor as superior fixed wages. (Farrell et al., 2017) Notwithstanding the seeming hesitancy of developed-world employers in redistributing online undertakings to developing-world contractors, regularized data concerning labor practice operated on the platform. Raising the probability of being employed for all applicants is related to asymmetrically superior recruitment prospect for contractors from less developed countries. Simple but regularized data on even somewhat unsubstantial amounts of platform-specific practice may influence employment decisions and possibly enable firms to collect more benefits from a more significant contract labor market, for a wide array of tasks. (Agrawal et al., 2016)

## 3. Methodology

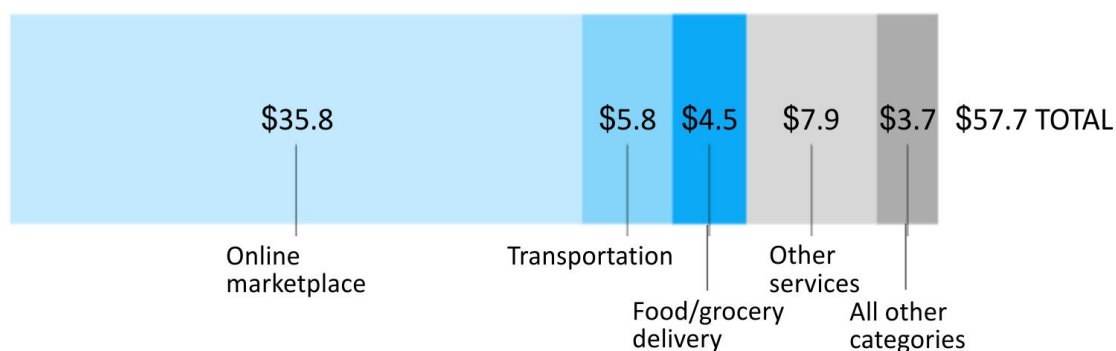
Using data from BLS, ChunkofChange, Edison Research, Marketplace, National Technology Readiness, The Office for National Statistics (UK), and Statista, we performed analyses and made estimates regarding annual on-demand economy spending (billions), the

proportion of the gig economy, and the share of generational groups who think that the gig economy is good thing for everyone in the U.S.

## 4. Results and Discussion

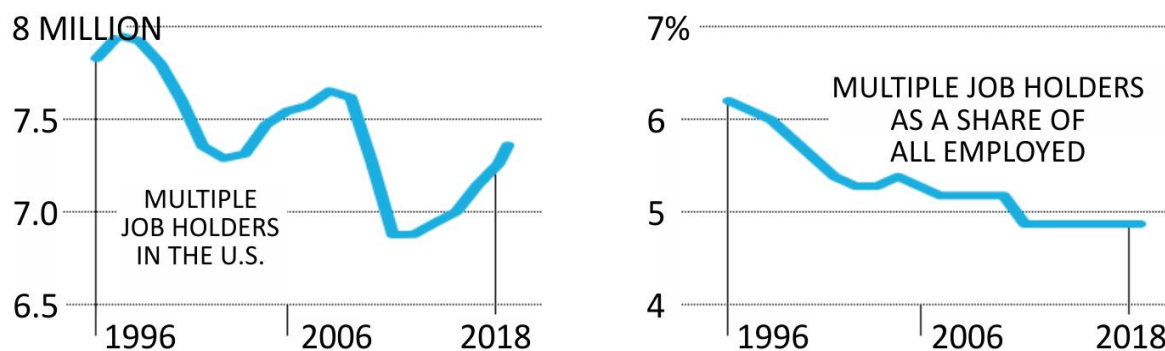
The global sharing economy has activated economic and socially significant underlying forces, altering current markets. Sharing economy entities operate a digital platform that enables workers to share resources. Culture shapes the option of organizational configurations (Acosta Price, 2017; Campbell et al., 2017; Mihăilă, 2017; Nygreen, 2017) and gives a reason for the heterogeneity of sharing economy entities. The sharing economy is a network of markets in which workers utilize diverse types of compensation to carry out the reallocation of and access to resources, facilitated by a digital platform administered by a company. The market is the site of business deals in both the sharing economy and the established one. The former is more confined in scope concerning transaction target, transaction associates, transaction framework, and infrastructure supplier. (Mair & Reischauer, 2017) (Figures 1–4)

Figure 1: Annual on-demand economy spending (billions)



Sources: National Technology Readiness; and our 2018 estimates.

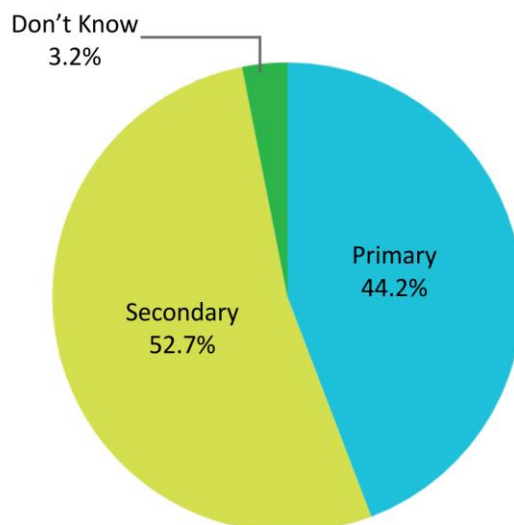
Figure 2: Measuring the gig economy



Sources: ChunkofChange; BLS; and our estimates.



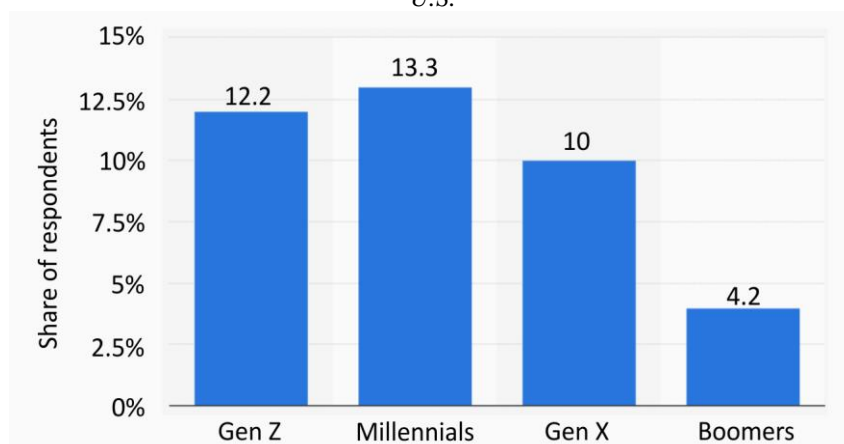
Figure 3: If you work in the gig economy, is this your primary or secondary source of income?



Sources: Marketplace; Edison Research.

Our survey among 2,100 individuals conducted May 2017.

Figure 4: The share of generational groups who think that the gig economy is good thing for everyone in the U.S.



Sources: Statista; The Office for National Statistics (UK), 2,500 respondents, 16 years and older. Our survey among 2,400 individuals conducted June 2017.

## 5. Conclusions

A sharing economy entity supplies the infrastructure that people employ to distribute resources. The underlying forces of the sharing economy entail processes of market transformation, may encompass mechanisms of market emergence (Klierova & Kutik, 2017; Machan, 2017; Mengoli et al., 2017; Nica, 2017; Shaefer et al., 2017), and may comprise deliberate and unexpected effects of organizations' behavior. The sharing economy makes indistinct confines between production and utilization (organizations supply the infrastructure for people to access or distribute already possessed current resources), the undertakings of sharing economy entities necessitate reconsidering the dissimilarity between full employment and casual work, disregards the barrier between private and public, defies traditional markets in innovative manners, and develops swiftly throughout areas. Sharing economy entities adhere to rule-like instructions ascendant in their cultural setting, resemble widespread

requirements in their economic systems, and use manifold routines to assimilate digital platform users. (Mair & Reischauer, 2017)

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## THE IMPORTANCE OF CORPORATE IDENTITY AND ITS COMPONENTS IN CONDITIONS OF GLOBALIZATION

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**Abstract.** In today's global world, when between corporations like on national as well as international level dominates a competing customer struggle, it is very important for each company to differentiate itself in some way from the competition, to create a position on the market and to get as many potential customers as possible. The competitive struggle in the global environment is mainly due to significant and wide availability of information and the use of the global market for the purchase and sale of products from around the world, for example through e-commerce and internationalisation. In terms of corporate identity, online marketing is an important mean to compete for a customer on the global market. The corporate identity is the process of identifying a company. Tools and means through which the enterprise can be identified at global level include, among other things, corporate identity along with its components. The main reason why it is important for managers to focus on constantly building corporate identity is that it offers space and the ability to differentiate in a variety of ways from the competition. The aim of the article is to present and compare views on corporate identity based on the survey as well as to give insight into perception of corporate identity and its components in the general level of consumers from the Slovak Republic.

**Keywords:** corporate identity, corporate communication, corporate culture, corporate design

**JEL Classification:** D21, L22, M14, M31

### 1. Introduction

Corporate identity is one of the attributes that significantly affect the competitiveness of companies (Mikoláš, 2005). With regard to the corporate identity, authors state that if companies want to be able to compete on the market, it is necessary for them to adapt to customers' requirements (Kádár & Kádárová, 2010). In pursuance of theoretical knowledge and backgrounds of different authors (Black, 1994; Kiriakidou & Millward, 2000; Podnar, 2005; Melewar & Karaosmanoglu, 2006), who have addressed the issue of corporate identity, it can be said that it is important for small, medium and large companies to build and improve their corporate identity.

Corporate identity can be perceived in several ways. The first one stands in the perception of corporate identity as a way that company can improve relationships of its employees. The second one is the way the company can improve relationships with existing customers, as well as the opportunity to acquire new customers through the activities undertaken to engage and reach out potential customers. Corporate identity is also a way in which an enterprise can increase competitiveness and improve its market position. By building a corporate identity and its components, including corporate design, corporate culture, corporate communication, and corporate product or service, company can largely extent influence of the company's goodwill, thus creating the overall image of the company. (Popp et al., 2018)

## **2. Theoretical basis of corporate identity**

Managerial and marketing theory offers different views on corporate identity and its components. In the article we deal with four main components of corporate identity, including corporate design, corporate communication, corporate culture and offered product.

### **2.1 Corporate identity**

One of the earliest authors who began to deal with defining corporate identity and laid the theoretical basis for corporate identity is Black (1994). In his publication it states that corporate identity is the aggregate personification of a company derived from its philosophy, history, culture, style of management, strategy, employee behaviour and reputation. Over the next few years, many authors from around the world have begun to deal with this topic. Kiriakidou & Millward (2000) discussed the issue of corporate identity and pointing out that the interest in corporate identity as a management problem and as an academic discipline has increased significantly over the last decade. They further point out that corporate identity is perceived by most authors as a presentation of a company to differentiate itself from other companies. At present, it is important for international corporations to adapt to the conditions of globalization and to distinguish themselves from competitors not only at national, but also international, respectively global market. Podnar (2005) defined company with a successful and exemplary corporate identity as company with successful and satisfied employees with clear strategy, vision, mission, good relations, good reputation and recognition. Melewar and Karaosmanoglu (2006) see the importance of corporate identity, especially since it is now universally recognized as an effective strategic tool and can be achieved through a competitive advantage at global level. Over time, authors from around the world have begun to deal with corporate identity not only on general level but also at the level of specific businesses and industries to gain as much knowledge as possible about this issue. For example, corporate identity in healthcare is devoted to Rutits et al. (2014), whose research was aimed at assessing the importance of conceptual model for managing corporate identity in healthcare. Based on their research findings, individual professional successes along with the culture of patient care and standards are the two most important dimensions that shape the identity of any healthcare company and should be deliberately managed. Current authors dealing with corporate identity include Paliderova et al. (2015) stating that each organization has its own unique identity. In their contribution, they deal with the importance of corporate identity in the water transport company. Konečná and Bijota (2016) in their publication investigated the current situation and the importance of corporate identity for start-ups in the Czech market. In contribution, they point to the fact that the issue of corporate identity is not

only taken as part of corporate marketing but rather as a comprehensive concept of company philosophy, which is reflected in the functioning of society in a global competitive environment. Contemporary authors Eun-Mi & Hyun-Shin (2017) have in their studies reviewed the individual components of Samsung's corporate identity for 50 years and point out that corporate identity is the most powerful asset that brings the enterprise into an intangible value. Melewar & Karaosmanoglu (2006) conducted a survey of employees and managers in a leading furniture and furniture design company that companies are aware that a strong corporate identity can help attract investors, align business with the market, to motivate employees, and can serve as a mean to distinguish their products and services from competitors. Based on these findings, it can be stated that the theme of corporate identity has broad theoretical and practical scope, and its exploration offers a wide variety of pronounced conclusions that are applicable to the global marketplace with a focus on the company identification.

## **2.2 Components of corporate identity**

With regard to the components that create the corporate identity, many authors have different views on what components form corporate identity. Horňák (2007) considers corporate design, corporate communication, corporate culture, product and services as the basic elements of corporate identity. For the efficiency of building corporate identity, it is very important for companies to continually strive to improve individual components of corporate identity. With a view to individual components of corporate identity, Muratovski (2015) addressed the contemporary design and the business role. In his contribution, he points out the importance of design and states that companies are creating design teams to ensure the effectiveness of this component. In connection with enterprise design, Poliak et al. (2013) report that it usually consists of the following elements: logo, colour font of characters, symbol, slogan, or a combination of all of them. Adir et al. (2012) point out the importance of the logo as a graphic element in promoting corporate identity, furthermore, they define the logo as a symbol that enables companies to differentiate themselves from each other, it is the company's signature and represents the link between the public and society.

The second component of corporate identity is the corporate communication that Balmer (2000) looks at as a system process that should present a positive image of the company, set the ground for a strong reputation, and provides the company with a reputation for excellence. If corporate communication is properly conceived, executives who engage in corporate communication can get a competitive advantage not only on the national but also on the international market. Corporate communication is particularly important in creating a link between the corporate identity of the organization and the strategic goals set and it is possible to achieve positive reputation for the company. Corporate communication is essential to ensure that all interest groups - employees, customers, shareholders and others understand the identity of the organization, its value, and its strategy. Corporate communication based on a properly chosen mixture of communication leads to increased consumer loyalty to products and their better placement on the market. For this reason, it is also important through communication to create and build a long-lasting relationship with customers (Daniel & Anca, 2012). Corporate communication is a term that includes all the ways the organization communicates with its surroundings and with various stakeholders (Melewar & Karaosmanoglu, 2006; Alshehhi & Olah, 2017).

Another component of corporate identity is corporate culture. Hiller & Verdier (2014) deal with the research of the two-way relationship between corporate culture and market structure. They modelled the relationship of the principal business agent by assuming that managers can be socialized with corporate identity that leads them to behave more in line with corporate culture. A common view among business executives and business professionals is the idea that corporate culture is a major determinant of organization's behaviour and performance. In the process of building corporate identity, the employees and their representatives has an important role, because it can have a significant leverage on the company's financial results (Lin et al., 2018). Another important person is the company director, who fulfil a very important role because his function can also have a significant impact on firm performance (Hauser, 2018). There are currently many elements and factors that can improve and build up corporate identity. Among the means that can affect business identity belong for example corporate social responsibility (Newbert, 2018), corporate philanthropy (Mithani, 2017), corporate events (Baruch et al., 2017), corporate investment (Qi, 2017) and interactions between political forces and business environments (Hung et al., 2018). Cronqvist & Yu (2017) states that corporate social responsibility CSR includes 6 categories: community, diversity, employee relations, environment, human rights, and product. Lins et al. (2017) mention that corporate social responsibility activities are a good substitute for its social capital and they found out that high-CSR firms have higher profitability and experience higher sales growth, than other firms. With regard to the past and present definitions, it is possible to understand the corporate identity as a form of company identification (Svoboda, 2009), immediate identification of the entity externally, as well as strengthening of belonging inside company (Horáková et al., 2008). With regard to corporate identity, we can state that the various elements and factors are interconnected and all can lead to an improvement of corporate identity and to an improvement in the overall market position of a business.

### **3. Methods**

#### **3.1 Methods**

The aim of the paper is to analyse the perception of corporate identity and its components from the point of view of customers. The tool we chose for the analysis is a questionnaire survey for consumers. The aim of the questionnaire Corporate Identity, was to find out how consumers perceive corporate identity and its components in general. The questionnaire was created and distributed in electronic form via Google Form and the questionnaire survey was conducted in the period from February 2018 to March 2018. Subsequently, we have evaluated the questionnaire through descriptive statistics.

#### **3.2 Survey file**

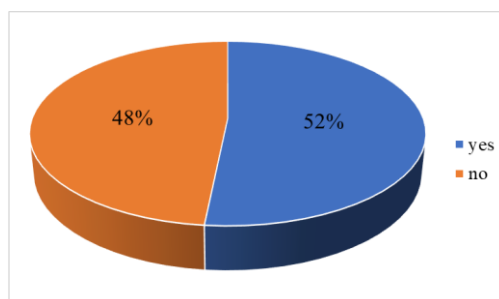
The surveyed group comprised 314 (100 %) of selected respondents from the surroundings of Žilina. The selected respondents participated in a questionnaire survey, which focused on the analysis of corporate identity perceptions. Prior to our goal, we picked answers to two questions about enterprise identity perceptions from the questionnaire. Questionnaire survey was attended by 152 women, representing 48 % of the survey population and 162 men, or 52 % of the survey file. In terms of age, respondents were divided into four groups. The first group of respondents was 42, representing 13 % of the survey population. The second group

consisted of respondents aged 21 to 30 who represented the most numerous group of respondents, namely 122, or 39 %. The third group was respondents aged between 31 and 40, of whom 88 were, and therefore 28 %. The last group consisted of respondents over 40 with number of 62, i.e. 20 %.

#### 4. Results and discussion

Regarding the question whether respondents have ever met with the very concept of corporate identity, or whether they have the knowledge and the idea of what their identity is, it has been found that knowledge of the concept of corporate identity is not as clear as it has 162 respondents, representing 52 % of the survey population. The remaining 48 %, or 152 respondents did not meet this term (Figure 1).

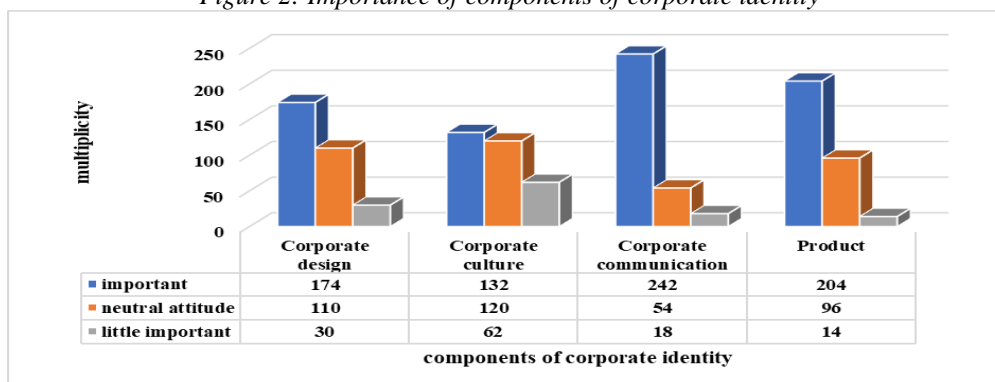
Figure 1: Knowledge about corporate identity



Source: own processed

To find out views on individual elements of corporate identity, we asked about which element of corporate identity is the most important for customers. The survey results show that corporate communication is the most important component of corporate identity. As an important element, 242 (77 %) of respondents identified it, on the other hand, the least important element is the corporate culture, which 62 (19 %) of the respondents considered to be of little importance. Corporate design has been recognized very important by 174 (55 %) respondents and the product offered, respectively service is an important component of corporate identity for 204 (65 %) respondents (Figure 2).

Figure 2: Importance of components of corporate identity



Source: own processed

The results of our survey are confirmed by the findings of Podnar (2005), where communication (84.1 %) and corporate culture (81.8 %) were identified as the most important elements of the corporate identity. Based on its findings, it is also clear that there is no generally accepted definition of corporate identity, and on a theoretical level, the



understanding is relatively homogeneous and further states that corporate identity is a combination of the characteristics of the company. Melewar and Karaosmanoglu (2006) also confirmed that there is a lack of a clear definition of corporate identity, and research has found that this problem is also reflected in the business world as many executives admit they have little knowledge of how to manage and control and define the concept of corporate identity. Regarding the importance of this issue, the current authors Eun-Mi & Hyun-Shin (2017) point out that corporate identity is the most powerful asset that gives the enterprise an intangible value. They also point out that it is the fastest way for consumers to see the vision and direction of society. Nguyen & Leblan (2001) state that in a competitive environment, corporate identity has the potential to influence customer loyalty towards the enterprise, and the results of their research show that while perceptions of corporate identity are favourable, the degree of customer loyalty tends to be higher. On the basis of these theoretical and empirical findings, it is possible to support the idea of several authors (Podnar, 2005; Melewar & Karaosmanoglu, 2006; Zorkóciová et al., 2007) that the views on the definition as well as the components of the corporate identity are different and there is no uniform definition of corporate identity, which implies a considerable need to address this issue, both at the theoretical and empirical level. Since corporate identity is a significant source of competitiveness for many of the authors (Balmer, 2000; Konečná, 2006; Melewar & Karaosmanoglu, 2006), it is necessary for corporate identity theories to become more aware of managers, employees, business owners and consumers themselves. Like the definition of corporate identity itself, the components that make up corporate identity are not entirely unified. However, the core components can be firmly embedded in corporate culture, enterprise communication, corporate design and product, respectively service, because many authors agree on this combination of components (Veber, 2000; Horňák, 2007; Vysekalová & Mikeš, 2009).

## **5. Conclusion**

Corporate identity is currently an issue that should be addressed by all companies that depend on how customers perceive customers and whose priority is to keep existing customers as well as acquiring new customers. The second reason why it is important for businesses to build their identity is that they are closely related to how employees feel in the company, what conditions they have and what the overall corporate culture is. Finally, corporate identity is an important element of competitiveness by the virtue of the fact that its components create the overall image of the business. Based on the findings, and based on research and professional literature, we conclude that the corporate identity is an important mean of identifying an enterprise as well as a tool to differentiate itself from the competition, so it is imperative for businesses to continually build and improve their identity.

## **Acknowledgment**

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## GLOBALIZATION AND TRENDS IN INTERNATIONAL TRAVEL

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**Abstract:** Globalization is a phenomenon influencing the field of tourism, offer end demand in this field. Globalization represents one of twelve megatrends, which effect tourism market elements. The article deals with development of trends in the international travel characterized according to individual authors. It mentions twelve megatrends: mutual conditioning of globalization and localization, strengthening polarization of preferences by tourist oriented on comfort and adventure, downsizing the world for travel, informational and communicational technology, the so called fast track travel, increasing predominance of buyers, destination as a fashion accessory, creating product and marketing. This is followed by the analysis of impact of globalization on demand trends in international travel. The demand is made by customers, who extremely emphasize quality, original experiences, non-traditional experiences, high comfort, and safety. Interest in cultural and sports activities, wellness or health improvement stays is sharply increasing, too. Globalization influences regions therefore the article also focuses on the trends connected to globalization in The Moravian-Silesian Region (MSR). Current trends in tourism for this region are stated in The Strategy of Directing Tourism in the MSR, in the complete version of 2015. The research from 2017-2018 was targeted on services of travel agencies. The research showed that three fifths of customers use the Internet whereas one fifth uses the sale portals. Most customers focused on active and adventurous trips; the younger ones searched for extreme experience, discovered unique places; travellers very often looked for gastronomically oriented tourism.

**Keywords:** globalization, tourism market, trends of tourism, megatrends.

**JEL Classification:** R19, Z30, Z32, Z39

### 1. Introduction

Globalizaci lze všeobecně definovat jako celosvětový proces, založený na internacionalizaci ekonomiky, tzn. propojování trhů různých zemí, především díky obchodu se zbožím a službami a volnému pohybu kapitálu. Globalizace může nabývat řadu rozměrů, jako je duchovní, bezpečnostní, politický, hospodářský, které mají vliv na vývoj trendů v cestovním ruchu. Význam cestovního ruchu v procesu globalizace specifikují Botlík & Botlíková (2016). Globalizaci lze vnímat i jako vnější faktor potenciálního rozvoje regionu (Bunghez, 2015). Globalizace je jedním z 12 megatrendů (Gúčík, 2010)<sup>1</sup>, které v cestovním

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<sup>1</sup> Podle Gúčíka dle Světové organizace CR, z r. 1998, budou ovlivňovat mezinárodní CR do roku 2020:  
1. vzájemná podmíněnost globalizace a lokalizace,

ruchu (CR) působí a ovlivňují trh. O megatrendech se zmiňuje např. Palatková (2006), Gomez (1995). Rozlišujeme 12 megatrendů: vzájemná podmíněnost globalizace a lokalizace, prohloubí se polarizace preferencí turistů, orientovaných na komfort a dobrodružství, zmenšování světa pro turismus, informační a komunikační technologie, tzv. fast track cestování, rostoucí převaha kupujícího, destinace jako módní doplněk, tvorba produktu a marketingu. Trendy z pohledu globalizace ovlivňují jak stranu poptávky, tak i stranu nabídky v cestovním ruchu. Mají dopad na motivy a trendy, které preferuje strana poptávky a jež jsou implementovány do nabídky produktů podniků cestovního ruchu. Globalizace má tedy vliv i na vnímání trendů v jednotlivých regionech, což dokladuje realizovaný výzkum.

## 2. Percepce trendů z pohledu teorie i praxe

Trendy vznikají i v oblasti CR a působí na motivaci a podněty budoucích návštěvníků k cestování, jedná se o dlouhodobé tendence vývoje regionu. Trendy v cestovním ruchu se zabývá řada autorů, např. Gardiner (2014), Claveria & Monte & Torra (2015), Sharpley, (2015), Marčeková & Malachovský (2015), Csirmaz & Peto (2015), Bowen & Whalen (2017), Stefanovová & Lednický (2015). CR přináší řadu multiplikačních efektů v regionu Bunghez (2015), Pellešová (2015) aj.

Trendy lze klasifikovat z různých hledisek, např. Goytia Prat (2000) rozlišuje poptávkové a nabídkové trendy, Nordin (2005) megatrendy a přechodnými výstřelky, Palatková (2006) megatrendy a další trendy. Z hlediska vývoje trendů se pohled autorů liší. Pasková & Zelenka (2002), uvádějí, že v kvalitativní rovině lze globální vlivy cestovního ruchu na krajinu ilustrovat pomocí trendů: jízdy terénním automobilem, motocyklem, čtyřkolovými vozítky; cestováním do vzdálenějších destinací; kratší ale častější dovolené s rostoucími nároky na dopravu; pokračující expanze výstavby špičkově vybavených lyžařských areálů s lanovkami, vleky, komplexy sjezdových tratí; rostoucí obliba exotických suvenýrů; unifikované prosazování mezinárodní kuchyně; zvyšujícím se zájmem o původně ochrannou známku světového dědictví UNESCO. Kolektiv autorů uvádí demografii, zdraví, vnímavost a vzdělání, volný čas, zkušenosti s cestováním, informační technologie, dopravu, trendy v ekonomice, udržitelný rozvoj a životní prostředí, jistotu a bezpečí, městský cestovní ruch, kongresový a incentivní cestovní ruch. Palatková (2006) prezentuje poptávkové trendy (demografické, společenské, zákaznické, technologické a technické, ekonomické, ekologické) a nabídkové trendy (konkurenční, společenské, zákaznické, technologické a technické, ekonomické, ekologické). Poptávkou v cestovním ruchu a trendy se zabývá Plesník (2015), Onder (2017). Gúčík (2010) uvádí růst významu propagace rozvoje ekologického cestovního ruchu a etiky. Trendy související s ČR pojmenovává Jakubíková (2012): demografie, kultura,

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2. informační a komunikační technologie budou ovlivňovat výběr cílového místa a distribuci produktu,
  3. důraz se bude klást na komfort, ulehčení a zrychlení cestování, a rozvoj dopravních technologií,
  4. prohloubí se polarizace preferencí turistů, orientovaných na komfort a dobrodružství,
  5. globalizace způsobí, že čím dál tím více CR se bude odehrávat na netradičních místech, zaznamená se nástup CR do blízkého vesmíru,
  6. módním se stane cílové místo,
  7. dojde k rozvoji tematicky zaměřeného produktu s 1 nebo kombinací 3 prvků: zábava, zážitek, poznávání,
  8. cílová místa se budou více zaměřovat na image, jako předpoklad své diverzifikace a expanze příležitostí,
  9. převládne snaha o získání asijského turistu,
  10. vzroste význam propagace rozvoje ekologického cestovního ruchu a etického obchodování v ČR.

sociální prostředí, životní styl, měnící se administrativní technika, telekomunikační technika, informační technologie, dopravní prostředky; dostatek volného času a atraktivního přírodního rekreačního prostoru; voluntarismus; zodpovědné cestování ve vztahu k životnímu prostředí; léčebný turismus; couch surfing; asketická dovolená; dark tourism; mladí cestovatelé; gay tourism, cestování seniorů, slow travel, singltrek - pohyb v přírodě, většinou na kolech. Kotíková (2013) zmiňují význam eventů a event marketingu pro podporu CR a současné trendy v cestovním ruchu v ČR. Palatková & Zichová (2014) uvádějí trendy v oblasti poptávky. Zdůrazňují globalizaci a chápou ji jako relativní zkracování vzdáleností mezi destinacemi, což souvisí s rozvojem dopravy a také s rozvojem informačních technologií a také ji označují jako standardizaci nabídky v globálním měřítku a vzrůstající homogenitu turistických regionů.

Trendy pojmenovávají i jednotlivé instituce, organizace. Uvedeny jsou pouze vybrané pohledy. V roce 2003 definovala Evropská komise 10 základních trendů, které ovlivní cestovní ruch v nejbližší budoucnosti. Některé trendy v CR se projevují dlouhodobě, například demografické trendy, využití komunikačních a informačních technologií. Jedná se o tyto faktory (Kotíková, 2013): demografie, zdraví, vzdělávání, volný čas, zkušenosti s cestováním, životní styl, informační technologie, doprava, udržitelný rozvoj, jistota, bezpečí. Ministerstvo pro místní rozvoj České republiky (MMR ČR, 2008) spatřuje trendy v těchto oblastech: cestovní ruch mládeže, senioři, trendy v oblasti komerčních programů a pobytů v lázních a trend zdravějšího způsobu života. OECD v publikaci OECD Tourism Trends and Policies 2016 uvádí trendy: dochází ke stárnutí populace; 23% turistů je ve věku nad 55 let; nejvíce lidé cestují do zahraničí za účelem dovolené, poté až následují služební cesty a návštěvy přátel a příbuzných; v zemích OECD vznikají nové specializované trhy - jde např. o: dovolenou pro jednotlivce, dovolenou pro seniory, dovolenou pro chudé nebo bohaté; rozvíjející výklenky zahrnují trendy, jako: extrémní zážitky, požitkářské a luxusní cestování (např. výletní turistika), hledání jedinečných zážitků, seberealizaci a poptávka po autentičnosti; cestující jsou stále více experimentální, ochotní zkoušet nové produkty, potraviny a atrakce.

TrekkSoft v Tourism Trend Report 2016 uvedla 6 trendů v globálním cestovním ruchu: pokračování síly čínského trhu, cestující, kteří se chtějí odpojit, objevování nedotčených a jedinečných míst, méně překážek v cestování, Millennials hledají dobrodružství a Staycations, nebo cestování blíže k domovu. Na rok 2017 TrekkSoft popisuje 7 trendů: Millennials, aktivní a dobrodružné výlety, dámské individuální cestování, potravinový cestovní ruch, odpovědný cestovní ruch, mobilní fotografie a práce a odpočinek.

CzechTourism řadil v roce 2017 mezi trendy: změnu ve výběru ubytování, slevové portály, hlavní komunikační nástroj pro oblast domácího cestovního ruchu používají portál [www.kudyznudy.cz](http://www.kudyznudy.cz), prodlužování léta a dovolená i mimo hlavní sezónu. Businessinfo.cz (Dostál, 2017) prezentoval Čechy a cestovatelské trendy v roce 2017, kde uváděl Bulharskou renesanci, hledání nových šampionů, doma nejlépe, památky praskají ve švech, Češi doma šetrí, umakart už nestačí.

Následuje analýza dopadů globalizace na trendy v poptávce v cestovním ruchu. Poptávku tvoří zákazníci, kteří kladou velký důraz na kvalitu, originální zážitky, netradiční zážitky, pohodlí, bezpečnost, roste zájem o kulturní aktivity, sportovní aktivity, wellness pobyty i zdravotní pobyty.

### 3. Percepce trendů v MSK a jejich výzkum

Globalizace působí rovněž na region, proto jsou zmíněny trendy spojené s globalizací působící v Moravskoslezském kraji (MSK), jež jsou zahrnuty ve Strategii cestovního ruchu v MSK, kompletní verze 2015 (Hruška, 2015):

- internet, dále pak šeptanda a osobní doporučení,
- internet jako hlavní komunikační kanál – vliv na rozhodování mají on-line recenze, webové stránky ubytovacích zařízení, turistických oblastí a turistických atrakcí,
- růst on-line prodeje individuálních produktů a služeb CR a růst počtu přímých rezervací – bez využití cestovních kancelářů,
- růst počtu turistů ve vyšším věku a mladých lidí,
- individualizace CR - růst poptávky po menších ubytovacích jednotkách, po individuálním cestování,
- dominantní roli hraje automobilová doprava,
- zkracování hlavní dovolené, větší počet krátkodobých dovolených,
- růst poptávky po mimosezónních aktivitách,
- růst požadavků návštěvníků na služby (poměr kvalita/cena), rozvoj zážitkového turismu,
- růst zájmu o aktivní dovolené, wellness produkty, lázeňské pobyty a fitness centra,
- růst poptávky po aktivitách ve volném čase a relaxaci,
- poskytování produktových balíčků, aktivní a mladí lidé si chtějí balíček poskládat sami,
- rozvoj nových forem CR, např. městský cestovní ruch, event turismus, industriální, gastronomický, zážitkový cestovní ruch, couchsurfing, geocaching,
- využívání mobilních aplikací (satelitní navigace, informační SMS, MMS pohlednice),
- brand management – klíčovým prvkem již není značka konkrétní destinace, ale značka celé lokality – města, regionu,
- sezónní návštěvnost kraje – nejvyšší návštěvnost v letní sezóně (problém sezónnosti uvádí rovněž Duro, 2018).

Návštěvnost MSK zvyšuje velký podíl kulturních, sportovních a společenských eventů, např. Dny NATO, Zlatá tretra, Colours of Ostrava, gastrofestivaly. Uvedené potvrzuje i průzkum (Gelnarová) realizovaný s 58 respondenty, který zkoumal trendy v CR v Ostravě. Nejvíce návštěvníky Ostravy zajímaly tři trendy: průmyslová turistika, kulturní turistika i zábavní turistika, kterou volila čtvrtina respondentů (25,56 %). Na dalším místě byla sportovní turistika s přibližně pětinou hlasů respondentů (21,05 %).

V rámci projektu institucionální podpory Trendy v cestovním ruchu v Moravskoslezském kraji se řešitelé zaměřili na predikci a zjišťování vývoje trendů CR v MSK, jak na straně poptávky, tak i na straně nabídky. K získání informací o postoji zákazníků ke zkoumané problematice byla využita metoda písemného dotazování, metoda analýzy, syntézy, generalizace a dedukce dalšího vývoje. Výsledkem projektu bude definování vývojových trendů, které poslouží jako doporučení směru vývoje poptávky pro podnikatelské subjekty v Moravskoslezském kraji. Výzkum byl realizovaný v roce 2017 a 2018 prostřednictvím elektronického dotazování. Vzorek respondentů byl 334 potenciálních zákazníků na straně poptávky, 55 restauračních zařízení, 24 ubytovacích podniků a 21 cestovních kancelářů a cestovních agentur (CK/CA) MSK na straně nabídky. Využita byla metoda písemného

dotazování. Realizovaná analýza poukazuje na vliv globalizačních trendů a jejich vnímání ze strany poptávky v ČR v MSK.

Z výzkumu vyplynulo, že tři pětiny zákazníků používají internet, pětina využívá nabídku slevových portálů. Nejvíce se zákazníci zaměřovali na aktivní a dobrodružné výlety, mladší vyhledávali extrémní zážitky, objevovali jedinečná místa a častý byl i gastronomický cestovní ruch. Internet umožňuje klientům ČR online rezervace, mobilní check-in, elektronický itinerář, roste využití GPS, mobilních aplikací, interaktivních map, audiovizuálních prostředků, apod. Klienti mnohdy využívají rovněž mobilní aplikace sdíleného ubytování nebo dopravních služeb jako například Airbnb, Uber, aj. Respondenti jmenovali i mobilní aplikace pro restaurace, které jim slouží k rychlejšímu odbavení, jednoduššímu placení, přináší výhodu v podobě slev a akčních nabídek. Respondenti využívají slevové portály, jako jsou např. Slevomat, Hyperslevy.cz, Pepa.cz, Zapakatel.cz, Cestuj.cz, Slevoking.cz, Skrz.cz, které jsou ČR využívány již 7 let, a v roce 2016 jich bylo aktivních celkem 40.

2018 prostřednictvím elektronického dotazování. Vzorek respondentů byl 334 potenciálních zákazníků na straně poptávky. (Pilotního průzkumu v r. 2017 se zúčastnilo 34 respondentů.) V oblasti restauračních zařízení byly otázky zaměřeny na využívání novinek v nabídce restaurací, které jsou průměrně důležité pro cca 35 % respondentů (38 % v pilotním průzkumu) a pro necelou 24,3 % (18 %) nedůležité. Novinky v nabídce často nebo někdy vyzkouší cca 57 % respondentů (68 %), vyzkoušené a stále nabídce dává přednost cca 8,5 % (15 %). Respondenti ze speciální nabídky na prvním místě volili dny cizí kuchyně, na druhém místě zvěřinové hody, na třetím místě zabíjačkové hody a další v pořadí následovaly trendové míchané nápoje, středověká krčma a o páté místo se dělily degustace vína, ochutnávky čajů a kávy, menu podle Raw food. Ve srovnání s pilotním průzkumem se liší třetí místo, které zaujímala degustace vína a o další místa se dělily zabíjačkové hody, trendové míchané nápoje a ochutnávky čajů a kávy. Nové recepty podle moderních trendů vyzkouší cca 34 % (27 %) respondentů. Dotazovaní by rádi vyzkoušeli na prvním místě snoubení jídla s vínem, exotické menu a čaj a kávu.

Další část výzkumu byla cílena na zjišťování trendů v oblasti ubytování. Respondenti by z doplňkových služeb ubytovacích zařízení uvítali na prvním místě wellness, na druhém místě modernizaci doplňkových služeb a větší péči o webovské stránky zařízení, na třetím místě nové fitness, tenis, golf, aj. Následovaly výhody pro stále zákazníky, modernizace internetu i technologií. Ve srovnání s pilotním průzkumem se za větší péči o webovské stránky umístil důraz na moderní komunikaci s klienty. Pro opakovanou návštěvu ubytovacího zařízení je pro budoucí klienty co do pořadí důležitá čistota a pořádek, profesionální vystupování, možnost rezervace po internetu, wi-fi, znalost nabídky a schopnost podat maximum informací, rychlost obsluhy, odpovídající poměr cena/kvalita, přijatelné ceny, jazykové dovednosti, kvalitní propagace nabídky na internetu a moderní vybavení.

Třetí část výzkumu byla směřována na služby CK/CA. Respondenti se o CK/CA dověděli na prvním místě z internetu (60 %), na druhém z osobního doporučení (22 %) a cca desetina z propagačních materiálů. Internet využívá pro výběr a nákup služeb CK/CA nejvíce cca 52 % respondentů, nabídku slevových portálů využívá cca pětina respondentů. Významná je preference letecké před vlastní dopravou (u pilotního průzkumu tomu bylo naopak). Respondenti se nejvíce zaměřovali na následující trendy při výběru dovolené, na prvním místě se umístilo hledání nových zážitků, o druhé se dělily aktivní a dobrodružné výlety a objevování jedinečných míst, na třetím je gastronomický CR a o čtvrté místo se dělily



poznávací turistika a cykloturistika. V pilotním průzkumu bylo pořadí následující: hledání nových zážitků, aktivní a dobrodružné výlety, hledání extrémních zážitků, objevování jedinečných míst, gastronomický cestovní ruch.

Pořadí trendů, které volí dle výzkumu budoucí zákazníci v MSK je hledání nových zážitků, aktivní a dobrodružné výlety, objevování jedinečných míst, gastronomický CR, cykloturistika, trend zdravějšího způsobu života. K trendům CR lze zařadit využívání informačních technologií. Internet je totiž nejmladším globálním informačním, komunikačním a prodejním médiem současnosti, který respondenti považovali za jeden z nejdůležitějších marketingových komunikačních nástrojů.

#### 4. Diskuse

Analýza a výzkum trendů v cestovním ruchu ve vybraném regionu slouží k identifikaci trendů z pohledu poptávky v CR a k návrhu doporučení pro podnikatelské subjekty v regionu k přizpůsobení nabídky služeb v oblasti CR, která by reagovala na trendy i z pohledu globálního. Na základě analýzy uvedených trendů z pohledu teorie i praxe a realizovaného výzkumu byly mezi nejvýznamnější trendy CR v MSK zařazeny: využití internetu a obliba slevových portálů, zájem o extrémní zážitky, aktivní a dobrodružné výlety, objevování jedinečných míst, růst zájmu o gastronomický CR a poznávací turistika, růst požadavků turistů na služby (poměr kvalita/cena), růst zážitkového, gastronomického, sportovního a event turismu, sezonní návštěvnost vícekrát ročně, zájem o aktivní dovolenou, wellness a fitness, relaxaci a lázeňské komerční produkty, vyšší zájem o vlastní dopravu. Některé z navržených trendů korespondují s vývojovými trendy uvedenými teoretiky a institucemi i organizacemi CR.

Článek poukazuje pouze na výsledky výzkumu ze strany poptávky. Aby bylo možno doporučit podnikům CR jakým trendům mají přizpůsobit nabídku produktu, bude tento výzkum komparován s výsledky výzkumu u podniků CR. Pro predikci trendů v MSK je nezbytné brát v úvahu dispozice, atraktivitu a dostupnost regionu, ale i demografické složení obyvatelstva, jakož i vnímání trendů samotnými podniky CR. Nové technologie a moderní trendy jsou součástí každodenního života zákazníků. Proto v dnešní době nestačí nabídnout pouze bezplatné internetové připojení, ale stále rostou nároky hostů na nové technologie, a to vede k nutnosti podniků investovat do nových technologií.

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## IMPACT OF GLOBALIZATION ON SELECTED LEGAL INSTITUTIONS TO SECURE COMMITMENTS IN CONDITIONS OF THE SLOVAK REPUBLIC

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**Abstract.** From the ancient Roman Empire, the principle of "pacta sunt servanda" has been preserved so far, which means that the treaties are to be fulfilled. The question of properly fulfilling the content of the contract and, consequently, ensuring that commitment has always been given adequate space. Legal Undertakings for Securing Liabilities represent, from the point of view of the applicable law, the most important and also the most effective way to protect the interests of the parties to the fulfilment of the content of the contract. However, as is clear from the legal regulation, the security institute cannot exist without the main reinsurance obligation, which is in practice a contract concluded. The securing of commitments is therefore a subsidiary body performing a security and reimbursement function. In general, they can also be characterized as sanctions for non-compliance. In practice, it is also possible to seek protection of their rights by fulfilling the obligation through the work of the court. Examined legal institutions for securing liabilities are included in the Slovak legal order both in the Civil Code and in the Commercial Code, which constitute the "lex generalis" of civil law and commercial law. The impact of globalization has not been eliminated by this institute. For this reason, the main subject of the contribution is the review of selected civil and commercial law enforcement institutions incorporated in the legal order of the Slovak Republic in the context of globalization. The subject matter of the survey is commercial law and civil law. However, it interferes with the financial management and economy of each enterprise.

**Keywords:** Globalization, Civil Code, Commercial Code, Securing Commitment

**JEL Classification:** K2, K12, K15

### 1. Introduction

Z obdobia starovekej Rímskej ríše sa nám dodnes zachovala zásada „pacta sunt servanda“ (zmluvy sa musia dodržiavať resp. plniť). Následkom nedodržania svojho záväzku bol v krajnom prípade predaj do otroctva. Následok globalizácie v období 21. storočia, tj. v čase keď sa zmluvy neplnia riadne a včas, ani v súlade s právnymi predpismi, podnikateľskou morálkou, či zásadou poctivého obchodného styku, Obchodný zákonník vo svojich ustanoveniach upravuje inštitúty zabezpečovacej povahy, ktorých úlohou je posilnenie

postavenia veriteľa a represívne pôsobiť na porušovateľa. Zabezpečovací právny inštitút nemôže existovať bez hlavného zaistovacieho záväzku, ktorým je uzavretá zmluva. Zabezpečenie záväzkov ako vedľajší právny inštitút plní dve funkcie a to zabezpečovaciú a uhradzovaciú. Keďže problematika skúmania zabezpečenia záväzkov podľa obchodného práva je na okraji záujmu právnej teórie, majú autori záujem vyplniť túto medzeru. Stanovený cieľ chceme dosiahnuť pomocou odbornej literatúry oblasti obchodného práva a občianskeho práva ako aj s využitím právnych predpisov. S využitím vybraných metód skúmania medzi ktoré patrí analýza, deskripčia, dedukcia, doktrinálny a vedecký výklad si kladieme za hlavný cieľ preskúmanie obchodnoprávnej oblasti zabezpečenia záväzkov vybranými inštitútmi. Ďalším cieľom je zistenie a odpovedanie na výskumnú otázku, či je potrebné rozšírenie obchodnoprávnej úpravy o ďalšie zabezpečovacie inštitúty.

## 2. Zmluvná pokuta

Zmluvná pokuta je odbornou literatúrou (Kubíček et al., 2006) považovaná za najúčinnnejší spôsob zabezpečenia záväzku. Ako následok nedodržania záväzku vyplýva priamo zo zákona, avšak iba vtedy, ak si ju strany dojednávajú pre prípad porušenia zmluvnej povinnosti. V takom prípade je účastník, ktorý túto povinnosť poruší, zaviazaný pokutu zaplatiť, aj keď oprávnenému účastníkovi porušením povinnosti nevznikne škoda. Dohoda o zmluvnej pokute vyžaduje písomnú formu a v dojednaní o nej musí byť určená jej výška, alebo musí byť určený spôsob jej určenia. Ďalej platí, že ustanovenia o zmluvnej pokute sa použijú aj na pokutu určenú pre porušenie zmluvnej povinnosti právnym predpisom (penále). Ako ďalej uvádza Fekete, nedodržanie písomnej formy má za následok neplatnosť dohody o zmluvnej pokute.

Samotná úhrada zmluvnej pokuty neznamena, že dlžník už nemusí splniť svoj záväzok, pretože ak z dojednávania o zmluvnej pokute nevyplýva niečo iné, je dlžník zaviazaný plniť povinnosť, ktorej splnenie bolo zabezpečené zmluvnou pokutou aj po jej zaplatení. Veriteľ však už nie je oprávnený požadovať náhradu škody spôsobenú porušením povinnosti, na ktorú sa vzťahuje zmluvná pokuta, ak z dohody účastníkov o zmluvnej pokute nevyplýva niečo iné. Je oprávnený sa domáhať náhrady škody presahujúcej zmluvnú pokutu len za predpokladu, že je to medzi účastníkmi dohodnuté. Osobitosť občianskoprávnej úpravy je v tom, že ak z dohody o zmluvnej pokute nevyplýva niečo iné, nie je dlžník povinný zmluvnú pokutu zaplatiť, ak porušenie povinnosti nezavinil.

Čunderlík a kol. poukazuje na ustanovenie § 545a Občianskeho zákonníka umožňujúce súdu neprimerane vysokú zmluvnú pokutu znížiť s prihliadnutím na hodnotu a význam zabezpečovanej povinnosti. Ak veriteľ nie je oprávnený požadovať náhradu škody, spôsobenú porušením povinnosti, na ktorú sa zmluvná pokuta vzťahuje, súd musí prihliadnuť však aj na výšku škody, ktorá porušením povinnosti vznikla a tiež na to, o koľko zmluvná pokuta presahuje rozsah vzniknutej škody, čím sa zabraňuje zbytočnému zvýhodňovaniu veriteľa (Čunderlík et al., 2017).

Všeobecná právna úprava zmluvnej pokuty je obsiahnutá v ustanoveniach § 544 až § 545a Občianskeho zákonníka a na ňu nadväzuje úprava v Obchodnom zákonníku s odchýlkou v § 545 odsek 3 Občianskeho zákonníka, podľa ktorého ak z dohody nevyplýva niečo iné, nie je dlžník povinný zaplatiť zmluvnú pokutu, ak porušenie práva nezavinil. Obchodný zákonník v ustanovení § 300 upravuje zásadu objektívnej zodpovednosti, t. j. vylučuje možnosť

oslobodenia sa (tzv. liberácia) od tejto povinnosti slovami „Okolnosti vylučujúce zodpovednosť (§ 374) nemajú vplyv na povinnosť platiť zmluvnú pokutu.“ Toto ustanovenie je však dispozitívneho charakteru a strany ho môžu dohodou vylúčiť, najmä pre prípady, keď zodpovednosť za porušenie záväzku bude mať na svedomí tretia osoba, napr. prepravca (Ovečková et al., 2017).

Podstatou zmluvnej pokuty je stranami písomne dohodnuté určité plnenie pre prípad porušenia zmluvne zabezpečenej povinnosti. Zistili sme, že zo zákona vyplývajú osobitné podmienky vzniku nároku na zmluvnú pokutu:

1. vzniká len na základe dohody zmluvných strán,
2. dohoda strán musí mať písomnú formu, inak nárok na zmluvnú pokutu nevznikne,
3. závisí od hlavného záväzku, ktorý zabezpečuje (zmluva o dielo, kúpna zmluva, a pod.),
4. má donucovací a sankčný charakter, t. j. nesplnením povinnosti vzniká nárok na pokutu, čím je porušovateľ práva potrestaný,
5. nevyžaduje spôsobenie škody a jej následné preukázanie.

Pri vzniku škody plní zmluvná pokuta aj reparačnú funkciu, pretože v tomto prípade poškodený nemá právo na náhradu škody spôsobenej porušením povinnosti, na ktorú sa vzťahuje zmluvná pokuta, okrem prípadu ak z dohody účastníkov o zmluvnej pokute nevyplýva niečo iné. Gregušová a kol. ďalej tvrdia, že ak škoda presiahne výšku zmluvnej pokuty, je dotknutá strana oprávnená domáhať sa náhrady škody presahujúcej zmluvnú pokutu len v tom prípade, keď je to medzi účastníkmi dohodnuté (Gregušová et al., 2016).

Moderačné právo (*ius moderandi*) obsiahnuté u ustanovení § 301 Obchodného zákonníka umožňuje súdu znížiť neprimerane vysokú zmluvnú pokutu s prihliadnutím na hodnotu a význam zabezpečovanej povinnosti, a to až do výšky škody, ktorá vznikla do doby súdneho rozhodnutia porušením zmluvnej povinnosti, na ktorú sa vzťahuje zmluvná pokuta. Ak však vznikne po rozhodnutí súdu o znížení zmluvnej pokuty ďalšia škoda, niektorí autori (Števček & Ivančo, 2017) uvádzajú, že poškodenému ostáva zachované právo na náhradu škody; v tomto prípade sa postupuje podľa § 373 až § 386 Obchodného zákonníka, ktoré umožňujú povinnému sa brániť liberačnými dôvodmi. Pri posudzovaní primeranosti výšky zmluvnej pokuty súd prihliada na hodnotu a význam zabezpečovanej povinnosti.

### 3. Ručenie

Ručenie ako ďalšia z foriem zabezpečenia záväzku je samostatne a ucelene upravené v Obchodnom zákonníku, takže nie je potrebné odkazovať na úpravu podľa Občianskeho zákonníka (Nováčková et al., 2017). Právny pomer medzi veriteľom a dlžníkom vzniká jednoznačným písomným vyhlásením ručiteľa adresovaný veriteľovi, v ktorom sa ručiteľ zaviazal veriteľovi, že uspokojí jeho nárok zo záväzku dlžníka, ak ho tento nesplní. Okrem písomnej formy musí vyhlásenie obsahovať presné určenie dlžníka, veriteľa, ručiteľa ako aj záväzok, o ktorý ide. Pre prípad postúpenia pohľadávky z veriteľa na inú osobu môže byť ručenie viazané len na konkrétneho veriteľa (Mittelman et al., 2017).

Z ustanovenia § 304 Obchodného zákonníka vyplýva, že ručením možno zabezpečiť len platný záväzok, t. j. taký, pri vzniku ktorého boli splnené všetky zákonom požadované formálne i obsahové náležitosti. Ak ručiteľ v čase svojho písomného vyhlásenia o splnení záväzku veriteľovi vedel, že dlžník bol nespôsobilý prevziať na seba záväzok (napr.

nedostatok veku, duševná choroba), nemôže sa následne pri plnení domáhať určenia neplatnosti svojho vyhlásenia. Niektorí autori (Polišenská et al., 2016) upozorňujú na to, že okrem práva na plnenie zákon zaviedol i informačnú povinnosť veriteľa spočívajúcu v jeho povinnosti kedykoľvek poskytnúť ručiteľovi informáciu o výške svojej zabezpečenej pohľadávky. Túto povinnosť môžu strany dohodou upraviť, napr. určením sankcie za nedodržanie oznamovacej povinnosti, resp. úplne ju vylúčiť. Veriteľ je podľa súdnej praxe oprávnený domáhať sa splnenia záväzku od ručiteľa len v prípade, ak dlžník nesplnil svoj splatný záväzok v primeranej dobe po tom, čo ho na to veriteľ písomne vyzval (Treľová & Olšavský, 2017).

V prípade splnenia záväzku dlžníka ručiteľom má v zmysle § 308 Obchodného zákonníka ručiteľ voči dlžníkovi postavenie veriteľa a dlžník je povinný mu uhradiť to, čo za neho plnil. Takisto má právo požadovať od pôvodného veriteľa všetky doklady a pomôcky, ktoré má k dispozícii a ktoré sú potrebné na uplatnenie nároku voči dlžníkovi vo všeobecnej štvorročnej premlčacej dobe. Zákon počíta aj so situáciou, ak ručiteľ uspokojí pohľadávku veriteľa bez vedomia dlžníka a preto dáva dlžníkovi možnosť uplatniť voči ručiteľovi všetky námietky, ktoré by mohol uplatniť voči veriteľovi, napr. námietku premlčania. Po informovaní dlžníka o splnení jeho záväzku ručiteľom je dlžník povinný oznámiť mu všetky námietky, ktoré mohol uplatniť voči veriteľovi bez zbytočného odkladu po oznámení, inak stráca právo ich uplatniť voči ručiteľovi, aj keby mali za následok úplné zbavenie dlhu.

#### **4. Banková záruka**

Banková záruka má podobnú funkciu ako ručenie avšak s určitými špecifickými znakmi. Bankovú záruku môže poskytnúť iba banka (Strážovská & Ďuriš, 2017). V zmysle zákona je banka právnická osoba so sídlom na území Slovenskej republiky založená ako akciová spoločnosť, ktorá prijíma vklady a poskytuje úvery a ktorá má na výkon týchto činností udelené bankové povolenie.

*Banková záruka je jednostranný právny úkon, ktorý vzniká písomným vyhlásením banky (ručiteľa) v záručnej listine, že uspokojí veriteľa do výšky určitej peňažnej sumy podľa obsahu záručnej listiny, ak dlžník nesplní určitý záväzok, alebo sa splnia iné podmienky určené v záručnej listine.* Ak je bankovou zárukou zabezpečená nepeňažná pohľadávka (napr. zhotoviť dielo), platí vyvrátiteľná domnienka, že nárok veriteľa je zabezpečený do výšky sumy určenej v záručnej listine, na ktorú by mal veriteľ voči dlžníkovi nárok v prípade, ak by dlžník porušil záväzok, ktorého plnenie je zabezpečené bankovou zárukou. Dispozitívne ustanovenie § 315 odsek 1 Obchodného zákonníka umožňuje, aby bankovú záruku potvrdila i iná banka. Následne môže veriteľ uplatniť nároky z bankovej záruky voči ktorejkoľvek z týchto bánk. Po poskytnutí plnenia potvrdzujúcou bankou jej vzniká právo na plnenie voči banke, ktorá ju o potvrdenie bankovej záruky požiadala, čím nastáva vyporiadanie medzi bankami tak, ako medzi ručiteľom a dlžníkom. Okrem možnosti poskytnutia bankovej záruky zákon upravuje možnosť banky len oznámiť, že iná banka poskytne záruku. V takomto prípade nevzniká oznamujúcej banke povinnosť veriteľovi plniť, zodpovedá však za škodu spôsobenú v prípade nesprávneho svojho oznámenia.

Prípád nesplnenej časti záväzku dlžníkom rieši § 316 odsek 2 Obchodného zákonníka, podľa ktorého čiastočné splnenie nemá vplyv na výšku bankovej záruky len za predpokladu, ak zostávajúca časť záväzku je vyššia alebo rovnaká ako suma uvedená v záručnej listine. To

podľa niektorých autorov (Vilčeková & Štarchoň, 2017) znamená, že ručenie z bankovej záruky nezaniká pred zánikom samotného záväzku. Ak chce banka uplatniť námietky voči veriteľovi, musí byť toto právo uvedené v záručnej listine spolu s námietkami, v opačnom prípade je banka povinná plniť na výzvu veriteľa.

Banka môže plniť svoj záväzok z bankovej záruky, len ak ju na to písomne vyzval veriteľ. Ak je plnenie banky z bankovej záruky podmienené v záručnej listine predložením určitých dokumentov, je nevyhnutné predložiť tieto dokumenty spolu s výzvou na plnenie. Ako ďalej uvádza odborná literatúra (Gregušová et al., 2016) neskorším doložením dokladov sa veriteľ môže dostať do omeškania. Banka poskytne peňažné plnenie oprávnenej osobe buď v hotovosti alebo prevodom na bankový účet, ktorý môže byť aj v inej banke.

Pri časovo obmedzenej bankovej záruke je povinnosťou veriteľa počas doby jej platnosti písomne oznámiť banke svoje nároky, pretože banková záruka márnym uplynutím jej platnosti zanikne a veriteľ nemôže požadovať plnenie od banky ale len od dlžníka. Zo zmluvy o bankovej záruke uzavretej medzi bankou a dlžníkom po splnení bankovej záruky v súlade s obsahom zmluvy o bankovej záruke vyplýva pre dlžníka povinnosť zaplatiť banke to, čo banka plnila podľa svojej povinnosti zo záručnej listiny vystavenej v súlade so zmluvou, uzavretou s dlžníkom. V prípade, ak by banka plnila v rozpore s obsahom zmluvy, napr. by nedodržala zmluvné podmienky a plnila by bez predloženia dohodnutých dokladov, nemala by právo na následnú náhradu od dlžníka. Z obsahu právnej úpravy bankovej záruky vyplýva, že dlžník nemôže voči banke uplatniť námietky, ktoré by mohol uplatniť voči veriteľovi, ak zmluva o bankovej záruke uzavretá medzi ním a bankou neobsahovala povinnosť banky zahrnúť do záručnej listiny uplatnenie týchto námietok voči veriteľovi.

## 5. Uznanie záväzku

Právny poriadok SR upravuje zabezpečovací inštitút uznanie záväzku nielen v § 323 odsek 1 až 3 Obchodného zákonníka, ale aj v § 558 Občianskeho zákonníka. Ucelenosť obchodnoprávnej úpravy v tomto prípade znamená, že ustanovenia Občianskeho zákonníka sa v takomto prípade nepoužije ani len podporne.

Uznanie záväzku je jednostranný právny úkon dlžníka, urobený v písomnej forme a je adresovaný veriteľovi. Podmienka písomnej formy nemusí byť dodržaná len v prípade, ak dlžník konkludentne (mlčky) uzná svoj záväzok spôsobom platenia úrokov alebo čiastočného plnenia svojho záväzku voči veriteľovi tak, ako to vyplýva z § 407 odsek 2 a 3 Obchodného zákonníka. Na rozdiel od Občianskeho zákonníka, ktorý vyžaduje uznanie záväzku čo do dôvodu a výšky, Obchodný zákonník predpisuje iba určenie výšky záväzku bez ďalšej špecifikácie. Právna úprava tak umožňuje uznať nielen peňažný, ale aj nepeňažný záväzok, ktorý v čase uznania musí existovať. Uznanie záväzku znamená vznik vyvrátiteľnej právnej domnienky o tom, že záväzok v čase trvania existoval, t. j. nezanikol iným spôsobom prv, napr. splnením, a trvá v ustanovenom rozsahu.

Podľa právnych teoretikov (Mamojka & Müllerová, 2016) Obchodný zákonník nezakazuje uznanie premlčanej pohľadávky a na rozdiel od Občianskeho zákonníka nepožaduje aby ten, kto dlh uznal, vedel o jeho premlčaní. Ďalším dôsledkom uznania záväzku je začiatok plynutia novej všeobecnej štvorročnej premlčacej doby. Ak sa uznanie týka iba časti záväzku, plynú nová premlčacia doba ohľadne tejto časti. Rozdiel medzi Občianskym zákonníkom a Obchodným zákonníkom je podľa odbornej literatúry (Kočíšová & Stoličná, 2014) aj v



potrebe súčinnosti ručiteľa. Obchodný zákonník nevyžaduje súhlas ručiteľa s uznaním záväzku a tento úkon má za následok plynutie novej štvorročnej premlčacej doby aj voči ručiteľovi a to počnúc okamihom uznania záväzku. Premlčanie ako právny inštitút je prvotne upravený v ustanovení § 100 až § 114 Občianskeho zákonníka ale bez zákonnej definície. Tento nedostatok bol odstránený až prijatím Obchodného zákonníka v roku 1991, ktorý v § 388 odsek 1 premlčanie definuje ako kvalifikované plynutie času, čo znamená, že „premlčaním právo na plnenie povinnosti druhej strany nezaniká, nemôže ho však priznať alebo uznať súd, ak povinná osoba namietne premlčanie po uplynutí premlčacej doby.“ To znamená, že premlčané právo ďalej trvá ako tzv. naturálne právo a jemu zodpovedajúca povinnosť sa mení na naturálnu obligáciu. Obligatio naturalis v rímskom práve znamenal dlh, ktorý nie je zabezpečený ručením a preto má iba obmedzené právne účinky. To znamená, že nebol žalovateľný a jeho plnenie nebolo možné vynútiť štátnou autoritou, ale poskytnuté plnenie už nemožno žiadať späť. V tejto súvislosti treba poukázať na to, že v rozvinutom rímskom práve naturálne obligácie predstavovali akýsi prechod medzi civilnými obligáciami s plnými právnymi účinkami a rýdzo morálnymi záväzkami stojacimi celkom mimo oblasti práva. Súd je zo zákona povinný na vznesenú námietku premlčania prihliadať a ak je právne opodstatnená, premlčané právo nemôže priznať súd na rozdiel od preklúzie, neprihliada na premlčanie z úradnej povinnosti (ex offio) a ani ho z úradnej povinnosti neskúma (Saxunová et al., 2017). Ak dlžník neuplatní námietku premlčania, súd veriteľovi jeho právo prizná. Zásadne sa premlčujú všetky práva, okrem tých, ktoré sú uvedené v zákone. Právna úprava premlčania má kogentnú povahu, t. j. odklon (exces) od nej je neprípustný a sankcionovaný/postihnutý vadou absolútnej neplatnosti právneho úkonu.

Podstatou inštitútu premlčania je podľa Wojčáka a Barátha pôsobiť na subjekty občianskoprávných vzťahov, aby v primeraných dobách uplatnili na súde svoje práva (nároky) a zároveň zabránili tomu, aby povinné osoby neboli po časovo neprimeranej dobe nútené splniť si svoje povinnosti (Wojčák & Baráth, 2017). Inštitút premlčania tým zabraňuje dlhodobému trvaniu práv a im zodpovedajúcim povinnostiam. Ak uplynula zákonom ustanovená premlčacia doba a oprávnená osoba v nej určitým spôsobom na príslušnom orgáne svoje právo nevykonala, oprávnenej osobe vzniká povinnosť vzniesť námietku premlčania a tak spôsobiť stav, že sa oprávnená osoba nemôže s úspechom domáhať svojho práva na súde. Dôvodné vznesenie námietky premlčania voči uplatnenej pohľadávke nemožno podľa Najvyššieho súdu SR sp. zn. 1Cdo 148/2004 pokladať za konanie, ktoré je v rozpore s dobrými mravmi (Ovečková et al., 2017).

Obchodný zákonník obsahuje ucelenú právnu úpravu premlčania a preto sa ustanovenia Občianskeho zákonníka nepoužívajú. Úvodné ustanovenie § 387 Obchodného zákonníka upravujúce predmet premlčania hovorí, že „právo sa premlčí uplynutím premlčacej doby ustanovenej zákonom“ a premlčaniu podliehajú všetky práva zo záväzkových vzťahov s výnimkou práva vypovedať zmluvu uzavretú na dobu neurčitú. Ako už bolo uvedené, účinky premlčania spočívajú v tom, že premlčaním právo na plnenie povinnosti druhej strany nezaniká, nemôže ho však priznať alebo uznať súd, ak povinná osoba namietne premlčanie po uplynutí premlčacej doby. V tejto súvislosti však treba poukazujeme na nasledujúci odsek, podľa ktorého aj po uplynutí premlčacej doby môže však oprávnená strana uplatniť svoje právo pri obrane alebo pri započítaní, ak:

1. obe práva sa vzťahujú na tú istú zmluvu alebo na niekoľké zmluvy uzavreté na základe jedného rokovania alebo niekoľkých súvisiacich rokovaní, alebo

2. právo sa mohlo použiť kedykoľvek pred uplynutím premlčacej doby na započítanie voči nároku uplatnenému druhou stranou.

Odborná literatúra (Čunderlík at al., 2017) však zdôrazňuje, že v prípade, keď dlžník splnil svoj záväzok po uplynutí premlčacej doby, nie je oprávnený požadovať vrátenie toho, čo plnil, aj keď nevedel v čase plnenia, že premlčacia doba už uplynula. Ak sa premlčí právo uskutočniť právny úkon, účinky tohto právneho úkonu nenastanú voči osobe, ktorá namietne premlčanie. To v praxi znamená, že osoba, voči ktorej sa môže právny úkon uskutočniť, má právo po uplynutí premlčacej doby vzniesť námietku premlčania a tak odvrátiť účinky právneho úkonu, na uskutočnenie ktorého bolo právo premlčané.

## 6. Conclusion

Život podnikateľa je najmä v dôsledku globalizácie plný stresu spôsobený najmä obavami o to, či príde k úhrade jeho pohľadávok zo strany dlžníkov. Pre prípad, ktorý patrí k prozaickému podnikateľskému životu, t. j. že sa zmluvy neplnia riadne a včas a v súlade nielen s právom, ale aj s istou podnikateľskou morálkou, sme zistili, že Obchodný zákonník upravuje viaceré vyššie uvedenú skúmané zabezpečovacie inštitúty, ktorých podstatou je posilnenie postavenia veriteľa a ktoré majú represívnu funkciu zo strany niektorého zmluvného partnera. Sme presvedčení, že skúmané zabezpečovacie inštitúty sú svojou podstatou dostatočné a nie je potrebná ďalšia právna úprava. Záverom je však potrebné poukázať aj na ďalšie možnosti. Napríklad zákon o notároch a notárskej činnosti umožňuje ešte posilniť postavenie veriteľa. Uznať záväzok možno nielen písomne, ale aj pred notárom, ktorý o takomto úkone spíše notársku zápisnicu o uznaní dlhu, ktorá má rovnaké účinky ako právoplatný rozsudok súdu, ktorým sa určuje dlžníkovi povinnosť plniť. To v praxi znamená, že ak dlžník neplní, môže sa veriteľ priamo obrátiť na súdneho exekútora, aby vymohol jeho pohľadávku od veriteľa. Ďalší pravdepodobne najúčinnější zabezpečovací právny inštitút, ktorý však nie je predmetom skúmania tohto príspevku je upravený z Občianskom zákonníku. Ide o záložné právo k veciam hnutelným alebo nehnuteľným, ktoré umožňuje veriteľovi uspokojiť svoju pohľadávku predajom zálohu a tak sa vyhnúť prípadným obštrukciám zo strany dlžníka.

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# TRAFFICKING IN HUMAN BEINGS IN THE ERA OF GLOBALIZATION

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**Abstract.** In parallel with the rise in globalization, over the last few decades, human trafficking has been rapidly increasing. Criminal organizations manage to benefit from strengthened links between states in the global economy and the opportunities for cross-border travel. In the global era, the increasing visibility of inequalities between developed and developing countries makes citizens aspiring for a better life more vulnerable to traffickers. The insatiable demand for “3D” workers – those willing to perform dirty, dangerous, and demeaning work in the developed world – creates a market for human beings, taking on the form of modern-day slavery and enabling organized crime to profit on the wayside of globalization: studies indicate that over 20 million people in the world suffer as victims of human trafficking, and the International Labor Organization calculates that the annual profit from modern-day slavery is equivalent to 150 billion dollars. The purpose of this article is to explore the relationship between globalization and human trafficking. The article draws upon desk research, analysis of documents and data from publications on the topic. The main findings are that human trafficking is not simply the result of criminal actions, but is in fact a socio-economic consequence of many factors and conditions with much deeper structural dimensions.

**Keywords:** human trafficking, modern-day slavery, exploitation, globalization, law

**JEL Classification:** F22, F52, J46, K14, K38

## 1. Introduction

The process of globalization causes a variety of significant socio-economic consequences – both positive and negative. Numerous aspects of these were discussed at the conference on “Globalization and its Socio-economic Consequences 2018,” organized by the University of Zilina. The conference proceedings offer great insights for understanding the consequences of globalization in depth. This paper focuses on yet another possible effect of globalization: the crime of human trafficking, one that is rapidly expanding in the globalized era. Human trafficking is a global phenomenon impacting all countries around the world, either as primarily a source of victims, a country of transit, or a final destination for the exploitation of trafficking victims.

Human trafficking is often defined as the modern form of slavery. Having existed across centuries and civilizations, it is not until the 19<sup>th</sup> and 20<sup>th</sup> centuries that slavery sees a reduction worldwide. But by the end of the 20<sup>th</sup> century, in parallel with the processes of globalization, human trafficking is on the rise, reminiscent of slavery in a new form. According to Kara, “slavery is a global business that thrives on the callous exploitation of the

labor activity of a vast and highly vulnerable subclass of people whose brutalization is tacitly accepted by every participant in the global economy, from corporations to consumers” (Kara, 2017, p. 1).

Is there a connection between globalization and the rise of human trafficking? Is it viable to think of human trafficking as a socio-economic consequence of globalization? The present paper analyzes documents and literature in an attempt to answer these questions.

## **2. The global crime of human trafficking**

Human trafficking represents a serious transnational security threat, but also a significant challenge to human rights and the rule of law (Mattar, 2009; Padron, 2017; Vreja, 2005). This crime is a humanitarian problem of global scale (Mahmoud & Trebesh, 2010). Human trafficking inflicts a severe violation of human rights, denies people their right to freedom of movement, forces them into conditions of physical and psychological abuse, fear and insecurity, inhumane and dangerous working and living conditions, and often prevents victims from accessing healthcare and leaves them in social isolation. Equally detrimental are its broader impacts on society – separating families, distorting global markets, undermining the rule of law and consolidating international organized crime networks (U.S. State Department, 2016).

Assessments of the scale of the criminal activity vary. Estimates range between just over 20 million (US State Department, 2016) and nearly 40 million people (Walk Free Foundation, 2018) living under the conditions of slavery worldwide. Whichever number is assumed to be most accurate, the estimates demonstrate the disturbing magnitude of the problem (Vreja, 2005). Other studies (Kara, 2009) show that in 2006, there are 28.4 million people in the world being exploited under conditions of slavery generating 91.2 billion dollars of criminal profits that year. For 2012, the number jumps to 96.5 billion. The International Labor Organization puts the estimate even higher, calculating that the annual profit from modern-day slavery is equivalent to 150 billion dollars, of which approximately 99 billion are generated from sexual exploitation, and 51 billion from various forms of labor exploitation (ILO, 2014).

The dangerous expansion of this phenomenon quickly gains the attention of global institutions, which have enacted a number of measures to restrict it. A key step in this direction is the UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, known as one of the Palermo protocols, an international agreement drafted through negotiations between more than 100 governments. Adopted in November 2000 as a supplement to the UN Convention against Transnational Organized Crime, the protocol guarantees the adoption of adequate measures for combatting human trafficking in countries around the world and supports transnational cooperation for the prevention of such crimes. Article 3 (a) of the protocol provides an internationally adopted and legally binding definition, stating: “Trafficking in persons shall mean the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or

other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs” (UN General Assembly, 2000, p. 2). The definition identifies three interconnected elements of human trafficking: specific actions; resources used to take those actions, and the aim of exploitation. The Protocol explicitly takes into consideration that the use of coercion or deception is not required for trafficking of children (persons under eighteen years of age).

Human trafficking is a crime against persons based on the victims’ exploitation. This is an important distinction from human smuggling, which is a crime against the government based on the illegal transportation of persons across state borders.

### **3. Causes for the expansion of human trafficking in the era of globalization**

The causes for the rise of human trafficking can be divided into pull factors that attract people to look for better life opportunities abroad and push factors in the country of origin that force them to leave their home. Push factors include: poor living conditions, poverty, limited employment opportunities, discrimination and conditions that inhibit individual growth, armed conflict in the region, natural disasters, political and economic crises, and others. Pull factors include: better living conditions, higher wages and a higher quality of life, employment opportunities, potential for individual growth, security, better infrastructure, and others.

These factors describe the increasing inequalities between separate countries in the era of globalization. Bales (2004) observes that the globalization of the economy and the modernization of the agricultural sector deprives enormous amounts of people from their source of income. Rao and Presenti (2012) show, that the human trafficking is more likely in countries with lower income per capita and with higher gender pay gap. Advances in communication allow for information about life in richer countries to circulate in poorer countries, where it influences perceptions. Naim (2006) describes a booming new industry based on thousands of people’s aspirations for a better life abroad and the barriers to it put up by the state. Naim supports the argument that the supply side of this industry grows out of the extreme economic and demographic inequalities caused by globalization, along with the feminization of poverty and the marginalization of many impoverished regions and communities. Access to information about the opportunities available to those living in the developed world, the feeling of stagnation, and the ease of exchange with friends who are living abroad all encourage people to attempt to start a new life outside their home country.

Kaye (2003) makes the important observation that the aging population of some developed countries requires them to actively seek new labor force. Yet according to Kaye, many governments do not acknowledge their country’s economic dependence on immigrant labor, and therefore enforce immigration limits. This in turn leads to an increase in illegal immigration. Thus, it becomes clear that not only the supply, but also the demand for people is increasing due to the cheaper labor, goods and services offered by migrants. This is primarily a demand for so-called “3D” workers – those willing to perform dirty, dangerous, and demeaning jobs that the citizens of the developed countries are not willing to do (Shelley, 2014).

Effectively, the private sector’s constant and now global demand for cheap labor creates a market for the sale of human beings, allowing for human trafficking to generate enormous

profits (Wheaton et al., 2010). Organized crime takes advantage of these conditions and moves in to traffic, sell, and exploit people. “This is the new slavery, which focuses on big profits and cheap lives. It is not about owning people in the traditional sense of the old slavery, but about controlling them completely. People become completely disposable tools for making money” (Bales, 2004, p. 4). Shelley (2010) describes human trafficking as the fastest-growing form of organized crime, having adapted to the market conditions in a globalized world. We see in effect that “one of the reasons for which slavery has resisted until nowadays is because it has changed its form, adapting to the new social and political requirements” (Stefanoaia, 2015, p. 505).

In a break from the past, modern-day slavery often begins voluntarily. Traffickers are less and less frequently resorting to violence in order to coerce victims into working for them (Petrunov, 2014). Instead, they rely on promises of a better life and a higher income, creating an illusion of opportunities for achieving the dream of a better life. A study reveals, for example, that a main reason for joining and staying in the sex industry is the relatively large amount of money that prostitutes are able to earn compared to the amount they would earn if they stayed in their home country (Kligman & Limoncelli, 2005). Other experts on human trafficking observe the transformation that “our times are characterized by the reframing of social life according to the logic of profit, the contraction of collective forms of solidarity, the withdrawal of the state and, particularly in the global North, the dismantling of the welfare state. They are also characterized by a humanitarian representation of the growing inequality...” (Andrijasevic & N Mai, 2016, p. 2). Thus, most often today individuals walk into the exploitation trap alone, forced by their social and economic situation and led by their hopes for a new and better life. What follows is a life and labor utterly different from what was described to them.

#### **4. Conclusion**

The era of globalization is characterized by a range of trends towards improving the lives of a great proportion of the world’s population – the rapid development of transport and communication technologies, the formation of transnational networks, the emergence of global markets, the upsurge in trade, and the movement of goods, services, capital and people. Alongside these trends, however, we also see the rise and development of negative phenomena, as is the case with the crime of human trafficking. Some researchers (Peksen et al., 2017) have shown that economic liberalization in general significantly increases the likelihood of human trafficking. Others (Jiang & LaFree, 2017) reveal a relationship between levels of trade openness and human trafficking. Indeed, many of the factors that precipitate the development of human trafficking today are influenced by the processes of globalization. We are faced with the reality that “for this global phenomenon, solutions can only be thought of globally,” as Maxim & Opaschi (2015) write. Yet, the attempts at solving this problem must not focus their impact on the traffickers only. It is exceedingly important that they also be directed at deeper structural questions and their socio-economic dimensions like poverty, unemployment, inequality, and social and economic crises. As Quirk (2006) insists, there is still much work to be done in the fight against modern-day slavery. However, rather than dramatic legislative efforts, the necessary changes will require gradual improvements and concentrated efforts, for which the role of informed policies is especially critical.

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## FACTORS OF TRADING ENTERPRISE FUNDAMENTAL VALUE CREATION IN CONDITIONS OF GLOBALIZATION

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**Abstract.** The problem of ensuring the growth of value is the key among other problems that ensure the existence and development of the enterprise in the long term. One of the effective areas of management is value management of the company - "Value Based Management" (VBM), the main difference of which is the orientation on the quality of management and development of the enterprise, as well as satisfaction of the requirements of the owners and stakeholders of the enterprise. Despite the fact that modern trading enterprises have a significant volume of non-current assets, the main contour of creating value for them remains operational activity, however, the growth of competition due to globalization and the growth of innovative activity requires from trading enterprises to find new levers for creating value. The article shows that for trade enterprises the key factors of sustainable development will be the factors that are associated with the creation of value in the process of operating, investment and financial activities of a trading enterprise. A special place is occupied by the cost of dynamic flexibility, which can be estimated as an additional cost, which characterizes the corporate ability to adapt to changes in the external environment. The article considers the indicators that reflect the creation of a fundamental value in various areas of the enterprise. The schemes of dynamic consistency and orderliness of these indicators at various stages of the enterprise life cycle are offered.

**Keywords:** globalization, Value Based Management, life cycle of an enterprise

**JEL Classification:** D24, F61, F65, G12, G32

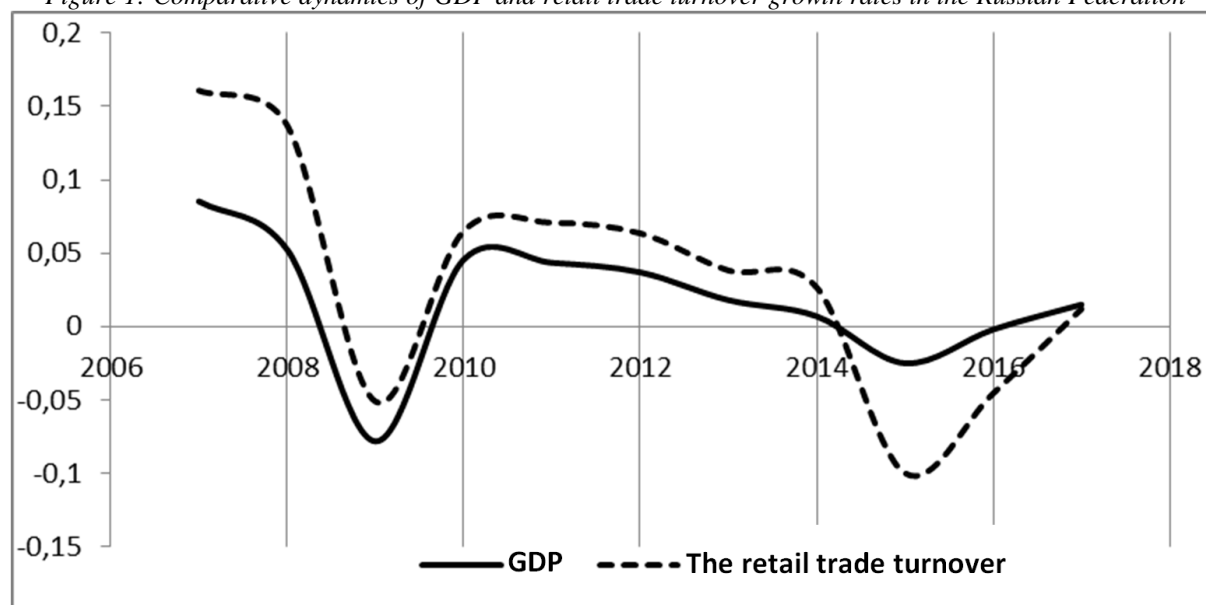
### 1. Introduction

The growing globalization of the economy is manifested in a sharp increase in the scale and pace of capital movements, outpacing the growth of international trade in comparison with GDP growth, the emergence of around the clock working in real time global financial markets (Broner & Ventura, 2011; Christophers, 2015; Fernandez & Aalbers, 2016; Hitt et al., 2006; Neto & Veiga, 2013; Nishibe, 2015; Palich & Gomez-Mejia, 1999; Palich et al., 1995; Ruščáková, 2015; and other). The information systems created over the past decades have immeasurably enhanced the ability of financial capital to move quickly, which at least includes the ability to destroy stable economic systems. The international division of labor

presupposes the specialization of individual states and economic territories for the provision of specific types of goods and services to the population of other states in which alternative types of goods predominate (Dubovik et al., 2018; Plotnikov et al., 2015).

On the basis of this division, the role of specialization and stronger cooperation grows. At the same time, proceeding from specialization, the interconnection of production, productive forces and economies of individual states is strengthened. This contributes to the formation of a single system of economic development (Vertakova & Plotnikov, 2016). In the economic sphere, the main direction of development is the creation of a competitive economy of knowledge and high technologies (Stern & Arbor, 2001). The political and socioeconomic transformations taking place in Russia have led to an active rethinking of existing ideas in the sectoral sciences (Szirmai et al., 2013). This trend has not bypassed the scope of trade. The trade branch of Russia is one of the leading branches of the national economy. This is evidenced by the comparative dynamics of the gross domestic product (GDP) and the retail trade turnover of the Russian Federation in recent years, are presented in Figure 1.

*Figure 1: Comparative dynamics of GDP and retail trade turnover growth rates in the Russian Federation*



Source: Developed by O. Pirogova by Rosstat data

To successfully fit into a competitive market environment, to implement strategic planning, a trading enterprise should critically rethink the management tools used, and remove their shortcomings. A possible solution to the problem is the use of cost-oriented management tools.

## 2. Theoretical approaches to the Value-Based Management

The basic concept in this study is the concept of cost-based management (Martin & Petty, 2000). The concept of Value Based Management (VBM) is the construction of a management system and evaluation of performance based on value, i.e. an enterprise as an open socio-economic system in its development should strive to maximize its value (Bolsinger, 2015; Fama & French, 1998a, 1998b; Gamba & Triantis, 2008; McGrattan & Prescott, 2005; McWilliams & Siegel, 2010; Verwaal et al., 2008; and other). As a consequence, the question becomes quite legitimate: "What kind of value should be determined when building

management systems and enterprise development management?" The complexity of choosing the type of value is related to the following factors (Berzakova, 2015):

- ambiguity of the position of specialists in determining the value;
- a wide variety of tasks and objectives of cost evaluation in the construction of enterprise development management system.
- the need to take into account the specifics of the Russian economy.
- the need to integrate assessments based on different approaches, taking into account their specific features and internal content.

The analysis of a number of works devoted to the issues of enterprise value management showed that the growth of value is formed at two levels of the economic activity of the enterprise (Rappaport, 1986). The first level is operational (tactical), which shows how efficiently the value is created as a result of the use of business ideas and investment projects introduced into the enterprise's activities. The second level is strategic, which is responsible for the development prospects of the enterprise. The enterprise from the cost approach point of view has a dual nature, which manifests itself in the aspects of its activity:

- on the one hand, the enterprise is the organizational form of capital, which is created so that capital can manifest its main function - the self-expansion of value, therefore the company acts as a subject of economic relations capable of organizing the process of producing real values, while the main condition for creating the company's value is its competitiveness and investment activity;
- on the other hand, the enterprise is an economic, investment good and itself is an object of investing capital of other market participants, therefore the condition of creation and growth of the enterprise's value becomes its investment attractiveness for other subjects of economic relations.

Thus, the essential characteristic of the enterprise, as an economic, investment good with the potential to satisfy various economic interests, is its fundamental value, the direction of development of which will provide future competitive advantages. Approaches to determining the fundamental value of an enterprise are presented in Table 1.

The fundamental value of an enterprise can act as an aggregate indicator of the effectiveness of its functioning and prospects for development, since it is this category that allows us to assess not only the economic and financial efficiency criteria in a broad sense, but also the socio-economic effects of its activities, since it takes into account the interests of all participants in socio-economic and financial relations (Myers & Majluf, 1984). The main features of the fundamental value (Greiner, 1972):

- it is applied to the enterprises (companies) in which the real creation of additional cost (real sector) is carried out;
- the assessment should be conducted for the enterprise as acting, the sale of the enterprise in the near and medium term is not expected;
- should reflect the current state of the assets of the enterprise, its ability to generate revenue not lower than the weighted average cost of capital, as well as the current resource potential;
- the value should reflect the interests of the owner of the enterprise (obtaining a return on invested capital no lower than the market one for investments with a similar risk).

*Table 1 - Determination of the fundamental value in the writings of scientists*

The economic content of the concept	Application sphere
The discounted amount of all future cash flows generated by the business	Managing the maximization of the enterprise value taking into account the underdevelopment of capital markets
Estimated evaluation of the benefits of a generalized investor (depersonalized) from investing financial capital in this company	Analysis of the effectiveness of investment in enterprises (companies) of the real sector of the economy
Intrinsic value - the value for the existing owner, estimated as the sum of its expected benefits	Improving the management of the company in the long term
The cost of business, calculated taking into account the factors of value creation and controlled by the ratio with the long-term market value	Management of the company's activities in the areas of activity: market (marketing), operating, financial, investment
Integrated assessment of the company's performance and its strategic potential	Management of enterprise development at a strategic level based on the choice of strategic alternatives
The system of interaction of three components: the company's assets (financial and non-financial) at the time of decision-making, the mechanism for the formation of these assets to date, including through the transfer of investments in assets as a tool for potential benefits, as well as long-term prospects for the company's development based on financing the cost of its growth due to external effects	Management of the enterprise at the operational, strategic and institutional level, taking into account the predictive assessments of capacity development

*Source: Developed by O. Pirogova by results of Rappaport, 1986; Stern, Stewart & Chew, 1995; Stewart, 1991; Copeland, Koller & Murrin, 1996; Edwards & Bell, 1961*

The valuation should be carried out taking into account the interests of the main financial stakeholders (creditors, investors).

### **3. Toolkit for assessing the fundamental value of a trading enterprise**

Based on the economic essence and features of the fundamental value of the trading enterprise, a toolkit for estimating the fundamental value has been developed, which includes the following four levels:

*The first level* – the book value – the value of tangible and intangible assets of the enterprise;

*The second level* – the operating cost – is the ability of the enterprise to generate either free cash flow or economic profit (economic added value) in the time period of use of existing assets of the enterprise, which is a free cash flow discounted at the time of making a managerial decision, or a stream of economic profit (added value);

*The third level* – the investment value – is the ability of the enterprise to form and maintain the assets of the enterprise in the required state on the basis of transformation of investments into assets creating additional competitive advantages, representing net present value from the current and planned investment activity of the enterprise that solves the problems of ordinary and extended reproduction;

*The fourth level* – the cost of dynamic flexibility – is the ability of an enterprise to change depending on changing external conditions based on the existing resource potential in a given direction in order to achieve a new state of the resource potential that provides a positive composition of the three previous components in the long term.

The presentation of the fundamental value on the basis of a four-level system has several advantages:

*First*, the division of costs into levels allows us to build an expanded system of cost factors and to distinguish among them key indicators of effectiveness and efficiency.

*Secondly*, the introduction of this classification allows you to reasonably choose approaches and methods of valuation based on the leading processes of creating value at one level or another.

*Thirdly*, depending on the level of value, the time horizon of planning also differs. The larger the horizon of planning and forecasting, the higher the variability of valuation, the cost, which must also be taken into account when developing enterprise development plans.

The calculation of book value assumes the use of capital in the main type of capital activity, which includes invested capital and capital employed. The invested capital is the capital that owners and investors invest in the enterprise of a certain type of activity, with a certain level of risk. The employed capital is all the capital included in the activity of the enterprise, including those related to investments in non-core activities and other types of non-operational activities.

The indicators of book value include: total assets (*TA* - Total Assets), net assets (*NA* - Net Assets), employed capital (*CE* - Capital Employed), invested capital (*IC* - Invested Capital), and equity (*E* - Equity) and the amount of debt (*D* - Debts). As well as various modified absolute and relative indicators, based on a combination of the above indicators. Valuation of the book value component can be carried out either on the basis of accounting data, or on the basis of special methods of the cost approach to the valuation of the enterprise, for example, on the basis of the net assets method. In fact, this level of value characterizes the state and dynamics of capital invested in the company's assets.

At this level, the effectiveness of measures of conventional reproduction is estimated, i.e. maintaining the assets of the enterprise at the required level in order to ensure the fulfillment of the specified performance targets. The calculation of the operating cost component can be performed on the basis of two approaches: an approach based on capitalization of free cash flow *FCFF* and an approach based on the capitalization of the economic profit *EP*. The calculation is carried out on the basis of dividing the forecasting period into two stages - forecast, when the market advantage of the enterprise is preserved, and post-forecast, when there is no advantage.

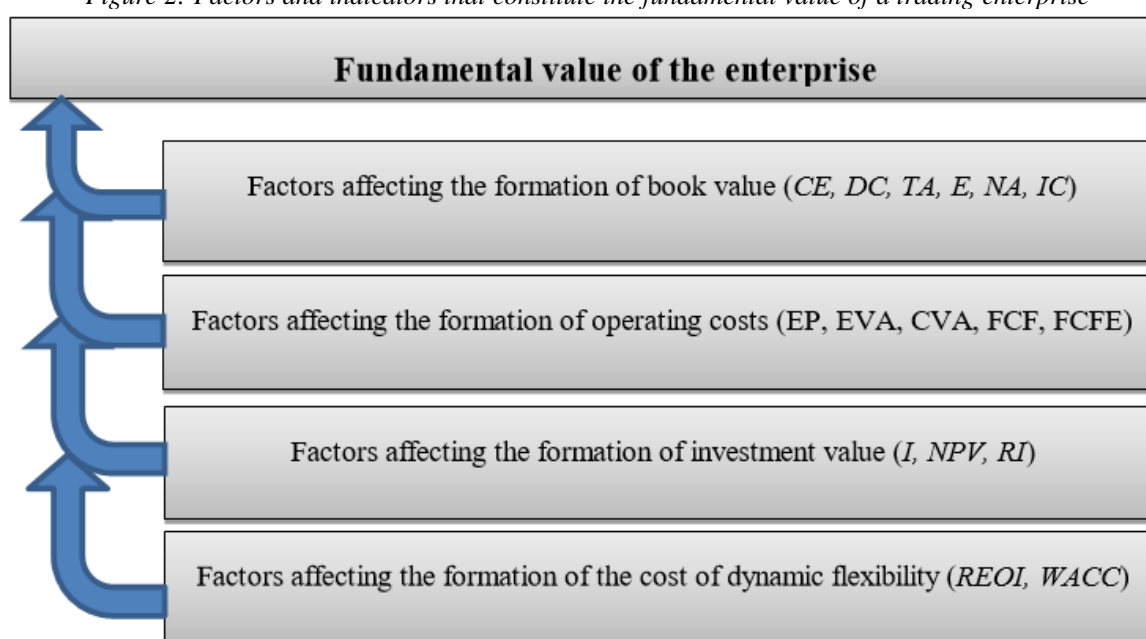
It is important to note that when calculating the free cash flow, depreciation, changes in the amount of fixed assets due to disposal and capital investments, as well as changes in working capital invested in working assets are accounted for. The main indicators of this level include such indicators as: *EP*, *EVA*, *CVA*, *FCF*, *FCFE*, etc.

The calculation of the investment component of the cost can be performed on the basis of a change in the value of the net discounted cash flow from investments for the reporting period. The factors that determine this cost include: the number of investment projects being implemented; the terms of project implementation, the duration of the forecast and post-forecast periods of receiving a positive cash flow from each project; discount rate of the project; index of profitability. The main indicators of this level include *I*, *NPV*, *RI*.

Calculating the component of the cost of dynamic flexibility is the most time consuming. This component includes three types of capital: human, intellectual and network. One of the methods for assessing intellectual capital is the *CIV* methodology developed by Stewart, which is that it takes into account the growth of the value of intangible assets, but only those that allow an enterprise to receive additional profit, i.e. really are competitive advantages.

The calculation is possible if the profitability of the assets of a trading enterprise exceeds the industry average profitability. The value of the intellectual capital of the enterprise can be defined as the amount of future residual operating profits of the *REOI*, which are generated by the intangible assets of the enterprise, that is discounted by the weighted average cost of capital *WACC*.

Figure 2: Factors and indicators that constitute the fundamental value of a trading enterprise



Source: Developed by O. Pirogova

## 4. Conclusion

The presented toolkit for the formation of the fundamental value of a trading enterprise includes both the factors forming the components of the fundamental value and the valuation indicators.

This approach will allow enterprises to assess the change in value on the basis of fundamental economic processes that determine the activities of the enterprise. The main advantages of the offered approach are:

- complexity, i.e. takes into account the levels of creating a fundamental value, i.e. balance, operational, investment and level of dynamic flexibility;
- informativeness, i.e. based on the information for each level of value creation, it is possible to identify the appropriate cost creation factors for each particular level of value creation;
- openness, i.e. constituents of fundamental value have a set of indicators that can be both financial and non-financial.

- integration - the offered structure for assessing the fundamental value can be used in the course of the current activities of the enterprise and in making management decisions on the development of the enterprise.

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## INFLUENCE OF SERVICES ON SOCIAL SPHERE

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**Abstract.** Services in the modern dynamic society take on new functions that will help transform the social system. In the service industry, a new format of interaction between social groups and social actors is increasingly being formed. It is with this aspect in mind that services can be classified as a socio-cultural phenomenon embedded in culture. Max Weber interpreted consumer psychology in capitalist era and expressed the idea that buyers buy goods based on purely rational mechanisms of their consciousness, assessing the degree of necessity of these goods, consumer properties, the price/quality ratio, etc. This type of culture is dying. The process of saturation of the market with goods and services has an increasing impact on the emotional mechanism in the minds of people through a variety of incentives, and also through the symbolic values that control the imaginations of people. There is a formation of culture described as consumerism, which means wasteful spending. The motto of this culture is "to have is to be". Even such social institutions as health and education are increasingly being presented to mass consciousness as a "service industry" that is subject to the same commercialization laws as the whole service sphere. The services today are tools for the development of spiritual needs, or perhaps, a means of spiritual decay. It depends on what spiritual and moral guidelines the society is guided by. This work is dedicated to the study of the impact of the sphere of services on the social sphere.

**Keywords:** the sphere of services, management, the social sphere

**JEL Classification:** A13, P46, L8

### 1. Introduction

The social sphere can be characterized as the sphere of production and reproduction of man. In this sphere, man reproduces himself as a biological, social and spiritual being. The social sphere includes healthcare, education, and culture. It also includes the continuation of the human race: from childbirth to elderly people's decline and demise. The development of the social sphere becomes especially important under the conditions of globalization (Neto & Veiga, 2013; Palich & Gomez-Mejia, 1999; Palich et al., 1995; Ruščáková, 2015; Berzakova, 2015; Broner & Ventura, 2011; Fama & French, 1998; Hitt et al., 2006). Globalization results in the universalization of economic processes as well as social ones. That should be taken into account at all levels of management of socioeconomic development.

## 2. General Characteristics of the Social Sphere

The social sphere in a broad sense can be represented as a combination of the following components: employment, labor and leisure conditions; level of material wellbeing; housing and local conditions; education, upbringing and healthcare conditions; being able to access spiritual values; access to and availability of control over social matters.

In the social sphere, a balance is ensured between the individual interests of the subjects of economy and the goals of social development. The social sphere of a community and in a particular territory is directly determined by the whole complex of the standard of living and lifestyle of the population, as well as the existing ways of meeting their basic life needs. The consumption system presents the main way of labor force reproduction, having a direct impact on its quality and the level of the productive capacity of the economically active population.

From the point of view of management, the social sphere can be viewed as a system that meets the needs of people. At the same time, the social sphere is not only affected by the needs of the individual, but also by the meeting these needs contributes to forming a standard of living correspondent to the population's requirements. Thus, there is a direct relationship between the quality of life of the population (its living standard) and the degree to which enterprises and institutions of the social sphere satisfy people's diverse needs for social services.

There is a close relationship between people and the social sphere, manifested in the chain "human – needs – functional complexes of the social sphere – the quality of human life". The main conclusion from this is that the quality of people's lives depends on how well the social sphere is functioning, how high the quality of services is and how readily accessible they are to consumers.

In addition, many other factors influence the individual constituents of the quality of life. So, according to the estimates of various specialists, the health level of the population is 20-40% determined by the quality of natural environment, 15-20% by genetic factors, 25-50% by the way of life and only 10% by the work of their local health services.

With a view to the above, it can be concluded that the management of the social sphere should be carried out by means of forming interdependencies and interrelationships between the functional components of the social sphere and parameters measuring the quality of life of the population. In this connection, in order to ensure the improvement of the quality of life by regulating and adjusting its individual parameters, a well-coordinated purposeful activity of all functional components of the social sphere is necessary (Petrov et al., 2012).

For example, in order to improve the quality of education, both the education sphere and the functional complexes of the sphere of culture, leisure and art play an important role. In this regard, to ensure an appropriate level of quality of all components, it is possible to form a certain group of functional components of the social sphere that can be described as an "integrated system aimed at improving the standard of living of the population". At the same time, it is necessary to ensure expedient simultaneous inclusion of separate structural elements of these functional social sphere complexes in the activity of various "integrated systems".

As far as managing the social sphere under market conditions is concerned, the systemic approach is guided by:

- looking at the social sphere as a single integrated open system in which targets are continuously being met to ensure a high standard of living of the population;
- identifying the social development goals of a society and their relative priority;
- determining the links that exist between all the functional components of the social sphere and the standard of living;
- ensuring that the work of social functional complexes is coordinated as part of various "integrated systems aimed at improving the standard of living of the population".

The use of the systemic approach allows to solve problems related to managing the social sphere adequately and promptly, as well as to develop appropriate strategies for achieving the goals set while managing the social sphere in a rational and effective way (Sheludchenko, 2011).

### **3. Transformation of the Social Sphere Influenced by the Development of the Service Sector**

At the moment, the service sector can be regarded as the largest sector of the economy, and its development is faster than that of the sphere of material production, but it is occurring in an organic connection with it. It is no longer possible to treat it as a secondary element in relation to the material production sphere. Not only economists, but also sociologists increasingly note that the modern postindustrial society is characterized by activation of the processes of 'servicization', as a result of which a variety of social institutions is assuming new service functions.

Currently, researchers focus on an important aspect of the institution of services in the society, described in detail below.

In the early 20th century T. Parsons introduced the concept of "societal subsystem of society". With this term he described the subsystems of society in which the formation and reproduction of cultural norms and social values takes place (and culture itself as a means of social regulation of individuals and groups also belongs to the societal subsystem, in Parsons's opinion). T. Parsons believed that any society is characterized by the presence of four major subsystems:

1. The subsystem of conservation and reproduction of society (as well as its creative transformation). Culture is responsible for these functions. Its purpose is the reproduction of values (i.e. the formation of ideas about the desired structure of the social system).
2. The personal subsystem. Personality is the main performer of all social processes. The goals of human actions (individuals' actions) must coincide with public goals. In the coincidence of the goals of individuals and the society, the basis for the development of all social processes is found. The purpose of the personal subsystem is to formulate the principles and methods of motivating people to achieve their state of satisfaction.
3. The economic subsystem. Its purpose is to regulate human behavior in the sphere of production and in the distribution of material wealth among them.

4. The integrative subsystem. This one is responsible for ensuring the interpenetration of personal and social systems at all levels. In fact, it combines all the above levels. This subsystem is called the "societal community".

The sphere of services today refers to the societal subsystem of society, since it is a social institution that shapes and reproduces certain values, and even a certain type of social culture. It is, first of all, a culture of consumption of relationships between individuals. It is in this connection that V.V. Khmelev defined the service sphere as "a set of human-saving technologies aimed at improving the quality of life, and also capable of stabilizing the social situation during the crisis periods of the development of the Russian society".

At the same time, there is a process of soft transformation – that is, the transformation of intangible resources into factors of economic development (Volkova & Plotnikov, 2016). Intangible resources increasingly determine the competitiveness and stability of the development of social systems. From this point of view, the sphere of services can make significant changes to the vector of development of the Russian society and the standard of living of people (Volkova, 2015).

One of the most famous representatives of the sociological approach to evaluating services is Max Weber. It was Weber who expressed the idea that services provide salvation from degradation to people through the subordination of their labor to the requirements of social development. Later, this idea of a unity between the economic and spiritual and moral aspects of services was further developed by T. Veblen, J.K. Johnson, R. Merton, N. Smelser and others. They considered services to be "the development of operational means of meeting needs" and, at the same time, "a means to strengthen the moral and psychological conditions of individuals in unity with a stable social environment." (V. V. Khmelev, E. V. Budnichenko, I. V. Makovsky). In other words, representatives of the sociological approach focused on the fact that in the service sector, a new ethics of human relationships, both labor and interpersonal, is formed between those who produce services and those who consume them.

According to T.V. Rotar, in today's Russia there is a change in attitude towards the service sector. A new worldview is emerging, characterized by a reassessment of opinions about the forms of self-assertion and ways to achieve the desired level of social comfort. Personality in today's world is asserted not as much through self-awareness as through the ways of interaction with others through the sphere of services. The sphere of services "becomes a kind of prism through which a person perceives the world as a whole and determines in it their own status and quality of life".

The formation of social prerequisites for the development of the service sector is due to the increasing participation of the able-bodied part of the population in the service sector of public reproduction through services, its increased availability and influence on all levels of the social structure, determining the material wellbeing of the population through the use of various services (Vertakova et al., 2016, A). As a result, the local quality of services represents the development of a single community. Services provide a stable regulation of social relations, including various forms of social regulation of behavior of subjects of social interactions, characterizing the current stage of historical development of our postindustrial society as consumer society (Volkova & Plotnikov, 2015).

The analysis of publications on the subject of the sociology of the service industry (institutionalization of services in Russia, assessing the quality of services, managing the service sphere, entrepreneurship in the service sector, personnel management in the service sector, etc.) displays the growing interest of the society not only in the analysis of the service system, but also in researching its various elements. Representatives of the scientific community strive to learn new trajectories that the development of the society may follow, including an increasing trend of ‘servicization’ of almost all elements of the socio-economic system (Kostin et al., 2014).

In the works written by economists and sociologists, servicization is presented as a general socio-economic process of restructuring the sphere of social production due to the growing pace of development and improvement of its infrastructure components, which ensures the servicing of all types of vital activity of specific people (individual services) and the whole society (including education, culture, art, science, health, etc.), and the entire list of branches of the national economy, including material production (Volkova, 2015). In the course of this process, one observes:

- an increase in the proportion of the population employed in the service sector;
- an increasing role of certain types of services (such as educational, information, research, scientific, marketing, financial services);
- an expansion of the volume and structure of social and cultural services that contribute to the growth in the level of general education and greater opportunities for their self-actualization.

In a number of spheres of vital activity, servicization is marked with the transition to the peak of its development (such as the economic sphere), whereas in other spheres it is only at its initial stages (for example, such elements of the social sphere as health care and education). It is in this regard that it is important not only to track and record trends, but also to implement forecasts for further development of services in the social sphere in order to form an adequate policy in relation to some of the most important public institutions.

Sociological research on the service sphere is for the most part represented by works of applied nature, but there are also some works of a theoretical, methodological, and systemic orientation. Best studied are the spheres of hotel services and tourism (as well as the economic aspects of this issue). The sociological evaluation of the sphere of services predominantly consists in the study of consumer behavior, sanctions, norms, processes of social interactions, and the social functions of services.

The sociology of the sphere of services can be referred to the category of middle-level theories that explore social institutions, i.e. it is a special branch of sociological theory that explores services as a social institution (Vertakova et al., 2016, B), as well as the processes of formation and functioning of the service sector, the nature of social relations in the service sector.

Any social institution is characterized by the presence of structural elements, the analysis of which allows us to characterize its general features. In all social institutions there are the following elements: a specific sphere of activity and social relations; organizations for joint human activities; presence of a group of individuals who are authorized to perform social organizational and managerial functions and roles; norms and principles of relations between officials and members of society, which are in the orbit of the activities of this social

institution; a system of penalties for non-fulfillment of functions and roles, standards and norms of conduct; material resources. In the course of the institutional characterization of the service sector some authors present the following arguments:

1. The service sector is characterized by the presence of all attributes of a socio-economic system and there is every reason for it to be an object of sociological research from the standpoint of systemic and structural-functional approaches to analysis. In the process of creating conditions and ensuring the process of socialization of individuals, meeting their personal and social needs, forming value representations and landmarks, the institution of services introduces social actors into the state institutional environment;
2. The institute of services creates an optimal, hierarchical range of goals, opportunities and conditions to meet their needs;
3. The institute of services implements the mechanism of re-subjectification of the subjects of social action, when the participants of service activity act as creators of their own being, and not only in the role of service recipients or service producers;
4. The institute of services independently reproduces its own structure and removes internal and external social tensions. The implementation of this process occurs through the preservation of institutionalized regulatory prescriptions and regulations that determine the behavior of workers in service organizations in the process of their intra-system interaction and their interaction with the environment;
5. The process of development of the service sector leads to the development of a "service" type economy, which in turn leads to the emergence of a new type of organization of social space, a new structure of society and changes in the entire spectrum of social relations. This, in particular, is manifested in the shift in the criteria for assessing the efficiency of production of material goods from purely economic values to socioeconomic ones, which reflect the standard of living of the population and their overall wellbeing.

The organizations that sustain the functioning of the service sector include enterprises and institutions that provide household services of various types. The process of functioning of service organizations includes a large number of specially trained specialists who perform social, managerial and organizational functions and assist social interaction among its participants. Thus, there is an opinion that the development of the service sector is one of the most important indicators that determine the quality of life of a society in general and the individual in particular. Services in this case are a special interaction between the client and the service agent and the result of this interaction.

Thus, the sphere of service can be described as an independent self-regulating system in which certain social relations are present and the needs of individuals and groups are met, conditions are created for people's active participation in the emerging social space of the service sphere.

The second element of services as a social institution is the presence of institutions, enterprises and organizations through which the direct functioning of this sphere is carried out (Plotnikov & Vertakova, 2015). In them, social relationships are formed and actualized between the subjects of service activities – performers and consumers of services.



## 4. Conclusion

A new format of interaction between social groups and individuals is increasingly being formed. Thus, we can conclude that services can be classified as a socio-cultural phenomenon that is an element of public culture in general. In view of how closely people are connected to the social sphere and even largely dependent on it, it becomes obvious that the quality of people's lives depends on how well the social sphere is functioning.

The service sector can no longer be treated as a secondary element in relation to the material and production sphere since its development is progressing faster than the sphere of material production and even greatly affects it. The sphere of services in its present state can be deemed a social institution that shapes and reproduces certain values, and even a certain type of social culture. It is the sphere of services that is spurring the culture of consumption to develop and grow further, pervading the very relationships between individuals.

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## QUANTITATIVE ASSESSMENT OF THE DEVELOPMENT LEVEL OF INTERREGIONAL RELATIONSHIP OF THE ECONOMIC SPACE

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**Abstract.** In the context of the formation of the policy of industrialization, regional authorities face the key issue of choosing priorities for the development of territories. Therefore, there is a need to disclose the role of the spatial potential of the region as a priority area for the development of territories, the expansion of interregional links and interactions as a condition for improving the efficiency of the region's economic policy and improving the livelihood of the population. The study demarcated the concept of spatial potential of the region, which in our opinion is the decisive factor ensuring the implementation of all the resources, natural, ecological, national, social, economic and other opportunities of the region that guarantee its integrity and historical future. The analysis of the factors influencing the development of the spatial potential of the region has shown that it is necessary to consider the development of the spatial potential of the region in the interaction of several groups of natural-ecological, socio-political and socio-economic factors. The analysis of the connectedness of the economic space of the regions of the Central Federal District is conducted. To do this, we examined the connectivity of federal districts according to the migration indicator, which, in turn, is dependent on the per capita incomes of the population. In the course of this analysis, we found out that the most important factor leading to the strengthening of territorial ties is the change in people's income.

**Keywords:** spatial potential, region, differentiation, per capita incomes of the population, quality of life, development

**JEL Classification:** O1, O2, P0.

### 1. Introduction

In the context of the formation of industrialization policy, the regional authorities face a key issue of choosing priorities for the development of territories. That is why there is a need to disclose the role of the spatial potential of the region as a priority area of development, expansion of interregional relations and interactions as a condition for improving the efficiency of economic policy of the region and improving the life support of the population.

The spatial potential of the region in our interpretation consists of two components and is interpreted as follows: first, as a system of types and their combinations of total economic potential, including natural resources, material and processes, scientific and technical potentials, institutional and human potentials; second, as a spatial factor, which is manifested in the following:

- in the geospatial position of the region relative to the large economic macro-regions and unions of other countries with potential prerequisites for active economic cooperation in the form of expanding the market for products and services, interstate economic integration, for example, the geospatial position of the Baikal a far Eastern regions relative to the countries of the Asia-Pacific region (APR);
- in the optimal spatial location of the region, due to a set of favorable factors for the location and development of high-tech enterprises and services in the region, as a rule, on the basis of interregional integration, the economic and social effect of which is expressed in the additional possibility of attracting investment, increasing employment, economic growth and straightening the competitiveness of the region.

Thus, the spatial potential is a decisive factor ensuring the realization of all resource, natural, ecological, national, social, economic and other opportunities of the region, guaranteeing its integrity and historical future.

## **2. Background and Methodology**

The analysis of the factors influencing the development of the spatial potential of the region showed that it is necessary to consider the development of the spatial potential of the region in the interaction of several groups of factors of natural, environmental, socio-political and socio-economic nature. Now the main scientific and practical task is the development of methods for assessing the spatial development of regions. An integral component of the assessment is the system of indicators. As a rule, the system of indicators for assessing the spatial potential of the region in the surveys of many researchers is expressed in the form of various integrated indicators and indexes used to compare the levels and dynamics of development of territorial social systems (Plotnikov & Vertakova, 2015; Fedotova & Lapin, 2015; Polozhentseva, 2016; Kulikova et al., 2016). To study inter-regional connectivity within the Federal districts, we will use an approach that considers this concept as the intensity of the exchange of regions by certain determinants (which are understood as goods and services, financial, informational and human resources). To access this connectivity, there are used indicators systematized into three groups: General (characterizing the exchange in absolute terms), Special (reflecting the structure of the exchange), Private (showing the effectiveness of the exchange between the participants) (Gorbunova & Prikazchikova, 2016; Granin, 2014; Morkovina, 2016; Kazanskaya & Palkina, 2016).

## **3. Results**

To assess the connectivity of the economic space, it is necessary to analyze the connectivity indicators, among which the main indicator is the income level of the population (Bennett et al., 2017; Kirillovskaya et al., 2016). The analysis of the average per capita income of the population by Federal districts for 2010-2016 is presented in table 1.

Table 1: Dynamics of per capita income of the population by Federal districts for 2010-2016, in rubles.

The subject of the Russian Federation	2010	2011	2012	2013	2014	2015	2016
Central federal district	24645	27089	30006	33467	34 970	38 768	39470
North-West Federal district	19837	21184	23422	26167	28 580	32 329	33476
Southern federal district	15114	16584	18864	21842	24 328	25459	26519
North Caucasus Federal district	13253	15050	17167	18900	20 693	23 024	23399
Volga federal district	15840	17282	19663	21864	24 020	26 287	25729
Urals federal district	21832	23908	26304	28994	30 494	32 880	32200
Siberian federal district	15007	16568	18474	20454	21 490	23 569	23613
Eastern federal district	20807	22870	25504	28930	31 974	36 275	36504

Thus, in the districts under consideration, the lowest per capita monetary income is in the North Caucasus Federal District, with the highest growth rate for this object for the analyzed period, which amounted to 76.5%. The highest average per capita income were incomes in the General Federal district (and it still remains the highest), the dynamic of growth here was 60%. This leads to the consolidation of the previously arrived population on the territory of the Central district, as well as the attractiveness of the territory for new migrants. The absence of the specific changes in the configuration of the economic space of the Federal Districts of the Russian Federation, which could be caused by migration exchange (table 2), is explained by the absence of serious changes in the structure of monetary incomes of the population.

Table 2: Dynamic of internal Russian migration by Federal districts (thousands of people)

The territory of the disposal	The territory of arrival								
	Russian Federation	Central federal district	North-West Federal district	Southern federal district	North Caucasus Federal district	Volga federal district	Urals federal district	Siberian federal district	Eastern federal district
2014									
Russian Federation	4014,62	987,7	486,831	375,65	190,103	773,93	404,64	581,116	214,646
Central federal district	845,149	667,059	46,875	33,247	14,829	44,715	13,353	15,011	10,06
North-West Federal district	445,686	55,111	325,331	16,521	6,309	22,521	6,737	7,824	5,332
Southern federal district	339,808	49,347	18,559	212,707	19,185	13,954	10,589	9,19	6,277
North Caucasus Federal district	236,981	33,452	13,331	32,544	129,091	6,902	13,832	5,162	2,667
Volga federal district	838,831	94,929	34,873	21,367	5,196	617,60	48,343	10,079	6,435
Urals	421,004	26,894	13,785	18,126	8,406	46,64	286,51	17,81	2,817

federal district								7	
Siberian federal district	633,21	37,37	19,484	24,063	4,645	12,923	21,489	497,538	15,698
Eastern federal district	253,951	23,538	14,593	17,075	2,442	8,667	3,781	18,495	165,36
2015									
Russian Federation	4046,353	1016,89	497,691	375,352	190,881	794,41	395,63	565,401	210,081
Central federal district	897,517	694,887	50,659	35,908	18,15	54,268	14,817	17,966	10,862
North-West Federal district	461,92	57,173	329,19	17,248	7,874	26,389	8,242	9,777	6,027
Southern federal district	357,116	51,891	19,692	217,09	22,439	16,05	11,833	11,205	6,916
North Caucasus Federal district	218,903	32,576	12,953	27,65	120,79	6,513	11,394	4,593	2,434
Volga federal district	844,872	96,446	36,289	19,644	5,372	623,37	47,659	9,9	6,185
Urals federal district	409,067	25,911	13,678	17,232	8,67	46,237	277,63	16,909	2,796
Siberian federal district	611,201	36,206	20,82	23,167	4,938	12,996	20,413	477,235	15,426
Eastern federal district	245,757	21,809	14,41	17,413	2,648	8,583	3,643	17,816	159,435
2016									
Russian Federation	4135,906	1084,53	514,102	377,736	185,24	773,95	375,35	569,52	213,261
Central federal district	957,799	733,892	54,568	38,238	20,209	58,598	15,582	19,58	11,129
North-West Federal district	475,751	60,102	334,251	17,957	8,203	26,88	8,41	10,472	6,461
Southern	357,619	54,926	20,201	217,106	19,136	13,843	10,463	10,091	6,721

federal district									
North Caucasus Federal district	216,789	36,68	12,95	26,343	116,716	5,846	10,199	4,317	2,158
Volga federal district	834,768	105,131	37,942	18,901	5,509	604,14	44,533	9,988	6,114
Urals federal district	395,805	27,091	15,093	17,73	8,434	43,789	262,49	16,371	2,934
Siberian federal district	617,999	37,95	21,874	22,651	4,395	12,184	19,459	481,419	16,014
Eastern federal district	246,077	21,593	14,691	16,326	2,386	7,753	3,585	16,797	161,16

Source: obtained by the authors

In the Central district, the formation of the migration flow is mainly due to migrants moving within the district. The flow of migrants to the territory of the Central district from the North-Western district is about 0.11, the smallest inflow from the Siberian district is 0.01. In the structure of the migration flow in the North-Western, Southern, Volga, North Caucasus, Ural, Siberian, Far Eastern districts migrants moving within the region also predominate. The flow of migrants in the North-Western district from the Central district is about 0.05, the smallest inflow from the Siberian district is 0.01. The flow of migrants to the territory of the North Caucasus from the Southern district is about 0.07, the smallest flow from the Siberian and Volga districts is 0.01. The flow of migrants to the territory of the Southern district from the North Caucasus region is about 0.1, the smallest flow from the Siberian and Volga districts is 0.075. The flow of migrants from the Volga district to the Ural district is 0.7, the smallest flow from the Siberian district is 0.01. The flow of migrants to the territory of the Ural district from the Volga district is about 0.5, the smallest flow from the Far Eastern district is 0.01. The flow of migrants to the territory of the Siberian district from the Far Eastern district is about 0.7, the smallest flow from the Volga district is 0.01. The largest flow of migrants to the Far Eastern district from the Siberian district is 0.8, the smallest flow from the Volga district is 0.01. The trend of strengthening migration ties in the Central part is also confirmed by the analysis of the dynamics of the efficiency of interregional relations. The value of this indicator in relation to the North-Western, Southern, Volga, North Caucasian, Ural, Siberian, Far Eastern districts is greater than 1. The highest value of this indicator at the end of the considered period is observed in relation to migration from the Siberian district to the Southern district. The greatest decrease in the indicator is observed in the dynamics of the efficiency of inter-regional relations of migration flows from the Southern district to the Ural district (-14.1%). The following conclusions can be drawn about the intensity factor of inter-regional relations. In dynamics, the strengthening of inter-regional relations on migration flows is observed only in respect of flows from the Far Eastern district to the Siberian district (+2525.01%) and from the North-Caucasian district to the Volga district (+1375.81%). Migration flies from Siberia to the Far East and the Urals are characterized by the lowest intensity; there is also a decrease of 96% and 82%, respectively. Let's consider the index of

spatial structure. For migrants from the Central district, the most preferred area is the Southern district, which increased by 2.4% over the period. Migration flows from the North-Western region are directed more to the Southern district (the value of the indicator increased by 4.82%). For migrants from the Southern district, the most preferred area is the Central district, the figure for the period increased by 2.49%. Migration flows from the North Caucasus region are directed more to the Southern district (the value of the indicator increased by 0.85%). For migrants from the Volga region, the most preferred territory is the Ural district, this figure increased by 4.68% for the period under review. Migration flows from the Ural district re directed more to the Southern district (the value of indicator increased by 11.52%). For migrants from the Siberian district, the most preferred territory is the Southern district, but the value of this indicator decreased by 0.85%. Migration flows from the Far East district are directed more to the Southern district (the value of indicator decreased by 5.179%). The analysis of connectivity between districts by the criterion of migration between districts of the Russian Federation revealed the presence of close ties between the Central district and the North-Western, Southern, Volga, North Caucasus, Ural, Siberian, Far Eastern districts. Next, we will analyze the inter-regional connectivity of the regions of the Central Federal District (CFD) in terms of turnover. The total share of industry in the CFD is 20% in Russia. The share of taxes and fees of the CFD in the Federal budget is 45% . The Central Federal District accounts for about 30-35% of retail trade turnover and the total volume of paid services. The leading role here is played by the Moscow agglomeration, which is characterized by a high standard of living and a high level of consumer demand. CFD is the leader among Federal districts in terms of the main indicators of socio-economic development. The regions of the CFD consistently occupy quite high positions in the ranking for quality of life (Vertakova et al., 2015; Vertakova & Trusova, 2014; Oechslein, 2010; Babkin et al., 2015). The rating results by 2 years are presented in the table 3. The top ten Rating-2016 includes five subjects from the CFD. At the same time, only two regions in the ranking occupy places that are below the 50th. In general, the quality of life in the CFD has improved. The average rating score of the CFD in the rating-2016 was 51.42 points, which is 0.57 higher than in the previous rating. The rating score decreased only in five of the eighteen regions included in the CFD: Belgorod, Tambov, Smolensk, Ivanovo and Tver regions. In general, for the rest of the subjects of the CFD there is an increase in the rating score in 2016 compared to 2015, which indicates the effectiveness of measures to improve the quality of life of the population carried out by the regional authorities.

*Table 3: Regions of the CFD in the rating of regions by quality of life*

The subject of the Russian Federation	Rating point- 2016	Position in the ranking- 2016	Position in the ranking- 2015
Moscow	76,54	1	1
Moscow region	68,55	3	3
Belgorod region	61,82	6	6
Voronezh region	58,87	7	8
Lipetsk region	57,41	9	9
Kursk region	53,51	15	17
Kaluga region	51,84	17	20
Ryazan region	49,94	20	27
Tula region	49,11	23	25
Yaroslavl region	48,41	27	26
Tambov region	45,91	32	28
Vladimir region	45,84	34	39



Orel region	45,82	35	44
Smolensk region	45,21	38	34
Ivanovo region	43,57	46	42
Bryansk region	42,69	50	52
Kostroma region	41,74	54	53
Tver region	38,83	61	58

Source: obtained by the authors

Another Indicator characterizing inter-regional relations is the capacity of trade. We will analyze the dynamics of commodity flow in the regions of the CFD (table 4).

Table 4: Dynamics of commodity flow in the CFD (enlarged)

Regions	Indicators of commodity flow in the regions, billion rubles.				
	Incoming stream				
	2012	2013	2014	2015	2016
Belgorod region	1 480 368	1 685 828	1 893 033	2 206 675	2 504 696
Bryansk region	1 183 777	1 313 773	1 384 789	1 655 818	1 853 098
Vladimir region	1 133 617	1 366 164	1 520 860	1 648 840	1 823 928
Voronezh region	2 259 212	2 985 274	3 263 549	3 957 940	4 029 518
Ivanovo region	756 026	1 008 816	1 053 907	1 129 600	1 114 849
Kaluga region	1 027 778	1 134 496	1 192 499	1 430 197	1 338 002
Kostroma region	469 448	481 553	512 520	571 627	670 843
Kursk region	1 108 875	1 242 668	1 343 206	1 484 204	1 630 318
Lipetsk region	1 072 170	1 328 394	1 579 506	1 589 190	1 735 804
Moscow region	16 385 992	16 808 705	18 766 668	21 618 366	23 458 183
Orel region	578 359	649 876	735 123	886 696	832 882
Ryazan region	1 003 869	1 178 323	1 304 555	1 436 393	1 639 815
Smolensk region	984 062	1 026 534	1 050 898	1 234 044	1 416 110
Tambov region	977 337	1 194 858	1 217 668	1 512 470	1 533 316
Tver region	1 244 431	1 484 128	1 660 479	1 793 792	2 053 629
Tula region	1 621 327	1 713 476	1 823 805	2 112 605	2 213 807
Yaroslavl region	1 165 574	1 280 402	1 502 247	1 701 829	1 851 722
Output stream					
Belgorod region	2 081 520	2 108 815	2 407 872	2 838 889	2 968 497
Bryansk region	2 167 003	2 367 672	2 555 914	2 706 733	2 927 470
Vladimir region	1 888 415	2 252 514	2 539 629	2 823 006	2 865 804
Voronezh region	2 039 290	2 251 407	2 642 425	2 914 250	3 297 114
Ivanovo region	1 934 526	2 395 338	2 332 635	2 619 668	3 145 578
Kaluga region	1 876 969	2 191 541	2 441 777	2 807 022	3 127 512
Kostroma region	1 900 366	2 001 052	2 198 491	2 900 717	2 992 637
Kursk region	2 147 045	2 157 765	2 537 797	3 059 919	2 964 480
Lipetsk region	2 143 885	2 269 131	2 532 184	2 914 052	3 104 617
Moscow region	2 107 322	2 261 311	2 526 810	2 868 659	3 150 507
Orel region	1 937 336	2 181 498	2 611 356	2 876 759	2 718 222
Ryazan region	2 162 611	2 139 054	2 507 039	2 555 271	3 034 509
Smolensk region	1 909 305	2 314 602	2 381 834	2 809 123	3 151 423
Tambov region	1 916 660	2 328 050	2 291 103	2 936 778	3 202 742
Tver region	1 954 133	2 202 495	2 502 850	2 713 276	3 050 120
Tula region	2 192 804	2 234 657	2 261 966	2 753 611	3 045 495
Yaroslavl region	2 093 031	2 226 365	2 533 629	2 872 555	2 953 794

Source: obtained by the authors

It should be mentioned that the largest share of trade turnover of all the regions under consideration is formed by goods of own production. Thus, in 2016, the largest share of trade

turnover of the Orel region (85.9%), Lipetsk region (75.2%), Kostroma and Tula regions (72.9% and 71.2% respectively) was formed by domestic trade. At the same time, Tver region (55.8%), Vladimir region (54.8%), and Kursk region (54.9%) became the regions with the lowest share of their own goods in the total volume of trade flows at the end of the period.

#### 4. Conclusion

Accordingly, the share of inter-regional turnover among the regions of the CFD is from 14% to 45%. The percentage is unevenly distributed. Thus, most of the inter-regional commodity flows in the structure of trade turnover in the region is about 2%. Let us consider some of the most significant examples of the share of inter-regional trade. Thus, in the Bryansk region, the regional flow is formed at the expense of the Kaluga region by 5.2% and at the expense of the Smolensk region (5.7%). In the Ryazan region, inter-regional trade with Vladimir, Lipetsk and Tula regions is 5.3%, 5.8%, and 5.2%, respectively. For the Belgorod region in the formation of inter-regional trade there can be identified Voronezh region (6.7%), and Kursk region (5.2%). In the structure of inter-regional trade turnover of the Tula region there can be identified Moscow, Orel and Ryazan region - their shares are respectively 5.1%, 5.4%, 5.2%. There are rather weak inter-regional interactions within the CFD - most of the commodity flow is formed within each region. The analysis of connectivity between districts by the criterion of population migration between districts of the Russian Federation revealed the presence of close ties between the Central district and the North-West, South.

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## GLOBALIZATION AND EFFECTS OF DEVELOPMENT TENDENCIES IN CUSTOMER RELATIONSHIP MANAGEMENT

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**Abstract.** Globalization and its implications can be discussed in different areas of life. It influences the life of the person at work, but also the positive and the negative ones. It has been a subject for decades for those who write about it and who study and analyse it. But even for those who feel it in ordinary and working life. Many experts, as well as the lay public, have the opportunity to confront their positive and negative impacts. The topic of globalization impacts is very extensive, so the contribution is reduced in its content to the area of management of enterprises. In this context, management represents a set of specific activities that are performing daily by manager. The principles of planning, organization, control and decision-making apply to all corporate envelopes. It can be said that each of the managerial functions is directly influenced by globalization and this fact is also visible in the sphere of customer relationship management. This is a valuable tool for collecting, sorting and processing customer information. Its original form, structure and disposition tools, however, benefit from a globalizing world communicating on social networks. The article deals with this trendy form of CRM.

**Keywords:** Globalization, management, customer, relations with customers, CRM

**JEL Classification:** M5

### 1. Introduction

A standard priority of current enterprises operating in a business environment affected by globalization has become a high-quality output realization, high-quality product manufacturing or high quality of services which are desired by the market. This is where current visions and strategies of managers who appeal to targeted production aim. Together with the stated aim, the relationship of enterprises to external environment – both to their current as well as prospective customers – inevitably changes. The labour market is particularly competitive environment. The human resources managers have found out that hiring high quality staff is not as easy as it was in the past. (Strenitzerova, 2016) That is, there is a need to focus better on the customer, to go further in paying attention to them. Since this philosophy of maximal focus on the needs of the customers has been adopted by the majority of enterprises, the customers currently have many choices, a wide selection of products, access to various forms of retail and a large amount of information concerning the prices of the competition. It is very beneficial that the customers have the option to change their choice of goods or product to the very last moment. Such care, of course, requires an increased

demand on the work of the suppliers. For the suppliers to acquire the competitive advantage it is no longer satisfying to have a high-quality product. What is needed is an absolute and maximal focus of the enterprise on the customer, which means more actions and matters connected to sale. Businesses therefore compete to achieve leading positions in their ability to win a customer, to keep the customer's satisfaction, loyalty and foremost to establish a stable long-time relationship with the customer. Since the truth is, as Strenitzerova & Gana (2018) call to attention: Customer satisfaction influences variables that are indicators of customer loyalty and long-time customer relationships. It is possible to incorporate the stated connections to the basic philosophy of customer relationship management which is the theme of the article. Based on the analysis and synthesis, using empiric knowledge, the aim of the article is to point to the developing tendencies in the issue in question. (Alamsyah & Indraswari, 2017; Rahimi, 2017)

## 2. Theoretical Basis of Customer Relationship Management

Customer relationship management (CRM) is one of the most frequently adopted management tools and has received much attention in the literature. (Dalla Pozza et al., 2018) CRM started to be formed as an individual discipline in our conditions. Its aim is the effort to enforce and practically use the innovative notion that the main generator of the business profit is the customer, not the product. (Gyalog et al., 2017; Haislip & Richardson, 2017) As Payne & Frow (2005) state, CRM is a management approach that seeks to create, develop, and enhance relationships with carefully targeted customers to maximize customer value and corporate profitability. Since the customers' position has been strengthening constantly, it is necessary to build an enterprise with an outstanding focus on the customers. (Ascarza et al., 2017; Sigala, 2018) CRM systems which enable to collect, accumulate, sort and process customer information serve this purpose and one of the main assumptions of CRM systems is that satisfying and creating long-term relationships with profitable customers enhances the business success of the company (Wu & Lu, 2012). Thanks to its usage, the enterprises are able to detect precisely what their customers require and based on these findings they can adjust the offer of their products. (Novotny, 2013). CRM systems are composed of four basic elements. These are: human capital, business processes, and technologies and content.

**Human capital** is composed not only of customers but mostly of the employees, possessing such knowledge and abilities as to know how to deal with customers rightly and to meet their CRM.

**Business processes** mirror the consecutiveness of mutually linked actions which are needed to be executed inside the enterprise in order to satisfy customer requirements. These should be clearly defined, optimized and executed in the shortest term possible.

**Technologies** are such tools which ensure an effective information management, especially with a high number of customers. Telephone, e-mail, special software and the internet are on one side the channels of the enterprise in contacting the customer to acquire the information needed, on the other hand they enable to store, share, process, sort and also to analyse the data with the aim to better understand the customers.

**Content** represents all the data and information acquired about the customers, competition and situations on the market. Enterprise environment is adapting itself continually. It is therefore needed that the information on the market and market partners would be parts of the

database. Such as carrying out market analyses, its structure, understanding of its size, trends, information on the competition and prospective customers. (Diffley et al., 2018; Gallego-Gomez & de-Pablos-Heredero, 2017; Ritter & Geersbro, 2018) An important factor is to understand the market to such extent which will be satisfactory for the ability to find such segments in which there can be found prospective customers. CRM systems help to store and process this kind of customer information:

- stem – current identification and invoice information of the customer,
- transaction – history of mutual commerce, contracts, invoices, orders, history of obligations fulfilment, current state of contracts, communication overview (phone calls, emails, meetings).

For the right implementation of CRM system, experts (Kubina & Lendel, 2008) listed the following points which the enterprises should adhere to:

- Exhaustive in-house processes and information flow analyses – the enterprise thus acquires an overview of the state of these processes and the opportunity to identify adequate places for optimization and reengineering.
- The right choice of a CRM system – this step requires enough time for decision making process, since current market offers a wide range of various applications and software. In the decision-making process, it is important to consider the already executed analyses of processes, the size of the enterprise, the amount of the funds needed, etc.
- Gradual launching of CRM system into the enterprise – to alleviate the implementation of such complex system, CRM models are composed of several modules. The enterprises then are able to implement one module only and gradually buy more. This is beneficial for larger enterprises using complex systems which extend to all organizational units. For smaller enterprises, it offers the opportunity of gradual buying and implementation, thus avoiding oversized entry investment. The basic modules consist of: contacts management, marketing, sales management, customer service, analyses and reporting.
- Continuously monitored state of CRM system implementation – each change and news in the enterprise should be subjected to control and evaluation. It is thereby possible to acquire feedback, find out whether the expectations were met and into what extent, in some cases to uncover and eliminate mistakes emerged during implementation. Enterprises often make the mistake of non-monitoring and non-analysing the results which CRM model brings along.

When choosing the CRM system, the enterprise is comparing particularly its value and qualitative attributes. It is true, as Zaby et al. (2018) state, that Customer relationship management (CRM) is becoming a critical source of competitive advantage for businesses today. However, many CRM business processes are deficient and inflexible. A guarantee for the right choice is a recommendation to consider the following 10-point algorithm in the decision-making process. (Talon-Ballesterio et al., 2018; Zerbino et al., 2018) Companies dealing with implementation of systems together with companies which introduced CRM to its operations compiled this list based on their practical experience.

1. What is the experience until present day with customer relationship management and correspondent information systems?
2. What size enterprise is it?

3. What is the approximate number of target customers?
4. What is the budget available?
5. What are the conceptualizations and requirements for the investment returns?
6. Does a specialized CRM system exist for the branch in which the enterprise is operating?
7. What type of system and how successfully is it used by similar enterprises?
8. Which financial operations in customer relationship should be automatized?
9. On what level should the automatization run?
10. With what company information systems will the CRM system needed to be connect?

### 3. Body of paper

What is the approach of Slovak enterprises toward CRM system and to its implementations was analysed from March 2007 to February 2009 (Kubina & Lendel, 2008). There were 230 top managers from Slovakia asked to participate. Most enterprises are aware of the value customers and long-term relationships with them possess in the present time. Almost half of the managers (49 %) stated that a CRM system is in full operation in their enterprise. Other 11% of enterprises are currently in a phase of implementation of one of the CRM models. Only 7 % of enterprises are not sure at the moment whether such system would be of significance for them. 10 % of the interviewees still do not possess enough information on this issue and are therefore in a study phase. However, there is still almost a quarter of managers (23 %) who are not concerned by customer relationship management and therefore are not aware of the benefits the implementation of CRM systems brings along. (Sadaf et al., 2018)

Situation on global market taught the current enterprises to not only change their approach to customer relationship management, particularly within the new competitive framework of online channels (Olavarria-Jaraba et al., 2018), but simultaneously not to view the customer as a “competitor” but to look at them as a long-term asset which needs to be taken care of by the help of a CRM system. However, it is true, as Chang et al. (2010) point out, that in today's competitive business environment, the success of firm increasingly hinges on the ability to operate customer relationship management (CRM) that enables the development and implementation of more efficient and effective customer-focused strategies. The most important effect of a successful implementation, however not its only aim, is the increase of turnover and profit. It is possible to notice some benefits almost immediately after the implementation, some are visible after some time of using a CRM system. Several of the benefits of an implementation are:

- The possibility to identify key customers (49% 11% 7% 10% 23% in operation, in the phase of implementation, decision making concerning the significance in a study phase, not being concerned by this issue)
- Detailed profile of every customer thanks to keeping the history of offers, orders, communication, etc., and the possibility to offer specific customers the products adjusted to their requirements,
- Broadening of a marketing campaign,
- Attaining customer loyalty and their satisfaction.

**Generally speaking, the fact that** Nowadays, CRM is increasingly important to firms as they seek to improve their profits through longer term relationships with customers. (Kebede et al., 2018).

The findings concerning CRM obtained by both empirical and abstract methods can be confronted with the real functioning and using of CRM in business practice. The survey realized among chosen and comparable enterprises suggests that the level of CRM is satisfactory. The enterprises use traditional tools of CRM in a sufficient extent. This is suggested by **considerable concern of the enterprises about their customers** (both national and global), their rigorous segmentation (geographical, according to the turnover) and its continuous updating. The enterprises are equally and into a reasonable extent concerned about the functioning of an **information system**, whose effectiveness then can be fully demonstrated. The management specifies the requirements according to the form and content of the information system, but a database of customers from various structures is prevalent, as well as evidence of stocks, tools for creation of offers for the customers, tools for price development monitoring, and last but not least, it provides information about the employees. Another source of information which the enterprises appreciate and use, is the algebraic formula to determine an appropriate selling price. The enterprises also build their marketing within the framework of CRM tools. Employees in the marketing department are taking care of gaining new customers and making sure the enterprise and its products would get into the minds of the consumers. They actualize direct and indirect marketing, according to the need on national and transnational level. The survey shows that presently, there is only one handicap in the enterprises which is a low level of making use of the human resources potential. However well set up, the CRM system loses its purpose because its potentialities have no way of being used. By surveying it was found that the problem is not inadequate skills, knowledge, weak motivation nor the employees' approach but the reason unambiguously being an inadequate human resources provision. This deficiency induces subsequent deficiencies such as employees' excessive work overload, increasing dissatisfaction of the customers, weak monitoring of customer satisfaction, minimal usage of company's website and usage of a small amount of accessible marketing tools. Detection of stated deficiencies initiates the need to eliminate them whereby it is necessary to discuss various options. The supporting philosophy is the overall increase of the level of customer relationship management through all its elements being in function. In the survey in question, employees proved to be the weak spot. Dealing with the deficiency should result in decrease of employee exhaustion which creates a space for a closer relationship of the CRM to the customer. Specific suggestions based on specific conditions of the enterprises can aim toward more straightforward definition of workload for CRM employees and marketing in a way they would not blend together with the job description of other relevant employees (e.g., sales). A universal proposal can be of the following layout:

- Searching for new customers, contacting them via telephone, obtaining and entering the information into the system and sending out catalogues,
- Contacting the less active customers according to the lists provided by mother company,
- Monitoring of exhaustiveness, broadening and updating of customer database,
- Monitoring of visit rate and optimization of website, regular updating with news and articles,
- Maintaining an email address and answering questions,



- Searching for and creation of advertisements and articles for media,
- Creation and sending out holiday greetings and thank you notes for cooperation,
- Periodic generating of analysis and statistics of development of customer amount, turnover, successfulness of marketing activities, etc., and evaluating of customer satisfaction in the form of questionnaires,
- Overall customer care and regular contact with them through telephone or email.

The position must be defined by certain requirements such as: education in the field of economics and marketing, creativity, active approach, eagerness to work, independence, foreign languages knowledge, skills in Microsoft Office Word and Excel.

Further suggestion that comes into consideration is a creation of a position for a field worker who would be competent for personal contact with the customers for keeping up stable long-term business partnerships. The job description could contain:

- Planning of business trips to areas of relevant regions in certain time cycle,
- Writing reports from the business trips and information reports,
- Visiting current customers, obtaining and supplying information,
- Monitoring the situation on market, searching out new entering companies which could be prospective customers, their visitation and business meetings,
- Presentation of the enterprise, terms of trade and the material offered, visual demonstration of materials, photographs of storing and manufacturing,
- Handing out catalogues, commercial and gift items,
- Surveying the customer satisfaction, stimulating their interest and designing proposals for improving relationships and increasing of customer satisfaction.

The position must be also defined by certain requirements which include: communication and presentation skills, driver's license (B class), willingness to travel, independence, positive approach, mastering MS Office programs, foreign languages knowledge. This proposal offers a solution for unloading the present employees from marketing responsibilities which had been neglected anyway, the number of customers and the level of care for them increase and their satisfaction will be regularly monitored and evaluated. (Jurenkova, 2017) From the point of view of visions or strategies, there arises the possibility of modification of the current CRM systems to the level of management which globalizing society offers. In the publication of Cerchia (2016) one can learn more about the significance of expanding the traditional CRM tools such e-mails, call centres or direct telephone calls, with new ones. A revolutionary tool which enables communication between individuals, enterprises, various worldwide groups, sharing, exchange of information and ideas, are **social media**. They are the ones which provide the enterprises with space for advertising, gaining new customers and their keeping. Hasani et al. (2018) points out to a gradual modification within the frame of which developments in new communication technologies have transformed traditional CRM into electronic CRM (eCRM), mobile CRM (mCRM); and more recently, social CRM (SCRM). SCRM therefore means a way of customer relationship management with the help of social media. By social media we understand social networks (Facebook, Twitter, LinkedIn, Instagram), blogs, forums, platforms for sharing multimedia (Youtube) and other tools for cooperation. They offer the possibility of online reviews, recommendations, expressing of approval, disapproval. They offer immense opportunity to connect with the customers. A strong argument for expanding the CRM also with marketing with the help of social media are represented by the findings of a survey made by Content Marketing Institute in 2012.

From the survey it follows that as much as 86 % of people switch channels during TV commercials, 44 % of commercial e-mails are never opened, 91 % of email users opt out from receiving of new commercial emails. More than 70 % of adults currently have some kind of connection to a social network. If an enterprise wishes to keep their competitiveness on the market, it should adapt to the rise of social media and get closer to the customers in this way. (Cerchia, 2016)

In a different publication (Bago & Voros, 2011) gives a warning that in the present day, the term customer should change to a *digital customer*, since almost everyone nowadays has some sort of connection to the digital world. The possibilities of gaining customers thus expanded and digital world brought with itself three innovations which enterprises should follow:

- Be connected with the customers through social media (internet websites, profiles of the enterprises with information on the corporation, products, news, etc.),
- Mobile applications which can be used on tablets and mobile phones,
- Establishing social relationships with customers (researching the customers' opinions, suggestions and requirements, for example in the form of comments on social networks) and the creation of "custom made" products.

#### 4. Conclusion

In present day, social media contribute significantly to a meaningful future of CRM systems and their improvement. Social media expand the boundaries of possibilities and their usage increases the scope of CRM. Their new and individual approach is based on a deeper analysis of enterprises, market and suppliers. Customer databases are fixed and reliable, full of high-quality data with a high possibility of integration to other information systems. It is true that by continual enhancement of various business tools the possibility of their nonsufficient usage is eliminated. The enhancement is possible on the basis of knowledge which is gained by study as well as practical verification. This taught a lesson which can be expanded in the context of Social customer relationship management. Namely, if the enterprises wish to be continually capable of resisting the pressure from competition and to overcome them and not only adapt to them, they should make use of the growing potential of social media and come closer to the customers in this way as well. They also have to accept a different view of the customer who has become a digital one since almost everyone nowadays has some sort of connection to the digital world. The possibilities of gaining new customers thus expand and the digital world brings other innovative directions, enabling the enterprises to be connected through social media (internet websites, profiles of the enterprises with information on the corporation, products, news, etc.), introducing mobile applications which can be used on tablets and mobile phones and last, but not least, establishing social relationships with the customers (researching their opinions, suggestions and requirements, for example in the form of comments on social networks) and creating "custom made" products.

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## **FLEXIBILITY IN THE ON-DEMAND SECTOR: THE STRUCTURAL EXPANSION AND SEGMENTATION OF CONTINGENT WORK**

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**Abstract.** This article reviews recent literature (e.g. Shapiro, 2018) concerning flexibility in the on-demand sector. Using data from ADP, Pew Research Center, SMB Group, and U.S. Bureau of Labor Statistics and U.S. Census, we performed analyses and made estimates regarding gig work (online selling appeal to different segments of the population), the proportion of U.S. adults in various groups who have earned money in the last year by using digital work or task platforms or selling something online, the total number of U.S. employees interested in some type of flexibility (by age), the percentage of contingent workers in the U.S. workforce, and views of the benefits of Internet-enabled gig work. Empirical and secondary data are used to support the claim that flexibility in the on-demand sector is restricted to two main functions: workers' capacity to self-organize and to refuse or comply with job orders. Being able to turn down an order indicates that, even when logged on, employees can reject orders that yield too little profit. Self-scheduling enables employees to take time off smoothly and without having to ask permission. Workers' awareness and backgrounds inform the competent estimations they perform in professional immediate decisions. Control, basically, depends of employees' eagerness to follow through to the estimated judgments that firm project onto them.

**Keywords:** flexibility, on-demand, labor, segmentation, contingent

**JEL Classification:** E24, J21, J54, J64

## 1. Introduction

Employees' judgments accumulate against firms' endeavors to consider their labor as a homogeneous work flow. If on-demand firms are prospering by barely harmonizing supply and demand via digital platforms, consequently labor laws would persist in permitting companies to label the service suppliers (the workers) as autonomous contractors and not as employees. To earn the benefits from the self-determining contractor designation, firms should secure their employees a particular extent of on-the-job independence, commonly grasped relative to autonomy from employer supervision. On-demand firms use strategies of arbitrage to conform to legal standards for employee self-determination (Alpopi and Silvestru (Bere), 2016; Campbell et al., 2017; Mihaylova, 2017; Nica et al., 2017, A, B, C; Nygreen, 2017) while in parallel exerting supervision over personnel to decrease related expenses. As workers get familiarized with the employee-facing app and computational workforce governance, they become interested in firms' strategies and in the gradually confined access that they are allowed to significant data. Ordinary decisions and agreements are not determined by straight estimates of returns potentials, but instead require an intricate blend of inspiration, suitability, and judgment, that may overstep the argumentations conveyed onto workers by firms. (Shapiro, 2018)

## 2. Literature Review

The effectiveness of the on-demand economy requires the algorithmic strengthening of deep-rooted modes of mistreatment and supervision. Low-income service employees activating via platforms have had inconsiderable influence as regards determining the prospect of labor, regardless of the mainstream proposal of predetermined and fluid digital labor markets. In assembling and in the service industry, the progressive regularization of just-in-time employment routines has had a notably devastating impact on the lives of impoverished employees. Platform labor agents are dynamic infrastructural intermediaries in the reorganization of labor relations and the character of work, in addition standardizing the questionable post-Fordist social contract that compels employees to accept the uncertainties and burdens of social reproduction. The fast-tracking progress of the on-demand economy causes deleterious effects, and firms that employ autonomous contractors are undergoing considerable platform turbulence, or the leaving of individuals for whom this type of work is unviable or unbearable. Preparing themselves for such agitation, such organizations are permanently mobilizing new employees via public advertising operations and internal recruitment approaches that provide economic stimulants to hire new persons (Belás et al., 2017; Lăzăroiu, 2017; Mengoli et al., 2017; Nica, 2017, A, B; Popescu et al., 2017), thus expanding their labor stock with the purpose that arriving applications can invariably be dealt with expeditiously. Service labor becomes an ample, estimable, and effortlessly substitutable commodity whose significance is undervalued beyond the market sector. The structural deterioration of on-demand service labor validates the conflict between its needfulness and expendability, because it enables firms to maintain employment rates significant and labor prices reduced, thereby upgrading the mistreatment of precarious employees depending on augmenting their wages so as to eke out a living. The workforce-as-a-service pattern furthers a technocratic standard of flexible labor market reform regulated and administered by platforms, which have become gradually relevant institutional participants in the immoderately privatized sectors of policy and governance. (van Doorn, 2017)

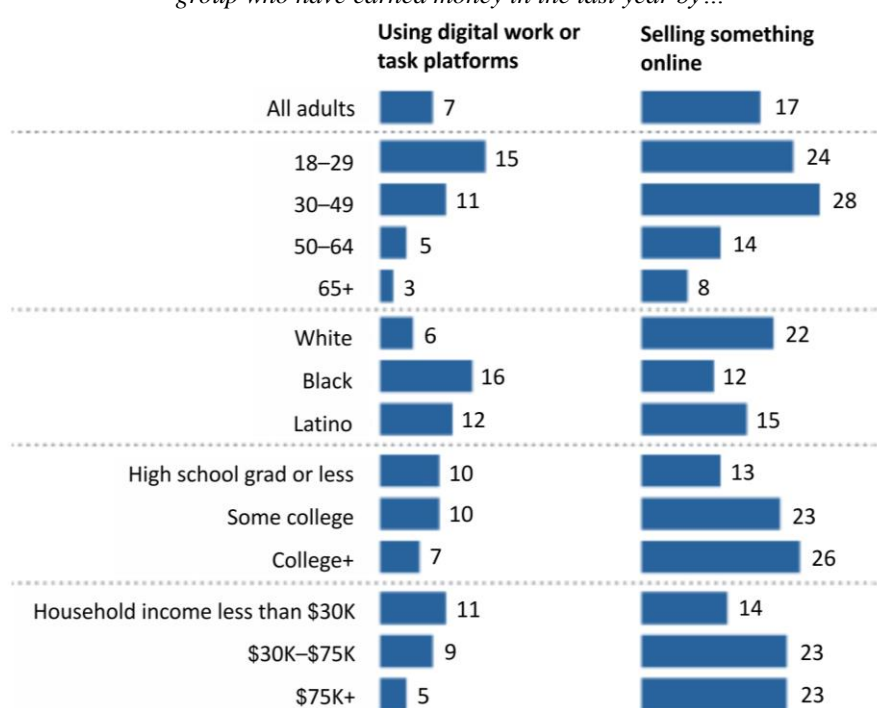
### 3. Methodology

Using data from ADP, Pew Research Center, SMB Group, and U.S. Bureau of Labor Statistics and U.S. Census, we performed analyses and made estimates regarding gig work (online selling appeal to different segments of the population), proportion of U.S. adults in various groups who have earned money in the last year by using digital work or task platforms or selling something online, the **total number of U.S. employees interested in some type of flexibility (by age)**, percentage of contingent workers in the U.S. workforce, and views of the benefits of Internet-enabled gig work.

### 4. Results and Discussion

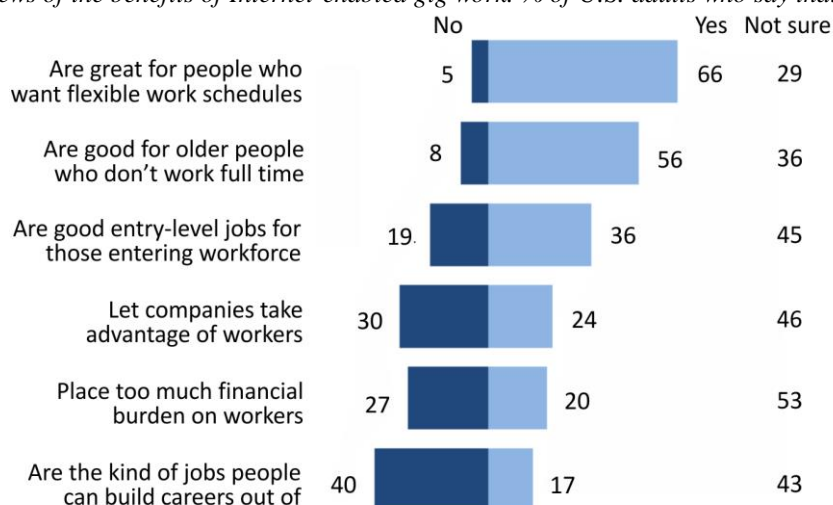
Flexibility in the on-demand sector is restricted to two main functions: workers' capacity to self-organize and to refuse or comply with job orders. Being able to turn down an order indicates that, even when logged on, employees can reject orders that yield too little profit. Self-scheduling enables employees to take time off smoothly and without having to ask permission. Workers' awareness and backgrounds inform the competent estimations they perform in professional immediate decisions. Control basically depends of employees' eagerness to follow through to the estimated judgments that firms project onto them. Employees speculate on their labor conditions, advancing a sense of firm strategies and consenting to them (Baltodano, 2017; Acosta Price, 2017; Havu, 2017; Mihăilă, 2017) insofar as they customize their own interests. Firms' absence of responsibility to their employees may reappear to affect them, as workers' aversion to condone particular conditions leaves them disappointed with the guaranteed adjustability of on-demand labor. (Shapiro, 2018) (Figures 1–4)

Figure 1: Gig work – online selling appeal to different segments of the population. % of U.S. adults in each group who have earned money in the last year by...



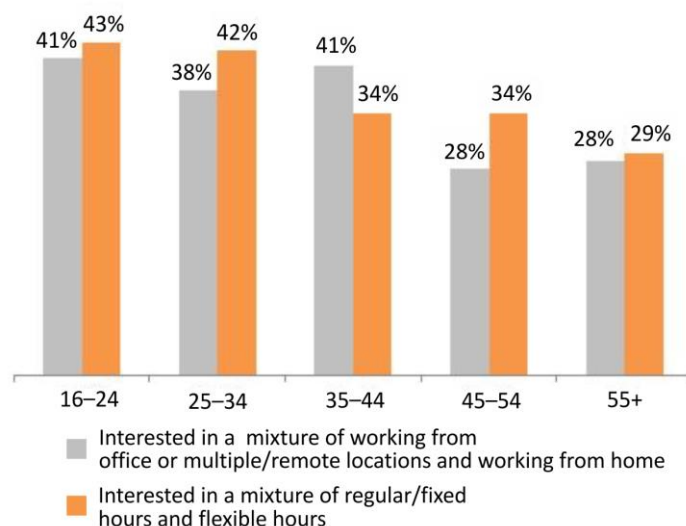
Sources: Pew Research Center. Our survey among 2,300 individuals conducted June–July 2017.

Figure 2: Views of the benefits of Internet-enabled gig work. % of U.S. adults who say that such jobs...



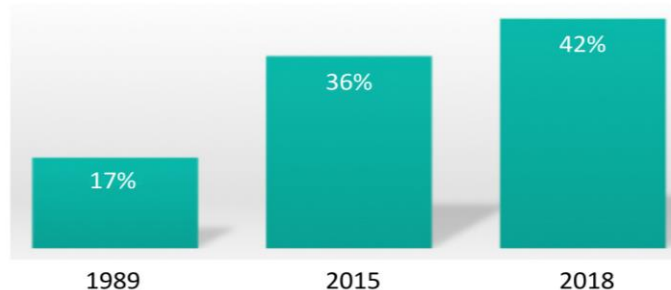
Sources: Pew Research Center. Our survey among 2,400 individuals conducted May 2017.

Figure 3: The total number of US employees interested in some type of flexibility (by age)



Sources: ADP. Our survey among 2,200 individuals conducted May 2017.

Figure 4: Percentage of contingent workers in the U.S. workforce



Sources: SMB Group; U.S. Bureau of Labor Statistics and U.S. Census; Intuit Contingent Workforce Forecast; and our estimates.



## 5. Conclusions

The notion of platform learning is an unsubstantiated idea that takes on developing interpretations of instruction and labor within the late capitalism on-demand economy. Platform learning shapes labor market changes within late capitalism, being postulated on the cost-effective production of a particular type of knowledge capital (cognitive and affective skills) addressing the demands of employers. What differentiates on-demand labor is a groundbreaking generation of technologies for dividing work into ever reduced units and subtasks (Grčić Fabić et al., 2016; Knutas, 2017; Machan, 2017; Popescu, 2017; Shaefer et al., 2017) in conjunction with a digital framework for outsourcing jobs by unconnected undertakings or gigs (each characterized by certain skills) enabling firms to derive topmost value from employees with least possible responsibility, because contract gig workers are positioned outside the security and benefits granted to permanent employees. (Means, 2018)

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## FACTORS AFFECTING CONSUMER DECISION MAKING IN THE MARKET OF BAKERY PRODUCTS

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**Abstract.** Globalization and its impact also affects consumers' eating habits in the world. New technologies, science, commerce, or changing lifestyles cause changes in the world production of bakery products. The technology of pre-baking and freezing of bakery products is expended in the world and one of the major globalization trends in the international market. Consumption of bakery products in global is related to tradition in the world because of their significant role in human nutrition. The paper is oriented to the bakery industry, consumption and price of bakery products. The aim of the paper is to focus on the main factors determining consumer decision process of bakery products. The primary source of information is the results of a questionnaire survey conducted under the VEGA 1/0502/17 Consumer personality and its impact on emotional behaviour and decision making. Based on the results, it can be stated that the most important criteria for consumers is freshness, but more than 70% of consumers know that the chains use the new baking technology. More than 50% of consumers feel the difference in taste between fresh and frozen products, and 18.6% of consumers bake the frozen bakery products at home. Based on the above it can be stated that the global trend related to the technology of pre-baking and freezing of bakery products is increasingly widespread in the world and enables the Slovak bakery products market to become an open market due to the effects of globalization.

**Keywords:** Bakery products, Consumer, Consumption, Decision making.

**JEL Classification:** M31, M39, Q13

### 1. Introduction

Bakery products are a part of the daily diet of most people. The importance of bakery products in human nutrition is significant because these products are the basis of the food pyramid and have a high nutritional value (Nagyová et al., 2014; Al-Mussali & Al-Gahri, 2009). In the context of the mentioned, the bakery industry has the potential (Khana, 2014; Kiumarsi et al., 2014), but there is an increase in the production of bakery products through the technology of pre-baking and freezing, which is a global trend in the market. The aim of

the paper is to point out the factors determining the consumption of bakery products, with an emphasis on the trend of the mentioned technology of pre-baking and freezing of bakery products.

### **1.1 Production and consumption of bakery products in the Slovak Republic**

The production of bakery products adapts to the requirements and needs of consumers, and it is problematic to assume their consumer behaviour (Eglite & Kunkulberga, 2017). Nowadays, the production of bakery products is influenced by the widespread technology of pre-baking and freezing of bakery products. This technology enables foreign suppliers to enter our market, which has been protected by the short durability of fresh products. In the context of mentioned, the production of bakery products has declined in the Slovak Republic. The production of fresh bread is more than 87 thousand tonnes, and in the case of fresh pastry it is only 49 548 tonnes per year (Statistical Office of the Slovak Republic [SO SR], 2018).

The production of bakery products is primarily dependent on consumption, which is gradually decreasing. Nowadays, the consumption of bread is about 35.1 kg per capita and the consumption of wheat bread is 29 - 30 kg per person (SO SR, 2018). The consumption of bread is lower by 21 kilograms in the comparison with the nutritional aspect and the recommended bread consumption. Based on the above, it could be stated that the popularity of bread consumption has been decreasing. This fact may be caused by changes in the preferences of Slovaks. Therefore, it is important to analyse consumer preferences and factors affecting the consumption of bakery products.

### **1.2 Factors affecting the consumption of bakery products**

Consumer behaviour can be defined as the behaviour that occurs in the search, purchase, use and disposal of products and services which meet the needs of consumers (Horská et al., 2009). The choice of food is influenced by several factors that the consumer considers as important in the process of purchasing, such as the perception of food safety (Adam et al., 2014), quality perception (Stávková et al., 2008), health aspects (Wingert et al., 2014), food prices (Kubicová & Kádeková, 2011), food origin (Kleinová & Lušňáková, 2011). Khanna (2014) has defined freshness, price and quality as key factors that are crucial to the purchase and consumption of bakery products.

The first factor affecting the consumption of bakery products is consumer prices. In the Slovak Republic, prices of fresh bread are constant at the level of 0.06 Eur per 40 grams, what is mainly caused by the pressure of trade chains. The development of bread prices was fluctuating between 2008 and 2017 and nowadays the price is 1.33 Eur per kilogram (SO SR, 2018). Another factor is the perception of their quality by consumers, which is determined by the sensory and health aspects (Stávková et al., 2007, Skořepa & Pícha, 2016). Bakery products are considered as healthy foods due to the content of carbohydrate, fiber, protein and fat (Kearney, 2010). Consumption of bakery products is also related to tradition, so it is necessary to point out their importance in culinary culture. So tradition and authenticity have a significant place in the bakery industry. Nagyová et al. (2009) emphasize that consumers prefer the quality aspect and external subjective factors such as the shape, appearance, colour, or flavour of pastries and bread in the process of buying bakery products. The last significant factor that affects the purchase and consumption of bakery products is their freshness. Freshness also relates to the health aspect of bakery products, which means that fresh bread

and pastries do not contain saturated fats and artificial ingredients, which are often used to extend durability. This fact may be the reason to buy bakery product (European Bakery & Cafe, 2014). Some consumers consider bakery product which is baked by pre-baked and frozen semi-finished product as fresh bakery product. However, it is a fresh bakery product from frozen semi-finished bakery product which was produced by technology of pre-baking and freezing. This technology has become widespread in the world and one of globalization trends in the international bakery market. It is necessary to emphasize to the consumer that bakery products from frozen semi-finished bakery products rapidly lose water and their quality is lower in the comparison with the fresh bakery product. The fact that bakery products are fresh or fresh from frozen semi-finished bakery products can be considered as a factor influencing consumers in the purchase of bakery products in the current global market.

Factors affecting choosing bakery products are perceived rationally and irrationally by consumers. Horská et al. (2009) connect the first approach with the rationality of consumer behaviour. The aim of this behaviour is to maximize the consumer satisfaction or utility. Consumer behaviour is characterized by cautiousness, awareness, experience, and appreciation of alternatives (Rovný et al., 2010). On purchase of bakery products, consumers compare types of bakery products, ingredients, method and technology of production, or prices. The second approach is related to the irrationality of consumer decisions. Karpińska-Krakiwiak (2014) focuses on the factors that limit the optimal purchasing option. These factors include, for example, uncertainty, risk, limited time and access to information. Consumer behaviour is characterized by unpredictability, emotionality, impulsiveness or subconsciousness (Komárková et al., 1998). The relatively high share of impulses and emotions are recorded when purchasing bakery products. The consumer's decision to buy food is influenced by a number of factors, including cultural, social, psychological, and personal (Géci et al., 2017). The behaviour of buyers of bakery products is primarily influenced by psychological factors that can be crucial for the repeated purchase of selected bakery product. The motivational aspect as a psychological factor may be to look for and buy bakery products with higher quality that are the basis of the food pyramid and their consumption positively affects consumers' health due to their high nutritional value. Another factor is perception. Consumers perceive the incentives and objects in the retail with bakery products. Marketers should be aware of the elements that increase or doubt the trust of potential customers and should try to understand how trust affects the perception of a particular bakery product. Personality also affects the choice of bakery products. Different personalities choose bakery products according to different aspects, for example, according to the type of flour, the method of production, aroma, colour, taste or health aspect. The last factor is the emotions that influence consumers, and they may change, depending on the recent experience of buying bakery products (Horská & Berčík, 2017, Rybanská et al., 2014).

## 2. Methods

The aim of the paper is to focus on the factors affecting consumer decision making in the process of purchase of bakery products with the emphasis on the global trend of technology of pre-baking and freezing bakery products. In connection with its fulfilment, methods of collecting and obtaining information and methods of information processing were used.

Within the scope of data collecting methods we used secondary and primary data. Secondary data represent information from domestic and foreign literature and web pages

focused on processed issues, as well as from Statistical Office of the Slovak Republic. Primary data were obtained from the results of the questionnaire survey. The aim of the survey was to identify factors affecting consumer decision making in the process of purchase bakery products. The survey was realised from November 2017 to March 2018 on a sample of 649 respondents, who were divided into 7 categories by gender: men (55.5%), women (45.5%); age: less than 24 years (32.8%), 25-39 years (20.6%), 40-54 years (28.4%), more than 55 years (18.2%); education: elementary (3.4%), secondary without maturity (16.9%), secondary with maturity (40.7%), university (39.0%); residence: village (55.3%), city (44.7%); economic status: student (29.3%), employed (44.8%), self-employed (8.0%), unemployed (3.1%), maternity leave (1.5%), retired (13.3%) ; monthly income: less than 400 Eur (38.4%), 401 – 800 Eur (32.8%), 801 – 1200 Eur (21.1%), 1201 – 1600 Eur (4.9%), more than 1601 Eur (2.8 %); and number of members in household: 1 member (6.0%), 2 members (16.9%), 3 members (24.2%), 4 members (29.1%), 5 members (18.2%), more than 5 members (5.5 %).

Within the scope of methods of information processing were used following statistical tests: Chi-Square Test of Independence, Cramer's V coefficient, Test of hypothesis for a proportion.

In relation to the objective and methods, the following hypotheses were formulated:

Hypothesis 1: We assume that freshness is one of the most important factors in the selection of bakery products for more than 80% of consumers.

Hypothesis 2: We assume that there is a dependence between consumers' knowledge of fresh bakery products from frozen semi-finished bakery products which are sold as fresh bakery products and the education of consumers.

Hypothesis 3: We assume that there is a dependence between the baking of bakery products from frozen semi-finished bakery products at home and the place of residence of consumers.

Hypothesis 4: We assume that there is a dependence between recognizing the taste of fresh bakery products and fresh bakery products from frozen semi-finished bakery products and the age of consumers.

### **3. Results and Discussion**

The aim of the questionnaire survey was to identify consumer behaviour towards bakery products. Based on the results it could be stated, that 82.3% of respondents consume ordinary pastries, including rolls, buns, salty scones, baguettes and so on. 70.6% of respondents consume bread, 35.4% of consumers consume delicate pastries and 19.7% of consumers consume durable bakery products. Skořepa a Pícha (2016) concluded that bread is the most commonly consumed bakery product.

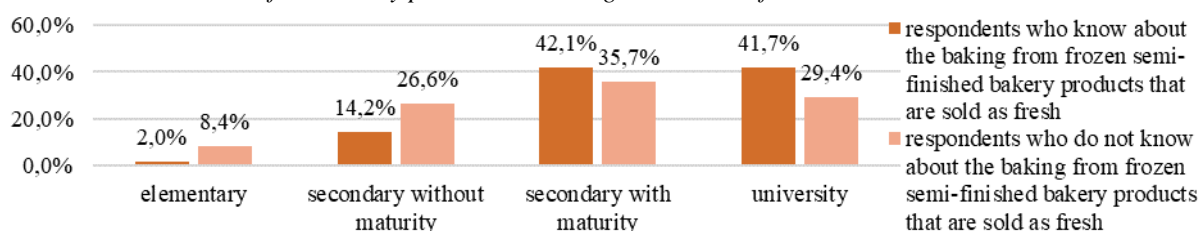
The questionnaire survey focused on the factors influencing consumer decision making in the selection of bakery products. Selected 6 factors, freshness, price, durability, ingredients, country of origin and taste, were evaluated by consumers on the 6-point scale (1 – the most important factor, 6 - the least important factor). Consumers evaluated freshness (96.5%), taste (78.7%) and price (66.3%) as the most important factors (1-3). On the other hand, the country of origin (58.2 %), durability (41.9%) and ingredients (40.7%) are the least important factors.

Based on the results of the questionnaire survey, it could be concluded, that consumers approach rationally and also irrationally in the process of selection of bakery products. The irrationality of consumer decision-making in the selection of bakery products is demonstrated on the basis of perceived freshness and taste that are the most important in consumer choice. On the other hand, consumers make a decision rationally and they evaluate price or country of origin. Loncaric et al. (2009) concluded, that the freshness and taste are the most important factors affecting consumption of bakery products. The price of bakery products is important for consumers, however, if the price changes, the demand for bakery products will not be influenced due to their importance in human nutrition.

In the context of this question, it was examined that freshness is one of the most important factors in the selection of bakery products for more than 80% of consumers. Applying the statistical test of hypothesis for a proportion, null hypothesis was rejected because p-value (0.9533) is not in confidence interval  $<0, 0.8258>$ . It could be concluded that freshness is one of the most important factors in the selection of bakery products for more than 80% of respondents.

Despite the fact that freshness is one of the most important criteria in the selection of bakery products for consumers, new trends in the production of bakery products allow the production of frozen semi-finished bakery products abroad, which are baked in retail stores in the Slovak Republic. The next aim of questionnaire survey was to find out, whether consumers are aware of the current global trend related to the technology of pre-baking and freezing of bakery products and know about the fact that fresh bakery products from frozen semi-finished bakery products are sold as fresh bakery products in retail stores. Based on the results of the questionnaire survey, it could be concluded that 78.0% of respondents know about the mentioned technology and fresh bakery products from frozen semi-finished bakery products. By this question, the dependence was examined between consumers' knowledge of fresh bakery products from frozen semi-finished bakery products which are sold as fresh bakery products and the education of consumers. Applying the statistical test of Chi-squared test of independence with significance level  $\alpha = 0.05$ , the null hypothesis was rejected because p-value (0,00002196) is lower than significance level  $\alpha$  and confirmed statistically dependence between consumers' knowledge of fresh bakery products from frozen semi-finished bakery products which are sold as fresh bakery products and the education of consumers. Based on the Cramer's V-coefficient (0,06) it could be concluded that the strength of dependency is weak.

Figure 1: Consumers' knowledge of fresh bakery products from frozen semi-finished bakery products which are sold as fresh bakery products according to the level of consumers' education

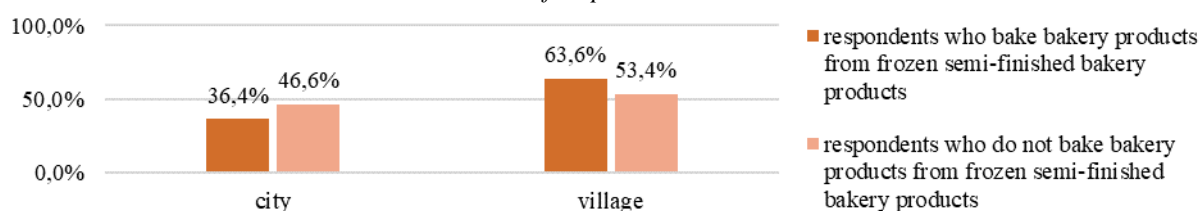


Source: questionnaire survey, 2017-2018

The purpose of the questionnaire survey was also to find out whether consumers are influenced by the current global trend related to the technology of pre-baking and they bake bakery products from frozen semi-finished bakery products at home. Based on the results of

the questionnaire survey, it could be stated that 18.6% of respondents bake bakery products from frozen semi-finished bakery products at home. Regarding to this question, dependence was examined between the baking of bakery products from frozen semi-finished bakery products at home and the place of residence of consumers. Applying the statistical test of Chi-squared test of independence with significance level  $\alpha = 0.05$ , the null hypothesis was rejected ( $p\text{-value} = 0.04125$  is lower than significance level  $\alpha$ ) and confirmed statistically important difference between the baking of bakery products from frozen semi-finished bakery products at home and the place of residence of consumers. Based on the calculation of Cramer's V-coefficient (0.08) it could be concluded that the strength of dependency is weak.

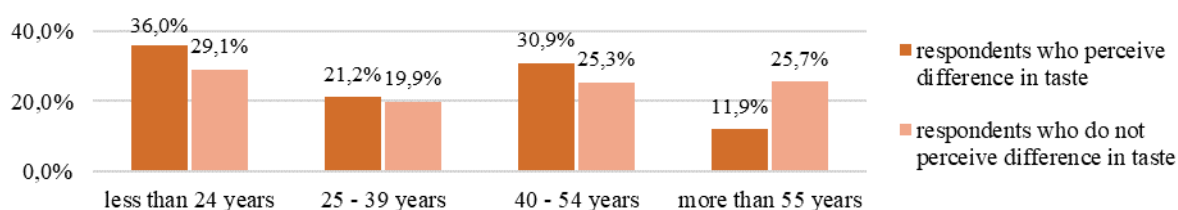
Figure 2: Baking of bakery products from frozen semi-finished bakery products at home according to residence of respondents



Source: questionnaire survey, 2017-2018

As it was mentioned, the technology of pre-baking and freezing of bakery products is currently a global trend on the market and the taste is one of the most important criteria in the selection of bakery products. In the context of the above, the questionnaire survey was aimed at finding out whether consumers perceive differences in taste between fresh bakery products and fresh bakery products from frozen semi-finished bakery products. Based on the results, 54.5% of Slovak consumers perceive the difference in taste. By this question dependence was examined between recognizing the taste of fresh bakery products and fresh bakery products from frozen semi-finished bakery products and the age of consumers. Applying the statistical test of Chi-squared test of independence with significance level  $\alpha = 0.05$ , the null hypothesis was rejected ( $p\text{-value} = 0.000103$  is lower than significance level  $\alpha$ ) and confirmed statistically important difference between recognizing the taste of fresh bakery products and fresh bakery products from frozen semi-finished bakery products and the age of consumers. Based on the calculation of Cramer's V-coefficient (0.10) it could be concluded that the strength of dependency is weak.

Figure 3: Difference in taste between fresh bakery products and fresh bakery products from frozen semi-finished bakery products according to age of respondents



Source: questionnaire survey, 2017 – 2018

The price is one of the important criteria in the selection of bakery products. From this point of view, the questionnaire survey examined how Slovak consumers perceive the prices of bakery products. Based on the results of the survey, it could be stated that most Slovak consumers perceive the prices of bread (57.3%), ordinary pastry (61.9%), delicious pastry (51.6%) and durable bakery products (56.7%) as adequate. Gul et al. (2017) found that the



prices of bakery products are acceptable to consumers and consumers consider bakery products as reasonable and practice food from the point of nutritional importance.

#### **4. Conclusion**

The bakery industry has recently become a topic of discussion on the Slovak food market and is currently influenced by the global trend of technology of pre-baking and freezing of bakery products. The Slovak market is open to foreign producers of frozen bakery products, which has a negative impact on the production of Slovak fresh bakery products. On the other hand, it is important to emphasize that the consumption of bakery products is constant mainly due to their significant position in the food pyramid. The aim of the paper was to focus on the main factors affecting consumers in the selection of bakery products with an emphasis on the technology of pre-baking and freezing of bakery products. The questionnaire survey has shown that consumers make a decision rationally and irrationally in the process of selection of bakery products. The irrationality can be demonstrated on the basis of perceived freshness and taste that are considered by consumers of bakery products as the most important factors. In the context of the technology of pre-baking and freezing of bakery products, freshness is questionable, because the bakery products are not fresh but freshly baked from frozen semi-finished bakery products. 78.0% of consumers are aware of this fact and people with higher education have more knowledge. Bakery products produced by the above-mentioned technology are used by 18.6% of the respondents who bake bakery products from frozen semi-finished bakery products at home. Another irrational decisive factor for the purchase of bakery products is taste of the bakery product. In connection with the global trend of the technology of pre-baking and freezing of bakery products, 54.5% of consumers perceive differences between fresh bakery products and fresh bakery products from frozen semi-finished bakery product. It is important to emphasize that consumers also decide rationally in the selection of bakery products. The price is an example of a rational decisive factor and it is considered as adequate by consumers. The global market of bakery products assumes the continuous development of technologies and rapidly changing living conditions. These facts will cause the change of consumer preferences in the selection of bakery products. For this reason, it is necessary to continue to study the baking industry in a global context.

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## OUTPUT OF DURABLE DEVELOPMENT FOR BUSINESS ADMINISTRATION

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**Abstract.** The literature on sustainability in business is well established and diverse at global level. This way, the economic research highlights the importance of the global business environment for durable development, the last decades offering an unimagined growth on knowledge in the research field. The variety of the approaches at global level, the continuous growth of the volume of the used empirical data, the number of analysis models that were created and applied, the sharp integration of results in founding global and governmental politics, but also on the business plan that have the needed features for this domain. The process of durable development, in which exploiting resources, directing investments, highlighting technological development and institutional change are in tune with the actual and future needs, is unavoidable. From the beginning of the concept of durable development, it was highlighted that the process was not facile, being based on difficult decisions, which were correlated and adapted for the requirements of globalization. According to corporate managers, increasing environment performance will lead to a decrease in competitiveness on global scale in line with extra costs that do not generate on the spot financial benefits. As a result, integrating sustainability in business strategy is not fully in line. In this context, we overviewed the literature to underline the numerous new aspects that needed a conceptual approach on sustainability research from the entrepreneurial perspective.

**Keywords:** output, durable development, business administration

**JEL Classification:** F63, O19

### 1. Introduction

Speciality literature regarding sustainability integration in business is very extensive and diversified. Thus, the economic research fully reflects the importance of businesses for sustainable development, the last decades bringing an unprecedented growth of knowledge in this field. The variety of approaches, continuous growth of processed empirical data's volume and diversity, the multitude of analysis models that were elaborated and applied, the fastness of results integration in global and governmental policy making, but also in business plans are the main features that impose this field.

The process of sustainable development in that resource exploitation, investment directing, orientation of technological development and institutional change are in concordance with the present and future needs, is unavoidable. Since the proposal of the sustainable development

concept it was stressed that the process is not easy, being necessary difficult decisions (Brundtland et al., 1987). This restraint was confirmed at more than two decades since the publication of the *Brundtland Report* by noticing the fact that in the opinion of company directors increasing environmental performance will lead to loss of competitiveness due to supplementary costs that does not generate immediate financial benefits. Consequently, the integration of sustainability in business strategies is not made in necessary path (Nidumolu et al., 2009).

## **2. Sustainability strategies in businesses**

The particular configuration internal and external factors restrain the possibilities of each company for integrating sustainability becoming necessary a decision regarding the most appropriate way for integrating sustainability, respectively of choosing the most suitable sustainability strategy.

The correlation of sustainability strategy with the business strategy provides the simplest therewith most used typology. Hence, it is differentiated the strategy of risk avoidance; the strategy of efficiency (cost reduction by increasing efficiency in the use of materials and energy); and the differentiation strategy. Each of these strategies involves innovation, but the importance of innovation for the success of the strategy is different. The first two categories aim the same goal of minimizing costs, while the third one is using sustainability as a means of differentiation.

The risk avoidance strategy is most often a reaction to external criticism on the behalf of consumers, investors, or potential customers. The company has to prove that it knows the issue and it involves in reducing the risks related to sustainability at the level of both enterprise and suppliers. For the implementation of this strategy there are used mainly the certifications for complying with internationally recognized standards. A particular case is represented by suppliers' management especially for companies that are acting of the retail market, manufacturing products that incorporate a great variety of materials accruing from more countries. The typical reaction of these companies is social responsibility and publication of periodical reports with sustainability indicators.

Companies could decide aiming a higher performance level than legal compliance or the one imposed by customers by anticipating the evolution toward increased restrictiveness of standards. Product and process innovation could be necessary for reaching the desired performance level, while the benefits of such reaction could be observable along with the evolution of standards toward the expected direction.

By the efficiency strategy it is aimed the smart use of natural resources and human capital leading to cost reductions. Such a strategy could envisage both internal and suppliers' processes.

Within a highly competitive environment numerous companies identify a strategic advantage in increasing energy efficiency and efficiency of resource use. The main goal of such strategy is cost reduction, the decision alternative being, most frequently, the relocation of production in countries where costs are lower.

Increasing efficiency involves cost reduction by the diminishment of energy and material consumption but it could bring other types of savings such as reducing expenses for storage,

waste management, filtering pollutants etc. The potential for cost reduction by this sustainability strategy is high enough. For instance, 3M company saved 1.4 billion \$ for 34 years by implementing the program *Pollution Prevention Pays (3P)*; company GE Industrial made annual savings of 12.8 million \$ by using economic bulbs; a subsidiary of Alcoa reduced water consumption by 80% in this way saving up to 40 thousand \$/year (Seebode et al., 2012).

At the extent that efficiency gains are determined by innovations such companies could also direct toward the market of clean technologies where they could trade their technological solutions. The incomes obtained on these markets could be large enough to avoid cost reduction by relocation.

As long as human capital is regarded, this strategy supposes a powerful motivation of the staff. The means for accomplishing this are responsibility boosting policies and profit redistribution, advantageous working conditions, stability, involvement etc.

The differentiation strategy is based on the need of the company to distinguish itself from the competitors. Sustainability themes that are most often used for this purpose are climate change, food security, transparency of decision making, demographic ageing, rising of digitalization, exhaustion of natural resources, health in relation with nature, transportation of fossil fuels etc. (Table 1).

Table 1: Top 10 of themes addressed by sustainability activists in 2014

Crt.nr.	Themes
1	Climate change
2	Transparency by request
3	How to feed a planet with a growing population
4	Fracking – the fear from unknown
5	Online intimacy – who watch the watcher?
6	Arctic – the next battle field
7	Water – the last drop
8	Trains, trucks, tanks, pipes – the disturbing transport of fossil fuels
9	SOS Health – reconnecting with our food
10	Forest eyes – palm oil, deforestation and human rights

Source: Wohlgemuth, E., Klei, K. (2013). *Stakeholders activism 2014: The top 10 issues likely to drive global campaigns towards brands. Sustainable Brands Webinar-Future500.*

Selecting the sustainability topic is an important decision. This will take in account the characteristics of the product/service, by also the possibilities of transforming them or the value they have for the consumer/beneficiary. The differentiation strategy could be regarded as a strategy that continuously solves a problem with permanently changing coordinates. The possibility of adopting such strategy depends very much on innovation, respectively on the existing potential for creating new products/services. This potential could be enhanced by collaborating with associations, groups of users, NGOs, local authorities etc. for designing sustainable products/services.

The elements of this typology are also found in the classification of corporate social responsibility strategies. In their case, there were outlined (Gănescu, 2012):

- *Passive strategies (defensive)*: enterprises reject any form of ethical responsibility that is not in accordance with their economic interests, excepting the ones that are already integrated in legal norms; operationally, such enterprises ensure compliance with legal provisions;

- *Reactive strategies*: enterprises recognize the ethical responsibility in relation with the main stakeholders and react than these signal in compliant situations;
- *Proactive strategies*: enterprises recognize the ethical responsibility in relation with stakeholders and initiate actions for minimizing the negative impact.

Other criteria used for the analysis of sustainability strategies are the dimension of sustainable development that is approached and the company function. Thus, there are strategies for addressing social problems and strategies for environmental problems, respectively strategies regarding distribution and supply chain, creation of competitive advantage, increasing of financial performance.

In relation with the plan in that the change is made and the actions initiated toward it there are the following categories (Bocken et al., 2014): Strategies based on changes in the technological plan; Strategies based on changes on social plan; Strategies based on changes on organization plan.

Sustainability strategies could be differentiated also by the dynamic of integration process. Thus there are distinguished the following categories (Rankin et al., 2011): Strategies that secure legal compliance regarding working conditions and environmental protection; Profitability driven strategies; Innovative strategies; Strategies based on organizational change; Strategies with impact on the society (societal), named also *transformative* sustainability strategies.

Another typology of sustainability strategies takes in account what is changed, how the change could be made and the purpose of the change, for each of these criteria a three level sustainability greed being applied as it is represented in table 2.

Table: 2 Sustainability strategy typology by the level of integration

Types	Problems (What?)	Organizational perspective (How?)	Value added (For what?)
Business as usual	Economic problems	Interior-exterior	Share value
Level 1 sustainable business	Problems on three dimensions	Interior-exterior	Share value
Level 2 sustainable business	Problems on three dimensions	Interior-exterior	Triple bottom line
Level 3 sustainable business	Sustainability challenges	Exterior-interior	Value added for the common good
<b>Key changes</b>	Widening of concerns	Perspective	Diversification of value added

Source: Muff, K., Dyllick, T. L. (2015). An organizational roadmap of Business Sustainability. *Organization and environment*, February.

The level 1 sustainable business secures the increase of share value by valuing opportunities and managing risks occurring for the three dimensions economic, social, and environmental. On the second level, sustainable business supposes the management of the triple bottom line, respectively a process in that companies manage their risks, obligations, and financial, social, and environmental opportunities. At the third level of business sustainability, also mentioned as the genuine sustainable business, it is reached the change of the perspective. Thus, it is occurring the passing from negative impact minimization to the understanding of a significant positive impact could be created in relation with the rations of sustainable development. At this level business administration, firstly assess the environment in what it will operate and attempts outlining responses for the question: what can be done for

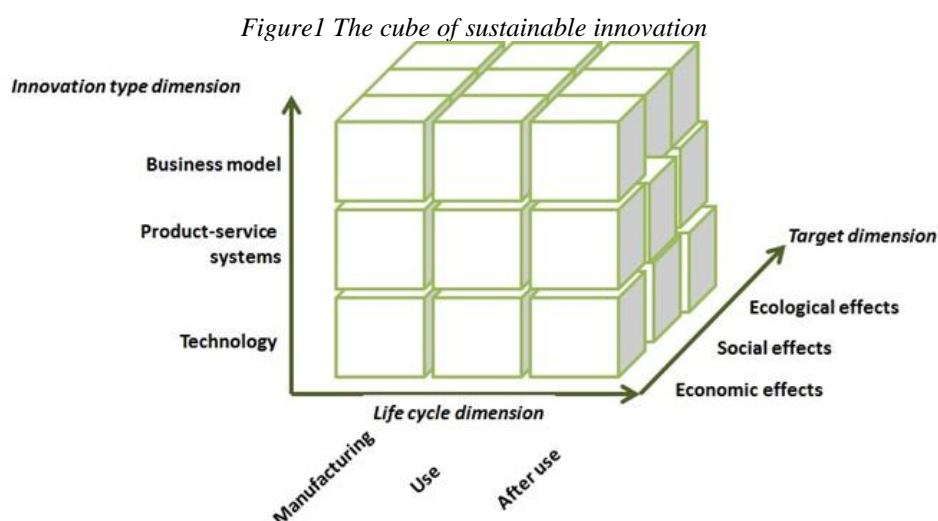
solving the critical problems of the moment using the available competences and resources (Muff & Dyllick, 2015).

### 3. Minimum requirements for the management of sustainable innovation

Sustainable innovation is gradually integrated in business administration and could lead to new business models. Sustainable innovation should be regarded as an opportunity for redesigning consumption and production processes. Business models that are based on the integration of sustainable innovation are social enterprises, BOP approaches, businesses based of product-service systems and other. The success of these models depends on the creation of a social-economic environment that is prepared to express the requirements of the sustainable development at the highest level. These conditions are met my models such as green economy, circular economy, functional economy, collaborative economy etc. The strategies that could be adopted in the promotion of sustainable innovation are: Simplification, by focusing on elements that could be controlled by the company; Launching temporary projects for the invention of a products/service that is sustainable; Establishing a department with responsibilities in the promotion of sustainable products/services.

The evaluation of sustainable innovation supposes creation of specialized systems. In the design of these will be integrated efficiency indicators for investments that will take in account the time that is needed for diffusion. For the design of such systems it could be used the so-called sustainable innovation cube (figure 1).

Further, there should be ensured conditions for the management of failure situations because of defeating projects. These should be considered learning opportunities, meaning iterative stages of an experimental approach. Outlining the business and the company needs a new approach that allows identifying more social actors the behaviour of which could be influenced toward sustainability. The purpose should be to create an ecosystem of sustainable innovation that ensures: Maximizing the information flow regarding sustainable development; Enhancing the capacity of organizing information and identifying the common goals; Developing the capacity of inter-connection among actors.



Source: Hansen, E. G., Grosse-Dunker, F., & Reichwald, R. (2009). Sustainability innovation cube - a framework to evaluate sustainability-oriented innovations. *International Journal of Innovation Management*, 13(04): 683-713.



The main barriers that slow down the path of sustainable innovation are uncertainty, the time horizon of programs and plans, organizational culture, development gaps, impact measurement etc.

For overcoming the problems related to uncertainty monitoring leaders is one of the strategies that could be adopted. This approach is obvious in China there leading companies adopted the Global Citizenship 360 audit system, then being followed by a growing number of enterprises (Grayson et al., 2008).

The growing importance of social and environmental issues did not diminish the need of companies of proving economic performance. Gaining profit on short terms is a crucial demand, companies being exposed to the risk of overtaking. Nonetheless, the market dynamic is sensitive to stability indicators. Hence, encouraging sustainable innovation by maintaining profitability generally, has, a positive impact.

A possible model that leads to the activation of the competitiveness-sustainability two-way relation by innovation is presented in table 3.

*Table 3: Model for the activation of competitiveness-sustainability two-way relation*

<b>Crt.nr.</b>	<b>Action</b>	<b>Description</b>
1	Integration of sustainable innovation in company's vision	Up-dating company's vision and mission and identifying values and principles that meet the requirements of sustainable development.
2	Development of a strategy that has sustainability as leading principle	Sustainability will be included in the business strategy
3	Integration of sustainability in all aspects of the business	Creating continuous processes that allow everybody to recognize and understand economic, social, and environmental impact, and using such information for sustainable innovation.
4	Demonstrating the commitment for sustainability goals	Top management should demonstrate seriousness in its commitment for sustainability and establish responsibilities for the achievement of objectives.
5	Establishing a responsible body for sustainability	Most leaders established a committee that is responsible for the progress toward sustainability. Its responsibilities comprise identification, assessment and overview of environmental, social and ethical policies; collaboration with top management for the integration of sustainability in strategies; assisting the directing council regarding responsibility and sustainability issues.
6	Establishing tight rules	Creation of a code of conduct regarding sustainability that address to both employees and stakeholders.
7	Stakeholder involvement	Identification of all stakeholders and their involvement in sustainability and innovation actions.
8	Use of community power	Sustainability should be a value stated in all human resource management processes, starting with recruitment advertises and reaching remuneration and promotion.
9	Network integration	Identification of relevant organizations (for instance, World Business Council for Sustainable Development, UN Global Compact etc.); assessment by different rankings
10	Beyond reporting: aligning all systems of the business with company's vision regarding sustainability	Sustainability is not a goal by itself, but a transformation process that allows the enterprise to prepare itself for a social and economic environment in that maximizing profit will be not enough for the stability of the business.

*Source: Grayson, D., Rodriguez, M. A., Lemon, M., Jin, Z., Slaughter, S., & Tay, S. (2008). A new mindset for corporate sustainability.*

Sustainability should become a feature of the organizational culture for ensuring the integration of its requirements in business strategies. The use of indicators for establishing goals is important for the substantiation of certain decisions, by developing an organizational culture of sustainability supposes the acknowledgement and respect of its value, even then there are not enough possibilities for quantification.

The main drivers of sustainable innovation are two actors that have a diffuse influence: consumers/customers and government. For supporting sustainable innovation, it is important to ensure collaboration with them. The government by its double role of regulating body and purchaser might impose criteria and procedures. Supplying models characterized by simplicity and predictability could have a positive impact for the development of sustainable innovation.

#### 4. Conclusion

The societal challenges of sustainable development suppose unprecedented changes in all domains of activity, most of them having profound implications from economic point of view. In full impetus of transformation, one imposes a careful watch of strategic orientations that will generates sustainability drivers for businesses.

Despite important progresses recorded in meeting the goals of sustainable development it persists a number of worrying trends on social, as well as environmental plans (Burlacu, S. et al., 2018). Reducing poverty was materialized at global level, but important disparities are maintained from one region to another (Ionita, F. et al., 2009). In the same time, food security continuous to be scanty, the quality of life is below acceptable levels for a very numerous population, and job creation is under expectations.

Sustainable innovation is gradually integrated in business administration and could lead to new business models. But, attention, the business model is the result of a strategy, but it is not a strategy itself (Boons & Lüdeke-Freund, 2013). With more than a decade ago, the Porter hypothesis predicted the innovative effect of environmental restrains imposed by regulations on businesses. The evolution of businesses under the growing pressure for sustainability tends to confirm this prediction, but the subtle mechanisms that should be identified at the level of strategic management are further lacking the necessary knowledge and understanding for becoming reference procedures in business administration (Porter & van der Linde, 1995).

A future direction of our research will follow the concept of Positive Change Strategy (PSC) in the view of authors who consider this trajectory to be different in terms of the nature and speed of change faced by the changed project goals and the resulting quality (permeability and sustainability) timing and social impact Stephan, U., Patterson, M., Kelly, C., & Mair, J. (2016). Perhaps through this approach, the O-Ring Theory of Economic Development (Kremer, M. 1993) can gain new valences by integrating perspectives and by applying analytical, empirical and experimental tools in a number of areas, some of the fundamental questions can be answered (Amit R. Glosten L. Muller E. 1993).

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## TRENDS IN SELECTION PROCESSES OF SALES REPRESENTATIVES IN GLOBAL COMPANIES IN SLOVAKIA

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**Abstract.** Global competitive environment pushes companies to strive for improvement and to look for an edge over competition. This pressures create a need for the companies to hire the best people available. Thus, an effective selection process becomes a necessity for a company to implement and improve. In this article, we start with a short review of literature focusing on the main selection methods and their validity. The core of our article is an examination of selection processes in selected multinational companies operating in Slovakia. We focus on the employee selection for the position of a sales representative in the sector of fast-moving consumer goods (FMCG). We are looking to determine what these selection processes consist of and which selection methods are used. We compare them to the available theoretical knowledge as reviewed in the second chapter and we draw conclusion from there about the trends in human resource management practices in the field of employee selection for this specific type of position. Our results show that although companies are using many of the methods with a good validity, their execution of these methods is lagging behind the best theoretical knowledge available. This shows us possible improvements available in the human resource management practice.

**Keywords:** selection process, employee selection, selection methods, multinational companies

**JEL Classification:** M12, M51, F23

### 1. Introduction

Selection process is one of the most important parts of the human resource management in a company since it determines the capabilities and skills the company can call upon in its workforce. Thus, every company should pay a close attention to the construction and composition of its employee selection process and should review it permanently. The importance of employee selection is a timeless assumption that no one disputes. There is a whole body of research concerning the topic of employee selection as part of the broader topic of human resources and human resource management and it is an ever-evolving field of study that entertains researchers around the world. It is even more important while searching for sales representatives who are the ones giving the image of the whole company to the customer and whose work is essential to make sales and thus realising the output of the company on the market.

## 1.1 Structure of this article

We discuss current depth of knowledge on the topic of employee selection and its methods in the second chapter of this article, the Literature review. We define the basic theoretical notions we use in our research and we map out current developments in this area of research both in Slovakia and abroad. In the third chapter of this article, we describe the survey we used for our research. We also broadly describe companies we surveyed to illustrate the trends. The fourth chapter consists of results of our survey with explanation for researched characteristics of the selection process. In the last chapter, we draw conclusion upon the results.

## 2. Literature review

The topic of human resource management is a well-developed one throughout literature. Human resources are for the company the most important and in developed countries also the most important resource which decides the prosperity and competitiveness of the company. (Koubek, 2009). Main methods of employee selection are an interview, an assessment centre and tests of professional capabilities. (Armstrong, 2011; Nica et al., 2017; Lyakina et al., 2017)

Important thing while deciding which methods to choose is their validity for employee selection. Validity show how exactly the predictor in reality predicts the criterion of success in work. (Byars et al., 1997; Menéndez, 2017) Research shows that validity of a structured interview is 0,62, of an assessment centre is 0,41 and of the tests of professional capabilities is 0,54. (Koubek, 2009). Also worth noting is the validity for role playing model situations which is 0,55 in the same research. Validity was also studied by Abbakumov (2011), Weekley (2009), Maxwell and Arvey (1993), Abdolshah et al. (2017) and Morris et al. (2015).

A structured interview is based on an analysis of competencies that concludes with requirements for the applicant. Questions in the interview are then formulated to give information on whether applicant fulfils these requirements or not. (Armstrong, 1992). Interviews are researched by Barclay (1999), Barclay (2001), Krajewski et al. (2006) and Chen et al. (2006).

An assessment centre is diagnostic and educational program based on a series of simulation of typical managerial activities during which the competencies of applicant are tested. (Koubek, 2009; Popescu, 2017; Tretyak et al., 2016). A lot of research is being done about assessment centres and their usage, for example Sacket et al. (2017) and Jackson et al. (2016).

Tests of professional capabilities are a roster of tests diverse in forma and subject. They are used to compare knowledge, character, abilities, skills and habits of job applicants with requirements for the position being filled. (Blašková, 2003)

Employee selection in Slovak literature was elaborated by Koubek (2009), Kachaňáková (2007), Blašková (2003), Hroník (2002), Montag (2002). As for the foreign authors, the principal one is Armstrong (2011).

Theory in this field is well developed as we can see from the examples above but there is a perceived divergence of theory and practice in the human resource management field as König et al. (2011) notes.

### 3. Survey

To examine trends in selection processes for sales representatives in multinational companies in Slovakia, we assessed selection processes in 8 chosen companies. Companies were chosen based upon their sector of operation which is fast moving consumer goods (FMCG). The companies chosen were among the market leaders in their respective industries. They are subsidiaries of multinational companies operating in the global business environment. Choice was made based on the availability of data. We cannot disclose names of the companies or precise sectors they operate in because of the sensitivity of the information about their internal processes which constitute an important part of their know-how.

Sources of information were personal communication with management of companies either through telephone, email or in person, but also publicly available information about companies and internal documents of companies. We also had assistance from a consulting company providing services to some of the companies.

Focus of the survey was to assess and compare selection processes in selected companies. We wanted to assess which selection methods they are using in the selection processes for the position of a sales representative and also other characteristics of the selection process concerning parts of the process such as number of interactions. We decided upon 16 characteristics to be studied. Studied characteristics also with results can be seen in the table in the chapter 4 Results (Tab 1.). We based those characteristics on the available theoretical knowledge in this field and also personal consultations with human resource management practitioners to construct them to bridge the difference between practice and theory

### 4. Results

The following table contains results of our analysis of employee selection processes as described in the previous chapter. Each organisation received a number which is not representative of any order they are in. This number serves us only to distinguish among them for further analysis.

Tab. 1. Results of the analysis

Studied characteristic of the employee selection process	Analysed organisation								$\Sigma / \emptyset$
	1.	2.	3.	4.	5.	6.	7.	8.	
Number of interactions of the company with the applicant	2	3	3	3	3	2	3	2	average 2,625
Pre-selection phone interview focused on filtering applicants					✓				1 out of 8
In-person interview with the applicant by a HR specialist		✓	✓			✓	✓	✓	5 out of 8
In-person interview by concerned sales manager		✓		✓	✓	✓		✓	5 out of 8
Usage of predefined competencies of a sales representative in the selection process and their assessment	✓	✓	✓		✓		✓		5 out of 8

Realisation of some form of an assessment centre as a tool for assessing skills and competences of applicants	✓	✓	✓	✓	✓		✓		6 out of 8
Preferred number of applicants in the selection process	15	10	10	12	10	-	10	-	Average 1,167
Clearly defined matrix activities/competences in the assessment centre		✓			✓	-	✓	-	3 out of 6
Interview with the participant as a part of an the assessment centre	✓					-	✓	-	2 out of 6
Interview for selection and motivation realised after the assessment centre as a standalone activity	✓	✓	✓	✓	✓	-	✓	-	6 out of 6
Usage of universal, general model situations in the selection process	✓	✓	✓	✓	✓	✓	✓		7 out of 8
Adjusting model situation specifically to the conditions in the company			✓	✓			✓	✓	4 out of 8
Usage of psychological test during the Assessment centre or selection process		✓	✓		✓	✓	✓		5 out of 8
Using the applicants as sparing partners during model situations	✓		✓		✓		✓		4 out of 8
Active involvement of sales managers into the organisation of the selection process – role play	✓			✓			✓	✓	4 out of 8
Usage of external agencies in the selection process – evaluation of applicants		✓	✓		✓		✓		4 out of 8

Source: Author

Results we get from this survey help us to establish several conclusions about employee selection processes and current state of this field in practice in Slovakia. The most important ones are detailed followingly.

We found that 62,5% of companies are using a 3-step process of employee selection for the aforementioned position usually consisting of a personal interview (done by a HR specialist or local sales manager), an assessment centre and a follow-up interview for a job proposal and contract negotiation.

Another point we find interesting is that only 62,5% of companies are using predefined competencies for the position in the selection process. The companies not using them are relying only on the experience of the judges and their objectivity which might be prone to mistakes and illusions. Consequently, they might not be finding the right candidate for the position.

Many of the findings are speaking to the practices surrounding assessment centre in these companies. 75% of companies use some form of an assessment centre, but their extent and quality differ. On average, assessment centres have 11,167 participants, which might impact the pertinence of results because with such a high number of participants, there is no time to retest competences in more activities. Also, in every company, assessment centres are composed from standard model exercises and activities. This might cause inequality among participants, because some of them might have done the exercises previously and it might mean the company will not ascertain real life capabilities for their sales representatives. Only half of the companies is also using at least some case studies, activities and exercises built according to the real-life experience in the company in other parts of the selection process. Moreover, these issues are heightened by using participants as sparing partners in the role play activities.

## 5. Discussion

Study of the current trends of employee selection process for sales representatives in FMCG multinational companies has shown that companies are not using all available tools and knowledge to choose the best employees for the job. Employee selection is an important part of the life of a company and we found issues during our research that ought to be addressed. Among those are a need for a better and improved form of an assessment centre to be used in companies. This research provides a basis for improvement in human resource management practices in Slovakia focused on a better process of employee selection which might help companies compete both in Slovak and global market.

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# IMPACT OF GLOBALISATION ON CONSUMER BEHAVIOUR BY UTILISING CIRCULAR ECONOMY

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**Abstract.** Effective exploitation of natural resources, an increase in employment in the sector of waste economy and the fight against climate change that are aimed at lowering the amount of waste ending up in landfills, are the key tools to protect the environment. The level of economy and the quality of our life depends on availability of natural resources. Traditional economy is characterised by one-way, linear process, i.e. resources – products – waste, aimed at maximization of social wealth and profit, the process that excessively consumes natural resources, produces uncontrollable amount of waste and has a negative impact on natural resources and the environment that is influenced by globalisation process. By considering an increase in productivity, lowering of costs and fostering competition in Europe, circular economy as a scientific concept represents a model of sustainable development that is a kind of green economy. Before determining the ways of implementation, when introducing circular economy in Slovak economy, it is inevitable to analyse factors that have an impact on this phenomenon. Our paper focuses on defining the analysis results, and on monitoring and utilising innovations in consumer behaviour by implementing circular economy in Slovakia. The research was aimed at various sets of consumers of the European Union and the Slovak Republic. In conclusion, we define proposals ensuring compliance with legislation, circular economy principles and consumers influenced by world globalisation.

**Key words:** circular economy, innovation, consumer behaviour, globalisation, legislation, ecology

**JEL Classification:** M3

## 1. Introduction: Impact of Innovation on Consumer Behaviour

In a changing business environment and during the development of a global market that is driven by increasingly demanding customer requirements, growth in supply and services, and thus, by an increased competition on the markets, and by technological development and globalisation of business, innovation is a means of managing the constant changes. An organisation, in order to be able to keep pace with the best, must pay an appropriate attention to innovations. It means constantly coming up with new ideas, having a developed innovation policy that should be followed, developed and adapted to development trends. Naturally, the innovation processes cannot be forgotten and need to be adapted as well. Only strong organisations that interested in their development of innovations can become leaders on the

market. As it seems, the current “global public spheres” are full of inner contradictions and ambiguities. The society of the 21<sup>st</sup> Century has to face many economic confrontations; e.g. between the supporters of financially demanding environmental protection measures and wealth and power held by multi-national and even global corporations seeking the highest possible profits (Radošinská & Višňovský, 2016; Boncinelli et al., 2019; Chang et al., 2018). When innovating, not only breakthrough technological solutions need to be looked for. Generating technological changes to the product and the technological lead in production are just a prerequisite for success. Many organisations have perfect products that are made with a perfect technology. Innovations bring benefits to the customer, and are not just the result of scientific and technological development. Above all, they are a purposeful response to the emergence of new business opportunities. (Yadav & Pathak, 2016; Xiang et al., 2016; Bratu, 2017) An organisation with its innovative solution should be able to make competitor's offer uninteresting for the customer. In case an organisation wants to ensure long-term competitiveness, it is not just about cost reduction and process optimisation. Successful innovations are based on the knowledge of the system evolution, on correct defining of contradictions, as well as on the knowledge of psychology and philosophy. Innovations must integrate business and marketing processes, development, production, enterprise resources and their organisations. (Jacobs et al., 2018; Motyka et al., 2018; Machan, 2017)

Innovations mean the practical transformation of new ideas into development of products, services, processes, systems, and social relationships. It means introducing a change that is new. We can talk about a process that combines existing things in a new way in order to produce a unique thing. Innovation involves a comprehensive set of activities, starting with new ideas and ending up with putting these ideas into practice. Innovations may relate to products, technologies, means of production, the occupational and qualification structure of the workforce, organisational structure of a company, and etc. Many internationally successful business enterprises therefore invest in the entertainment industries, e.g. in television production with global reach. Thanks to these substantial investments, it will be interesting to observe the future relations between the “traditional” industrial segments and the global entertainment industry (Radošinská, 2017). Innovation is an issue very often dealt with by various authors who have proposed a number of definitions. Gregor and Mičieta eg say: *"Innovations are a practical transfer of ideas into new products (products and services), processes, systems, and social relationships."* (Gregor & Mičieta, 2010, p. 216). Drucker does also research into innovations and explores them from the entrepreneurial point of view. He states: *"Innovations are a specific tool for entrepreneurs, a means by which changes are used as opportunities for doing business in a different area or for providing different services. "Entrepreneurs need to look for the sources of innovation purposefully, i.e., to search for the changes and their symptoms that signal the opportunity for successful innovations. "* (Dytrt & Střiteská, 2009, p. 154) The company's innovation strategy is currently based on a leap forward that is enabled by human imagination. It eliminates the lengthy process of scientific exploration of modernisation of a production and technological process and at the same time creates space not only for the improvement of reproduction but also for innovation in thinking, creativity and ethical management. (Zaušková & Domová, 2012)

## 1.2 Circular Economy

One of the ways how to implement innovations and the globalisation process is to create room for a circular economy. The traditional economy is characterised by a one-way linear

process and i.e. resources - products - waste, focusing on maximising social wealth and profit, which excessively consumes natural resources, produces an uncontrollable amount of waste and has a negative impact on natural resources and the environment.

However, at present, there is an increase in implementation of the circular economy principles. The circular (closed) economy is a scientific concept of a sustainable development model that has been applied in many economies. Basically, it is a kind of eco-friendly (green) economy. The circular economy is characterised by a closed-loop flow of material and energy, while considering natural and human resources consumption, as well as advances in science and technology. (Garnefeld et al., 2018; Visser et al., 2018)

*„Industrial ecology is a research discipline that is based on a system approach and includes a holistic approach to trading in human economic activity and sustainability.“* (Garner & Keoleian, 1995, p. 138)

The priorities of the circular economy are saving and efficient use of scarce natural resources; streamlining the production by utilising highly-efficient resources, low consumption and (or even zero) emissions. It includes prevention and reduction of waste production, and consequently, elimination and reduction of sources of pollutants, as well as recycling, when resources are returned back to the economic cycle, which has an urgent practical importance. (Sangroya & Nayak, 2017; Falahat et al., 2017)

The beginnings of the concept of a circular economy date back to the 1960s, when there was a growing interest in environmental protection, and several ecologists, economists and other professionals began to address this issue. Since 1990s we can see a significant increase in the development of the knowledge and circular economy on an international scale. Germany, e.g. introduced its concept of the circular economy in 1998. The circular economy is based on three principles - "3R" (Reduce - Reuse - Recycle), which represent the economic code of conduct. (Aschemann-Witzel & Zielke, 2017; Chung et al., 2017; Kantarelis, 2018)

The "Reduce" principle is the orientation of the economy to scientific and technological progress and innovation in order to make the use of resources smoother with the least use of raw materials and energy consumption, i.e. using high-tech technology as much as possible and identifying the inputs that can replace material inputs to achieve economic, social and environmental harmony in production and can protect the environment for the benefit of the mankind. It also prefers the production of smaller and lighter products as well as simple and practical packaging to luxury packaging that generates more waste and etc.

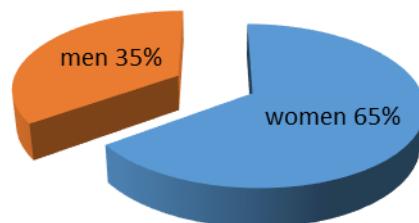
*"The circular economy deals with the production and consumption of goods through closed-loop material flows that internalise the environmental effects associated with the extraction of raw materials and the generation of waste (including pollution). The main goal is to reduce resources, consumption, pollution and waste at every step of the product's life cycle." (Sauvé & Bernard & Sloan, 2016, p. 48-49)*

## 2. Survey results

Using the questionnaire survey, we will elucidate the views of the population on how they respect the environment. As a research method we used questionnaire survey. The questionnaire consisted of five questions which were directly related to the population's

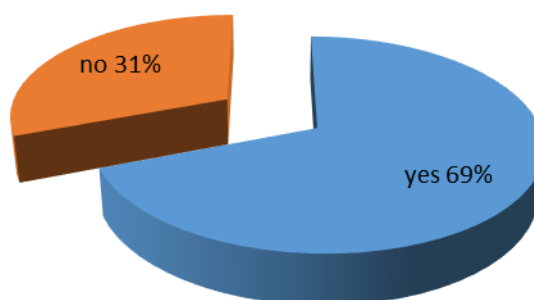
respect towards the environment. Through the questionnaires we addressed 628 random respondents. The return of the questionnaires was 100%, 408 women and 220 men responded.

*Figure 1: Gender*



*Source: author*

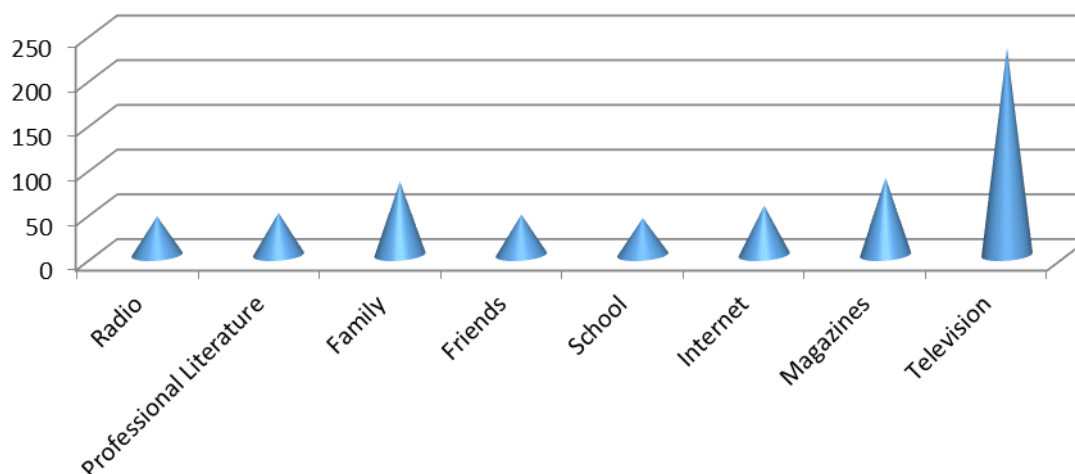
*Figure 2: Respondents' Relationship to Environment*



*Source: author*

Respondents had to express how is their relationship to the environment. A clear positive response is represented by 433 respondents. However, based on the overall assessment of this question, we realised that up to 195 respondents have expressed a negative relation to the environment. We can conclude that a high number of respondents is ready to get necessary information on the issue of environmental protection.

*Figure 3: Source of Information on Environment*

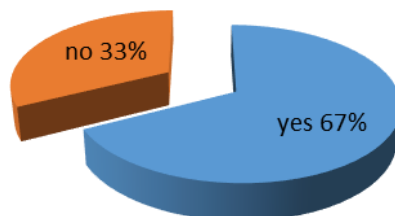


*Source: author*

The present era is characterised by the use of digital technologies, where there is no problem to search for any information through various types of mass media. The aim of this question was to identify a concrete medium that is used by recipients in order to obtain necessary information on the environment. Surprisingly, we found that television accounts for

the largest number of the recipients, up to 232 people surveyed. The other sources reached the almost identical numbers in representation of the respondents.

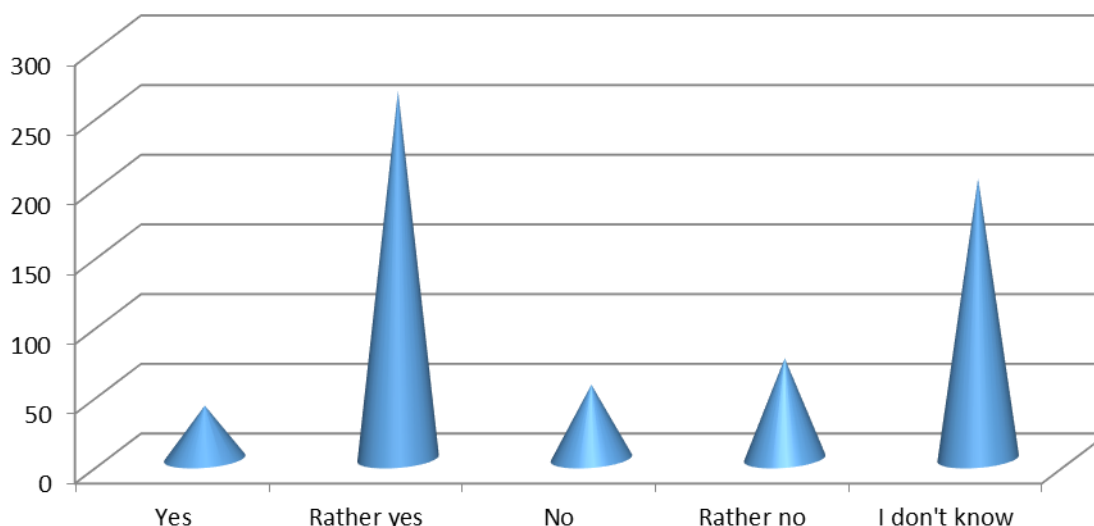
Figure 4: Monitoring Product Eco-Labeling



Source: author

The question was aimed at finding out whether consumers notice product eco-labelling when making purchasing decisions. 421 respondents said they had already seen a given product eco-label.

Figure 5: Correlations between Environment and Buying Behaviour



Source: author

In response to the previous question, respondents answered the question whether the environment plays a role in making their purchasing decision. A clear positive opinion was expressed by 38 respondents and 264 respondents were inclined to a rather positive answer. Therefore, we may conclude that a relatively high percentage of respondents are, to a certain extent, influenced by the environmental factors when purchasing goods or services. However, a very striking finding is that up to 201 respondents were not able to comment on the issue.

Figure 6: Knowledge of Term "Circular Economy"



Source: author

As it is obvious, when looking at the pie chart, the answers collected on the question whether respondents know the term circular economy, are divided almost proportionally into two halves (46% to 53%). Almost half of the respondents (333 respondents) know the term „circular economy“. The second part of the respondents (295 respondents) have not heard about it yet. Since the existence and the application of innovations is an elementary criterion for introducing the principles of the above-mentioned economy, for the needs of the study, the question is very important.

### **3. Conclusion: Recommendations and Proposals**

At present, it is essential to find out what is the real level of knowledge concerning the circular economy principles among population. Nevertheless, Slovakia will have to follow the given trends and employ various measures to reduce the amount of produced waste, reuse the existing waste meaningfully and recycle a wider spectrum of materials. However, any efficient measures must aim to educate the general public, mind the regional disparities (see e.g. Rybanský, Jánošová & Vaško, 2016) We are of the opinion that, by applying more effective and more aloud promotion supporting this type of economy, there is an assumption that the awareness of the term green innovations will increase. Attention should be paid to the promotion of eco-products, especially in relation to marketing communication because marketing communication is a major factor in influencing demand in the globalisation process. In particular, companies that manufacture products like that should try to raise awareness of potential customers through multiple channels of communication. Based on the results of our survey too, it is clear that the use of marketing communication to promote sustainable offers is inevitable. In the conditions of our domestic market, it depends especially on the type of the offer whether customers are willing to pay for environmentally-friendly products.

When using individual communication channels, it is necessary to focus on the following in particular:

- advertising – the oldest and most widely used tool for influencing the consumer – promoting ideas or knowledge,
- public relations – forming public opinion – strengthening and gaining trust,
- sales support – a set of offers that stimulate the customer to buy,
- personal selling – the foundation of educational marketing,
- direct marketing – addressing a specific target group,
- event marketing – organising events and setting up an experience.

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# BEHAVIOR OF CUSTOMERS IN THE PURCHASE OF BAKERY PRODUCTS WITH A FOCUS ON GLUTEN-FREE PRODUCTS IN THE GLOBAL WORLD

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**Abstract.** Food intolerance is becoming a global problem. A significant increase in the number of people with some form of food intolerance is evident globally, including the Czech Republic. The article focuses on mapping consumer preferences for the purchase of bakery products. At the same time, the views of specific groups of customers – Celiac are included. Behavior of consumers is evaluated based on two surveys. It is a survey mapping the possibility of purchasing food for gluten-free diet, which was carried out from October 2016 to January 2017 (1,524 respondents), and research mapping criteria for buying bakery products, which was implemented in January and February 2018 (302 respondents). The aim of the paper is to identify, based on the dependence of the selected characters, the characters that present a specific model of consumer behavior when buying bakery products in the Czech Republic. The most inadequate type of food, where most of the celiacs are missing the larger variety of the assortment, is fresh pastry. The needs of this specific growing group should be taken into account. Among the examined dependencies, for example, it was confirmed that consumption is dependent on age and education. Furthermore, it was confirmed that consumers prefer pre-pricing quality and least impact on sales in action. Comparison with the world issues, suggestions of options, recommendations that could lead to better meeting the customers' needs resulting from their preferences in the purchase of bakery products in the Czech Republic are part of the article.

**Keywords:** consumer, bakery products, celiac disease, gluten-free, food

**JEL Classification:** I12, F14, P46

## 1. Introduction

Consumer behavior includes everything that is associated with the process leading to the final purchase activity (Zamazalová, 2010). It is mainly about how people decide when purchasing, what is important for the choice of goods and the characteristics that the consumer prefers (Komárková, 1998). Consumer decision-making varies according to the type of product purchased (routine, daily purchases / products of investment character). When there are made more complex decisions, the consumer needs more time to think, but also

more information or opinions on the product (Kotler, 2007). The shopping environment also plays an important role (de Wijk et al., 2018). Hes (2010) states that a whole range of internal and external factors affect the buyer. The first impression has the crucial role in deciding on the purchase of food products, which is the emotional effect of the product (what the customer immediately captures, what the product differs, what causes the customer to take the product in hand) and then the price and quality (Vysekalová, 2011). When buying food, the consumer usually wants to save time and therefore he goes shopping with a clear idea of what to buy. In some cases, therefore, the customer may ignore the influence of the offer (Schiffman, 2004). Valder et al. (2011) adds that the most common factors that affect consumers when purchasing food are the quality and the property of the product. In addition, purchasing decisions can significantly affect the atmosphere at the point of sale and the way the products which are presented (de Wijk et al., 2016).

Bakery products form a significant basis for human nutrition. Bread and, in particular, whole-grain bread is an important source of dietary fiber (de Wijk et al., 2018). The Czech bakery market is one of the most advanced in Europe thanks to its range of offerings and customer service. In recent years, it has become increasingly common for customers who, for health reasons, they are forced to look for products that do not contain gluten when buying pastries. In addition, there is a relatively large group of people consuming gluten-free foods without specific medical needs (Morreale et al., 2018).

In the past, celiac disease is considered mainly for children's disease, celiac disease is currently considered a disorder that is common in the general population (affects 1 in 100 individuals) (Volta, Villanacci, 2011). This specific disease appears to be an increasing global problem affecting a large part of the population, thanks to the improvement of screening and diagnostic methods (Tack et al., 2010). When dietary gluten exclusion is necessary, the gluten-free diet is very restrictive (Rose and Howard, 2014), and this significantly affects the quality of life (Khurana et al., 2015). The potential medication is currently only tested (Anderson, 2008). People with celiac disease are therefore dependent on the availability of gluten-free alternatives (Elgeti et al., 2014). The aim of the article is to map selected aspects of customer preferences in the purchase of bakery products and to verify the dependence of selected characters on identifying characters that present a specific pattern of consumer behavior when buying bakery products in the Czech Republic.

## 2. Methods

Behavior of shoppers is evaluated on the basis of two surveys. This is a survey mapping the possibility of purchasing gluten-free food made during October 2016-January 2017 (1524 respondents) and a survey mapping criteria for consumer bake purchases at the turn of January and February 2018 (302 respondents). To determine the criteria that affect consumers when buying bakery products, the dependencies of the selected characters were monitored. Relationships were compiled into pivot tables of actual measured values and expected values that were calculated according to the formula (Kába, Svatošová, 2012):

$$n'_{ij} = \frac{n_i \cdot n_j}{n} \quad (1)$$

where  $n_i$  is the sum of the frequencies in the  $i$ -th line and  $n_j$  is the sum of all the frequencies in the  $j$  column. Differences between these values were observed. The larger the

difference, the more the relationship of the parameters examined shows the existence of dependence, and further with these parameters it is calculated to determine the dependencies of the studied factors. Using the actual and theoretical values, the test criterion G is assembled, or the chi-square- $\chi^2$  test with  $df = (r-1) \cdot (s-1)$  according to the formula:

$$G = \sum_{i=1}^r \sum_{j=1}^s \frac{(n_{ij} - n'_{ij})^2}{n'_{ij}} \quad (2)$$

The conditions for using the  $\chi^2$  independence test are that the theoretical value must not be less than 1 and the value below 5 may be at most 20 percent of theoretical values. For this reason, some Pivot Tables were reclassified. Otherwise, the  $\chi^2$  test cannot be used. The next step was to compare the test criterion with the critical value. To determine the critical value correctly, calculate the degree of freedom at the materiality level, which is determined as 5%. When dependence exists, the leak relationship it is calculated using the Pearson coefficient. Calculation for Critical Value:

$$\chi^2_{1-\alpha; (r-1)(s-1)} \quad (3)$$

### 3. Results and discussion

Bread is one of the basic foods and for most people it is the subject of daily consumption. The demand for bakery products has some specificity and, as with other types of commodity, it is possible to refine development trends here. Greater focus on eating healthy foods in terms of greater consumption of whole grain breads is one of the major trends of today. Consuming gluten-free pastry is essential for some consumers from the health point of view.

#### 3.1 Behavior of customers in the purchase of bakery products

Most customers buy bakeries most often several times a week or even every day. Only a small part of the population does not buy bakery products at all and prefers domestic production. Most respondents (94.2%) prefer fresh bakery products when purchasing. Only 5.8% of respondents prefer pastry from semi-finished products. The usual place of purchase is a supermarket and a separate bakery. Respondents do not consider accessibility to be important when buying and selecting pastries. Price, taste and quality are, on the contrary, very important to many respondents. 70.4% of respondents prefer quality to price. Only 7.7% of respondents said they prefer price to quality. The most popular bakery product is salty pastry - bread and rolls. Rye and whole grain pastries are popular as well as sweet pastries. Most respondents (58.1%) prefer products of Czech origin. A rather surprising finding was that a large proportion of customers (34.1%) did not care about the origin of the pastry. Most respondents (46.5%) spend on baking from 101, - 250, - CZK per week. The range is 251, - 400, - CZK per week (29.2%) of respondents. Most customers also prefer unpacked pastries and at the same time predominantly customary purchases.

Research dependence of selected characters was tested the following hypotheses:

- H1: There is no dependence between baker's consumption and household incomes.
- H2: There is no dependence between baking consumption and age.
- H3: There is no dependence between purchased bakery products and sex.
- H4: There is no dependence between purchased bakery products and age.

H5: There is no dependence between the quantity of bakery products purchased and the education attained.

Table 1: Testing selected hypotheses

Hypothesis	Test Criterion $\chi^2$	Degree freedom (v)	Critical value $\chi^2_{0,05}$	Pearson's correlation coefficient	Power of dependence	Dependence
H1	11,396	8	15,507			does not exist
H2	6,178	8	15,507	0,2412	weak	exists
H3	0,538	3	5,991			does not exist
H4	2,329	6	12,592			does not exist
H5	23,552	8	15,507	0,2882	weak	exists

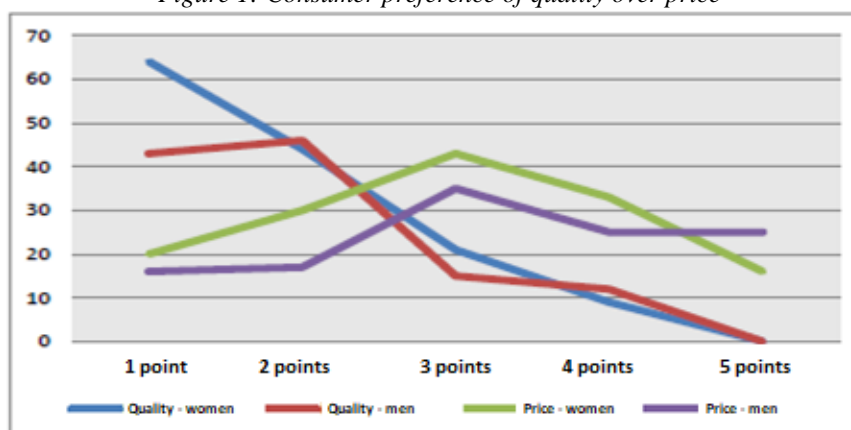
Source: own processing

By testing the dependence of selected characters, it was found (Table 1) that there is no statistical dependence between the consumption of bakery products and household income. On the contrary, there is dependence between the consumption of bakery products and the age. The highest consumption of bakery products was recorded by respondents aged 33-40. There is no statistical dependence between the quantity of baked goods purchased and the sexes and between the quantities of baked goods and the age available. The dependence between the quantity of baked goods purchased and the education attained has been confirmed. Most buyers of bakery products will attend the respondents with a high school with purchasing frequency several times a week.

### 3.2 Preference quality of bakery products over price

The quality of bakery products was the first criterion for the purchase of bakery products. The 1-5 point range (one is best, at least five) judged the quality leader in total 107 respondents. The claim is also confirmed in another question referred, the respondents answered that they prefer quality over price. In total, 70% of respondents stated that they prefer quality over price, and only 22% of respondents said they did not. Price is ranked third in the ranking of preferences. Most respondents (78) voted this rating. Only 36 respondents placed the prize in the first place. A further 37 respondents rated the price two, and only four were chosen by four. The lowest impact was reported by 41 respondents (Figure 1).

Figure 1: Consumer preference of quality over price



Source: own processing

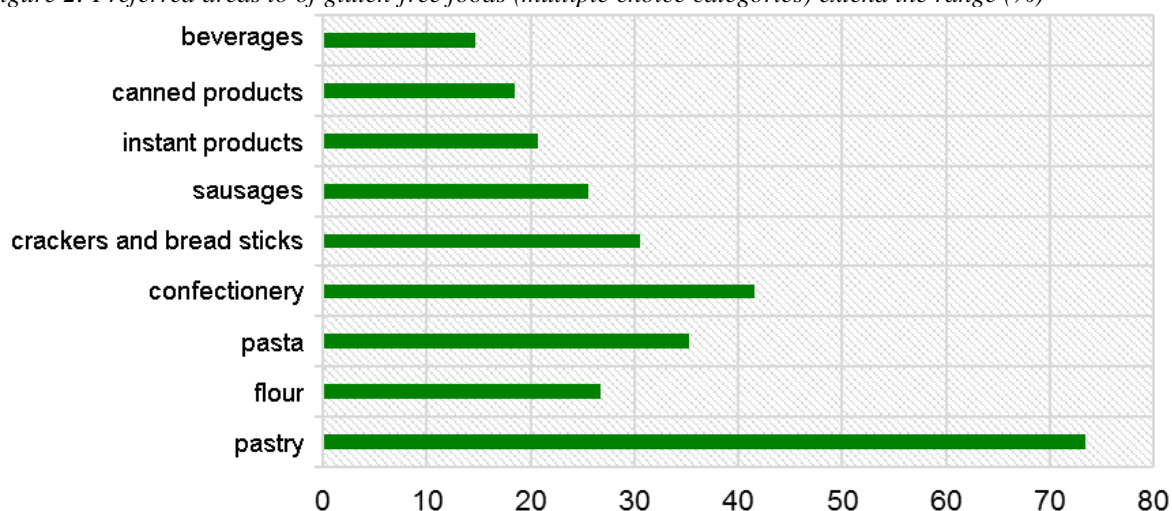
The assumption that the consumer is affected by buying in action when buying was clearly rebutted. It was found that only 18 respondents (7%) rated the sale in action as the one or the largest preference. Nearly 74% of respondents (192) have a negligible impact on the sale, so they also marked it with the value of five - the least preferred.

### 3.3 Celiakia and bakery products

Over the recent years, there has been a gradual change in customer buying behavior globally. Groups of customers enter the market with ever-increasing requirements for product quality, ease of access, purchase speed, services provided, etc. These changes are determined by, for example, life experiences, working habits, financial situations, but also health status or family dispositions. Consumers with celiac disease represent a group of customers with specific needs. These needs result in a number of differences that determine their purchasing decisions when purchasing food in the retail sector.

Despite the generally improved availability of gluten-free foods, there is still considerable scope for expanding the assortment, which is generally considered to be inadequate. Most of the stores are focused on "dry" and durable assortment (flour, bread blends, biscuits, etc.). The range of fresh gluten-free products is very limited. Overall, it can be said that celiacs would welcome the expansion of supply in all areas of food (Figure 2). The most inadequate type of food, where most of the celiacs would most welcome the spread of the offer and the larger variety of the assortment, but it is just fresh pastry (73.46%). This insufficient range of range concerns both fresh bread (bread, rolls) and sweet pastries (such as cake, cakes, cakes, desserts, etc.). In particular, the offer of small sweets - desserts was often criticized as totally inadequate. Some consumers compensate for the lack of breadth of the product range by buying gluten-free goods abroad. Due to limited offer variety of foods without gluten vast majority of celiac patients (62.63%) manufactures a suitable food either fully or partially at home. This procedure applies especially to patients with a more severe form of celiac disease, where even very small trace amounts of gluten in the food may be the cause of unpleasant health complications.

Figure 2: Preferred areas to of gluten-free foods (multiple choice categories) extend the range (%)



Source: own processing

A common reason for the domestic production of gluten-free foods is the lack of variety in the supply of gluten-free products in retail. As already mentioned, the insufficient range is

especially in the case of fresh pastries. Fresh pastry (both salt and sweet) is therefore a typical subject of domestic produce. In addition to the small breadth of assortment of gluten-free fresh pastries in the network of shops, the reason for domestic production is, for example, the lack of confidence of consumers in the production of bakers. If it is not a bakery exclusively dedicated to gluten-free production, it is very difficult to ensure separation of the products, excluding gluten from other operations, to avoid gluten contamination (even in trace amounts). It can be said that all types of food retailers offer at least some product suitable for gluten-free diet in each category. On the other hand, the depth of the assortment of food, where the consumption of specially prepared gluten-free products is necessary for celiac disease, is very small in many cases. It is also interesting to compare the different types of shops from the point of view of the range of gluten-free food products in terms of the ratio of products of Czech and foreign origin. Both in the case of bread and in the case of fresh pastries, foreign suppliers, in addition to outlets, are dominant. In this area, there is a lot of room for Czech producers to complete their offer.

#### **4. Conclusion**

The market for bakery products in the Czech Republic can be regarded as very competitive. Given the results of the research, where consumer preference has been highlighted in terms of quality, it is advisable to retailers to focus more on selling quality and fresh bread at the same time. Small bakeries could begin to return to their original recipes and baking without significant chemical ingredients. Statistics show that bread and fine bakery products are growing worldwide. At present, the sales of baked goods are predominant in most business chains. It would be good for the sales network to expand globally the range of fresh pastries and allow smaller local bakers to supply more diverse products. In addition, the assortment should be enriched to a greater extent with bread for specific nutrition, in this case bakery products not containing gluten. If a buyer in a globalized world had a choice of products from different suppliers in the store, he would definitely have departed from stereotypical negotiations and he would try new products. Small bakery factories of a regional nature should concentrate more on the products typical of their region and more on regional customs. World globalization should not impede the diversity and local specialties typical of bakery products.

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## TALENT MANAGEMENT AND ECONOMIC RESULTS IN GLOBAL ENTERPRISES

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**Abstract.** Globalisation means integration of aspects in financial, product, social, labour, and other dimensions. It leads to greater movement of goods, ideas, investments, news, people, and money. It is a process leading to greater interdependence between economic, political and social units in the world. That is the reason why human resources can create sustainable competitive advantage, which can be hardly to imitate. There are many implications resulting from globalization for human resources management – managing and acceptance of diversity management, acquiring multicultural knowledge, creating of virtual work positions, using of online recruitment, management of talented individuals, and others. Battle of talents is one of many strategic problems in the area of human resources, considered as the most important. That is the reason why this paper deals with talent management and its impact on economic results in companies providing business in Slovakia. The objective of the research survey is to detect relationships between the level of talent management process and economic results. We searched whether companies with improved economic results have talent management process on higher level. We used data from 381 companies, which filled in the questionnaire. A scaled questionnaire was distributed online through Google documents system. Questionnaire reliability was verified by Cronbach's alpha and reached the level 0.799. To find the statistically significant differences between individual groups of respondents the Kruskal-Wallis test and Mann-Whitney U test were used. We can conclude that the process of talent management in all phases (strategy, identification, assessment, development, and retention of talents) has impact on economic results.

**Keywords:** talent, globalisation, management, economic results, process

**JEL Classification:** M10, M12, M54

### 1. Introduction

Ľudské zdroje predstavujú najdôležitejší zdroj, ktorým môže podnik disponovať. Ľudia sú tvorcami pridanej hodnoty, ktorá tvorí základ konkurencieschopnosti na trhu. Talent manažment predstavuje spôsob, ktorým možno dosiahnuť zlepšenie kvality ľudských zdrojov. Jeho proces pozostáva z viacerých integrovaných častí a zahŕňa stratégiu ĽZ, identifikáciu, hodnotenie, rozvoj a udržanie talentov v organizácii. Všetky procesy v podniku, tento

nevynímajúc, sú smerované tak, aby sa dosiahli zlepšené ekonomické výsledky. V tomto článku sa pokúsime poukázať na rozdiel v ekonomických výsledkoch medzi podnikmi, ktoré majú vyššiu úroveň talent manažmentu a podnikmi, kde talent manažment aplikovaný nie je resp. je na nižšej úrovni.

## 1.1 Proces talent manažmentu a ekonomický prínos

Existuje mnoho definícií talentu v organizácii. V našom článku budeme pod pojmom talent vnímať ľudí, ktorí disponujú špecifickými zručnosťami a schopnosťami v určitých oblastiach (Silzer & Dower, 2010). Talenty sú ľudia, ktorí demonštrujú vysoký potenciál a sú to kľúčoví ľudia s vysokou výkonnosťou (Society for Human Resources Management, 2007). Je však nevyhnutné zdôrazniť, že každý podnik si definíciu talent musí prispôbiť na svoje podmienky.

Talent manažment predstavuje strategickú otázku manažérov vo všetkých podnikoch, prevažne v globálnych spoločnostiach (Krishnan & Scullion, 2017; Mellahi & Collings, 2010; Boudreau & Ramstad, 2005; Ready & Conger, 2007). Talent manažment je definovaný ako systematický a dynamický process objavovania, rozvoja a udržania talentov (Egerová et al. 2015). Zároveň predstavuje integrovanú časť v činnostiach spojených s riadením ľudských zdrojov ako je nábor, výber, prijímanie, rozvoj ľudského potenciálu s cieľom zvýšenia kvality dosahovaných výsledkov (Fegley, 2006; Mercer, 2005).

Viacerí autori uskutočnili štúdie, ktoré sa snažia preukázať vplyv talent manažmentu na výkonnosť resp. výsledky podniku (Bjorkman, et al. 2007). Skúmanie vplyvu talent manažmentu na efektívnosť uskutočnili Bethke-Langenegger et al. (2011). Zistili, že talent manažment má pozitívny efekt na výkony zamestnancov prostredníctvom zvýšenej motivácie, spokojnosti a viery k lídrom. Zároveň poukázali na to, že praktiky talent manažmentu zakomponované do stratégie podniku vedú k zvýšeným výkonom organizácie a dosahovaniu podnikových cieľov (zvýšenie zisku, atraktivnosť podniku, spokojnosť zákazníkov). K podobným zisteniam dospeli aj Holátová et al. (2014) and Březinová (2014).

Podľa viacerých autorov pomáha talent manažment znížiť náklady (Skuhla, 2009; Egerová et al., 2013; Horváthová, 2010) aj napriek investíciám do ľudského kapitálu, čo má pozitívny vplyv na dosahovanie lepších ekonomických výsledkov. Firma však môže dosiahnuť mimoriadnu výkonnosť a ekonomické výsledky iba v tom prípade, keď benefity (zlepšená schopnosť udržať talenty a zvýšená produktivita) prevýšia vložené náklady (Watson Wyatt, 2005). CIPD (2006) hovorí o dôležitosti talent manažmentu, pretože za hlavný zdroj konkurenčnej výhody považuje vedomosti a schopnosti, ktorých nositeľmi sú práve ľudia. Ľudia, ktorí sú motivovaní a angažovaní. Presne tí dokážu v krátkom čase ponúknuť kreatívne riešenie. Za benefit talent manažmentu sa považuje pružnosť pracovnej sily na všetkých úrovniach, najmä na kľúčových pozíciách. Vo výskumoch sa potvrdilo, že práve angažovanosť zamestnancov vedie podnik k pozitívnym ekonomickým výsledkom, ekonomickému rastu a silného mena na trhu. Systematický talent manažment má teda priamy, ale aj nepriamy dopad na ekonomické výsledky podniku (Collings & Mellahi, 2009).

## 2. Dáta a metódy

Hlavným cieľom článku je preukázať vplyv úrovne talent manažmentu na ekonomické výsledky podnikov. Dizajn výskumu, získané údaje a použité metódy sú popísané v tejto časti.

Ako metóda pre získanie dát bolo využité výberové zisťovanie prostredníctvom škálovaného dotazníka. Tento dotazník bol navrhnutý a aplikovaný konzorciom vedeckých výskumníkov (Egerová et al., 2013) a pre potreby tohto výskumu bol modifikovaný. Dotazník obsahuje 41 položiek priamo orientovaných na proces talent manažmentu v jeho jednotlivých fázach – stratégia talentov, identifikácia talentov, hodnotenie talentov, rozvoj talentov a udržanie talentov. Respondenti z hľadiska klasifikačnej otázky mali tiež zodpovedať, či ich podnik dosiahol v skúmanom období zlepšené alebo zhoršené výsledky.

Table 1: Zoznam položiek dotazníka

	Položka		Položka
I1	Riadenie talentu je pre podnik mimoriadne dôležité.	I22	Systém povyšovania je založený na objektívnych kritériách.
I2	Riadenie talentu je dôležitou súčasťou podnikovej misie.	I23	Nevytvárajú sa závery z hodnotenia výkonnosti zamestnancov.
I3	Vrcholový manažment má spoločný postoj k riadeniu talentu.	I24	Riadenie talentu je prepojené so systémom odmeňovania zamestnancov.
I4	Je jasne definovaná stratégia v oblasti riadenia ľudských zdrojov.	I25	Pri hodnotení talentovaných zamestnancov sa využíva súbor špeciálnych kritérií.
I5	Je jasne definovaná stratégia v oblasti riadenia talentu.	I26	Výsledky hodnotenia zamestnancov sa využívajú pri plánovaní ich ďalšieho rozvoja.
I6	Stratégia v oblasti riadenia talentu je prepojená so strategickými zámermi organizácie.	I27	Nie sú jasne stanovené kritériá pre hodnotenie zamestnancov.
I7	V súčasnosti sa modifikuje zoznam talentov potrebných pre budúcnosť spoločnosti.	I28	Využíva sa široká paleta metód s cieľom rozvoja kompetencií zamestnancov.
I8	Talent sa hľadá v každom novozamestnanom človeku.	I29	V procese výberu zamestnancov sa neberú do úvahy ich nadpriemerné schopnosti.
I9	Stratégia riadenia talentu je ľahko realizovateľná.	I30	Systém kariérneho postupu talentovaných zamestnancov je dobre prepracovaný.
I10	Pracovné pozície sú rozdelené na kľúčové a ostatné.	I31	Talenty sa rozvíjajú na základe vytvorených plánov.
I11	Pracovné kompetencie zamestnancov sú prispôbované ich pracovnej pozícii.	I32	Väčšina pracovných pozícií neumožňuje pracovníkom ďalej rozvíjať ich talent.
I12	V súčasnosti sa identifikujú talenty spomedzi už zamestnaných osôb.	I33	Nie je dostatok času na rozvoj talentu zamestnancov.
I13	V súčasnosti sa identifikujú pracovné pozície, ktoré treba obsadiť osobami z externého prostredia.	I34	V podniku je dostatok finančných zdrojov na rozvoj talentu zamestnancov.
I14	Pri získavaní talentov z externého prostredia využívame vopred stanovený plán.	I35	Udržanie talentovaných zamestnancov je úspešné.
I15	Systém náboru zamestnancov umožňuje získať osoby z najvyšším rozvojovým potenciálom.	I36	Darí sa uspokojovať finančné požiadavky talentovaných zamestnancov.
I16	O talentoch našich zamestnancov máme dostatok informácií.	I37	Nie je systém motivácie zamestnancov dobre prepracovaný.
I17	Talentovaní ľudia majú záujem o prácu spoločnosti.	I38	Dochádza k problémom v komunikácii s talentovanými zamestnancami.
I18	Vieme, aké talenty budú v budúcnosti potrebné.	I39	Darí sa udržať talenty aj vďaka podpore ich ďalšieho sebarozvoja.
I19	Vieme, koľko talentovaných ľudí budeme v budúcnosti potrebovať.	I40	Talentovaní zamestnanci kvôli existencii iných výziev odchádzajú.
I20	Vykonávajú sa špeciálne aktivity zamerané na získavanie talentov.	I41	Nepoužívame špecifické postupy na podporu talentovaných pracovníkov.
I21	Systematicky sa hodnotí výkonnosť zamestnancov.		

Source: vlastné spracovanie

Jednotlivé položky dotazníka boli vytvorené ako oznamovacie vety, v ktorých mali jednotliví respondenti vyjadriť mieru súhlasu. K tomu bola navrhnutá Likertova škála 1-5, kde hodnota 5 vyjadrovala absolútny súhlas, hodnota 3 neutrálny postoj a hodnota 1 absolútny nesúhlas. Bola ponúknutá aj možnosť „0“, ktorá umožňovala neodpovedať na danú otázku v prípade, že respondent nevedel, nechcel, alebo nemohol vyjadriť svoj postoj. Dotazník bol distribuovaný elektronicky prostredníctvom možnosti aplikácie Google Drive do jednotlivých podnikov, pričom jeden respondent reprezentuje jeden podnik.

Najskôr bola preverovaná celková spoľahlivosť tohto dotazníka. Ako vidieť z tabuľky 2, tak Cronbachova alfa je na úrovni 0,864. Ako uvádza Nunnally a Bernstein (1994), ak hodnota

Cronbachova alfa (CA) je vyššia než 0,7, tak možno považovať dotazník za spoľahlivý. V našom prípade teda môžeme túto meráciu procedúru považovať za spoľahlivú. Navyše hodnoty Cronbachovho koeficientu alfa a štandardizovaného koeficientu alfa sú približne rovnaké, čo znamená, že položky majú približne rovnakú variabilitu.

Table 2: Overenie spoľahlivosti dotazníka

počet položiek	počet platných prípadov	počet prípadov s chýbajúcimi položkami	smerodajná odchýlka	Cronbachova alfa	štandardizovaný koeficient alfa	priemerná korelácia medzi položkami
41	156	225	17,841	0,864	0,874	0,154

Source: vlastné spracovanie

Na zistenie štatisticky významných rozdielov v odpovediach respondentov v jednotlivých položkách podľa ekonomických výsledkov podniku bolo využité neparametrické testovanie prostredníctvom Kruskal-Wallisovho testu resp. Mann-Whitneyho testu. Kruskal-Wallisov test skúma významnosť rozdielov v mediánoch, resp. v rozdelení premennej medzi dvoma súborami. Mann-Whitneyho test patrí medzi najsilnejšie neparametrické testy a je testom o zhodnej úrovni spojitosti premennej v dvoch súboroch (Munk, 2013). Všetky štatistické testy boli realizované na hladine významnosti  $\alpha=0,05$ , prostredníctvom štatistického programu SPSS.

### 3. Výsledky a diskusia

Článok sa zameriava na preukázanie vplyvu úrovne talent manažmentu na ekonomické výsledky podniku. Zbieranie podkladových údajov bolo uskutočnené v období od júna 2013 do decembra 2017. Do výskumu bolo zapojených 381 podnikateľských subjektov realizujúcich svoju podnikateľskú činnosť na Slovensku. Z uvedeného počtu bolo 181 malých (47,5%), 113 stredných (29,7%) a 85 veľkých podnikov (22,3) (2 podniky neuviedli). Z hľadiska vlastníctva bolo 347 súkromných (91,1%) a 33 štátnych (8,7%) (1 podnik neuviedol) zaradených do výskumu. Vo výskumnej vzorke bolo 159 podnikov so zahraničným kapitálom (41,7%) a 220 bez účasti zahraničného kapitálu (57,7%) (2 podniky neuviedli). Ekonomická situácia podniku bola zisťovaná na základe toho, či sa v podniku za posledné obdobie ekonomická situácia zlepšila (184 podnikov, 48,3%), zostala na rovnakej úrovni (159 podnikov, 41,7%), alebo zhoršila (37 podnikov, 9,7%). Skúmali sme, či podniky s lepšou úrovňou talent manažmentu meranou na základe priemerného skóre v jednotlivých položkách dotazníka, vykazujú lepšie ekonomické výsledky. Toto porovnanie bolo uskutočnené vo všetkých piatich základných fázach talent manažmentu – stratégia, identifikovanie, zhodnotenie, rozvoj a udržanie talentov. Úroveň talent manažmentu v jednotlivých fázach podľa ekonomických výsledkov podniku je uvedená v tabuľke 3.

Table 3: Priemerné skóre v jednotlivých fázach talent manažmentu

Fáza talent manažmentu	Stratégia	Identifikácia	Zhodnotenie	Rozvoj	Udržanie
Ekonomické výsledky	Zlepšili sa	3.40	3.37	3.51	3.17
	Nezmenili sa	3.11	3.21	3.19	2.87
	Zhoršili sa	2.82	2.99	3.14	2.54

Source: vlastné spracovanie

Z výsledkov jasne vidieť, že podniky s vyššou úrovňou talent manažmentu dosahujú lepšie ekonomické výsledky. Toto tvrdenie sa nám podarilo potvrdiť vo všetkých fázach talent manažmentu. Ďalej sme skúmali, ktoré konkrétne činnosti talent manažmentu robia podniky s

lepšími ekonomickými výsledkami inak ako ostatné podniky. Výskum bol realizovaný na základe zisťovania štatisticky významných rozdielov (zvýraznené v tabuľkách).

Table 4: Štatisticky významné rozdiely v stratégii ľudských zdrojov z hľadiska ekonomických výsledkov podniku

	I1	I2	I3	I4	I5	I6	I7	I8	I9
<b>Chi-Square</b>	18,162	13,955	24,477	14,479	13,326	11,944	4,304	10,234	6,144
<b>p value</b>	0,000	0,001	0,000	0,001	0,001	0,003	0,116	0,006	0,046

Source: vlastné spracovanie

V oblasti stratégie bolo identifikovaných až 8 štatisticky významných rozdielov (table 4). Na základe nich možno konštatovať, že podniky so zlepšenými ekonomickými výsledkami v porovnaní s podnikmi so zhoršenými resp. nezmenenými ekonomickými výsledkami vo väčšej miere majú vrcholový manažment, ktorý má spoločný postoj k riadeniu talentu a považuje riadenie talentu za mimoriadne dôležité. Zároveň majú jasne definovanú stratégiu v oblasti riadenia ľudských zdrojov a v oblasti riadenia talentu. Všetky strategické opatrenia v oblasti ľudských zdrojov nadväzujú na strategické zámery organizácie. Zároveň tieto podniky pravidelne modifikujú zoznam talentov potrebných pre budúcnosť spoločnosti a snažia sa hľadať talent v každom novozamestnanom človeku. Aj proces identifikácie a získavania talentov vplyva na ekonomické výsledky podniku. Zo skúmania štatisticky významných rozdielov (table 5) vyplýva, že podniky so zlepšujúcimi sa ekonomickými výsledkami v porovnaní s podnikmi so zhoršenými ekonomickými výsledkami už v súčasnosti identifikujú potrebné talenty pre budúcnosť z už zamestnaných osôb nakoľko majú dostatok potrebných informácií o vlastných zamestnancoch. Zároveň tieto podniky sú ochotné minúť viac peňazí na lepšie prepracovaný systém náboru zamestnancov, ktorý umožňuje získať osoby z najvyšším rozvojovým potenciálom. Takéto spoločnosti sú atraktívnejšie pre nádejné talenty. Je logickým vyústením, že spoločnosti s lepšími ekonomickými výsledkami majú možnosť poskytnúť talentom aj lepšie finančné podmienky a o firmy so zlepšujúcimi sa ekonomickými výsledkami prejavujú talentovaní jednotlivci väčší záujem pracovať v porovnaní s firmami, kde ekonomické výsledky sa zhoršujú resp. stagnujú.

Table 5: Štatisticky významné rozdiely v identifikácii talentov z hľadiska ekonomických výsledkov podniku

	I10	I11	I12	I13	I14	I15	I16	I17	I18	I19	I20
<b>Chi-Square</b>	3,252	4,628	5,836	2,843	3,839	13,714	10,496	11,582	4,897	2,284	1,619
<b>p value</b>	0,197	0,099	0,054	0,241	0,147	0,001	0,005	0,003	0,086	0,319	0,445

Source: vlastné spracovanie

V rámci testovania boli zistené aj štatisticky významné rozdiely v odpovediach respondentov v oblasti hodnotenia talentov (table 6). Z nich vyplýva, že podniky, kde sa ekonomické výsledky zlepšili, využívajú systematickejšie hodnotenie výkonnosti zamestnancov v porovnaní s ostatnými podnikmi. Zároveň sa v podnikoch so zlepšenými ekonomickými výsledkami viac snažia o prepojenie riadenia talentu s odmeňovacím systémom. Rovnako sa viac využívajú objektívne kritériá hodnotenia, ktoré predurčujú zamestnancov k povýšeniu a následne sa výsledky z hodnotiaceho procesu využívajú pri plánovaní budúceho rozvoja zamestnancov.

Table 6: Štatisticky významné rozdiely v hodnotení talentov z hľadiska ekonomických výsledkov podniku

	I21	I22	I23	I24	I25	I26	I27
<b>Chi-Square</b>	8,351	9,492	2,690	14,041	3,354	19,055	5,927
<b>p value</b>	0,015	0,009	0,261	0,001	0,187	0,000	0,052

Source: vlastné spracovanie

Z hľadiska vplyvu fázy rozvoja talentov na ekonomické výsledky podniku boli identifikované štatisticky významné rozdiely až v piatich (table 7). Rozdiel poukazuje na väčšie využívanie pestrej palety rozličných metód na rozvoj talentu v podnikoch so zlepšenými hospodárskymi výsledkami v porovnaní s ostatnými podnikmi najmä z dôvodu väčších možností alokácie disponibilných zdrojov do rozvojových programov pre zvýšenie kompetencií zamestnancov. Zároveň na základe výsledkov testov možno konštatovať, že v podnikoch so zlepšenými hospodárskymi výsledkami je na vyššej úrovni aj systém kariérneho postupu talentovaných zamestnancov v porovnaní s podnikmi, kde sa zhoršili výsledky. V podnikoch so zlepšenými ekonomickými výsledkami je silnejšia orientácia na plánovanie jednotlivých aktivít týkajúcich sa rozvoja talentu, zároveň manažéri venujú dostatok času týmto aktivitám, ktoré sú zo strany vrcholového manažmentu podporované aj finančnými zdrojmi.

Table 7: Štatisticky významné rozdiely v rozvoji talentov z hľadiska ekonomických výsledkov podniku

	I28	I29	I30	I31	I32	I33	I34
<b>Chi-Square</b>	18,407	0,528	15,230	14,279	4,387	15,606	32,605
<b>p value</b>	0,000	0,768	0,000	0,001	0,111	0,000	0,000

Source: vlastné spracovanie

Udržanie talentov ma tiež výrazný vplyv na dosahovanie ekonomických výsledkov. V rámci testovania vplyvu tohto faktora boli identifikované štyri štatisticky významné rozdiely v odpovediach respondentov (table 8). Všetky tieto rozdiely vyplývajú z lepších možností udržať talentovaných pracovníkov v podnikoch, kde sa zlepšili hospodárske výsledky. Podniky so zhoršenými ekonomickými výsledkami nedokážu dostatočne uspokojovať finančné požiadavky talentovaných zamestnancov. Zároveň však v menšej miere vytvárajú systém s možnosťami podpory pre ďalší sebarozvoj zamestnancov a sú menej schopné udržať si talentovaných zamestnancov z dôvodu väčšieho množstva finančných prostriedkov, ktoré je možné investovať na podporu talentovaných ľudí v podniku. Zaujímavý rozdiel bol zistený z hľadiska systému motivácie zamestnancov, ktorý je lepší v podnikoch so zlepšenými ekonomickými výsledkami.

Table 8: Štatisticky významné rozdiely v udržaní talentov z hľadiska ekonomických výsledkov podniku

	I35	I36	I37	I38	I39	I40	I41
<b>Chi-Square</b>	24,636	24,629	7,964	3,243	23,221	4,303	3,531
<b>p value</b>	0,000	0,000	0,019	0,198	0,000	0,116	,171

Source: vlastné spracovanie

Uvedené výsledky vo všetkých fázach talent manažmentu jasne dokazujú, že podniky, ktoré využívajú prvky riadenia talentov a integrujú ich do podnikového riadenia, dosahujú lepšie ekonomické výsledky.

## 4. Discussion and Conclusion

V našom príspevku sme skúmali previazanosť úrovne talent manažmentu na ekonomické výsledky podnikov. Najskôr na základe priemerného skóre sme zistili, že podniky, ktoré dosahujú lepšie ekonomické výsledky dosahujú aj vyššiu úroveň talent manažmentu vo svojich podmienkach a preto možno považovať budovanie talent manažmentu v organizácii za strategicky dôležitý prvok vedúci k dosahovaniu lepších hospodárskych výsledkov. Toto tvrdenie sa potvrdilo vo všetkých piatich fázach talent manažmentu.

Možno konštatovať, že podniky s lepšími ekonomickými výsledkami majú vyššiu úroveň strategického ponímania talentu, čo sa prejavuje najmä v spoločnom postoji vrcholového vedenia k talentom a zároveň majú jasne stanovenú stratégiu v oblasti talentov, ktorá odzrkadľuje hlavnú strategickú orientáciu podnikov. Rovnako tieto podniky lepšie vykonávajú identifikáciu talentov, čo sa prejavuje najmä v identifikácii talentov, ktoré sú nevyhnutné pre budúcnosť a v prepracovanom systéme náboru a získavania súčasných, ale aj budúcich talentov. Zároveň podniky vykazujúce zlepšené ekonomické výsledky využívajú systematickejšie hodnotenie výkonnosti zamestnancov a snažia sa o prepojenie riadenia talentu s odmeňovacím systémom, pričom sa implementujú objektívne kritériá hodnotenia. Následne sa výsledky hodnotenia používajú pri plánovaní budúceho rozvoja zamestnancov. Podniky so zlepšenými výsledkami viac pozornosti venujú aj rozvoju talentovaných zamestnancov, pretože vo väčšej miere využívajú pestrú paletu rozličných metód na rozvoj talentu a majú na vyššej úrovni aj systém kariérneho postupu talentovaných zamestnancov. Je následne samozrejmosťou, že takéto podniky dokážu viac splňať finančné požiadavky zamestnancov, investovať do ich rozvoja, pripraviť vhodný motivačný systém, čo výrazne ovplyvňuje udržanie talentov v danej spoločnosti.

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## CURRENT ISSUES OF THE IMPACT OF GLOBALIZATION ON MANAGERIAL WORK

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**Abstract.** The world has undergone a dramatic change over the last few decades. The economic, political and, ultimately, technological environment has changed significantly in the recent past, both nationally and internationally. Among the most important challenges that affect current developments in the economic environment are globalization, the knowledge economy and demographic change. The company is exposed to global culture, economics, but also to a global environmental changes that has not existed, yet. Through all these transformations, globalization brings new opportunities and challenges to the management of an organization, where efficient functioning requires an internal driving force, which is modern management that corresponds to the current development trend in the new era of civilization. The World of the Third Millennium introduces new requirements for successful management performance; the complexity of problems, the dynamics of change and the growing uncertainty and risk. In the current global world, we also see how globalization influences and changes traditional management practices; a particular problem is the growing importance of corporate social responsibility, which requires a specific approach to employee management. The aim of the article is to analyse the impact of globalization on the world of work, to identify new challenges and to set new competencies and recommendations in the field of managerial work in line with new management trends.

**Keywords:** globalization, management, changes, competence, manager

**JEL Classification:** J53

### 1. Introduction

The economic, political and, ultimately, technological environment has changed significantly recently both nationally and internationally. Among the most important challenges that affect current developments in the economic environment, as mentioned above, globalization, a knowledge-based economy, demographic changes. (Kiselačková, 2009) It is associated not only with the free movement of workers, strong worldwide competition, constantly changing customer demands, new technologies etc. but also with the social changes. It is essential for managers to have specific competences such as ability to implement appropriate methods for obtaining, selecting and retaining the most appropriate staff for the position, and through education, ensure that global thinking is taken for all employees. Given the critical role that managers in international human resources

management it is not possible to avoid professionalization of managers for the sustainable development. Organizations that work in high competitive globalized environments must have the necessary skills and skills that need be accredited and verified. (Dobrovič, 2009) The aim of the article is to analyse the impact of globalization on the world of work, to identify new challenges and to set new competencies and recommendations in the field of managerial work in line with new management trends. In order to achieve our goals, we used methods of interview, analysis, synthesis, deduction, abstraction.

## **2. Global management**

With international activities is necessary to take into consideration the national, cultural and linguistic differences. This requires greater flexibility and adaptation of the managers to these new conditions. In managerial style appears a new need of competences: managing virtual teams. Equally important is also managing the age and personal diversity. Globalization and the resulting emergence of multinational corporations have brought new challenges for human resources management in these businesses. This change requires change thinking and a classic national approach to thinking and accessing a global approach; it puts new challenges and demands on knowledge and skills of managers. According to Gupta & Gdovirajan (2001), the concept of organizational globality can be assessed as a three-dimensional constructor based on the fact that the organization can be more or less globalized according to three characteristics, namely the presence on the global market, globalization of the supply chain and globalization of organizational thinking (access).

### **2.1 Global culture**

With increased globalization trends, more companies operate internationally and are compelled to appreciate the importance as well as complexity of cultural diversity, and consequently take up the challenge of managing it appropriately. (Castellani et al., 2015) With international activities is necessary to take into consideration the national, cultural and linguistic differences. This requires greater flexibility and adaptation of the managers to these new conditions. In managerial style appears a new need of competences: managing virtual teams. Equally important is also managing the age and personal diversity. (Legnerova et al., 2014) There were identified following cultural dimensions that have a significant impact on business management: assertiveness, orientation towards the future, orientation to performance, orientation towards people, gender difference, avoidance of uncertainty, distance of power, institutional collectivism versus individualism, and inner group collectivism. Deresky (2011) highlights in particular four dimensions: assertiveness, orientation to the future, focus on performance and orientation on people. Focus on performance is dimension is determined by focusing on the emphasis placed by organizations or companies on rewarding and rewarding its members to improve and improve their performance. (Luthans, 2009) Orientation on people orientation is the way the team perceives and appreciates the fact that individuals behave in it fair, altruistic, heartfelt, are caring and loving to others. (Thomas, 2008)

## **2.2 New trends in HRM**

The dynamism and uncertainty of globalization is what has made the business environment complex and for which 21st century managers need to be able to identify the underlying interconnections. Modern organizations have become complex entities, primarily because of globalization, technological advancements and digital connectivity along with other factors – economic, political and social. Skilled individuals are considered as an asset of the organization especially when these individuals exhibit systems thinking capabilities that helps in achieving effectiveness. (Akhtar et al., 2018) New era brings new approach also in human resources management.

### **2.2.1 Employer branding**

In the field of recruitment, it is necessary to change the access of companies to passive search for active search of candidates. Given existing and expected shortages of qualified workers employer branding has become an important and widespread human resource management. Employer branding includes activities of practitioners from different departments, HR people from diverse countries, line managers, and top-managers who can use their formal and social positions, their knowledge, and their experience to influence employer brand management. (Moelk & Auer, 2018) Companies need to focus more on building their brand; everyone wants to work for an interesting brand, a company that has interesting products, trends, successful, but also a decent and fair employer. Employee brand engagement impacts that of other organizational stakeholders, including customers, suppliers, and investors, often leading to virtuous or vicious cycles. (Pit et al., 2018)

### **2.2.2 Stabilization of employees**

The continuing trend in digitization and the further growth of new technologies are expected, especially in the areas of IT, digitization, technology, as well as in the social media. Companies will still fight for employees and talents, so human resources teams will also be strengthened, some positions will be created and some will be lost. In the area of human resources, there is a greater effort to keep existing employees, so jobs will be created in the future to analyse employee satisfaction, engagement and motivation. The role of benefits will also grow - satisfied employee is the best business card, recommends you further and through him you get to new employees. This is how companies build a name that helps the labour market to reach out to new employees while retaining existing ones.

### **2.2.3 Capacity building**

The global environment has turned during the last two decades into a highly turbulent and uncertain state, causing unpredictability, anxiety, and chaotic development (Rosenau, 1990), and led to a long-term future world that is inconceivable to our current mode and capability of thinking and acting. (Farazmand, 2003) Most governments and political officials in both industrially advanced countries of the West and developing or less developed nations lack the necessary and effective capacity to cope with and manage the rapid changes that globalization is posing on them. (Dror, 1994) Capacity building refers to the development of institutional, organizational, managerial, technological (both soft and hard), cultural and individual abilities, capabilities, skills, and knowledge of a government and public administration system to not only manage today but also tomorrow. Capacity building is mainly an internal, local or domestic matter, and it is directly related to sustainable development and

enhancement; it means building and developing national or local capabilities to conceive, develop, promote, and manage policies, programs, and projects with excellence and toward desired goals and missions. Capacity building also means developing abilities to build and control the future, and this means “choice” of strategies to control events and build future by developing an anticipatory capability in public management and governance.(Farazmand, 2004) This approach enables making strategic choices and decisions that can control her destiny tomorrow in the rapidly changing global environment under globalization of corporate; in this respect, building strategic human resource capacity also includes human resource capacity in private business.

#### **2.2.4 Diversity management**

A highly skilled, innovative and diverse workforce is important for business successes and solutions to potential staff shortages. Recruiting and retaining a variety of compositions high quality employees are the main reasons why companies are taking action on promoting diversity. The essence of Diversity Management is the integration of the principle and the process of diversity into everyday life managerial practices and the learning process within the company. Managers want results; mostly they are not interested in aesthetically pleasing general theories. In order to achieve their goal and gain advantage over competitors need to understand which of the possible forms of diversity they can provide strategic advantage, or limit their ability to achieve their goals. (Keil et al., 2007) Diversity management is the process of changing the management concept that requires the assumptions of assumptions affects the whole enterprise.

#### **2.2.5 Another trends in HRM**

We also want to highlight other trends in human resource management:

- Processing of information - the consistent processing of information available to an enterprise will enable professionals to determine the causes of fluctuation, motivation, level of satisfaction, and so on.
- New technologies - enable tracking of results, efficiency, labour productivity, financial indicators, etc., which allows to monitor and evaluate the work of employees, to regulate their work performance.
- Flexibility - due to the expected shortage of staff, the need for flexibility in the employment of workers will be increased, which also requires a socially responsible approach to managing human resources.

### **3. Actual problems of labour market in Slovakia**

The Slovak labour market suffers from a shortage of workers. This becomes a nightmare of employers. Free people are few and are mostly unusable - under-qualified. At present, companies have to take into account several factors that make recruitment difficult. Slovaks go abroad, labour mobility is low, the structure of graduates does not meet the requirements of enterprises, and fluctuation is increasing. With growing globalization, Slovakia, in order to maintain its competitiveness on the global market, must seek solutions that would attract foreign experts as well as workers in the workforce to Slovakia. The current labour market situation with the growing shortage of skilled labour forces us to consider the alternative of employing foreigners in the interest of continuous development. According to the recently

published OECD survey, the Slovak labour market still has problems with labour mobility, long-term unemployment and high regional disparities. In the context of the onset of the economic recession, the improvement of these labour market indicators cannot be expected in the coming years, therefore, they require separate measures. The problem is also to keep key employees. Employers in the Slovak Republic have long been struggling with the problem of labour shortages in selected professions and districts. This problem is mainly addressed by employing third-country nationals who are willing to work in the Slovak Republic. However, the employment of third-country nationals is linked to a time-consuming and administratively demanding process. An employer wishing to take up a third-country national's employment has generally been required to notify vacancies to the competent employment office in writing at least 30 working days before applying for a temporary stay for employment purposes. From 1 May 2018, this period was reduced to 20 business days. According to the explanatory memorandum to the amendment to the Act on Employment Services, the registered unemployment rate in the Slovak Republic reached 6.72% on September 30, 2017, even in 33 districts it was even lower than 5%. These are mainly districts in the Trnava, Bratislava, Trenčín and Nitra regions. Especially in these districts there has been a long-term interest in the employment of third-country nationals. For this reason, for the low-skilled professions in districts where the average registered unemployment rate was less than 5%, they set new simplified rules for the employment of third-country nationals. The simplification is that the employer is not obliged to declare a vacancy in advance, thereby speeding up the whole process of employing third-country nationals. Selected problems of the labour market in the Slovak Republic point to the demandingness of managerial work in the current period. In our research in the SME environment, we focused on questions related to the awareness of managers about current trends in human resource management. The survey was attended by 112 top and mid-level managers who are struggling with job management problems. Most respondents (86%) have no experience with the employment of aliens but also poor knowledge of the legislation on the employment of aliens. They also consider insufficient awareness of the diversity management; only 23% would support flexible forms of work. The identified shortcomings point to the need for education in the field of new trends in the world of work.

#### **4. Discussion and recommendation**

In the past three decades globalization/regionalization, migration and reverse migration (also referred to as "brain circulation"), the ascendancy of emerging markets, the demand for people with a global mind set, and the worldwide war for talent have brought about fundamental changes to the nature, magnitude, and raison for human resource management in a global context. These changes require us to adopt new lenses to fully understand the dynamics that impact international human resource management (IHRM) policies and practices. (Tung, 2015) It is associated not only with the free movement of workers, strong worldwide competition, constantly changing customer demands, new technologies etc. but also with the social changes, for example one of the most visible changes is the effort of women to more equally participate in a global work environment, to achieve economic independence. (Sulikova & Strazovska, 2016) Under this perspective, a change in management education is needed. It should be oriented less on the training of business analysts and more on preparing future managers for solving the ill-designed problems of real business practice. It is suggested that the focus of business education should move from

'simply' providing a body of domain-specific knowledge to give students the opportunity to apply that knowledge under realistic contexts which better resembling management practice and foster the development of generic competences. (Perusso, 2017) With growing economic globalization, returnee managers who have obtained education or work experience overseas play a much more crucial role in corporations. Managers have a significant impact on the establishment and maintenance of their corporate image. (Wen & Song, 2017) In view of the above-mentioned trends in management, it is necessary to educate human resources managers, managers and senior staff, in particular in such areas as Current labour market problems. The possibilities of solving the shortage of employees, Practical solutions for the recruitment of EU and non-EU staff, Processing of the project of employing foreigners, Legislative conditions for the employment of aliens, Communication with the state administration, Recruitment of employees, Adaptation and stabilization of staff, Diversity management and Corporate Social Responsibility. Results research indicate that intergroup anxiety was negatively related to decision-makers' willingness to hire older people. Further, intergenerational contact frequency exacerbated the relationship between intergroup anxiety and willingness to hire older people; whereas intergenerational contact quality buffered the negative relationship. (Fasbender & Wang, 2017) We can say that changes in the external environment trigger changes in the internal environment of the enterprise; operational, management, and other processes themselves represent real-time changes while running under changing circumstances. All this also has an impact on HR manager's work in the interest of sustainable management. (Gogolová & Majerová, 2013) Global competition is rapidly becoming the norm in which nearly all business organizations must compete in one fashion or another. The complexity and value of strategic global human resource management (SGHRM) will continue to compound in significance as globalization becomes the predominate form of business. (Kiessling & Harvey, 2005) It is important for companies to be able to predict the direction of development, which is prepared for managers and employees alike. Among the most important methods of education we currently advise: coaching, extreme education, mentoring, field education, computer training, diagnostic training program, videoconferencing, etc. More traditional learning methods, such as formal education or external conferences, are still popular, but more and more often coaching is being done by line managers. According to forecasts, coaching, e-learning and mentoring will increasingly be the preferred methods of development and education, they are used occasionally. In Slovakia, more and more popular coaching is also used occasionally - it is more often done by line managers than an external coach. The main benefit of coaching is that the employee starts to take responsibility for their own learning and development. Responsibility for their own development also comes from e-learning or self-study. (Pitra, 2006) Current trends in e-learning include continuing education, mobile learning and gamming. The classic sources of success of companies, such as technology, product, finance, market position, continue to be of great importance, but the experiences of successful organizations point to a new priority in resource recruitment and utilization.

## 5. Conclusion

Globalization is a term in business that refers to the integration of an organization's operations, processes and strategies into diverse cultures, products, services and ideas. Understanding the effects of globalization on human resources can help managers to better equip their organizations for the increasingly global business environment. A further effect of

globalization on HR management is a push for professional development and it is important to globalization because it creates a win-win situation. Managerial thinking of a new type must take into account uncertainty, uncertainty and new possibilities that appear very quickly. New forms of leadership and leadership are associated with managing the constant changes that are caused by external and internal factors. Enterprises, respectively organizations have to face increasing competition coming to the market for new services or products. Speed of technical changes, changes in information technology, and so on supports innovation. As a result of the accelerated communication and computer connection, the process of learning each other is greatly accelerated. The barriers no longer represent boundaries between countries, and much is being said about intercultural management. Changes become a permanent part of the life of organizations, and therefore good managers and team leaders need to create a climate in their own for workers to be considered a normal part of the organization's life rather than a threat. New management approaches in successful organizations clearly show that good managers should also be good leaders.

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## **BARRIERS AND INCENTIVES OF BUSINESS MODEL TRANSITION IN A HEALTH CARE ENTITY**

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**Abstract.** The globalization processes, enabling free flow of various resources, affect the creation of incentives for organizational development. It can also induce the rise of barriers for development of specific organizational forms, which can be identified in various sectors and classifications. The creation of business models in health care organization is also the subject of indicated leverages. One can perceive the movement of human resources from less wealthy economies to those offering more favourable employment conditions. There are also processes of moving of specialized hospital infrastructure services between countries, which turnover market is quite hermetic. Besides international determinants, it is also possible to identify incentives and barriers located within the country, resulting mainly from the regulation of commercial law and tax law, as well as located in the field of behavioral, cultural and social factors. The phenomena mentioned above results in the transition of business model of medical activity. It generates the effects – both in non-material and material dimensions. These effects are also noticeable in financial flows of costs and revenues, as well as in cash flows. The aim of the article is to identify and classify barriers and incentives of business model transition in health care organizations. The hypothesis states that among the determinants of business model transition in health care organization tax optimization and limited resources availability are very important. The research methods contain meta-analysis of literature, observation, case study and cause and effect relationship analysis as well as the method of synthesis.

**Keywords:** business model, health care, hospital, transition, finance

**JEL Classification:** I19, M21, M41

### **1. Introduction**

The dynamic nature of the environment, changing economic conditions and the state's health policy objectives pose particular challenges to health care entities. One of the most acute problems is obtaining sources of financing to cover the costs of health services. The availability of these sources and their wealth is particularly strongly moulded by health policy and the state of the economy. Another important problem is the acquisition and management of other resources, including mainly human resources and technical infrastructure, especially of a specialized nature. The processes of managing limited resources in health care attract the attention of many scientists from various fields (Vissers, 1995; Ottolini et al., 2016). As a result of the impact of the indicated phenomena, as well as many others, the organizational

forms of medical activity are undergoing transformation, as well as their strategy, market orientation and product orientation.

The aim of the article is to identify and classify barriers and incentives of business model transition in health care organizations. The hypothesis states that among the determinants of business model transition in health care organization tax optimization and limited resources availability are very important.

## 2. Theoretical background

The business model (b.m.) as a separate expression appears in the scientific literature in the mid-1950s (Osterwalder et al., 2005). The interests of researchers intensified in the 1990s and have been continuing to develop. Despite various definitional approaches, it is important to emphasize the process character of the business model concept and its focus on the value creation process. As stressed by Fiel (2014), the business model is the logic of the organization's value from the perspective of creating and capturing customer values. It is presented as a set of related elements concerning the dimensions: customer, value creation, entity's organisation and the economic dimension. The financial dimension of b.m. concept is emphasized in turn by Clark et al. (2013), indicating that business model is the way in which the organization secures its financial survival.

The business model concept is related to the processes of innovation diffusion. This is indicated by broadening researchers' interests also to its mapping in healthcare organisations. The review of paper databases contained in scientific journals (peer-reviewed) was conducted in a view to find the expressions 'business model' and 'health care' in the publication (publication 1) or only in the title of publication (publication 2). The examination allows to notice that it is only in the last decades, research has touched on this subject to a greater extent, although they are few (Table 1).

Table 1: Databases searching results for the expressions: „business model“ and „health care“

The database name	Publication (1)	Publication (2)	Additional information
ProQuest	1992 (Nordin, 1992) – research on alternate site health care (ASHC)	2008 (Hwang, Christensen, 2008).	Changing the search phrase by replacing "health care" with the phrase "healthcare" or only "health" included in the title of the publication does not significantly broaden the search results. The list of publications only increases to a maximum of 31 (Scopus), but simultaneously the earliest year of publication is 1999
EBSCOhost	1985 (Miaoulis, Anderson, LaPlaca, Geduldig, Gleeler, West, 1985) – research on b.m. for hospital marketing decision-making processes and relationships	2008 (Hwang, Christensen, 2008).	
Scopus	1979 (Consler, 1979) – research on decision-making proces in the field of capital expenditure against the background of five stages of the b.m.	1997 (Westra, Boylan, 1997)	
ScienceDirect	1995 (articles related to business proces reengineering). Articles more connected with business models problems occure in 1996.	1997 (Watson, 1997)	

Source: own study.

Studies on the b.m. in health care are scarce in Poland. They have been conducted so far, only in selected areas mainly by A. Jabłoński and M. Jabłoński (2013), Ostrowska (2013),

Jaworzyńska (2014 and 2015), and recently Szewieczek (2017). Meanwhile, emphasizing the process-oriented character of the business model and the process-oriented nature of the medical activity as well as significant turbulence of the conditions of its conduct, it is advisable to use this concept in the management of health care entities.

In search for the determinants of changes in business models in health care, it is necessary to examine the grounds and scope of systemic changes in health care, as well as in other sectors or areas of the economy that affect it. Undoubtedly, the strong dependence of this system on political decisions as well as cultural and economic influences determines inference. The power of influence and the position of these determinants may be different under specific political, economic and cultural conditions of the health care system. The shaping of business models of healthcare settings is also subject to the indicated impacts. Although, apart from the implementation of financial objectives in health care, the goal of satisfying social needs comes to the fore.

Grouping the determinants of business models' transition of healthcare units, the presented classification is based on the business model components indicated by Bossidy & Charan (2008). This approach divides the determinants into three groups: external conditions, internal conditions and financial goals (Table 2). At the same time, it should be emphasized that it is possible to decompose them from the perspective of setting incentives or barriers for health entities' business model transition.

Table 2: Determinants of business model transition in healthcare units

External conditions' determinants	Financial goals	Internal conditions' determinants
Health policy provided by the central and local Government	Improving value for the owners	Ownership structure
Economic development	Tax optimization	Strategy
Patients' health status - customer base	Achieving/maximizing financial surplus	Organizational structure
Dependency on local government	Asset structure composition	Operational activities flows
Resource availability	Cash flow composition	Employee engagement
Company location	Owner's equity composition	Activities specialization
Health care funding rules	Proper medical procedures valuation	Relationships with contractors

Source: own study.

The work of people is one of the most important resources in the healthcare sector. The movement of these resources from less affluent countries to those offering more favourable employment conditions is observable. Poland is indicated in this area to be an unusual country of the EU. It is rather a source country than a destination one, although it has a complex health-care system. For example, in the years 2003-2005 Polish doctors were the 6th largest migration group in health care in the United Kingdom. The main reason for the migration is low salaries, especially for young medical doctors and mid-level health personnel (Siyam & Dal Poz, 2014, pp. 25-26, 163). These processes also affect medical students in Poland who see emigration as an important alternative to career development (Krajewski-Siuda et al., 2012). Thus, it intensifies the brain-drain phenomenon, which is particularly severe for the economy from the perspective of the availability of highly-skilled workers (Hejdukova & Kurekova, 2016; Krajewski-Siuda & Romianuk, 2007).

There is also movement of specialized hospital infrastructure services between countries, for example, maintenance of medical devices, which market is quite hermetic. It should also

be added that the medical equipment resource is important for the quality of therapeutic processes (Wahed et al., 2010). Integration of all activities related to medical activities can be an important step to reorient the management of the entity. Such specialization, close links with the conducted activity is the starting point for introducing a balanced approach and focusing on quality and effectiveness as well as optimization of medical activities (Kuebler, 2017).

### 3. Methods

The analysis of the literature in the field of b.m. theories and aspects of the health care providers functioning as well as presentation of their environmental (mainly economics) conditions of functioning, conducted in the form of meta-analysis, was the starting point for the observation and assessment of the reasons for health providers' b.m. transition. The studies on the determinants as well as barriers and incentives of b.m. transition were conducted in two companies. The first is a commercial hospital with a smaller scale of activities, although providing a variety of inpatient and outpatient services. The hospital has got 51 beds on 5 wards, as well as facilities of operating theaters and diagnostic imaging laboratories. The second is a capital company providing infrastructure for the hospital (property and movables).

The study was conducted in the following part by the method of observation and case-study, as well as interviews with management staff. The cause and effect relationship analysis was also carried out. The tested hypothesis states that among the determinants of business model transition in health care organization tax optimization and limited resources availability are very important.

### 4. Results

The examined hospital (Entity A) conducts activities focused on health care. The property in which the activity is conducted belongs to another entity (Entity B), not directly affiliated but stays in a strict personal dependency on part of the owners and the management of Entity A. Specialist and general movable property (fixed assets) is also provided by this entity (B). Simultaneously, the hospital also acquires medical devices on its own account.

The management of both companies, considering mainly their economic situation, began a discussion on changing the business model of both entities. The following reasons were indicated:

- A relatively worse balance-of-payments situation of Entity B (negative cash flow balance) and improving financial position of Entity A.
- Imbalance in accounting for VAT due to rent: Entity A, in relation to the type of business activity, does not deduct VAT charged on the rent and recognizes it as a cost. Entity B shows VAT on rent services in large part as a tax liability.
- Terms and conditions of loan agreements for the purchase of rented infrastructure by the Entity B.
- Operational difficulties in accounting for current infrastructure transactions (mistakes in documentation between entities A and B).

- Striving to focus current processes related to medical activity in Entity A, in order to improve the quality of therapeutic processes and patient satisfaction (Mioduchowska-Jaroszewicz, Romanowska, 2016).

The change in the business model under consideration would consist in separating two clearly distinguished areas of activity within Entity B activity (lease of property and rental of medical movable property) and transferring the other one to Entity A as a contribution of an organized part of the enterprise. Consideration was also given to the option of selling part of the infrastructure or donation. Conducting further exploratory activities, a list of barriers and incentives to change the business model was prepared (Table 3).

*Table 3: Barriers and incentives of business model transition in the selected companies*

Barriers	Determinants	Incentives
Terms and conditions of loan agreements concluded by Entity B	External conditions	Existing tax regulations entailing tax advantages for in-kind contribution of an organized part of Entity A to Entity
Tax risk of different treatment of transactions by tax authorities		Ownership structure of Entities A and B and family relations among owners
Conditions for financing health services from public funds		Imbalance VAT settlement – Entity B is its payer, whereas Entity A cannot settle it because it provides services exempt from VAT
The need to reorganize the operations of Entity B by distinguishing two areas of activity	Internal conditions	Improvement of medical equipment management by a direct user (Entity A)
Changes in the content of commercial contracts concluded by Entity B with sub-tenants		Concentration of assets related to medical activities in one entity (A)
Introduction of the organizational rules in Entity B, the need to modify the accounting		Limitation of errors in settling transactions with contractors (mistakes in identifying transactional parties between entities A and B)
Loss of revenue proportion with a relatively lower rate of decline in the costs of Entity B	Financial goals	The improvement of the financial result mainly in the Entity B
Increasing income taxes in Entity A (lower lease costs)		Improvement of cash flows
The risk of difficulties in repaying long-term debt in Entity B		Reduction of tax liabilities due to VAT tax in Entity B

*Source: own study.*

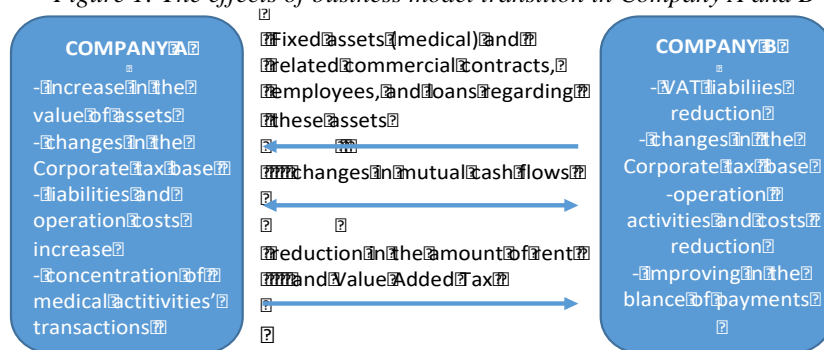
As a result of the analysis of the above-mentioned factors, the decision was made to change the business model in the examined entities.

## 5. Discussion

Among the identified incentives and barriers, in the interviews conducted with the management of Entities A and B, the arguments for the possibility of reducing VAT tax liabilities and disposal of these amounts for the repayment of investment loans taken out for the hospital construction came to the fore. Such a stance was strongly influenced by the tax law allowing tax-neutral transfer of the organized part of enterprise B to Entity A. Following

this transfer, Entity A was also to take over all rights and obligations related to the acquired scope, including mainly service, insurance and guarantee contracts as well as a loan financing the purchase of a part of the in-kind contribution. A positive effect was also indicated in terms of concentrating processes related to medical activity in one entity, which facilitates focusing on the appropriate course of treatment processes and their quality. Due to the ongoing process, only a model representation of described changes is possible (Figure 1)

Figure 1: The effects of business model transition in Company A and B



Source: own study.

The indirect effect of the changes introduced in the b.m. will be the improvement of the quality of the cost valuation of the medical procedures performed. This will be due to the full inclusion of the costs of medical equipment in Entity A (Nascimento et al., 2008).

The business model transition process in the indicated entities is still ongoing. It requires the performance of a number of formal activities (tax authorities interpretation, organizational regulations, new accounting principles, inventory and asset valuation, attestation of the in-kind contribution valuation by an auditor, obtaining consents from the founding bodies and the lender). What follows from this, the full financial effect of the introduced modification of the business model in both units will be known only after about a year from the implementation of all indicated changes.

## 6. Conclusion

The business model transition made both entities seek, first and foremost, a financial effect, while the priority was the situation of Entity B. As a result, Entity B not only reduced costs and revenue and tax liabilities, but also its own scale of operations. The terms of lease contracts were significantly reduced and a number of business transactions resulting from them. At the same time, the position of Entity A was strengthened from the perspective of the ability to control the quality of treatment processes (supervision over medical equipment). On the other hand, the main premise was to obtain benefits in cash flows between Entity B and A as well as tax advantages. The possibility of free settlement of other amounts, of course within legally acceptable limits, between the examined entities is also significant.

Conducted research, based on the example of both entities, allowed to verify positively the hypothesis that among the determinants of business model transition in health care organization tax optimization and limited resources availability are very important. It can also be concluded that the financial effect of changing the business model is determined not only by the terms of business and tax law, but mainly by the internal conditions of the entity: its relations with the environment, implemented strategy and adopted operational goals

(including financial ones). In addition, the activities carried out in the examined case involve a tax risk that may arise as a result of questioning the settlement of the transaction by the tax authorities. The final financial and operational effect will be known after about a year of functioning of the fully implemented changes.

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## MANAGING THE CREATION OF CONSUMER VALUE CHAIN IN A GLOBAL COMPANY

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**Abstract.** In this article, the authors come to a conclusion that in the context of global competition for a consumer, marketing-management of international companies needs to apply customized solutions based on cross-cultural variations in behaviour of global consumers in addition to standardized approach to creation of consumer value. This strategic approach of marketing management of global companies to operations on the world markets requires modification of the well-known models of managing the creation of consumer value chain. The authors suggest updating these models of creation of consumer value chain and placing a system of marketing research of the sought values of global consumers at the foundation of the creation of consumer value chain by international companies businesses. They emphasize that the creation of an information and analytical base on the behaviour of global consumers will enable researchers to evaluate the extent of cross-cultural differences in the value system of global consumers. Provided these differences are significant, researchers and practitioners will be able to segment and account for additional values corresponding to the needs of the target segments of consumers from different cultures in the framework of business processes associated with the economic activity of global companies on world markets. The authors believe that this updated model will enable marketing management of international companies to make informed decisions aimed to enhance perception of the value of their brand, company, products and services by consumers from difference cultures, thereby contributing to the increase in profitability of the global companies business.

**Keywords:** global companies, consumers, value chain

**JEL Classification:** M10, M19, M31

### 1. Introduction

In the theory and practice of international management and marketing it is assumed that standard consumer value of brands, companies, their goods and services is created in the framework of business processes associated with main and secondary economic activity of global companies (Jovanovic, 2016). However, marketing management of transnational companies rather focuses on generalizing the values of global consumers than on identifying differences in their behaviour.

The author's review of 86 international marketing studies of cross-cultural differences in behavior of global consumers demonstrated that researchers identified both differences and similarities in the behavior of consumers from different cultures. However, the review found that in the majority of studies researchers came to the conclusion that there are significant differences in the behavior of consumers belonging to different cultures (Timokhina et al., 2015). One could therefore state that there are differences in consumer values of global consumers, since in theory and practice of marketing and consumer behavior science it has been proven that consumers' subjective perception of the value of brands, goods and services serve as the basis for the behavior and choices of a modern consumer (Hofstede, 2001; Spanyi & Hofmeister-Toth, 2013).

These conclusions require reconsideration of the standardized approach of global companies' management to managing the creation of consumer value chain. In the framework of the standardized approach companies do not segment consumers according to cultural differences in their values, which determine consumer behavior and choice. Therefore, there is a need to upgrade well-known models of consumer value chain creation and complete these models with new data for the global businesses. One of the well-known models of business management based on axiological approach is creation of consumer value chain, developed by Michael Porter back in 1985. In this model Michael Porter determined business processes of the main types of a company's activities that directly contribute to creation of consumer value, as well as secondary processes, that maintain conditions for value creation (Porter, 1985; Porter, 1996).

Later scholars Yuldasheva O.U., Neganova V.P. introduced changes and completed the model with elements, reflecting the following marketing concept in conditions of a market surplus: «satisfying consumer needs, providing value to consumers is primary, while profit-making is secondary» (Yudin & Yuldasheva, 2012). Other scholars developed and enriched the model of consumer value chain creation with the description of approaches to and interaction of a company's structural divisions in the process of creating consumer value (Kaplinsky, 2000; Simatupan & Williams, 2017; Vargo & Lusch, 2004). From our point of view, identification of differences in behavior and systems of values of consumers from different cultures leads to the necessity of further modification of the model of creation of consumer value chain, especially for a global company due to specifics of operating on the markets of different countries/cultures.

## **2. Methods**

The authors' desk research has employed methods of traditional and content analysis. The method of traditional analysis was based on the analysis of existing business management models, namely models of creation of the consumer value chain, developed by foreign and Russian scholars. In addition to this method, results of content analysis of 86 international studies of behavior of global consumers conducted by the authors for a 16-year period starting from 2000, were reviewed and analyzed. Studies of cross-cultural differences in behavior of global end- consumers, published in the leading international marketing and industry journals, including *International Marketing Review*, *Journal of Consumer marketing*, *European Journal of Marketing*, *Journal of Business Research* and others, were selected for the analysis. The search was conducted in eight online databases, namely Emerald, Springerlink, Sciencedirect, Wiley, Taylor&Francis, DeGruyter, GoogleScholar and Yandex. Sampling procedure of the

analyzed studies from above-named journals was conducted according to the following criteria: studies of behavior and values of end- consumer, studies pertaining to the area of management and marketing, studies published in English. The sampling size is 86 studies, published in scholarly journals, was determined through the multi-stage process of selecting studies on cross-cultural topics that included keywords “cultural”, “differences”, “consumer behavior” and “values.”

### **3. Alternative approach to the model of business management based on creating consumer value to be used by a global company**

A number of scholars determine the chain of creating consumer value as an inter-related cycle of activities on development, production, implementation and delivery of value to consumer (Porter & Kramer, 2011). This article focuses on the issues of managing the creation of consumer value chain for the end- consumer. According to the above-mentioned definition, the key factor of the production and economic activity of a company is the creation of consumer value (Oh & Teo, 2010; Zhang et al., 2010). Indeed, in conditions of hyper-competitive markets, marketing management of companies, while developing strategies of business development, begins to research and adopt the philosophical category of “value.”

Summarizing the definitions of the term «value» in psychology, philosophy, economic theory, axiology and marketing science, one can concisely and comprehensively define consumer value as an emotional subjective perception of usefulness, importance and relevance of a good, service or brand by a consumer. As an economic category value can be defined as a correlation between benefits that a consumer receives as a result of purchasing and using a product, service or brand, and consumer expenses for their purchase and use (Gallarza et al., 2011).

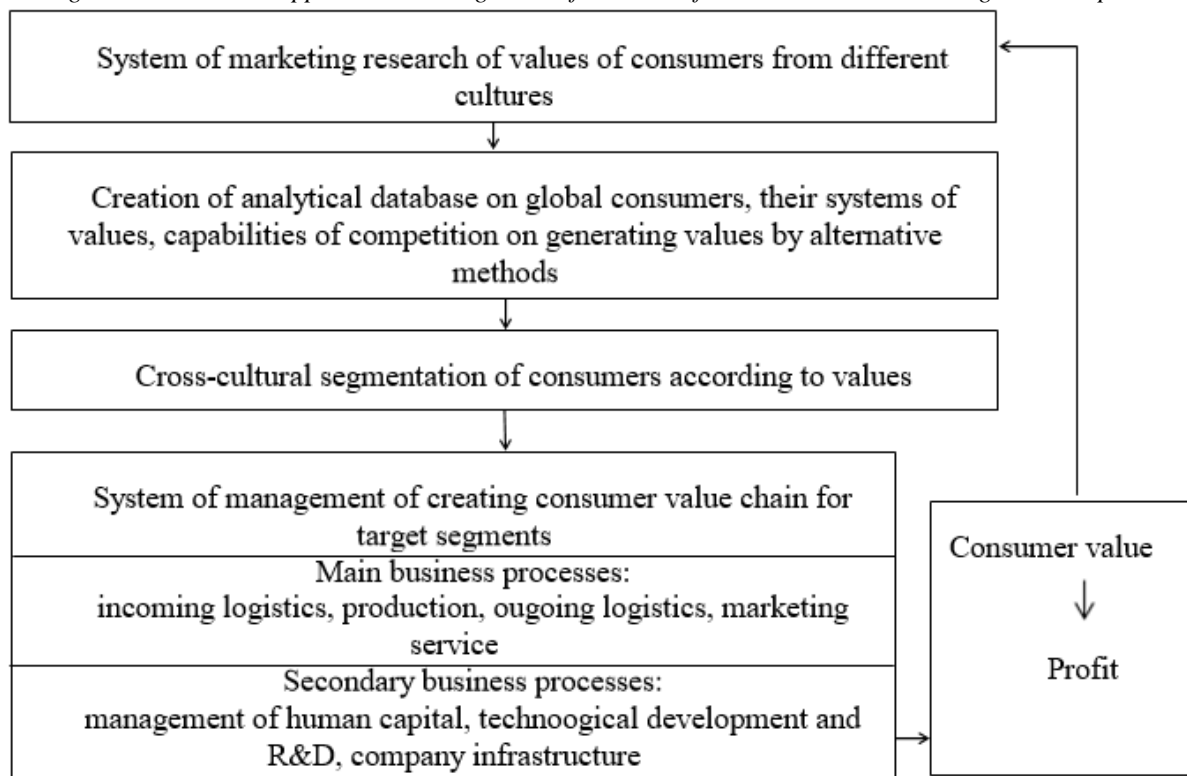
From our point of view, all managerial decisions on creating consumer value by a business should be primarily based on the studies of consumer values. Creation of consumer value is influenced both by internal and external factors. Internal factors are defined by psychological specifics of consumers and can be described by such constructs as perception, intention, attitude, consumer preferences, etc. The analysis of international research of consumer behavior demonstrated that in the process of studying differences in behavior of global consumers from different cultures researchers most frequently studied the following psychological constructs, that define consumer value: purchase intention (in 13% of all (86) studies), attitudes, preferences, attention and perception equally in 12% of all studies, satisfaction and dissatisfaction in 10% of all studies.

External factors influence the formation of value for a consumer as a member of a social/cultural group. Conducted analysis of international studies of cross-cultural consumer behavior demonstrated that in the process of studying differences in behavior of global consumers’ researchers most frequently studied the following external factors, that define consumer value: cultural factors in 95% of all (86) studies, social – in 53%, economic – in 21%, marketing activities – in 19 % of all studies accordingly.

As a result of the dynamic change of consumer values, depending on internal and external factors, the authors suggest placing the system of marketing research of sought values of global consumers at the origin of the chain of consumer value creation. Managerial decisions concerning creation of consumer value through business processes of the main and secondary

types of a global company's activities should be preceded by comprehensive research and a solid information and analytical foundation (Craig & Douglas, 2006; Swoboda et al., 2012). Such system of research allows us to evaluate values of consumers from different cultures as well as capabilities of competitors on generating values by alternative methods (Fig.1).

Figure 1: Alternative approach to management of creation of consumer value chain in global companies



Research of consumer values is a complex and multi-faceted task. It is acknowledged in the theory and practice of marketing and management sciences that consumer behavior on contemporary markets is determined by values, moreover, that in the process of decision-making, consumers are guided not by one, but by a whole system of values. By a system of values of a global consumer we mean a complex of values that define consumer's choice of brands, goods/services on an international market in the process of decision-making (Timokhina et al, 2015). Notably, contribution of these values to consumer's choice can be different, but only one or two prevailing values will determine consumer's desire and intention to acquire a product regardless of its price.

The majority of scholars agree that the nature of consumer value is multi-dimensional: a value can be studied and measured in different dimensions – in the aspects of transactional, acquired, hedonistic, utilitarian values, etc. The authors suggest to use a system of measuring consumer value of the end- consumer, designed by J. Sheth, B. Newman and B. L. Gross in the framework of the theory of consumer values. The scholars identified five key values, which determine perceived value of a good, service or brand (Sheth et al., 1991):

- functional value – usefulness of the good due to its functional characteristics and consumer qualities;
- social (associative) value – usefulness of the good due to its ability to define social standing of the consumer, emphasize consumer status;

- emotional value – usefulness of the good due to its ability to evoke positive emotions during the acquisition and use of the good, service or brand: pleasure, satisfaction, joy, admiration, etc.;
- cognitive value – usefulness of the good due to its ability to evoke intellectual interest, shape consumer curiosity, engage consumer in cognitive activity;
- relative value – usefulness of the good due to the influence of external factors on consumer choice.

Due to complexity and multi-faceted nature of measuring values of consumers only a system of research, rather than one-time studies, will provide comprehensive data for the management to be able to take informed decisions on creating value for a global consumer.

In analyzed 86 international studies of cross-cultural differences in consumer behavior it was identified that 36 studies, which accounts for 42% of all studies, contained conclusions by researchers on the presence of considerable differences in consumer behavior. Authors of 30 studies (account for 35% of all studies) received mixed results, i.e. both similarities and differences in behavior of consumers from different cultures were found. Negligible differences in consumer behavior were found in 9 studies (account for 10% of all studies) and no differences in behavior of consumers from different cultures were found in 11 studies (account for 13% of all studies). This data suggests the use of a differentiated approach to creation of the chain of consumer value, therefore cross-cultural segmentation of global consumers according to their values is essential.

Content analysis of international studies of cross-cultural differences in behavior of global consumers demonstrated that, having found certain differences in the systems of values of global consumers, 72% of researchers suggest that management of global companies differentiates their marketing and business strategies. This will result in a change and fine tuning of business processes in global companies' departments following the dynamic change of consumer values, i.e. incoming logistics, production, outgoing logistics, marketing, service.

Contribution of each department of a company to creating value, and, as a result, to increasing business's profitability, should be different not only due to specifics of each department's functional responsibilities, but also due to differentiated approach to creating value proposition to identified target segments. Contribution of global companies' departments to creating consumer value and to the increase of business profitability can be presented as a task matrix (Fig.2)

Figure 2: Matrix of differentiated tasks on creating consumer value for business processes of the key types of activity of a global company

activity of a global company							
Target segments	End consumers	Culture (country) 1					
		Culture (country) 2					
		Culture (country) 3 etc.					
			Incoming logistics	Production	Outgoing logistics	Marketing	Service
			Business process in key types of activity				

Segmentation of global consumers according to their values will allow marketing management of a company to define expected sought values of consumers from different cultures. Analysis of values, expected by consumers and achievable in conditions of production and economic activity of a company, will enable companies to design business processes of the key types of companies' activity to meet quite understandable and actually existing consumer values. In this case, as a result of this model's implementation, it is possible to expect the end results not just in the form of profit, but in the form of consumer value, which defines profit on hyper-competitive global markets.

In conclusion it should be noted that analysis of contribution of business processes of a global company's departments to creation of consumer value and to business's profit, from our point of view, should be based on research and analysis of general values and total expenses of consumers from different cultures in the process of making a decision on a purchase and post-purchase behavior (Tebo, 2005). General values and expenses can be both explicit (in the form of money) and implicit (in the form of time and energy spent, psycho-emotional, social, others) (Priem, 2007). Qualitative marketing research will allow us to identify the general expenses that decrease perceived value by a global consumer and consumer satisfaction by a good, service, or a certain brand. In practice, marketing management of a company has all the resources to be in control of or decrease a considerable part of such expenses (Shank & Govindarajan, 1992). In this case managerial decisions on decreasing general expenses and, thus, increasing perceived value by consumer, will directly affect profit margins of business processes.

#### **4. Conclusion**

In conditions of increasing of competition for the global consumer, efficient management of companies' business processes should be focused on creation of distinguished/differentiated consumer value. The conducted content analysis demonstrated that in more than one-third of international cross-cultural studies of consumer behavior researchers identified considerable differences in behavior and values of global consumers. For the purposes of informed decision-making on business management in global companies it is essential to adopt an alternative approach to managing the creation of consumer value chain. The article suggests to modify and upgrade well-known managerial models of creating a consumer value chain and adapt them for the purposes of a global company. Specifically, it is essential to firstly, create an analytical database by the marketing management of a company on values of consumers from different cultures; secondly, to implement cross-cultural segmentation of consumers according to sought values, thirdly, to employ differentiated approach to creating value in the framework of business processes related to the key activities of a global company. Such differentiated approach to creating consumer value will enable a global company to design additional values, appropriate to the needs of target consumer segments, in the framework of business processes of production and economic activity of a company. An upgraded model of management of the creation of consumer value chain will allow marketing management of a global company to take informed decisions on increasing perceived value by consumers from different cultures, and therefore, increasing business profit margin.

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## STRUCTURAL CHANGES IN SLOVAK AGRICULTURE AFTER EU ACCESSION

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**Abstract.** In the paper, we evaluate the structural changes in farms, production and employment after EU accession in 2004. Based on individual farm data over the period 1994-2014 we analyse inputs and outputs of agricultural production. The decrease in employment in agriculture is a result of technological progress, changes in individual family preferences and low income in comparison to other sectors of economy. In the production, commodities with low labour input dominate. Cereals, oilseeds and industrial crops dominate. Large farms benefit in form of economy of scale and agricultural output of farms remains low in Slovakia. There are large farms in Slovakia, which are very dynamic in replacing the labour with capital and using economy of scale. The overall level of production per hectare is low and one of the reasons is the size structure and the subsequent distribution of Common agricultural policy (CAP) subsidies. Only a small share of beneficiaries receives the dominant share of direct payments from the first pillar of the CAP. We evaluate the impact of capping of direct payments in terms of the nature of the farms that would be affected in the Slovak Republic as well as the redistributive effects of capping. Results show that if capping direct payment is applied in the Slovakia under CAP 2021-2027 the policy will divide farms into a group of less active farms and a group of more active farms. Higher employment per 100 hectares in uncapped farms and significantly lower employment in capped farms will not create excessive pressure on further employment cuts.

**Keywords:** structural changes, agriculture, Common agricultural policy, farms, capping direct payments

**JEL Classification:** J43, Q13, Q14, Q18

### 1. Introduction

Štruktúrálné zmeny sú súčasťou vývoja poľnohospodárskeho sektora a boli v literatúre rozsiahle analyzované (Cramon-Taubadel & Nivjevskyi, 2012). V rozvojových ekonomikách sa štruktúrálné zmeny chápu ako rozdielne usporiadanie výrobných činností v hospodárstve, zmeny vo výrobných faktoroch medzi jednotlivými odvetviami hospodárstva, zmeny v zamestnanosti, zmeny v produkcii atď. (Silva & Teixeira, 2008). Niektorí autori zdôrazňujú vplyv štruktúrálnej zmien na efektívnosť z hľadiska lepšieho rozdelenia zdrojov (Syrquin,

1988), zatiaľ čo iní hodnotia ich vplyv na malé rodinné farmy a ich úlohu pri zachovaní vidieckej vitality a rozvoja (Brooks & Nash, 2002). Štruktúra poľnohospodárstva sú už dlho predmetom záujmu v literatúre. V centre tejto diskusie je vzťah medzi veľkosťou farmy a efektívnosťou, zameraný na analýzu, či sú veľké farmy efektívnejšie ako malé farmy, alebo či je možné určiť optimálnu veľkosť farmy (Gale, 1993; Goetz & Debertin, 1996; Lianos & Parliarou, 1986; Weiss, 1998). Diskutovaná je ekonómia z rozsahu odzrkadľujúca vzťah medzi priemernými výrobnými nákladmi a veľkosťou firmy. Konkurencieschopné firmy vyrábajúce v podmienkach rastúcich výnosov z rozsahu majú tendenciu zvyšovať svoju veľkosť. To platí v prípade neexistencie bariér pre vstup a výstup z odvetvia. Problematike určenia optimálnej veľkosti fariem sa venovalo viacero štúdií (De Janvry, 1981; Binswanger & Deininger, 1997). V poľnohospodárstve rozvinutých krajín empirické dôkazy naznačujú, že funkcia priemerných nákladov má typický tvar L: priemerné náklady majú tendenciu k poklesu v prípade malých fariem a sú nižšie v prípade stredných a veľkých fariem (Hall & Leveen, 1978). To naznačuje, že pre malé farmy existujú úspory z rozsahu, neexistujú žiadne dôkazy o tom, že pre veľké farmy existujú nevýhody z rozsahu a zároveň existuje pomerne široká škála veľkostí fariem, kde sú priemerné náklady približne konštantné (Kislev & Peterson, 1996). Vo všeobecnosti nie je možné určiť jednoznačnú univerzálnu optimálnu veľkosť farmy, vzhľadom na rozdiely v prírodných podmienkach, technológiách, kvalite produkcie, daňovej politike štátu, rizikivosti produkcie, regulácie v oblasti ekológie a z mnohých iných dôvodov. Skutočnosť, že väčšina fariem sa zameriava na produkciu viacerých typov produkcie alebo viacero plodín naznačuje, že v poľnohospodárstve sú prínosy diverzifikácie významné (Chavas, 2001). Tieto prínosy majú dve formy: prítomnosť úspor zo zamerania (economy of scope) odrážajúcich znížené náklady spojené s výrobou viacerých výstupov a účinky diverzifikácie znižujúce riziko. Úspory zo zamerania sú v poľnohospodárstve významné (Fernandez Cornejo et al., 1992; Chavas & Aliber, 1993). Striedanie plodín prináša známe výhody, lebo umožňuje rôznym plodinám lepšie využívať úrodnosť pôdy. Rotácia plodín tiež prispieva k zníženiu počtu škodcov, čím sa znižuje potreba pesticídov. Vstup Slovenskej republiky do Európskej únie znamenal významné zmeny hlavne v dotačnej a podpornej politike. Bolo ukončené viazanie dotácií na konkrétne odvetvia poľnohospodárskej výroby, resp. na konkrétne produkty a zmenil sa časový harmonogram vyplácania priamych platieb. Dotácie po vstupe Slovenskej republiky do EÚ začali posúvať doteraz stratové poľnohospodárstvo k významnejšiemu ziskom (Ferenczi-Vaňová et al., 2017). Dotácie pomáhajú aj celkovej modernizácii agrosektora a veľmi rýchlo prispeli aj k zlepšeniu vzťahov firiem s bankami. Tie považujú vyššie dotácie za dostatočnú záruku, a tak začali farmárom poskytovať pôžičky vo väčšom rozsahu ako doteraz (Haluza, 2005). Po vstupe do EÚ sa podpora finančných tokov do poľnohospodárskych podnikov v SR realizuje v súlade so Spoločnou poľnohospodárskou politikou kombináciou zdrojov z rozpočtu EÚ a štátneho rozpočtu SR formou:

- priamych platieb,
- podpory z Európskeho poľnohospodárskeho a záručného fondu,
- podporou trhu v rámci trhových poriadkov SPP (intervenčné nákupy, exportné dotácie, dotácie na skladovanie atď.),
- národné podpory (Serenčes, 2006).

Cieľom článku je zhodnotiť štrukturálne zmeny v poľnohospodárstve SR po vstupe do EÚ v roku 2004. V článku taktiež analyzujeme dopad navrhovanej zmeny Spoločnej poľnohospodárskej politiky vo forme stropovania priamych platieb na farmy na Slovensku.

## 2. Metodika

Údaje na charakterizovanie štrukturálnych zmien v poľnohospodárstve vychádzajú z Informačných listov Ministerstva pôdohospodárstva a rozvoja vidieka SR ako aj z údajov Štatistického úradu a Národného poľnohospodárskeho a potravinárskeho centra. Dopady stropovania priamych platieb analyzujeme na základe individuálnych údajov o veľkých farmách na Slovensku. Informačné listy MPRV SR obsahujú údaje o subjektoch poľnohospodárskej prvovýroby. Získavajú sa osobitne pre farmy s jednoduchým a farmy s podvojným účtovníctvom. Databáza fariem s podvojným účtovníctvom je pre charakteristiku poľnohospodárskej prvovýroby na Slovensku podstatná, lebo tieto farmy majú dominantný podiel na obhospodarovanej pôde, zamestnanosti a výrobe. Pre hlbšiu analýzu fariem, ktoré by stropovaním boli ovplyvnené na Slovensku, bola použitá databáza IL MPRV SR za rok 2016, ktorý obsahoval najaktuálnejšie informácie o štruktúre produkcie, nákladoch na prácu, veľkosti fariem a prijatých priamych platbách. Predmetom stropovania bola výška SAPS a Greeningové platby jednotlivých individuálnych fariem.

Simulovaný bol scenár stropovania priamych platieb na úrovni 60 000 EUR. Scenár mal dve verzie vychádzajúce z návrhu Európskej komisie. Prvá verzia bola bez zohľadnenia osobných nákladov a druhá so zohľadnením osobných nákladov. Osobné náklady sú ročné náklady farmy na mzdy vrátane odvodov zamestnávateľa a navyšujú strop.

## 3. Výsledky

Vstupom do EÚ sa na Slovensku začala aplikovať Spoločná poľnohospodárska politika EÚ. Farmy generujú zisk pre vlastníka, ktorý je kladným rozdielom medzi výnosmi a nákladmi. Výnosy v bežných cenách v poľnohospodárstve od roku 2004 stagnujú, čo opisuje tabuľka 1. Celkové výnosy sektora boli v roku 2004 2,2103 Mld. EUR (prepočítané konverzným kurzom) a v roku 2016 2,2315 Mld. EUR. Zisk sektora v roku 2004 bol 52,2 Mil. EUR a v roku 2016 50,4 Mil. EUR. Z hľadiska výnosov a rentability sektora bol kritický rok 2009. Dôvodom prepadu výnosov boli nepriaznivé klimatické podmienky ako aj prepád v cenách vybraných komodít. Farmy generujú v prevažnej väčšine zisk (cca. 70%) a celková rentabilita v poľnohospodárstve na Slovensku je nízka.

Table 1: Vývoj výnosov, nákladov a zisku od roku 2004 v bežných cenách (v Mil. EUR)

	2004	2008	2009	2010	2011	2012	2013	2014	2015	2016
Výnosy	2210,3	2718,9	1775,8	2019,0	2434,6	2362,0	2349,1	2400,3	2230,7	2231,5
Náklady	2158,1	2664,3	1879,3	2032,9	2361,0	2327,9	2351,6	2334,6	2193,9	2181,1
Zisk	52,2	54,7	-103,5	-13,9	73,6	34,1	-2,5	65,7	36,8	50,4

Source: Zelená správa MPRV SR

Z hľadiska produkcie sa farmy na Slovensku zaoberajú najmä rastlinnou výrobou, ktorej produkcia rastie a živočíšna výroba klesá (table 2). V roku 2004 tvoril podiel živočíšnej produkcie 54% a predstavoval hodnotu 1,0939 Mld. EUR. V roku 2016 klesol podiel živočíšnej produkcie na 38% a predstavoval hodnotu 0,7314 Mld. EUR.

Table 2: Vývoj Hrubej poľnohospodárskej produkcie, rastlinnej a živočíšnej výroby od roku 2004

	2004	2008	2009	2010	2011	2012	2013	2014	2015	2016
HPP	2015,6	1820	1644,1	1696,8	2090,9	2213,2	2233,4	2202,6	1944,5	1945
RV	921,7	816,4	876,2	957,9	1238,3	1230,6	1244,2	1309,5	1160,8	1213,6
ŽV	1093,9	1003,6	767,9	738,9	852,6	982,6	979,3	893,1	783,7	731,4

RV v %	46%	45%	53%	56%	59%	56%	56%	59%	60%	62%
ŽV v %	54%	55%	47%	44%	41%	44%	44%	41%	40%	38%

Source: Zelená správa MPRV SR

Od roku 2004 došlo k výraznému posunu v štruktúre produkcie. Dominujú komodity, ktoré nie sú náročné na ľudskú prácu, majú nižšiu pridanú hodnotu a umožňujú využitie ekonómie z rozsahu. Počty fariem zaoberajúcich sa pestovaním vybraných druhov rastlinnej výroby je v tabuľke 3. Najviac fariem sa zaoberá produkciou obilnín a olejnin. Producentov ovocia a zeleniny je málo a ich počet výrazne klesá.

Table 3: Počet fariem zaoberajúcich sa pestovaním vybraných druhov RV

Komodita	2004	2008	2009	2010	2011	2012	2013	2014	2015	2016
Pšenica	3 760	4 104	3 987	3 479	3 524	3 620	3 651	2721	3254	3 303
Jačmeň	3 566	3 676	3 367	2 608	2 635	2 782	2 556	1902	2599	2 305
Raž	761	674	587	464	400	437	508	332	256	270
Kukurica	2 000	1 991	1 946	1 848	2 144	2 209	2 242	1776	1778	1 801
Repka	1 085	1 648	1 652	1 613	1 453	1 141	1 323	1121	1117	1 133
Slnčnica	1136	1072	1211	1108	1 163	1 145	1 125	956	1041	1 082
Jablká	436	373	370	364	324	306	295	283	n.a.	n.a.
Broskyne	181	157	154	149	139	132	123	120	n.a.	n.a.
Slivky	204	187	189	186	176	172	169	166	n.a.	n.a.
Ríbezle	54	49	51	47	41	40	37	35	n.a.	n.a.
Rajčiaky spolu	205	89	89	55	53	56	50	42	31	29
Mrkva spolu	245	84	74	72	74	82	80	59	54	48
Kapusta spolu	310	152	118	101	119	134	138	78	90	85
Paprika zeleninová	250	125	117	96	87	95	82	64	71	61

Source: Poľ, CD MPRV SR, výpočty NPPC-VÚEPP

Poznámka: Od roku 2013 boli sledované jednotlivé strediská, čo znamená, že jedna farma mohla byť započítaná viackrát. Od roku 2014 sú sledované farmy a preto jedna farma pestujúca komoditu na viacerých strediskách je započítavaná počtom 1. n.a. údaj nedostupný

Z početností fariem jednoznačne vyplýva, že od roku 2004 došlo na Slovensku k výraznému odklonu od pestovania ovocia a zeleniny. Počet fariem, ktoré sa v roku 2004 zaoberali pestovaním jablák klesol zo 436 fariem na 283 v roku 2014. Počet pestovateľov broskýň klesol zo 181 v roku 2004 na 120 v roku 2014. Podobne dramaticky klesali aj počty pestovateľov ostatných druhov ovocia a zeleniny. Je možné konštatovať, že počet fariem zaoberajúcich sa pestovaním komodít rastlinnej výroby náročnejších na pracovnú silu na Slovensku klesá. Na druhej strane rastú počty pestovateľov obilnín a olejnin, čo sú typické plodiny vhodné na pestovanie na veľkých plochách s využitím moderných technológií a techniky znižujúcich nároky na ľudskú prácu. Ekonómia z rozsahu má väčší efekt práve pri týchto komoditách. Zamestnanosť v poľnohospodárstve na Slovensku klesá. Od roku 2004 klesol počet pracujúcich zo 86 600 pracujúcich na 50 100 v roku 2016. Ide o 42,2% pokles od vstupu Slovenska do EÚ (table 4).

Table 4: Vývoj počtu pracujúcich (v tis.) a priemernej mzdy (v EUR) v poľnohospodárstve SR

	2004	2008	2009	2010	2011	2012	2013	2014	2015	2016
Pracujúci v poľnohospodárstve	86,6	72,3	65,3	54,9	52,1	50,4	50,6	51,5	52,3	50,1
Priemerná mzda	534	586	598	618	628	630	640	653	655	702

Source: Zelené správy MPRV SR, ŠÚ SR

V súčasnosti zamestnanosť v poľnohospodárstve klesá vo všetkých členských štátoch EÚ (s výnimkou Írska a Malty). Veľkostná štruktúra fariem na Slovensku je iná ako pôvodných v krajinách EÚ. Na Slovensku dominujú veľké farmy, a preto sú potenciálne dopady

stropovania na Slovensku iné, ako v krajinách, kde dominujú malé rodinné farmy. Dvadsať percent najväčších fariem na Slovensku získa až 94 percent všetkých priamych platieb, v Česku 20 percent najväčších fariem získava 89 percent všetkých priamych platieb, kým napríklad v Rakúsku je to 58 percent a v Holandsku 54 percent. Stropovanie je nástroj podpory poľnohospodárov, kedy je administratívne limitovaná maximálna výška podpory. Vzhľadom na odpojenie platieb od produkcie o dopade stropovania na jednotlivé farmy primárne rozhoduje veľkosť obhospodarovanej plochy. Dopady stropovania závisia od štruktúry fariem, štruktúry produkcie ako aj od veľkosti osobných nákladov, a teda aj od mzdovej úrovne v členskom štáte. Európska komisia v rámci novej SPP 2021-2027 navrhuje stropovať priame platby. Na základe individuálnych údajov o veľkých farmách sme simulovali dopady stropovania na farmy na Slovensku. Pri scenári stropovania na úrovni 60 000 EUR vo verzii bez zohľadnenia osobných nákladov by bolo z celkovej výmery na Slovensku zastropovaných 1,19 Mil. hektárov, čo pri celkovej výmere 1,872 Mil. hektárov predstavuje 63,6% pôdy na Slovensku. Dopady stropovania by pri tomto scenári boli výrazné. Stropovanie by sa dotklo až 1004 fariem poberajúcich dotácie 355 Mil. EUR ročne. Vo verzii so započítaním osobných nákladov by bol dopad podstatne miernejší. Zastropovaná suma by bola 30 Mil. EUR ročne a stropovanie by sa dotklo 377 fariem (table 5).

Table 5: Dopady stropovania na úrovni 60 000 EUR na farmu

Farmy	Bez osobných nákladov		S osobnými nákladmi	
	Zastropované	Nezastropované	Zastropované	Nezastropované
Pôda v ha	1,19 Mil.	0,28 Mil.	0,41 Mil.	1,06 Mil.
Počet subjektov	1004		377	
Dotácie	355 Mil.	55,3 Mil.	104,1 Mil.	306,2 Mil.
Priemerný podiel RV	66%	60%	82%	60%
Produkcia v EUR na ha	832	732	622	954
Priemerná zamestnanosť na 100 ha	2,2	2,45	1,03	2,71
Priemerný zisk na ha v EUR	42,4	99	72	46
Zastropovaná suma	177 Mil.		30 Mil.	

Source: IL MPRV SR 2016, vlastné prepočty

Vo verzii so započítaním osobných nákladov vznikajú významné rozdiely medzi zastropovanými a nezastropovanými farmami. Zohľadnenie osobných nákladov by spôsobilo, že zastropovanými farmami by boli farmy s podielom rastlinnej výroby až 82% a so zamestnanosťou 1,03 osoby na 100 hektárov. Nezastropovanými by boli farmy s podstatne nižším podielom rastlinnej výroby (60%) a s viac ako 2,5 násobne vyšším počtom pracovníkov (2,71) na 100 hektárov.

Z tabuľky 5 vyplýva, že pri zohľadnení osobných nákladov sú relevantné rozdiely medzi zastropovanými a nezastropovanými farmami. Zastropované farmy (farmy, ktorým sa znížia priame platby, keďže majú získať viac priamych platieb ako je stanovený strop) majú podstatne nižší podiel živočíšnej výroby, nižšiu poľnohospodársku produkciu v EUR na hektár ako aj nižšiu zamestnanosť na hektár. Dôvodom je fakt, že farmy, ktoré zamestnávajú veľa pracovníkov sa špecializujú viac na produkciu produktov náročných na prácu (živočíšna výroba, špecializovaná rastlinná výroba). Tým farmám sa navyšuje strop na priame platby o výšku osobných nákladov a pri úrovni stropovania 60 000 EUR by zastropované neboli.

Stropovanie na úrovni 60 000EUR by malo rôzne dopady na jednotlivé zastropované farmy. Niektoré farmy by prišli o nízke sumy, zatiaľ čo niektoré farmy by prišli o podstatné

časti podpory. Za účelom identifikácie individuálnych dopadov stropovania na úrovni 60 000 EUR boli vytvorené intervaly dopadov zvyšujúce sa o 25 000 EUR (Figure 1).

Figure 1: Počty podnikov z hľadiska zastropovanej sumy pri úrovni 60 000 EUR



Source: IL MPRV SR 2016, vlastné prepočty

V priemere by zastropované farmy bez osobných nákladov prišli o 177 069 EUR a so zohľadnením osobných nákladov v priemere o 79 575 EUR. Najviac podnikov by prišlo o menej ako 25 000 EUR a početnosti podnikov majú tendenciu s rastom dopadu klesať. Pri verzii bez zohľadnenia osobných nákladov je špecifické, že existuje pomerne početná skupina fariem (63 fariem), ktoré by prišli o viac ako 500 000 EUR, zatiaľ čo pri verzii so započítaním osobných nákladov nie. Ide o farmy, ktoré by boli stropovaním bez započítania osobných nákladov výrazne znevýhodnené kvôli veľkosti obhospodarovanej plochy napriek tomu, že zamestnávajú štandardný počet osôb na 100 ha obhospodarovanej pôdy.

Z teritoriálneho hľadiska by stropovanie malo najväčší dopad na okresy v produkčných častiach v oblasti Podunajskej nížiny. Pri úrovni stropovania vo výške 60 000 EUR na farmu by boli najviac stropovaním dotknuté okresy Komárno, Levice, Nové zámky, Nitra, Trnava, Senica, Malacky. Na východe krajiny okres Michalovce, Trebišov a aj okres Liptovský Mikuláš a Rimavská Sobota. Existuje rozdiel v prípade teritoriálnych dopadov pri započítaní osobných nákladov. Až v 14-tich okresoch by bol dopad stropovania 60 000 EUR so započítaním osobných nákladov nulový.

## 4. Conclusion

Po vstupe Slovenska do EÚ sa zmenila štruktúra poľnohospodárskej produkcie. Hrubá poľnohospodárska produkcia v bežných cenách od roku 2004 na Slovensku nerastie. Zvyšuje sa podiel rastlinnej produkcie a výrazne klesá podiel živočíšnej produkcie. Živočíšna produkcia nie je rentabilná a podpora vo forme priamych platieb (SAPS) zvyhodňuje farmy na základe obhospodarovanej pôdy. Agregovaná rentabilita fariem na Slovensku po roku 2004 závisí od percentuálneho podielu živočíšnej výroby. Farmy sa správajú racionálne a orientujú sa na produkciu, ktorá je rentabilná. Len malá časť dotácií je smerovaná do oblasti živočíšnej výroby. Najviac poklesli počty fariem zaoberajúcich sa tradične produkciou mlieka a chovom ošípaných a pestovaním ovocia a zeleniny. Ide pritom o výrobu náročnú na prácu.

Veľké farmy sú dobre kapitálovo vybavené a nahrádzajú prácu technikou. Menia štruktúru výroby tak, aby mohli profitovať z ekonomie z rozsahu. Na Slovensku to zvyhodňuje produkciu obilnín a olejní a znevýhodňuje produkciu ovocia, zeleniny a živočíšnu výrobu.

Pokles pracovných síl má negatívny vplyv na rozvoj vidieckych oblastí, lebo pracovníci v poľnohospodárstve štandardne žijú práve vo vidieckych oblastiach. Pokles pracovníkov v poľnohospodárstve o 36 500 od roku 2004 znamená, že beneficentov z verejných zdrojov vo forme dotácií SPP je na Slovensku o 36 500 menej.

V súčasnosti je na Slovensku intenzívne diskutovaná problematika limitovania podpory veľkých fariem v krajinách EÚ nazývaná aj stropovanie priamych platieb. Stanovenie maximálnej výšky podpory na jednu farmu by vo väčšine krajín EÚ nespôsobilo farmám žiadne problémy z dôvodu dominancie malých rodinných fariem. Vzhľadom na veľkostnú štruktúru fariem by Slovensko patrilo ku krajinám so značnými efektami stropovania priamych platieb. Simulovali sme dopady na základe individuálnych údajov o farmách za rok 2016. Z analýzy dopadov stropovania vyplýva, že nezahrnutie osobných nákladov by znevýhodnilo farmy výlučne na základe veľkosti obhospodarovanej pôdy a medzi zastropovanými a nezastropovanými farmami by neboli rozdiely z hľadiska produkcie a počtu pracovníkov na 100 ha. Zahrnutie osobných nákladov do systému stropovania by rozdelilo farmy na dve rozdielne skupiny. Zastropované farmy by boli tie, ktoré majú nízku produkciu z hektára, zamestnávajú menej ako polovicu pracovníkov na 100 ha ako nezastropované farmy a dosahujú podstatne vyšší zisk na hektár.

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## APPLYING FACILITY MANAGEMENT IN A GLOBAL BUSINESS

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**Abstract.** The biggest stimulus for enterprise modernization, optimization and development is the consolidation of market positions and pressure from competitive environment. The current business environment is marked by the strong impact of globalization. Globalization, in short, is called the theory of global economic growth, which, in addition to raising living standards, brings to the business environment also a negative in the form of creating a very strong competitive environment. A lot of local producers, as well as small and medium-sized businesses that do not have the capital needed to sustain global trends, face a lot of pressure on competition. If an enterprise wants to become a global business and gain the benefits of a global market, it must first increase its competitive ability. Businesses should focus primarily on the possibility of increasing the efficiency of their production processes. Business processes consist of core business, which is the main reason for the existence of the entire business, and supporting activities, which help the company in the performance of its core business. There is often an accumulation of ineffectively spent funds in supporting activities. That is why support activities offer the most space to optimize business costs. This area is dedicated to facility management. Facility management is one of the most modern ways of conducting business support activities. Helps businesses focus on their core businesses by taking over the management of all supporting activities.

**Keywords:** facility management, cost optimization, support activities

**JEL Classification:** M10, M 14, M21

### 1. Introduction

Facility management services are being used by businesses more and more often. Managers start to realize the need to strengthen the competitiveness of businesses, for which various management approaches are used. Focusing on facility management is one option most often chosen by managers. This management approach helps to increase the efficiency of the entire business by focusing on core business, and many times the facility management application is accompanied by cost savings. Facility management helps provide support activities to the extent required by the business.

The focus of facility management can be summarized into eight core units ranging from management and maintenance through technology to management and leadership. It provides businesses with a wide range of business activities where they can optimize their performance and reduce their overall costs.

## 2. Theoretical background

Parn, Edwards and Sing in their publications. The building information modelling trajectory in facilities management (Parn et al., 2017), describe facility management as an integrated approach to improving, maintaining and adapting business premises, which promotes better and faster fulfillment of the company's primary goals, or as a process that the company provides for the creation of a quality work environment. Same as Shi, who talks about facility management as a multidisciplinary profession, which aims to ensure a proper and functionally built environment based on people, space, process and technology. (Shi et al. 2016; Havu, 2017; Tretyak et al., 2016)

The opposite view was expressed in paper, Facilities management added value in closing the energy performance gap, where they point out that the perception of facility management in the environment and the building is obsolete, and extends this management to support processes, including purchase, sales, development, quality, or activity related to the company's finances. (Min et al., 2016) A similar opinion is shared by the team Aziz, Nawawi a Ariff, who define the facility management as a discipline that improves and supports the productivity of the company by providing all the necessary infrastructure services that are necessary to achieve the primary goals of the company. (Aziz et al., 2016)

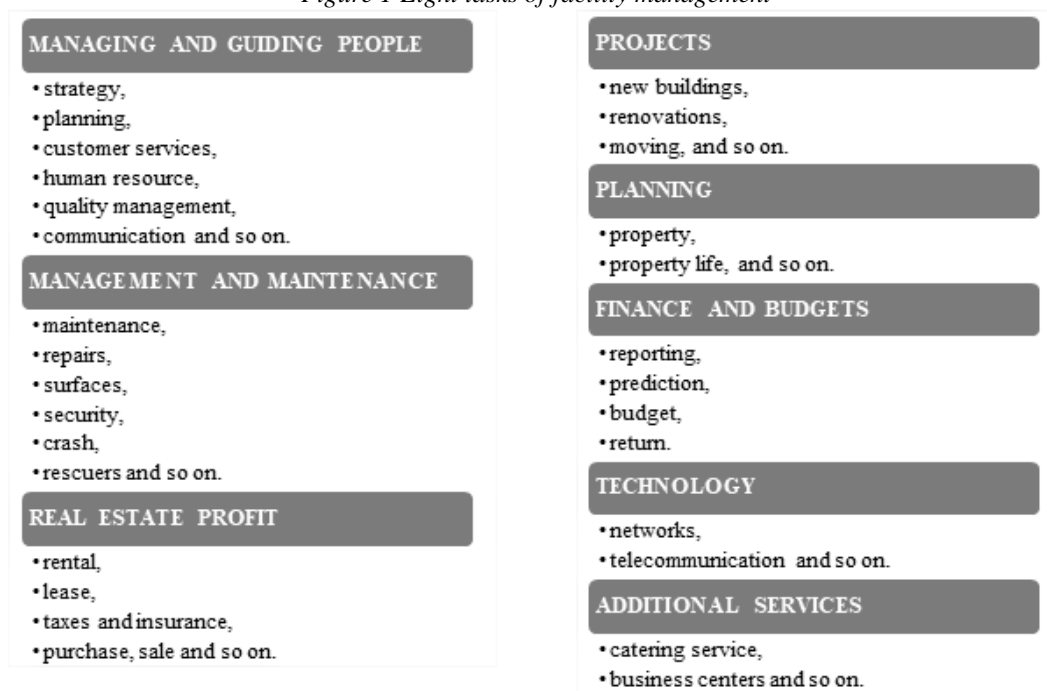
Among the authors who deal with the issue of facility management, we can also include McCornack, who the facility management describes as a supporting tool for obtaining and maintaining an operational strategy in an organization through the management of infrastructure support processes. (McCornack, 2012)

Wetzel and Thabet refer to facility management as a hybrid type of management discipline that combines expertise in managing people, assets and processes. (Wetzel and Thabet, 2016) Zavadskas in his publication, Integrated group fuzzy multi-criteria model: Case of facilities management strategy selection, argue that most of the existing management systems focus primarily on gathering knowledge and information within a single area, while facility management requires the integration of different types of information and knowledge created by the various members of the team, such as maintenance records, cause of chain failures, control records etc. (Zavadskas et al., 2017; Ionescu, 2017; Lyakina et al., 2017)

Kuda, in their publications, lists eight tasks of facility management (Figure 1). These include management and leadership, management and maintenance, real estate profit, projects, planning, finance and budgets, technology and as the latest additional services. (Kuda et al., 2012) All other sub-tasks are associated with these eight major groups for more transparent allocation of rights and responsibilities in the management of business support activities.

Also authors (Brown, 2018; Liu, 2018; Samsuddin, 2018; Pishdad-Bozorgi, 2018; Gage, 2016; Pittet, 2014; Leiblein, 2016; Kim, 2018), highlight the importance and benefits of implementing FM in the management system.

Figure 1 Eight tasks of facility management



Source: Kuda et al., 2012

### 3. Facility management – Finance and budgets

Facility management is very important for each company and it can save a significant amount of time and money if it is done right (Berzakova, 2016). They can be used by businesses of all sizes and all the focus, whether they are manufacturing companies, service companies or business companies. Every business tries to optimize their costs to achieve higher profits or to secure higher competition for their products (McLennan, 2000). The main cost component where businesses can achieve significant savings is operating costs. Their efficiency can be improved through the introduction of facility management (FM) and its focus on business processes that will help streamline the core business (Matusova, 2017). Most companies are able to reduce their operating costs using appropriate costing methods (Vykopal, 2012). Their disadvantage is the time consuming and professional requirements of people implementing these budgets (Cotts et al., 2010). However, it is a business support activity, and so in this area, companies can use the services of facility management companies in the area of finance and budgets (Vyskocil & Kuda, 2011). By correctly dividing the cost types into specific company products, an enterprise can better determine the resulting cost of products, taking into account their competitive ability, while at the same time detecting ineffective spending, which can be eliminated by using appropriate tools. The entire implementation process of budget methods requires the direct participation of several employees. This is an enterprise-wide cost of labor (working time \* wage / h + opportunity costs), the need to train staff (the price for the appropriate training), software equipment (software price) and other. However, all the costs thus incurred do not guarantee the correct implementation of budgetary methods. Financial management and budget facility management companies can greatly assist the business in implementing budget methods. The long experience of these companies also brings with them a great deal of skill acquired in the implementation of the most diverse projects. This is the main reason why the implemented

budget methods are more complex, better and more accurate than those implemented with the company's own resources. The benefits of using procedural calculations instead of traditional ones are obvious. Using the process calculations, however, the company itself did not save even one euro. They will only help him to better understand the structure and cost distribution of the business. Therefore, this step is strategic and without its use it is not possible to optimize the company's costs properly. First, the company can completely abolish low-value products and thus release corporate capacities for more profitable products. Furthermore, it is easier for managers to perform cost optimizations in their departments, thereby reducing overall business insights. For this purpose, the Zero based budgeting method is often used. ZBB is the principle of budgeting an item by item where each load must be substantiated and those that the manager is unable to defend are canceled.

Figure 2 Comparison of ABC and TCA

ABC			TCA		
Item	Amount	Total amount	Item	Amount	Total amount
Production volume [pcs]	1	100	Production volume [pcs]	1	100
Direct material	59,00 €	5 900,00 €	Direct material	59,00 €	5 900,00 €
Direct labor	31,00 €	3 100,00 €	Direct labor	31,00 €	3 100,00 €
Other direct costs	29,00 €	2 900,00 €	Other direct costs	29,00 €	2 900,00 €
<b>Direct costs</b>	<b>119,00 €</b>	<b>11 900,00 €</b>	<b>Direct costs</b>	<b>119,00 €</b>	<b>11 900,00 €</b>
			Production burden	190,00 €	19 000,00 €
			Supply burden	79,50 €	7 950,00 €
<b>Process costs</b>	<b>47,63 €</b>	<b>4 763,24 €</b>	<b>Production costs</b>	<b>388,50 €</b>	<b>38 850,00 €</b>
			Administrative burden	43,60 €	4 360,00 €
<b>Full own costs</b>	<b>166,63 €</b>	<b>16 663,24 €</b>	<b>Full own costs</b>	<b>432,10 €</b>	<b>43 210,00 €</b>
Profit rate	5,00%	5,00%	Profit rate	5,00%	5,00%
<b>Price / Sales</b>	<b>174,96 €</b>	<b>17 496,40 €</b>	<b>Price / Sales</b>	<b>453,71 €</b>	<b>45 370,50 €</b>
<b>Market price / revenue</b>	<b>520,00 €</b>	<b>52 000,00 €</b>	<b>Market price / revenue</b>	<b>520,00 €</b>	<b>52 000,00 €</b>
Share of indirect costs in TC	28,59%		Share of indirect costs in TC	72,46%	
Profitability (calculating)	4,76%		Profitability (calculating)	4,76%	
<b>Profitability at market price</b>	<b>67,96%</b>		<b>Profitability at market price</b>	<b>16,90%</b>	

Source: By author

Based on the above fact, Figure 2 shows that ABC's calculations differ from traditional calculations, primarily by the ability to define business processes and, through activities and causes, to determine a cost relationship for defined cost objects. The causal calculation is therefore extremely appropriate for the ABC calculation.

## 4. Conclusion

Facility management is not just about managing buildings as most people think, but it's a comprehensive tool to manage all of business's support activities to optimize operating costs and focus not only global businesses on their core business. (Brochner, 2017) Already with the use of facility management - finance and budgets, the company could, without sacrificing its time, discover budget shortcomings that prevented effective management of the entire business strategy and the discovery of ineffective spending. These are one of the largest and yet relatively easy to remove cost items. Benefits from using facility management in an enterprise are more important especially for larger businesses. However, small businesses

should also make some use of facility management if they want to increase their ability to compete on the global market and make full use of their potential.

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## BUSINESS PROCESSES IN MEDIUM-SIZED AND LARGE ENTERPRISES IN CONDITIONS OF A GLOBALIZING ECONOMY

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**Abstract.** Globalization and internationalization are increasingly affecting components of the corporate environment and business processes indirectly influenced as a result. The paper focuses on business processes that form a basis for the value-based business process. Their analysis uses a basic categorization of processes in companies. The research was carried out on a set of 207 business entities from all over the Czech Republic, of which 124 were medium-sized enterprises and 83 were large enterprises. From the point of view of sector differentiation, manufacturing and industrial enterprises were represented by 86 business entities and 121 were from the services sector. In terms of their business reach, there were 71 enterprises with a regional character, 76 national and 60 business entities were multinational. For the analysis a two-choice test and Fisher's exact test were used. The significance of the tested processes was determined based on their impact on the company profitability. For the medium-sized enterprises "marketing and sales" and "services and supporting services" were among the most significant processes of value-generating nature, followed by production, purchasing and output logistics. For the large companies the statistically significant processes included "science and technology development", followed by "marketing and sales", "services and supporting services", "input logistics" and "human resources management". Size differentiation has been proved as for the large enterprises significance of the business processes was more important than for the smaller size category.

**Keywords:** Business processes, medium and large enterprises, value potential of an enterprise.

**JEL Classification:** L00, L1, L2

### 1. Introduction

The current period of economic development in Europe and worldwide can be marked as the arrival of a new world's economic order. The corporate sphere needs to respond to those geopolitical changes and challenges by appropriate business behavior. The changes have been caused by effects of globalization and internationalization, as well as by the fact that enterprises operate in a discontinuous and turbulent environment (Anderson & Cavanagh, 2005; Drucker, 2006) that is unpredictable, continually changing and incoherent. Porter (2012) states that enterprises most frequently face discontinuity in development of economic characteristics of the business field, in development of consumer conduct of customers and in the logic and rhythm of the individual performed business processes. Similarly, Harris (2002)

states that the today's planning requires fast recognition of changes and flexible response to them. In developed countries small and medium enterprises (SME) form a mainstay of national economies and they are indicators of world's new emerging economic trends. With the fundamentally changing business environment also the corporate processes change with the same rate and depth from the viewpoint of their function, structure and intensity (Ji & Fan, 2016; Chen, 2017).

The scientific community ever more explicitly addresses issues associated with the very existence of globalization processes in the current state of economic development. The development of global and regional economic centers suggests ongoing changes in the integration and globalization processes, in terms of their form and intensity (Bertucci & Alberti, 2001; Harris, 2002; Coulter, 2010). A globalization strategy means that a company applies the same business strategy worldwide and does not adapt it to local needs and customs (Ubreziova et al., 2015). For over 20 years globalization tendencies have been forcing economists to reflect on the fact that the market space for local business is diminishing (Rangone, 2012). On one hand, we can see continuing international spreading of business practices, ideas and standards and, on the other hand, it turns out that local variations, institutional differences and heterogeneous management methods in different countries tend to survive (Pastuh, 2015). One of the changes that is becoming ever more obvious is that manufacturers and distributors of products and services operating on the global market are now paying more attention to social and cultural differences of the individual markets. The process is called glocalization and it means that products are adjusted to meet local requirements and, as a result, the circle of potential customers increases as they find the adapted global product more attractive. The objective is to meet the needs of as many clients as possible and to maximize profit of the company (Soja, 2015; Swyngedouw, 2004; Robertson, 2007). Considering the current social and economic developments, we can see more glocalization as it involves both global and local aspects. Global and local are two sides of the coin (Suchacek, 2011). However, Roudometof (2015) points out that the scientific community interprets glocalization in various ways, while the fundamental conflict is about whether glocalization is a subcategory or modification of globalization. Glocalization concerns cooperation between global and local, dynamics between cultural homogenization and heterogenization, along with trends to universalization and specialization (Matusitz, 2011). Key features of glocalization are diversity as a basis of the social life that does not eliminate differences and, on the contrary, mitigates fears from elimination of all differences as a result of globalization; glocalization does not promise world without conflicts and tensions but offers a comprehensive historical view. Currently, as a result of glocalization, globalization has been trying to include local values, according to the motto "think globally and act locally" (Radulescu, 2010). The concept of glocalization can strengthen scientific perception of globalization thanks to its global agenda and, at the same time, cultural differentiation (Matusitz & Leanza, 2009). Glocalization can be found in all size categories of enterprises and in case of SME, due to their primarily local and regional importance, the process is even more distinct.

In a knowledge economy the importance of process-based management has been increasing and it has become a precondition for survival and development of enterprises in general. In order to make corporate processes efficient they must be mapped, defined, implemented and managed. In meeting of these objectives an indispensable role should be played by information technologies and innovation processes (Harris, 2002; Barlett &



Ghoshal, 2003; Harford, 2012). However, the real insight in the Czech corporate practices has shown that this is not always the case. In many enterprises corporate processes or their setup are not a part of the corporate strategy or a part of generation of added value on the national and global scale (Barlett & Ghosfal 2003; Salamzadeh et al., 2016; Chen, 2017). Despite the critical words it should be noted that more and more enterprises see the corporate processes as a part of strategic management and decision-making and as a tool to achieve uniqueness and originality of their products and services.

## 2. Material and Methods

The survey was conducted on a set of 207 business entities from all over the Czech Republic, from which 124 were medium and 83 were large. From the viewpoint of **sector differentiation there were 86 manufacturing and industrial enterprises and 121 were from the services sector. In terms of business reach**, 71 enterprises were regional, 76 operated nationwide and 60 businesses were supranational. A two-sample test was used for the analysis:

$$T = \frac{\bar{z}}{s \approx / \sqrt{n}} = \frac{\bar{z} - \bar{y}}{s \approx / \sqrt{n}} = \frac{\bar{z}}{SE(\bar{x} - \bar{y})} \quad (1)$$

$\bar{x}, \bar{y}$  are random quantities,  $\bar{x} - \bar{y}$  is therefore also a random quantity and  $SE(\bar{x} - \bar{y})$  is its standard deviation

$$T = \frac{\bar{z} - konst.}{s \approx / \sqrt{n}} \quad (2)$$

Distribution under the null hypothesis:

If  $H_0$  is valid:

$$T \sim t_{n-1} \quad (3)$$

the probability that  $T_t$  is greater than  $T_0$  or smaller than  $-T_0$  is

$$P(-T_0 < T < 2 \cdot (1 - F(T_0))) \quad (4)$$

Critical value:

$$t_{1-\frac{\alpha}{2}, n-1} \quad (5)$$

The Fisher's exact test can be used to test the null hypothesis that the distribution of objects, based on two criteria, is different from the hypergeometric distribution. Only the value "p" is calculated to test the difference of columns from lines. The calculation formula is:

$$p = ((a+b)! (c+d)! (a+c)! (b+d)!)/(a! b! c! d! n!) \quad (6)$$

where **p** is the level of significance, a, b, c, d are values in the a, b, c, d in the contingency table with the arrangement NW, NE, SW, SE and **n** = **a** + **b** + **c** + **d**. A huge advantage of this

test consists in the fact that it can be used even if any of the **a, b, c, d** values equals zero because  $0! = 1$ .

Importance of the tested processes was determined based on their influence on profitability of an enterprise.

### 3. Results and Discussion

It is beyond doubt the corporate processes are strongly influenced, and often also limited, by globalization and internationalization trends at the national and, particularly, international level. Enterprises operating on the international market can serve as a certain comparative base.

#### 3.1 International enterprises

Table 1: Importance of processes in international enterprises.

	Not reporting profit	Profitable	Difference profitable - not reporting profit
Input logistics	39,3%	45,8%	6,5%
Manufacturing	85,7%	86,1%	0,4%
Output logistics	53,6%	52,8%	-0,8%
Marketing and sales	46,4%	45,8%	-0,6%
Services and supporting services	28,6%	34,7%	6,2%
Purchasing	42,9%	34,7%	-8,1%
Scientific and technical development	7,1%	25,0%	<b>17,9%</b>
Management of human resources	10,7%	30,6%	<b>19,8%</b>
Corporate infrastructure	17,9%	19,4%	1,6%

Source: Author.

Differences greater than 10 %, as found in the tests, are marked in bold. As the testing set was big enough a two-sample test of proportion difference was used. Significant differences are again marked in bold.

Table 2: Results of statistical testing of important processes in international enterprises.

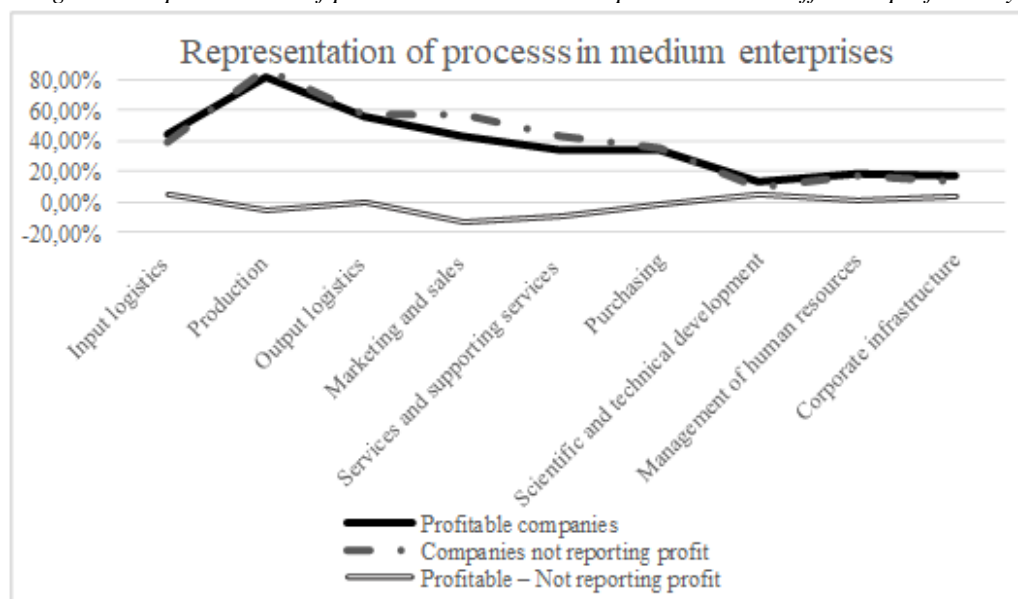
Scientific and technical development	
Test statistics	<b>2.532</b>
p-value	<b>0.011</b>
Interval estimation of proportion difference	<b>(0.040; 0.317)</b>
Management of human resources	
Test statistics	<b>2.487</b>
p-value	<b>0.013</b>
Interval estimation of proportion difference	<b>(0.0423; 0.355)</b>

Source: Author

Table 2 shows that, according to the tests, in the group of supranational enterprises both proportion differences greater than 10 % (scientific and technical development and management of human resources) were statistically significant. The reason is in the size of the two groups (profitable companies and companies not reporting profit). In both the cases the proportion difference is greater for profitable enterprises.

### 3.2 Medium enterprises, national economy

Figure 1: Representation of processes in medium enterprises and their effect on profitability



Source: Author

Table 3: Testing of individual processes from the viewpoint of their importance and effect on profitability

Process	Test statistics	p-value	Interval estimation of proportion difference
Marketing and sales	-1,129	0,259	(-0,381; 0,102)
Services and supporting services	-0,834	0,404	(-0,340; 0,137)

Source: Author

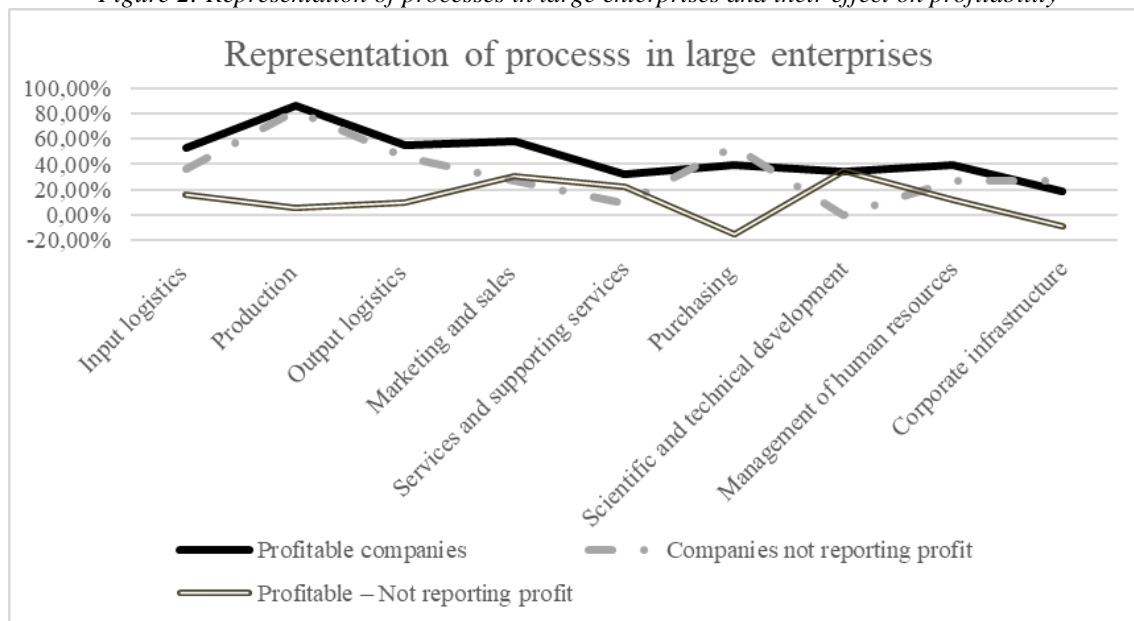
In the medium-sized category significantly different results were found only for two processes, specifically for marketing and sales and services and supporting services. Although the statistical test has not quite clearly proved a significant difference (p-values are much higher than 0.05 and the interval estimations are close to zero while the maximum limits are quite far away from zero), but it is fairly interesting that the difference is reverse in comparison with small enterprises, i.e. enterprises not reporting profit focus on those processes more than profitable ones (see the negative proportion difference). Therefore, we can conclude that enterprises not reporting profit feel the need to improve and to emphasize the above-described activities in their practice.

In this size category there is a significant difference between enterprises operating on the international and national markets. The functions important for the international enterprises are scientific and technical development and management of human resources while enterprises operating nationally stress marketing and sales and services and supporting services. This means a clear difference in importance of corporate processes and we can speculate that also globalization and internationalization processes play their roles. Naturally, the results are also affected by the character of national competition (increased role of marketing, sales, services and supporting services) and international competition (quality of human resources and technology and innovations).

### 3.3 Large enterprises

Differences greater than 10 %, as found in the tests, are marked in bold. Due to the number of enterprises not reporting profit the main presented result is the p-value from the Fisher's exact test. Results from the two-sample test of proportion difference and interval estimation for the difference are provided only for information. Statistically significant differences in the tables below are again marked in bold.

Figure 2: Representation of processes in large enterprises and their effect on profitability



Source: Author

For profitable companies results of both the two-sample test of proportion difference and the interval estimation (Figure 2) have shown higher importance of scientific and technical development, marketing and sales, services and supporting services and management of human resources while the opposite situation was found for purchasing, which may indicate requirement of managers to improve the process. Statistically significant differences are shown in Table 4.

Table 4: Testing of the individual processes from the viewpoint of their significance and effect on profitability

Process	p-value Fischer's exact test	Two-sample test of proportion difference		
		Test statistics	P-value	Interval estimation of proportion difference
Input logistics	0,496	0,979	0,327	(-0,163; 0,488)
Marketing and sales	0,095	1,959	0,0502	(-0,00023; 0,613)
Services and supporting services	0,246	1,957	0,0503	(-0,00029; 0,450)
Purchasing	0,493	-0,887	0,375	(-0,483; 0,182)
Scientific and technical development	<b>0,024</b>	Two-sample test of proportion difference was not performed because the frequency of enterprises not reporting profit was zero		
Management of human resources	0,724	0,782	0,433	(-0,184; 0,428)

Source: Author

Due to the low number of enterprises in the group of companies not reporting profit we cannot use results of a two-sample test of proportion difference but we need to rely on results

of the Fisher's exact test. In all areas where the difference between profitable companies and companies not reporting profit was more than 10 percent the statistically significant difference has not been proved by the test, except in case of scientific and technical development. The situation in marketing and sales was fairly close to statistical significance. Despite the proportion difference of 30% found by questionnaires, the test rejected statistical significance by a narrow margin.

When comparing this size category with enterprises operating exclusively abroad we can find agreement for scientific and technical development but not for management of human resources.

#### **4. Conclusion**

Despite diverse opinions of the ongoing changes in the world's economy, in the upcoming period we can expect profound changes on the global economic map. It is fairly difficult to predict how those changes might affect business environment in the Czech Republic. In the early stages of globalization we saw gradual development of international trade, removal of trade barriers and acceleration of capital mobility. After joining EU, the enterprises could enter the market of 500 million people, received foreign investments and changed their ownership structure, as well as product and services portfolio. Many enterprises also gradually modified their business architecture and they have transformed into assembling or finishing plants. All this is naturally reflected in the content, roles and structure of corporate processes. The structure of process in a company that provides for all stages of production and services within its internal corporate environment will be different from that in enterprises described as satellites, amoebas, networks etc.

The summarized results of this paper anticipate full-fledged business entities that are proactively operating on the domestic and foreign markets. The main conclusions concerning importance of corporate processes for company profitability include:

- in supranational enterprises the dominating, statistically significant corporate processes include scientific and technical development and management of human resources,
- in medium-sized enterprises the important processes are marketing and sales and service and supporting services,
- the comparison between medium-sized supranational and domestic enterprises has shown a significant difference which suggests effects of globalization processes on the international market,
- large profitable enterprises demonstrated higher importance of scientific and technical development (statistically significant difference), marketing and sales, services and supporting services, management of human resources in comparison with companies that do not report profit; an opposite result has been found for purchasing which may mean that managers require improvement of the process,
- large enterprises operating on the domestic market prefer the process of scientific and technical development equally as those operating globally, but they underrate management of human resources.

The provided results have been affected by the current period of economic growth and therefore a similar survey should be conducted also in other stages of the economic cycle. The

presented results indicate that the topic needs to be addressed and that results of the survey can be used in corporate practice and for management purposes.

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## DETERMINATION OF THE LEVEL OF DEVELOPMENT OF INTANGIBLE PROPERTY IN A GLOBALIZING WORLD

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**Abstract.** The level of non-material development of the country depends on many indicators, such as the degree of development of human, social and reputational capital, the degree of development of relations of intangible property. However, at present, there is no quantitative assessment of the presented factors. Intangible assets are the only indicator that is regularly quantitatively taken into account in the countries of Russia. We have compiled a regression dynamic model of panel data, based on which it was revealed, that the relationship between the volume of intangible assets and the nominal wage level, the number of personnel engaged in research and development is significant. We obtained the coefficients that we will use to compile the rating. 69 countries participated in the survey. A check on F-statistics showed that the model is statistically significant. Therefore, these indicators can be taken into account when compiling a rating of the country by the level of development of intangible property. The received data testify that intangible assets reflect only a small part of objects of non-material property. Unidentified, client capital, social, reputational and information capital are not always subject to commercialization, as they do not meet the requirements of the Russian Accounting Standards. The proposed methodology for determining the level of non-materially developed countries can be adapted to assess the intangible development of countries. The obtained ratings allow analyzing the interaction of non-material development with other indicators and developing strategies aimed at strengthening the intangible development of the territories.

**Keywords:** intangible development, intangible property, human capital, social capital.

**JEL Classification:** A10

### 1. Introduction

The level of non-material development of the country depends on many indicators, such as the degree of development of human, social and reputational capital, the degree of development of relations of intangible property. However, at the present time, there is no



quantitative assessment of the factors presented, the only indicator that is regularly quantified by countries of the Russian Federation is intangible assets (Fahrutdinova & Kolesnikova, 2017). Nevertheless, intangible assets do not fully reflect the level of non-material development of the country.

With the help of correlation that was calculated between the total volume of intangible assets in the regions of the Russian Federation and a number of other indicators, and a methodology for determining the intangible development of the territory, based on six statistical indicators we can determine the level of non-material development (Larionova & Varlamova, 2014; Nithyananda, 2016; Saiz & Castro, 2017).

Thus, the methodology of the rating of the saturation of intangible property, developed for the regions of Russia, proposed by us, showed positive results of testing in the development of the rating of countries. On the basis of the proposed methodology, we received a rating of countries in terms of intangible development (Varlamova & Larionova, 2015). According to the results of the study we revealed that the overall level of development of the territory, the level of income of the population, the development of communication and information technology has an impact on the level of development of relations of intangible property.

Advertising, pharmaceuticals, cosmetic industry, production of luxury goods and goods of mass consumption can be distinguished. As priority sectors that lead by volume of intangible property in the world. If we consider the top ten leaders of the rating, we can say that in Japan, Germany, Finland and the United States, which are on the first lines, the social security of citizens is highly developed, which echoes with the rating of the regions. Countries have well-developed infrastructure. In addition, all of the represented countries have a rich historical heritage. Japan, USA, Germany and Russia are some of the most technologically advanced countries. Diamond processing and software development are developed in Israel. In fact, the rating on the level of development of intangible property relations is represented by the G8 countries, only Canada is not included in the top ten of the rating, which in General can be explained by a statistical error. (Westmoreland, 2018; Fosfuri et al., 2017)

### **1.1 Building a model for determining the level of intangible development**

We conducted studies (Sadyrtidinov et al., 2017), during which a correlation was calculated between the total volume of intangible assets in the region and a number of other indicators, such as:

- the number of researchers holding a degree (degree);
- number of staff engaged in research and development (NIR);
- gross regional product per capita (VRPotn);
- innovative activity of organizations (Elena et al., 2015) (the share of organizations that carried out technological, organizational, marketing innovations, in the total number of organizations surveyed) (innov);
- number of personal computers per 100 households (comp);
- the share of the employed population with higher professional education at the age of 25-64 years, in the total number of employed population of the corresponding age group (education);
- morbidity with the first time in life the established diagnosis of alcoholism and alcoholic psychosis per 100 thousand populations (Ramil et al., 2014) (alco);

- morbidity with the first time in life established by the diagnosis of drug addiction per 100 thousand population (narco);
- poverty level (population with cash incomes below the subsistence level) (poverty);
- unemployment rate (unempl);
- morbidity of the population (sickness);
- average monthly nominal wage of employees for a full range of organizations in the economy as a whole (wage);
- number of registered crimes per 100 thousand people (crime).

We assumed that some of these indicators, such as: the number of researchers with a scientific degree, computer availability, innovative activity of organizations, the number of people with higher education has a favorable effect on the production of intangible assets (Fakhrutdinova et al., 2015). Intangible assets are the only indicator that most fully reflects the amount of intangible property and is taken into account by the Federal State Statistics Service. (Gyalog, 2017, Blanas & Seric, 2018)

The Hausman test is used with the main aim to test the assumption of uncorrelated unobserved individual effects with regressors. The Hausman test shows that interregional unobservable differences are not accidental with the probability that our model with random effects is 99.9%. In general, the regression dynamic model of panel data with fixed effects has the following form:

$$y_{it} = \alpha y_{(it-1)} + \beta x_{it} + \varphi_i + \varepsilon_{it} \quad (1)$$

where  $y_{it}$  - it is the analyzed parameter of intangible assets,

$y_{(it-1)}$   $x_{it}$  - it is the parameter of intangible assets for the previous period, the matrix of explanatory variables,

$\varphi_i$  – is an interregional fixed error (does not depend on time),

$\varepsilon_{it}$  – it is a random error. It is assumed that  $X_{it}$ — it are independent of  $\varepsilon_{it}$  it for all  $i$  and  $t$ . Errors  $\varepsilon_{it}$ — are independent identically distributed random variables,  $E(\varepsilon_{it}) = 0$ ,  $\text{var}(\varepsilon_{it}) = \sigma^2$  for all  $i$  and  $t$ . (Suslov et al., 2017)

A model with fixed effects is usually used when the sample with which it works, in fact, represents the general population. The sample of data included 69 regions of the Russian Federation for 7 time periods (2005-2011), totaling 483 observations.

During the study, a number of regions were excluded: the Nenets Autonomous District; because it is considered in total by the Arkhangelsk region, the Karachay-Cherkess Republic, the Khanty-Mansiysk Autonomous Okrug, the Chelyabinsk Region, the Yamalo-Nenets Autonomous District, the Amur Region, the Jewish Autonomous Region, the Kamchatka Territory, the Magadan Region, Primorsky Krai, Sakhalin Region, Khabarovsk Territory, Chukotka Autonomous Okrug - due to the lack of end-to-end data on the full range of analyzed indicators. (www.forbes.com)

The "within" transformation is first done to evaluate the regression equation, for each variable, the regional average is subtracted, so the model does not allow estimating non-invariant variables, and then the least squares method is applied.

In accordance with our hypothesis, these factors have a positive effect on the volume of intangible assets (Kolesnikova et al., 2016). The following factors, according to our

hypothesis, have a negative impact on the volume of intangible assets in the region. Such factors as alcoholism, drug addiction, poverty, morbidity and crime do not allow to fully engage in intellectual activity, which will negatively affect the amount of intangible assets in the region. (Sadaf et al., 2018)

### 1.1.1 Results of regression model of panel data with fixed effects for rating the level of development of intangible property in the countries.

We tested the factors for multicollinearity. In connection with the internal dependence between explanatory variables, leading to a distortion of the level of their influence on the result. The results of the verification are presented in Table 1.

Table 1. The results of checking factors for multicollinearity in 2011.

	NMAnorm (y)	NIRnorm (x)	narcon (x)	alconorm (x)	unempl (x)	wagenorm (x)	GRPpcn (x)	povert (x)
NMAnorm	1							
NIRnorm	0,3269	1						
narconorm	-0,0034	0,0831	1					
alconorm	-0,1239	-0,1661	0,0609	1				
unemplnorm	-0,0895	-0,2928	-0,0557	-0,3057	1			
Wagenorm	0,3807	0,3011	0,0709	-0,1685	-0,1787	1		
GRPpcnorm	0,3718	0,3395	0,1124	-0,069	-0,2523	0,7133	1	
povertynorm	-0,0958	-0,3218	-0,0924	0,0805	0,4824	-0,4448	-0,4233	1

Source: Compiled by the author on the basis of data from the Federal statistics service using the Stata8 software package.

All the explaners were classified by correlation level using t-statistics to test our hypothesis. In our case, the variables are correlated weakly (i.e., within [0; 0.3) and medium [0.3; 0.7)) according to the accepted classification of the influence, which does not lead to a shift in the estimated parameters.

The dependence of the average monthly nominal wage of workers (wagenorm) and gross regional product per capita (GRPpcn ~ m) is the exception. Since nominal accrued wages have a stronger impact on the dependent variable than the HRVP, we will remove GRP per capita from the model. The poverty level correlates with the unemployment rate, so we do not take into account the poverty level in the model. From Table 4.2.1. It can be seen that the greatest influence from all factors on y is the nominal accrued wages (0.38) and the number of personnel engaged in research and development (0.32).

Next, we built a dynamic model of intangible assets of estimating panel data, where variables were taken as explanatory variables that showed a correlation with intangible assets:

- morbidity with the first time in life established diagnosis of alcoholism and alcoholic psychosis per 100 thousand population (alco);
- morbidity with the first time in life established by the diagnosis of drug addiction per 100 thousand population (narco);
- unemployment rate (unempl);
- the number of staff engaged in research and development (NIR);
- average monthly nominal wage of employees for a full range of organizations in the economy as a whole (wage);
- intangible assets of the past period (NMA L1). (Lim et al., 2014)

As a result, it was revealed that the relationship between the volume of intangible assets and the nominal wage level, the number of personnel engaged in research and development and intangible assets of the past period is significant. The minimum and maximum value of the coefficient for these variables did not change the sign. The volume of intangible assets in the region was dependent variable in the model. A check on F-statistics showed that the model is statistically significant. The coefficient of determination is 0.87. The conducted testing of models has shown that it can be used for forecasting.

We built another model with the same explanatory variables to determine the coefficients for the factors that will be included in the rating. Significant indicators as well as in the dynamic model were: the level of nominal wages, the number of personnel engaged in research. We rated the coefficients of the model using the formula to determine the coefficients that we take for these indicators in the future:

$$NMA_{norm}(i) = (NMA(i) - \min NMA) / (\max NMA - \min NMA) \quad (2)$$

The approach allows us to normalize different sizes and all values range from 0 to 1. We have obtained the coefficients that we will use to compile the rating. For the average monthly nominal accrued wages and the number of personnel involved in research and development, we also carried out a procedure for standardizing the selected indicators, since they have different dimensions. The regression model of panel data with fixed effects has the following form:

$$NMA_{it} = 0.162wage_{it} + 0.073NIR_{it} + \varphi_i + \varepsilon_{it} \quad (3)$$

where  $NMA_{it}$  - is the analyzed parameter of intangible assets by region for 2011,  $wage_{it}$  - is the average monthly nominal wage of employees for a full range of organizations in total by region for 2011,  $NIR_{it}$  - is the number of personnel engaged in research and development for the year 2011.  $\varphi_i$  - is interregional fixed error (does not depend on time),  $\varepsilon_{it}$  - is random error.  $E(\varepsilon_{it}) = 0$ ,  $var(\varepsilon_{it}) = \sigma^2$  for all  $i$  and  $t$ .

The model was estimated for temporary instability to test the hypothesis.

It was found that the explanatory variables may not be significant in each analyzed time interval, which allowed us to use the volume of intangible assets as a dependent variable in the model. The explanatory variables did not change. 69 regions participated in the survey. A check on F-statistics showed that the model is statistically significant.

Table 2. Model of temporal instability of behavior of model

2005	2006	2007	2008	2009	2010	2011
NIR*	NIR***	NIR***	Wage*	NIR**	NIR**	Wage**
Wage**				Wage*	Wage*	

\* - The level of significance of the factor

Source: Compiled by the author on the basis of least squares estimation of cross-sectional data for 2011. The calculations were performed using Stata8 software package.

Thus, it can be seen from Table 2 that significant variables are not stable in time. It could be assumed that this instability is due to the crisis phenomena in the economy in 2008.

As a result, the conducted econometric analysis allows to draw a conclusion that there is no strong direct relationship between the volume of intangible assets in the region and explanatory indicators. In our opinion, this fact is explained by the fact that intangible assets

are not an adequate reflection of the presence of intangible property in the organization and in the region as a whole.

The dependence of intangible assets was more closely related to the average monthly nominal wage and the number of personnel engaged in research and development in the model of temporary instability and in the model of structural stability. Employees with a higher level of pay are, as a rule, carriers of non-material property, which the organization commercializes.

The employer pays a higher salary to the employee for the alienation of rights to intangible property. The number of personnel involved in research and development correlates with intangible assets, because this particular category of the population is most actively working on the creation of objects of intangible property.

Then we used the obtained model to make a rating of countries by the level of intangible development.

## **2. Methodology for rating the level of development of intangible property in the countries.**

According to Brand Finance, the most intangible Nations are: French, Italians, Belgians, Germans and Portuguese. According to international studies, the most intangible industries were in 2016: advertising, pharmaceuticals, cosmetics, products, media, beverages, software and the Internet ([www.brandfinance.com](http://www.brandfinance.com)). However, in this case we analyzed the volume of intangible assets, not the volume of intangible property, so we consider it possible to make a rating on the level of saturation of intangible property for different countries. We used data from the Federal statistics service of the Russian Federation to compile the rating. Data on international comparisons are available for 2012. We have taken to analyze following factors:

- average monthly nominal wage of employees;
- number of research and development personnel in the total population;

An additional 4 factors:

- number of mobile phone network subscribers per 1,000 populations;
- number of Internet users per 1,000 population;
- number of museums (cultural heritage);
- area of protected areas in % of the total area of the countries (archaeological heritage).

In our opinion, these indicators on the semantic load are comparable with the indicators, the use of which was confirmed by the model and was used to build the rating of regions in the previous paragraph of the thesis. The level of the average nominal wage was recalculated in rubles based on the official average annual rate. All indicators have been normalized to lead them to a comparable metric used in models. The sample included 27 countries for which the necessary statistics were provided and which were of particular interest for comparison (Larionova et al., 2014). The calculated coefficients were taken from the equation and with their help the rating for the group of countries was calculated. The final rating of the level of development of intangible property (Table 3)

*Table 3. Ranking of countries by the level of development of intangible property*

Rating number	Country	Value
1	Japan	0.29301
2	Germany	0.23110
3	USA	0.19562
4	Finland	0.18881
5	Israel	0.16624
6	Russia	0.14481
7	France	0.13816
8	Britain	0.13737
9	Czech Republic	0.13234
10	Poland	0.12386
11	Estonia	0.12224
12	Italy	0.11634
13	Bulgaria	0.11346
14	Hungary	0.10968
15	Lithuania	0.10374
16	Slovakia	0.10171
17	Latvia	0.08857
18	Kazakhstan	0.07626
19	Romania	0.06232
20	China	0.05814
21	Canada	0.05392
22	Belarus	0.04422
23	Ukraine	0.04386
24	Armenia	0.03687
25	Azerbaijan	0.03313
26	Republic of Moldova	0.02882
27	Kyrgyzstan	0.02668

*Source: It is made by the author on the basis of the made calculations on the countries having statistical data.*

### 3. Conclusion

A high level of nominal wages was crucial in the case of Japan's rating. Germany's position in the rankings for 2 positions also remains stable and gets it due to the high rate of the number of personnel engaged in scientific research. In the United States (3rd place) a large coverage of the Internet, as well as a large number of museums and staff employed in research. Finland is on the 4th place, as indicators for population coverage of mobile phones and the Internet in the country are among the highest of the countries under review. This indicator indirectly indicates the development of social and reputational capital in the structure of intangible property.

Israel is characterized by the largest share of personnel engaged in research in the world, advanced technologies of water resources protection, geothermal energy, software. In Israel, as in the Republic of Sakha (Yakutia), diamond processing related to patent activities is well

developed. In the final ranking, Russia is on the 6th place, which is determined by 3 factors: the coverage of the population by mobile communication and the Internet, as well as the number of cultural heritage (museums).

France (7th place), Great Britain (8th place), Czech Republic (9th place), Poland (10th place), Estonia (11th place) and Bulgaria (13th place) have a high proportion of mobile and Internet coverage, as well as a large share of the archaeological heritage.

Thus, the methodology of the rating of the saturation of intangible property, developed for the regions of Russia, proposed by us, showed positive results of testing in the development of the rating of countries. According to the results of the study revealed that the overall level of development of the territory, the level of income of the population, the development of communication and information technology has an impact on the level of development of relations of intangible property.

Therefore we propose to reduce the transaction costs of commercialization of intangible property, to stimulate the processes of commercialization of intangible property in priority areas by reducing the tax burden on income tax for the period up to 3 years, to carry out preventive information fight against piracy, to stimulate the improvement of the quality of life of the population in terms of ensuring the availability of education for the dissemination of scientific knowledge with the main aim to stimulate the development of the Institute of intangible property. Advertising, pharmaceuticals, cosmetic industry, production of luxury goods and goods of mass consumption can be distinguished as priority sectors. At the same time, the results of scientific research should be available for study in order to provide a synergetic effect of the growth of scientific knowledge and its practical application.

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## STRESS MANAGEMENT IN THE CONTEXT OF DEVELOPMENT IN THE INTERNATIONAL ENVIRONMENT

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**Abstract.** Globalization with its socio-economic consequences has a major impact on small and medium-sized enterprises. In the current global society, there is an increasing push on the performance. This push can be an important stressor for employee and it could have a negative impact on the productivity. Within a global competitive environment, this fact may represent a real threat to the business. In addition to this threat, the work-related stress is even dangerous for the employee itself - both physically and psychologically. European Union is focused on this problem (especially organization EU OSHA) and according to its pattern the Czech legislation tries to prevent the work-related stress by the implementation of legal measures, which provide employers legal obligation to prevent stress and other psychosocial risks at workplace. The aim of the paper was finding out of the state of stress management and approaches of organizations to new law about protection from work related stress. The questionnaire was used, the research focused on respondents from SME in South Bohemia region. Data was obtained from 70 small and medium-sized enterprises. It was found that 74% of small and medium-sized enterprises evaluate stress as a major threat in the international competitive environment, but only 36% of examined companies are trying to prevent work related stress in their organisations, and 24% of them positively evaluate the prepared law. The survey also identified specific steps, which organizations implement within this field.

**Keywords:** work related stress, stress management, questionnaire survey, SME

**JEL Classification:** M10, M12, M14

### 1. Introduction

Globalization with its socio-economic consequences has a major impact on small and medium-sized enterprises. In the current global society there is an increasing push on the performance. This push can be an important stressor for employee and it could have a negative impact on the productivity. Within a global competitive environment this fact may represent a real threat to the business. In the current world trade organizations face constant

pressure and the need of quickly and flexibly adapt to the surrounding environment and its changes, which go hand in hand with the growth of new technologies, the introduction of new products and production processes, the development of communication technologies and the speed of exchanging information. If organizations were not able to adapt to these changes quickly and flexibly enough, they would become obsolete and would be overtaken by companies that have been able to better tailor its activities of the outside world.

*“Radical changes to employment practices combined with smaller workplaces and more pressure to perform have resulted in stress being an inevitable part of organisational life”* (Bourne, 1997).

The result of all these phenomena is the need for continuous improvement and persistent effort to obtain and maintain a stable position on the market. One of the main aspects that decide the eventual success or failure of the company on the market, are its employees. Competitive advantage can be only efficient enough and motivated employees.

Employees are subject of ever-greater demands and responsibility. All these effects can lead to the formation of their stress, which affects both their working and private lives. This stress is often perceived as an integral part of our lives that already belongs to the current hectic and turbulent era.

However, it is important to realize that it is work-related stress, which can affect the work performance of employees and the overall atmosphere in the workplace and it is necessary not to underestimate the level of work-related stress, but rather to learn to manage and cope with it effectively.

Work-related stress has been evaluated as one of the most important health risks in Europe (Kinnunen-Amoroso & Liira, 2016).

## **1.1 Importance of Stress management**

Worksite disability management can include prevention, wellness and safety programs, employee assistance programs and return to work programs (Jones et al., 2003). Work-related stress is highly prevalent among employees and is associated with adverse mental health consequences (Heber et al., 2016). The reduction of stress reactivity resulting from stress management interventions prevents disorders and improves mental health, however, its long-term sustainability has been little examined (Herr et al., 2018).

As Chen et al. (2017) commonly, stress is viewed as a response to particular events. It is a normal reaction of human body preparing itself in the face of difficulties with focus, strength and improved alertness.

There are a lot of reasons why businesses should take aware of stress. The first reason is social responsibility for ensuring a good quality of working life. The second reason is that excessive stress can cause illness and the third reason is that excessive stress can reduce the effectiveness of the worker (Armstrong, 2011). The key factor of successful stress management is personality of manager and his competencies. The Management Competencies for Preventing and Reducing Stress at Work framework represents one of the few tailored models of leadership for work stress prevention purposes (Toderi & Ballduci, 2018).

It exists a difference between eustress and distress. Eustress is a positive stress (Chen et al., 2017). Eustress is characterized by the individual's confidence of being able to master given demands successfully (Mohr, 1993). However, stress at the workplace may reduce the ability to concentrate fully and thus work efficiency (Hiriyappa, 2013). In addition, as Urban (2016) states, work-related stress is also creating disruptions in workplace disputes that interfere with workers' cooperation.

In today's society, the most valuable investment in the organization the human power is becoming and management experts and psychologists pay more attention to the factors that affect (the increase or decrease) human efficiency. They try to highlight positive factors and limit and negative factors. These factors naturally include work-related stress, which affects the physical and mental aspects of individuals and reduces their effectiveness (Decenzo in Assadi, 2003). Next study states that: „ *A link between psychosocial factors and atherosclerosis; however, the specific nature of the association is not known*” (Spence et al., 1999). „*Psychosocial stressors are not only associated with psychosomatic complaints and health indicators, but also with musculoskeletal problems, both acute and chronic*” (Bongers, 1993).

The complexity of the stress phenomenon, the high degree of absence or fluctuation of workers, frequent interpersonal conflicts, or workers' complaints are some of the indicators of work-related stress. Determining whether work-related stress is a problem can include an analysis of factors such as work organization and working practices (organization of working hours, degree of autonomy, consistency between worker qualifications and job requirements, workload, etc.), working conditions and environment ( exposure to gross behaviour, noise, heat, dangerous substances, etc.), communication (uncertainty about what is expected in the job, employment prospects or future changes etc.) and subjective factors (emotional and social pressures, feeling of incompetence, etc.) (MPSV, 2009). Individuals with experience of work-related stress and numerous epidemiological studies have documented its negative health effects, especially with regard to cardiovascular disease (Loerbroks et al., 2016). „*Stressors are the physical and psychological demands that initiate the stress response within individuals*” (Hargrove et al., 2011).

The European Agency for Safety and Health at Work (EU-OSHA), in a study entitled "Calculating the Costs of Work-related Stress and Psychosocial Risks" (2014), has dealt with quantifying the economic costs associated with stress at workplace. Costs mainly included:

- absence due to illness related to stress,
- lack of adequate work performance,
- staff turnover,
- other costs (e.g. accidents, injuries, etc.).

Tangri (2003) proposed a special formula to facilitate the calculation of stress-related costs in organizations. The formula is based on percentages of the cost of a particular workplace attributable to stress.

## 2. Methods

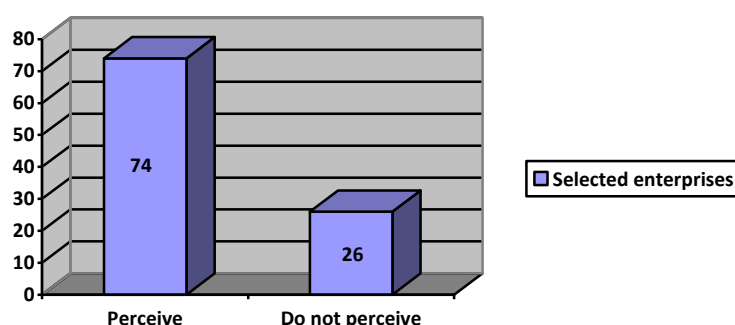
The paper is focused on stress management in the environment of small and medium enterprises. The paper analyses the current state of this issue in selected companies with

focusing on the current the state of stress management and approaches of organizations to new law about protection from work related stress. The status of stress management in selected companies has been studied on the basis of the questionnaire survey. The questionnaire had 10 questions and included semi-open and closed questions. The questionnaires were personally forwarded to respondents during the months of May to October 2017. Questionnaire survey was focused on the assessment of stress management in the workplace by managers and approaches of organizations to new law about protection from work related stress. The survey was conducted with the managers of the selected enterprises. Companies were focused on area of retail trade because just contact with customers was a key factor for the selection of respondents. Data was obtained from 70 small and medium enterprises. enterprises were selected on a random basis. Businesses were selected of the South Bohemian region. The survey involved 70 companies. Small and medium enterprises were selected because they represent the main catalyst of economic development. Those small businesses contribute intensely to achieving the fundamental goals to any national economy, becoming the backbone of social-economical progress (Druker, 2009). But in there could be difficult access to information

### 3. Results and discussion

It was found that 74% of small and medium enterprises assess stress as a major threat in the international competitive environment. Only 26 % of selected enterprises do not perceive stress as a major threat.

*Figure 1: Perceive of stress by managers in selected enterprises*



*Source: own research*

The survey was also focused on the question whether enterprises have adopted in recent years measures that focus on stress management.

Employers are required to ensure that employees can do their jobs in a safe working environment. Failure to do so will not only result in health problems and poor business performance, it could also have legal implications.

Currently, in Czech Republic, the planned amendment to the Labor Code imposes employers a legal duty to prevent the risk of stress at the workplace. Next question of research related to the employer's view of this change.

It was found that only 24% of them positively evaluate the prepared law. From uncontrolled interviews it emerged that the employees are afraid of the practicing. In their view, there is a danger that the employees will abuse this fact.

Next area of survey concerned some measures focus on stress management at workplace.

It was found that only 38 % of selected companies adopted some measures focus on stress management. Some businesses also gave examples – stress management training, interviews with employees, corporate psychologist, informal meetings with employees etc.

Psychologists can play a key role in the development of disability management interventions, which are frequently multidisciplinary and comprise various components. These psychological interventions may range from informational and psycho-educational wellness and safety programs (e.g., stress management) to more sophisticated programs including individual directive (behavioral, cognitive and cognitive behavioral) and non-directive (supportive or dynamic) therapies (Jones et al., 2003).

Obviously most of the selected companies did not take any action in the past to manage stress in the workplace. This fact can be considered alarming because of that because of that stress can have a negative impact on customer service, work performance and quality of work done at all. Beyond these problems there is an increase in absences or fluctuation of employees and the resulting economic impacts.

#### **4. Conclusion**

The importance of stress management programs and their integration in the workplace has become an international issue. The European Agency for Safety and Health at Work (EU-OSHA) has been intensively engaged in this issue within the campaign Healthy workplaces manage stress. This activity was also taken by the Czech Republic. Planned amendment to the Labor Code imposes employers a legal duty to prevent the risk of stress at the workplace. But the survey results are obvious that Czech employers negatively evaluating it. In their view, there is a danger that the employees will abuse this fact. Of course, the employer is responsible for implementing a reduce psychosocial risks, enabling workers to play their part and creating a healthy psychosocial work environment. All 74% of small and medium enterprises assess stress as a major threat in the international competitive environment, but only 38 % of selected companies adopted some measures focus on stress management. This fact can be considered as alarming.

Survey was focused on stress management in small and medium enterprises. They represent the main catalyst of economic development but in there could be difficult access to information. However, even with limited resources, psychosocial risks can be assessed and managed in small organisations. The benefits of managing workrelated stress in smaller organisations outweigh. Managing psychosocial risks the costs of implementation

The effective stress management at the workplace is good for workers, good for business and good for society as a whole. From the practical point of view, organizations need to be aware of the different ways of boundary management profiles among their employees in order to support their worknonwork demands. In this regard it is important to create work cultures that support people working in different ways (Kossek & Lautsch, 2012) and person-oriented approach may also help to develop interventions tailored to different profiles (Kinnunen, et al., 2016). To increase employees' psychological health and to achieve a competitive advantage, organizations are increasingly introducing flexible work arrangements and stress management training (Kroll et al., 2017),

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