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Foreword

International Conference on Economic and Social Studies (ICESoS) is a scientific platform that brings social science researchers together to discuss subjects related to regional economic development particularly in the context of Balkan region. Priority in this year’s conference will be given to research papers that deal with business development and environment issues.

Conference is organized with the main purpose to attract and bring together researchers and participants with the economic and international relation backgrounds from the different countries such as: Albania, Bosnia And Herzegovina, Bulgaria, Croatia, Latvia, Macedonia, Nigeria, Poland, Portugal, Serbia and Turkey.

The purpose of International Conference on Economic and Social Studies (ICESoS) is to bring economics and other social sciences researchers together to discuss issues related to regional economic development particularly in the context of Western Balkan countries. Regional economic development can be considered as “a process of industry support, infrastructure, labor force and market development as well as a product of economic development that covers measured jobs, wealth, investment, standard of living and working conditions.” (Stimson, Stough and Roberts, 2006, p. 4).

The theme of this year’s conference is “How entrepreneurship and innovation can benefit regional economic development”. Our conference will build on groundbreaking research regarding the triple helix approach to regional economic development, which can be beneficial to the Western Balkan region. Our conference will be a show case of the latest research from our relationships with regional educational partners, our local and regional government network as well as the region’s business community. We plan to take on the difficult issues of unemployment and other economic challenges in the conference and demonstrate how through entrepreneurial strategies and innovative systems all sides can come out as winners.

We would like to thank all participants, partners in organization and organizing members at the ICESoS’16 for contributing their theme, effort and skills to make this amazing event once again possible.
Following is the list of themes which conference will cover explore and discuss: Management and Organizations, Marketing, Finance and Accounting, Information systems, Operations and Manufacturing Management, Business Quantitative Methods and Statistics, Economics, Business law, Tourism, International Relations and Policy Development and Other Social Science Research Related to the Topic of the Conference.

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DETERMINANTS OF LIFE INSURANCE DEMAND IN BOSNIA AND HERZEGOVINA: STATISTICAL ANALYSIS

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Abstract: This research aims to explore the impact of socio-demographic determinants and income on demand for life insurance in order to help actuaries to price life insurance products and to support the creation of life insurance development strategy in Bosnia and Herzegovina (B&H). Proxy variable of life insurance demand is the annual life insurance premium per capita in B&H. Socio-demographic determinants that are analyzed are: gender, marital status, educational level, age, employment status and number of family members. Questionnaire consists of 13 questions. Total number of respondents after eliminating missing data is 120. Since the distribution of dependent variable deviates from normal, non-parametric tests are considered appropriate for this analysis. Seven hypotheses are tested. Results of first hypothesis indicate that annual life insurance premium per capita in B&H does not depend on gender. The test of second hypothesis indicates there are statistically significant differences between married and single respondents in life insurance premium that they pay on annual basis. Results also show that the increase in income increases the life insurance demand. The test of fourth hypothesis indicates there is a statistically significant relationship between respondent’s attitudes towards life insurance development and educational level. Further, analysis shows there is uncertain conclusion regarding the rejection of hypothesis: Attitudes towards life insurance products in B&H depend on age.
Other two hypotheses indicate that employment status and number of family members do not have statistically significant impact on life insurance demand. As a concluding remark actuaries and life insurance companies should pay much attention to: marital status, educational level and income when creating life insurance policies.

**Keywords:** actuaries, life insurance demand, non-parametric tests, socio-demographic determinants

**JEL classification:** G22, C12, C21, D14
EXTRINSIC MOTIVATION ORIENTATION AS A PREDICTOR OF IMPRESSION MANAGEMENT AMONG ACADEMICS IN TURKEY

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Abstract: Nowadays, it has become crucial to understand why individuals behave in the way they do, and what are the motives behind those behaviors. The main purpose of this research is to investigate the relationship between extrinsic and intrinsic motivation and impression management among academics in Turkey. It is expected that extrinsically motivated academics would be more likely to use impression management whereas intrinsically motivated academics would score less in usage of impression management.

Academics from different universities of Turkey were surveyed by theory based intrinsic and extrinsic motivation questionnaire and Jones and Pittman taxonomy based impression management scale. The importance of this study lies on understanding the impression management behaviors of academics by how much and what kind (ingratiation, exemplification and self-promotion) of impression management strategies they used and with what reasons.

Keywords: impression management, extrinsic motivation, intrinsic motivation, academics
Abstract: Whether due to mentality or the lack of investment ‘culture’, but people in the Balkans have a certain repulsion towards investing in financial instruments offered by the local exchanges. Based on the public opinion one can conclude that most of the people are reluctant to invest in the financial instruments because they can’t rely on the trustworthiness and credibility of the local exchanges, due to corruption scandals, misconduct and wrongdoings that happened in the recent history. Since its inception, Sarajevo Stock Exchange has been suffering from extremely low volume and poor investment liquidity that in the end resulted with choppiness and overall instability in the market. Turkey’s main stock exchange, Borsa Istanbul, which is 80 times larger than SASE, has openly expressed interest in direct cooperation with Sarajevo Stock Exchange and that strategic move can certainly reduce or even eliminate problems local investors face.

This study examines the effect of benefits and costs of the cooperation between Borsa Istanbul and Sarajevo Stock Exchange (SASE). Multiple facets of the benefits and costs are examined and their effect on the macro and micro scale. Macro effects of the raising stake of Borsa Istanbul in SASE include effects on government, municipality and overall economic level, while micro effect is the direct effect to the ‘end-consumer’, a small investor. The secondary data will be used in analysis of benefits to costs with the side by side comparison and eventual derivation of the Benefit/Cost ratio (BCR) that will test the hypothesis that benefits highly outweigh the costs in this cooperation.
The prediction is that the raising stake of Borsa Istanbul in SASE will bring a new level of professionalism and trust in a corruption and unprofessionalism ridden SASE. In addition Borsa Istanbul will open new market horizons to investors from Bosnia and as an outcome we should see an increase in market liquidity, trading volume and even the BDP of both countries.

**Keywords:** Borsa Istanbul, Sarajevo Stock Exchange, Trading, Stock Market

**JEL Classification:** F15, F62, G15, G24
PREDICTORS OF NIGERIAN STUDENTS` DESIRE TO BE AN ENTREPRENEUR

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Abstract: Entrepreneurship is an important element of national economic growth, and university business students represent an important feeder pool for a nation’s supply of entrepreneurs. Entrepreneurial activities have a positive influence on national development and prosperity (Friedman, 2011; Kirzner, 2009; Petrakis, 2005; Acs et al, 2008).

As attitudes, beliefs and motives have important implications for career choice and behavior, the motives of entrepreneurs are important yet little empirical research exists that identifies elements that predict the desire to become an entrepreneur. Such research would have vast implications for policy makers that hope to encourage and incentivize entrepreneurship on a national level. The purpose of this study is to identify and contrast predictors of Nigerian students’ desire to be entrepreneurs by using Entrepreneurial Motives Questionnaire (Aziz, Friedman & Sayfullin, 2012).

Firstly a literature review pertaining to entrepreneur motives, and then hypotheses, results, and study implications were stated.

Keywords: Entrepreneurship, Motives
THE EU COHESION POLICY’S IMPACT ON REGIONAL ECONOMIC DEVELOPMENT: THE CASE OF BULGARIA

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Abstract: The EU cohesion policy has been a major driver of change in the member states, leading to positive effects as employment growth, economic development, modern infrastructure, etc. Since its EU accession in 2007 Bulgaria has been benefiting from the Union’s investment and structural funds in an increasing speed. Research shows that not only these funds contribute to a significantly to the Bulgarian economy, but they seem its major driver. Without them the country would have recorded a zero growth in the years during the EU’s financial framework 2007-2013, and it would have dumped in a very deep economic and social crisis today.

This paper explores the sources which assess EU cohesion policy, in particular those with focus on Bulgaria (including the applied by the country’s Council of Ministers SIBILA model), and presents and analyzes the results of these assessments. The ultimate goal of the paper is to make objective conclusions about the impact of the EU cohesion policy in Bulgaria, as well as recommendations to raise its efficiency in the present programming period 2014-2020. The scientific investigation of this experience could be of use also to the Western Balkan countries, which are at a similar economic development level as Bulgaria, on their way to EU membership.

Keywords: EU Cohesion policy, Bulgaria, regional economic development
INTEGRATED MARKETING COMMUNICATION - THE KEY MODEL FOR SMALL ENTREPRENEURIAL BUSINESS DEVELOPMENT IN EMERGING COUNTRIES

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Abstract: Small entrepreneurial business are considered as economic development driver in emerging markets. Some of the challenges of small businesses are effective marketing communications, limited budgets and market positioning. The authors argue that IMC can be readily adopted for small businesses in a manner that will meet their limited budgets, business projections, competition and environment. This challenge is emphasised in emerging markets even more significantly. The adaptation of the integrated marketing communication model will foster development, stability and effectiveness for small business and in the economy in general.

Keywords: integrated marketing communication, entrepreneurship, business, economy.

JEL Classification: M3
NURSE SCHEDULING PROBLEM

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Abstract: In this paper, what we have been discussed, is analyzing penalties and cost shifts based on several elements for nurse scheduling problem (NSP). NSP’s issue is to assign nurses to different tasks based on constraints. The problem is known to be NP-hard, in other words it does not have a solution or needs years to be solved. In this work we try to solve the problem by satisfying the constraints set, and we also include the nurse’s preference and try to balance the difficulty level of all the involved nurses. We also analyze the complexity of the problem as a function of parameters such as number of nurses, number of shifts, and optimality of the function.

According to the importance in practice, many scientists have developed NSP problems in a satisfactory time limit.

Keywords: Integer Programming, Scheduling, Linear Programming, Mixed Integer Linear Programming
TESTING FOR PURCHASING POWER PARITY IN BALKAN COUNTRIES

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Abstract: This paper examines the validity of the purchasing power parity (PPP) in the case of eight Balkan countries with monthly data over the period 2007-2014. The augmented Dickey-Fuller unit root test is used to test the stationarity of nominal exchange rate, domestic price level and foreign price level. The long-run PPP for each economy vis-à-vis the US economy is tested using the Johansen cointegration methodology, searching for cointegration vector between nominal exchange rate, domestic price level and foreign price level. The results of the analysis suggest existence of long-run analysis only in most of the countries. However, testing of the coefficients of the cointegrating vector did not provide evidence for strong PPP. For the whole set of countries we use the Pedroni cointegration test, which also does not find evidence for strong PPP.

Keywords: Purchasing power parity, unit root test, cointegration.

JEL Classifications: E31, F31
FASTIP INTRANET SECURITY

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Abstract: While much importance is given for protecting one’s data and confidential information from outside one’s boundaries little is talked about the risks involved inside the organization. Users inside an organization had direct physical access to confidential information and are well aware of the resource access controls. Hence securing the intranet from its trusted users becomes critical. Statistics show that 80% of all computer frauds is committed by internal end users.

This paper briefly explains the definition and the architecture of the intranet and discusses the physical security of the intranet components and also security of the organizations data both from the internal users and also from the outside world (Internet).

Keywords: FASTIP Intranet Security, confidential information
BUSINESS CONTINUITY MANAGEMENT IN HIGHER EDUCATION: RESPONSE PLAN FOR THE THREAT OF NEGATIVE MEDIA REPRESENTATION

(CASE STUDY ON INTERNATIONAL BURCH UNIVERSITY)

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Abstract: Business Continuity Management (BCM) can be defined as a holistic management process (ISO 22301:2012) which means that interdependences and connections between all parts of process are very important. BCM is the best way for the organization to prepare for response in potential future crisis situations and to avoid damage from theoretical events.

Awareness of importance of BCM in higher education in Bosnia and Herzegovina is not at a satisfactory level. One of the risks that can have the highest impact on higher education institution is reputation risk. This BC response plan is particular preparedness plan of the University for the event of negative media representation.

The purpose of this study is to raise awareness of importance of business continuity response plans for incidents or crisis situations in higher education institutions. Additional reason for this study is importance of the reputation of these institutions. Image and reputation of higher education institutions are crucial for their existing.

Answers will be sought for the following research questions: How higher education institution can protect of reputational damage, in the first place of negative media attention? How to make BC Response Plan? Why is communication plan extremely important as a part of BC response plan?

Keywords: BCM, higher education, response plan, reputation, media
EUROPEAN BANKING UNION: EFFECTS AND CHALLENGES

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Abstract: This paper analyzes impact of new banking structure on different countries. Analysis include banking sectors of both: European Union members and non-European Union member’s countries. For the purpose of analysis, data from these banking and financial sectors for period 2008-2015 were used. European banking sector as well as entire financial sector integration is necessary. This necessity is deduced from the problems in this banking sector. Namely, widespread connection between banks and sovereigns which was detected by analysis of these two types of debts. Fragmentation of the Eurozone credit markets was, mainly, caused by sovereign debt crisis due their extremely high correlation. Analysis has shown that this was especially emphasized in peripheral countries of Eurozone. This was disclosed through correlation analysis of sovereign and bank Credit Default Risk premium. Therefore, banking union with good absorbing shock mechanism at union level, credible discipline on state level as well as with central regulatory mechanism should resulted in reduction of this correlation and its complete elimination in the long run. However, potential benefits of this new structure will be unequally distributed. Actually, effects will depend on number and size of banks which are located in certain country.

Keywords: correlation, Eurozone, banking union, bank, sovereign

JEL Classification: E44, E58, G21
Abstract: The paper Currency Crises in a clear way showing the most significant currency crises which occurred one after another in Mexico, Southeast Asia and Russia in the 90s of the previous century. Next, paper explains main causes that led to the outbreak of this crises and the measures of monetary authorities to turn off them. From the aspect of years of rapid economic growth and prosperity which preceded these currency crises, were amazing for policymakers in these countries. With graphs presentation of foreign exchange reserves, movements in interest rates, stock prices and exchange rate (ruble/dollar) paper wants to show better understanding and explanation of periods that have ruled on the financial markets of these countries themselves before the currency crisis. Paper relied on a comparative analysis of economic indicators, the development of GDP in countries that have experienced a collapse of their currency markets. The characteristics of all these crises is spillover effects passed from one to the other foreign exchange market. Finally, the paper in the conclusion make the point of the risk of such and similar crises in today's turbulent times, and where ‘currency wars’ are increasingly present in the global financial market.

Key words: currency crush, prosperity, comparative analysis, financial market

JEL Classification: F3, E5
TRADE LIBERALISATION AND PRODUCT STRUCTURE: 
THE CASE OF THE WESTERN BALKANS

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Abstract: This paper addresses an important issue of an impact of trade liberalisation on export structure and product concentration, which, according to contemporary findings, have a strong influence on the dynamics of an economic growth (see Hausmann, Hwang and Rodrik 2005; Misztal 2011). The analysis covers the region of the Western Balkans (WB) in years 1995 – 2013 with an emphasis on Stabilisation and Association Process (SAP) and CEFTA-2006 agreement, which formed the basis for the trade liberalisation in the region. The empirical results provide evidence that is in contrary to the findings of F. Rodriguez and D. Rodrik (1999) and UNCTAD (2002), who argue that trade liberalisation of developing countries results in their deepened specialisation in production and export of raw materials and labour-intensive goods. Moreover, liberalisation processes turned out not to have had much impact on product concentration of the WB’s trade. Finally, substitutability of capital and labour factors in the production process of exported goods was confirmed.

Keywords: Western Balkans, international trade, trade liberalisation, trade concentration, production factors, changes in trade structures

JEL Classification: F14, F15
Abstract: Uncertainty is rapidly increasing in fast-changing world. With each moment we are faced with various crisis and uncertainties. Today, crises have become an important part of our lives. It is same for the organizations. That is why preventing the crisis before it starts, exiting from the crisis with minimum damage and effectively managing crisis has become a main object of the organizations.

In this research firstly; crisis, its reasons and effects are tried to be explained and identified. After that crisis management and its processes are examined and tried to be identified.

In second part of this study we are going to examine Banvit Bandırma Vitaminli Yem Sanayi Ticaret A.Ş. Şirket. We will try to examine and understand the organization’s reaction to crisis (avian influenza), how they handle it and how a crisis can be turn into an opportunity.

Keywords: Crisis Management, Turkish Company Case, Banvit
TURKISH AUTOMOBILE MARKET ANALYSIS

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Abstract: It is obvious that the automotive industry provides a supplementary wellness and comfort to our daily life. Besides the giant western producers, the Far East and Asian countries who had participated into the market, have later received a good share of the pie. Western manufacturers have new technology, long achieved brand value and also production costs advantages. Turkey has been trying to manufacture its own brand more than 50 years. It has gained experience through foreign brands assembly process and also have cheap labor advantage. This paper analyze the Turkey’s current position in automobile industry to understand whether it has a potential to produce its own brand or not. Competitors positions, rival vary among main car brands in Turkish market, sub-industry infrastructure and other related topics is discussed through Porter ’s five power framework.

Keywords: “Turkish Automotive Industry“, „The World Automotive Industry”,
IMPACT OF BIOENERGY PRODUCTION ON SUSTAINABLE RURAL DEVELOPMENT

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Abstract: Production of bioenergy, particularly biomass, has emerged as a major issue in renewable energy policy, rural development and natural resource management. The aim of study, represented in the paper, is to evaluate the results and impacts of support or subsidizing measures under Rural Development Program 2007-2013, which have encouraged the development of bioenergy production. The appropriate qualitative and quantitative research methods have been used in the process of study, using the data from different databases. The main socio-economic impacts, such as the establishing of biogas installations, creation of new jobs, are investigated. The findings show that there are both: benefits and shortcomings or some negative effects. Despite the support for the bioenergy projects, having provided new jobs and retaining the existing ones in rural areas, the cost of new jobs is comparatively high.

Keywords: bioenergy, rural development, socio-economic impact
DETECTING THE STRENGTHS AND THE WEAKNESSES OF THE MILK MARKET THROUGH SEWS

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Abstract:  In this talk we present a Strategic Early Warning System which aims to foresee the milk market changes. This work is motivated with the recent call from the EU commission for more robust decision tools which help to tackle such a highly volatile market that is in deep crisis. The SEWs model enables to detect the major factors effecting the milk industry. Next, we represent the relationships within this model by a weighted graph and analyze this graph. The results clearly demonstrate that some factors have a very a strong influence on others; and this could trigger scenarios for the milk market. The Strategic Early Warning System built with graph theory approach, can be applied to diverse fields in order to reinforce governance.

Keywords: Agriculture, SEWS, Graph Theory, Game Theory, Milk Market

JEL Classification: Q1, C70
IMPACT ECONOMY: BREAKING BARRIERS AND BRIDGING THE GAP THROUGH SOCIAL ENTREPRENEURSHIP

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Abstract: The borders dividing the three societal sectors are increasingly fading out. Social organizations, public bodies and private firms are willing to contribute to a more balanced society, through redistribution processes where societal needs are met, citizens are engaged and value is created.

Therefore, a new convergence area is emerging. This is particularly verifiable when it comes to the ventures that have been created for the past few years, which are showing new competitive behaviors, namely regarding the entrepreneur’s attitudes; management practices; innovative business models; improved mechanisms of resources allocation and control. This validates the existence of this new convergence space where new initiates are being created aiming to maximize positive impact and value creation.

If the public sector is giving priority to goods redistribution; the private sector is seeking value capture; and the social sector is focused in offering products and services (based on proximity and solidarity mechanisms), within this new intervention area, that one designates as Impact Economy. Additionally, Social Entrepreneurship initiatives are placed at its center, building a convergent and sustainable way of seeking new resources allocation combinations in order to solve societal problems (important and neglected), creating impact that unblocks the potential transformation of individuals and society.

Keywords: Impact Economy, Social Entrepreneurship, Three Sector Convergence
MODE OF ENTRY AND THE PERFORMANCE OF FOREIGN BANKS: EVIDENCE FROM TURKISH BANKING INDUSTRY

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Abstract: Emerging economies have been attracting considerable amount of foreign direct investments to the banking industry through cross-border acquisitions. Whether these acquisitions contribute to bank performance is an important question. Cross-border acquisitions may lead to performance gains because of the competitive advantages of foreign banks over domestic banks, some of which are the usage of more advanced technologies and banking techniques as well as easier access to better labor force (global advantage hypothesis). On the other hand, foreign acquisitions may result in poorer performance due to the several disadvantages of foreign banks in the host country such as the differences in the languages, cultures, economies and regulations (home field advantage hypothesis). Turkey is fully liberalized emerging economy in which foreign banks can operate. Ownership structure of Turkish banks has changed quite a lot recently due to the foreign acquisitions. Therefore, evidence for the performance effect of cross-border bank acquisitions from Turkish banking industry would be significant contribution to the literature of emerging economies. This study uses Data Envelopment Analysis to measure the performance of banks in Turkey and Tobit regression to detect the effect of cross-border bank acquisitions on the performance of banks.

Keywords: acquisition, foreigners, efficiency, performance
THE IMPACT OF ALLOCATIONS FOR HEALTH ON PRODUCTIVITY AND WELLBEING

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Abstract: Health is one of the most important factors of development and prosperity. Health has a direct impact both on an economic and social development of the population. Thus health must be viewed not only as a social but also an economic potential of the country. The need to examine the health from the economic aspect and in the terms of sustainable economic development is more necessary, because only healthy members of society will be able to work and contribute, to live longer and increase productivity, and have the impact on reducing the cost of healthcare. Allocations for health care would lead to health benefit. Therefore, the study investigated whether allocations for health care, as a percentage of the GDP, have a direct impact on the quality of health, using as indicators: mortality rate, selected leading causes of mortality and life expectancy, starting from the hypothesis that higher allocations for health have a greater impact on the health of the population which is verse versa the precondition for economy development. The indicators were compared among the countries of the region (the former Yugoslavia) and average values for the EU 28 country’s. The study was descriptive analytical. Data were collected from Health for all data base (World Health Organization) and Republic of Serbia Statistical Institute. The findings showed that allocations for health have the impact on the research selected health indicators.

Keywords: Allocations for health care (% of GDP), health and development

JEL Classification: I15
THE ROLE OF GOVERNMENT IN FOSTERING INNOVATION ACTIVITIES IN BOSNIA AND HERZEGOVINA

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Abstract: This study researches state of the innovation system in Bosnia and Herzegovina, analyzed through role of the government in innovation activities.

Study was based on combination of quantitative and qualitative research methodologies. Quantitative research resulted in comparative analysis of government support to innovation in Bosnia and Herzegovina with the same in Croatia and Sweden, based on selected groups of indicators. Best suited method that ensures detailed understanding of complex perceptions of government role in innovation systems within the economy is qualitative method, therefore the emphasis of this study was on the field research for the purpose of which eleven semi-structured interviews have been conducted and analyzed.
Based on the results of the quantitative (comparative) and qualitative analysis of the collected data, we can conclude that government support and involvement in innovation activities in Bosnia and Herzegovina is almost insignificant, and administrative and legal framework in Bosnia and Herzegovina are unfavorable for the development of innovations.

**Keywords:** innovation, innovation systems, government, Bosnia and Herzegovina

**JEL Classification:** O30 - Innovation; Research and Development; Technological Change; Intellectual Property Rights – General
E-GOVERNMENT AS THE SOURCE OF LOCAL-SELF GOVERNMENT UNITS COMPETITIVENESS

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Abstract: The modern public administration, while striving to ensure the rule of law, social stability and continuous development, innovates, service users oriented, standards and methods for achieving public goals. These standards and methods include transparent, efficient, cost-effective and responsible action, contributed by all relevant actors: institutions, groups and individuals.

In this context, E-Government practices, that include various forms of creating, implementing and improving public services by using Internet technology, have proved to be successful.

In a series of benefits, the E-Government experiences around the world indicate that it is possible to create an innovative and entrepreneurial environment, with a high degree of participation in defining, implementing, controlling and improving the public affairs, as well as private businesses, and initiatives. In such a transparent, efficient and productive environment, the satisfaction of of all relevant stakeholders is ensured, including: public institutions, companies, service users, academics, NGOs and others.

Despite the fact that the authorities in Bosnia and Herzegovina are formally committed to E-Government development; clearly notable from multiple strategic documents and regulations; there are evident barriers for substantial development in this area.
This paper analyzes the E-Government development in local self-government units in Bosnia and Herzegovina, while exploring the regulatory and financial assumptions; motivation and education for E-Participation of both, public service providers and users; as well as E-Government forms; in order to enhance the entrepreneurship and innovation in their territories.

**Keywords:** E-Government, local development, participation, public services.
A HOLISTIC APPROACH TO INNOVATIONS IN TOURISM

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Abstract: This paper is focused on the importance and influence of the innovations in the time of the fourth industry revolution for the creation of value added in tourism industry. Innovative technology solutions solve problems in a tourist destination, as in the case of the effects of climate change as well as the revival of cultural heritage. New products that are connected with the Internet (e.g. Internet of things) and digital solution services invites small and medium sized firms, and other relevant actors, to apply for funding of co-operative tourism innovation projects. The proposals should primarily focus on the development of innovative products, services and concepts to accelerate the tourism sector. Innovative products and services form the framework of marketing efforts to encourage consumers to decide for the purchase and thus affect the sales success of tourist firms. Innovations that are intended to satisfy the wishes and needs of consumers, based on existing knowledge. Usually it is a technological innovation with features that provide additional solutions compared with the existing ones. Firms want to attract customers who have different needs from the existing customers. The contribution of the paper is mainly conceptual. With the development of the digital innovations (web 2.0., web 3.0., internet, the internet of things) that is central to the new industrial revolution, has led to “Industry 4.0” in tourism.
The aim of this paper is to provide answers to RQ1: To present the known theory and practices of innovations in tourism; RQ2: To investigate the changes that will result from Industry 4.0 in tourism.

**Keywords:** innovations, tourism industry, industry revolution 4.0, digital technologies, internet

**JEL Classification:** O33, Z33
Abstract: Decision making is the most important and the most difficult task that managers perform. On the other side they are most of the time confronted with risk and uncertainty, especially in banking industry. Objective of this study is to examine how managers of commercial banks performs this task, by putting it in the perspective of the newest findings from Behavioral finance field. Behavioral finance is based on premise that decision makers behave less than fully rational. Due to their deeply rooted human nature managers are prone to make decisions based on subjective evaluation of available options, relative to certain reference point and to current state of wealth, and also according to their personal interests which may contradict bank’s, industry’s and social welfare’s. Specifically, this study explores role of heuristics, biases and intuition in decision making, through concise review of existing literature. Importance of the study is in a fact that commercial banks are simultaneously the most important industry for country’s economic development and stability and the most submissive industry to the risk. Owing to systematic nature of risk generally in financial markets, any irregularity in one country’s banking industry will eventually reflect on other countries and is able to make ground for crisis. Study will contribute to better understanding of managerial perception of risk and their behavior under risk, which is primarily useful for architects of banks’ corporate governance and banks’ regulative.
As we will see, setting identical option in two different frames leads to different decisions, which opens up possibilities to construct an environment in such a manner that decision makers are naturally led to make decisions that are in the best interest of all stakeholders involved.

**Keywords:** Behavioral Finance, Decision Making, Risk in Banking, Commercial Bank
THE EFFECTS OF ICT APPLICATION IN PRIMARY SCHOOLS

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Abstract: Information - communications technology has become an integral part of modern life at the time of abrupt changes. Modern technology enables teachers’ high quality knowledge transfer. ICT used in teaching enables students to develop the ability to work independently, to use different sources of information, and to be ready for modern life. The goal of the research is to examine the possibilities and the importance of applying ICT in primary schools.

The study included 267 respondents of Primary School “Turbe” in Turbe; 110 students of lower grades of primary school (5th grades), 110 students of upper grades of primary school (8th grade) and 57 teachers of Primary School “Turbe.” Respondents expressed their views using a questionnaire composed of variables related to the frequency of ICT application in teaching, students’ motivation for learning through ICT, and the possibilities of ICT application in teaching. The collected data were analyzed through descriptive statistics. T-test was used to show the importance of differences between the mean of respondents’ attitudes of primary school (of students and teachers) on the ICT application in teaching.
The results showed that the ICT application in education contributes to improving the quality of teaching and that as a result students are more motivated to work. However, the possibilities of ICT application in teaching are still limited.

**Keywords:** teaching, primary school, motivation, communication, ICT.
API-CENTRIC ERP PROTOTYPE FOR A CHAIN OF PRIVATE HIGHER EDUCATION INSTITUTIONS

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Abstract: In higher educational institutions it is long been understood that you have to develop your own ERP system before purchasing a solution at the market. But there is still no known general method to determine whether the in-house systems or market systems have been sufficiently business proven. The literature describes several specialist techniques that measure how messy and how inefficient have become the university systems during the time, without solution to the decreased efficiency of the business and the risk of continues dissolution of the system.

In this study, we introduce a new API-centric technique, which we call Locomotive that allows chain of private higher education institutions, to build superior system for education management. We introduce the ERP prototype and describe series of frameworks on each of the major blocks of the ERP system, and show in each case, how Locomotive runs business faster than competing techniques, and produces high quality environment perfect for continues technical update of the system and the involvement of distributed developer teams and managers. We expect this new approach to dramatically reduce costs, increase the quality of business, and hence make mass production viable.

Keywords: ERP system, Education Management, Agile Teams, Nexus, API-first Architecture, ERP Prototype, Usability, Data Migration, Legacy System Integration
ROLE OF MULTI LEVEL (NETWORK) MARKETING IN COUNTRIES WITH HIGH UNEMPLOYMENT: CASE STUDY ON MLM COMPANIES IN BIH

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Abstract: This study will assess the role of MLM in BiH. In regard to that a questionnaires have been made and distributed to 100 individuals who are or have been enrolled as MLM distributors in one of MLM companies operating in BiH.

In the year 2012 more than 70 million people, in more than 110 countries all over the world, worked in multi-level (network) marketing (hereinafter MLM). Today, in USA there are around 500,000 people who became millionaires, just by doing sales in this way. In Japan, country that had a biggest “economic boom”, after the 2nd world war, sales designed on this way contributed to general progress, while at the same time many Japanese became millionaires. Even though the industry of MLM has been developing for more than 50 years as recognized activity in which many companies were successfully doing business for decades, and where millions of people all around the globe were fulfilling their business and life goals, there are still many controversies, prejudices and misunderstandings linked to this particular marketing system. Also there are many studies on MLM industry that shows its exponential growth in the past 30 years. The companies like Amway, Herballife, Tupperware, Oriflame are achieving excellent business results all over the world. In regards to the above-mentioned the purpose of this research is to identify prejudices, controversies and misunderstandings linked to this marketing system, and to identify the reasons why so many countries or even people are joining this system and remaining in the industry.
The study will emphasize on the people involved in MLM in BiH in particular, their perceptions towards MLM, growth and satisfaction. In regards to that, the main focus of the study will be to investigate the role of MLM in BiH as a country with high unemployment.

**Keywords:** Multi level (network) marketing (MLM), sales, growth, marketing system, unemployment reduction.
ADOPTION OF DECISION SUPPORT SYSTEMS IN MANAGERIAL PRACTICES OF SMEs IN TUZLA CANTON AREA

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Abstract: Main objective of this study is to identify key factors influencing adoption of Decision Support Systems (DSS) by managers in small and medium sized enterprises (SMEs) of Tuzla Canton area. On the basis of literature review, relevant variables have been identified, and specific measuring items were developed accordingly. Structured survey was prepared and utilized as main instrument in this study. Survey has been sent in online form to managers working in SMEs of Tuzla Canton area via e-mail and social networks. Out of 150 managers who received the survey, 113 respondents completed it which gives response rate of 75.3%. Responses were collected and analysed in two ways. Descriptive statistics has been conducted using excel, but main methodology was regression analysis using SPSS. The findings indicated that there is a significant positive relationship between Perceived Usefulness (PU), Price (P), Security and Privacy (SP) and Perceived Enjoyment (PE) on Behavioral Intention (BI). On the other hand, there is no relationship between Perceived Ease of Use (PEoU) and Behavioral Intention (BI). Limitation of this study lies in fact that research is completed in one canton of the country and limited to managers of SMEs only.
It is recommended for future research to test more different independent variables and do the research in all cantons of Federation of Bosnia and Herzegovina, entity Republic Srpska and District Brčko. Additional recommendation is to focus on other target groups beside managers.

**Keywords:** Decision Support System (DSS), Adoption, Managers.
TRANSITION PROCESS TO ISO 9001:2015, NOW OR LATER?

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Abstract: The ISO committee has taken advice from all sections of the business community in many countries, and many experts have provided input. The changes are all designed to improve your business, and its chances of survival, profitability, and growth. Embrace the changes, implement them, and see how ISO 9001:2015 can help your business to grow. The requirement for identifying relevant interested parties means that you need to decide whose opinion about your company you should care about.

Interested parties include regulators, direct customers, end users, suppliers and partners, and include people in the organization, owners/shareholders, and society. These parties add value to the organization or are impacted by the activities within the organization. Identifying and meeting their needs is important to implementing an efficient and effective quality management system. Their feedback can really help to determine what can be improved in organization, and how.

We have looked at the argument for transitioning to ISO 9001:2015 as early as possible, but what are the arguments against?

Context of the organization is a new requirement in ISO 9001, stating an organization must consider both the internal and external issues that can impact its strategic objectives and the planning of the QMS.

Context of the organization requires the organization to evaluate itself and its context. This means that you need to define influences of various elements on the organization and how they reflect on the QMS, the company’s culture, objectives and goals, complexity of products, flow of processes and information, size of the organization, markets, customers, etc. It is also a means to detect risks and opportunities regarding the business context.
Although the standard doesn’t prescribe the method for determining the context of the organization, there are some logical steps.

We need to determine which of the new requirements are already met in your existing documentation, because some of the requirements related to the Quality Manual in ISO 9001:2008 are now transferred into this new clause.

If you have already implemented ISO 9001:2008, then we probably have already defined the scope of the QMS in the Quality Manual and the sequence of processes and their interaction, either in the form of text or flowchart.

If we are implementing the standard from scratch, then you need to determine the scope of your QMS and identify the processes and their interactions.

An organization’s internal context is the environment in which it aims to achieve its objectives. Internal context can include its approach to governance, its contractual relationships with customers, and its interested parties. Things that need to be considered are related to the culture, beliefs, values, or principles inside the organization, as well as complexity of processes and organizational structure.

To determine external context, we should consider issues arising from its social, technological, environmental, ethical, political, legal, and economic environment.

**Keywords:** ISO, transition process
Abstract: The aim of this project is to solve the bank security problems (robbery, illegal weapons, and the safety of employees) caused by lack of the security in the banks. This project is divided into two parts which are hardware and software. A kind of bank security system by using Programmable Logic Controller (PLC) was designed, and the automatic control of the bank security system was performed by software. The hardware part is the model of one bank containing two front doors, one door of the vault room, and some sensors. The limit switches, doors and sensors are connected to Zelio PLC Schneider SR3B261BD. The PLC controls every signal which is coming from the inputs (Limit switch) to software and display to the outputs (Doors). Using software, Function Block Diagrams (FBD) are programmed to control the traffic light.

Keywords: Programmable Logic Controller, Function Block Diagrams, PLC, FBD
THE IMPACT OF PERSONAL BACKGROUND, PERSONALITY TRAITS AND ENVIRONMENTAL FACTORS ON ENTREPRENEURIAL INTENTION: UNEMPLOYED WOMEN IN THE NORTH OF MONTENEGRO

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Abstract: Entrepreneurs are imperative for the long-term economic growth of every country. Researchers are trying to explain how important entrepreneurial intention is by taking different factors in considerations. This paper will discuss three most important groups of factors affecting entrepreneurial intention of unemployed women in the north of Montenegro. Based on literature review, those factors are personal background, personality traits and environmental groups of factors.

In this study, focus will be on four factors from each group which are perceived as most important according to researchers. The study will provide new framework in this field. While some studies found that personal background and environmental factors affect entrepreneurial intention, this study assumes that those two groups of factors indirectly affect entrepreneurial intention through personality.

The main research focus will be on women since majority of unemployed people in the north of the country is women whose small proportion is entrepreneur.

Keywords: Entrepreneurs, Entrepreneurial intention, Unemployed Women, Montenegro
ADOPTION OF STANDARD FOR INFORMATION SECURITY ISO/IEC 27001 IN BOSNIA AND HERZEGOVINA

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Abstract: When it comes to security, no company in the world can be too cautious. Many companies own and use different systems for protection of data and information from intentional or non-intentional loss, unauthorized access, or abuse. However, the legal aspects of information security systems are well known in order for system to be internationally accepted and adopted. Because of this, the standard ISO/IEC 27001, which ensures positioning in relation to competition through marketing usage of this certificate, fulfills all requirements of the client for information security; reducing the risks associated with information relevant for the organization, reducing operating costs for the prevention of complaints and other incidents, and optimization of the process because the tasks in the organization are clearly defined and understood. ISO/IEC 27001 process of certification is carried out by a certification body that is accredited by schemes that are under the supervision of the IAF (International Accreditation Forum), as only these certificates are a guarantee of global standard acceptance. This study has examined the surveys of twenty (20) large companies, whose scope guarantees the suitability to this standard, and explored the way of implementation, and more importantly that the certification companies in Bosnia and Herzegovina offer this feature. In the end we compared the results of this study with the results from the region and the world.

Keywords: ISO/IEC 27001, International organization for standardization, Information security management system, ISO, ISMS
IMPACT OF HIGHER EDUCATION SERVICE QUALITY ON STUDENT SATISFACTION AND ITS INFLUENCE ON LOYALTY: EMPHASIS ON FIRST CYCLE OF STUDIES AT ACCREDITED HEIs IN BH

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Abstract: The purpose of this study is to investigate relationship between higher education service quality and student loyalty through student satisfaction.

Secondary goals are to examine influence of each five dimensions individually on student satisfaction, effect of perceived value on student satisfaction and impact of student satisfaction on loyalty. Eight variables are identified from the literature and survey will be developed accordingly. For all variables, there are previously developed scales which are validated by many researchers and highly reliable.

For purposes of analyzing methodology, Structural Equation Modeling will be applied. Direct, positive, and significant effect is expected to occur between all relationships in the proposed model.

Main limitations that might occur while implementing this study are related to insufficient response rate and time limits.

Keywords: Higher Education, Service Quality, Satisfaction, Loyalty
Abstract: Smell evokes certain emotions and memory. In marketing, scent can be very effective in helping distinguish one brand from another. It can trigger a desire that has a strong impact on our buying behavior. The right odors can remind us of pleasant association, whether it is comfort in our homes, or a great time spent in some fancy hotel.

This is the reason why so many companies use odors as marketing tool to attract customers and distinguish themselves from competition.

After theoretical part of the study, the interviews showed that level of awareness of scent or aroma marketing concept among Bosnia and Herzegovina population is high and they perceive scents to have substantial influence on consumer behavior and purchase decisions.

Keywords: scent marketing, emotions, memory, marketing tool, behavior
IMPLEMENTATION OF AN ENTERPRISE RESOURCE PLANNING (ERP) AND ITS EFFECT ON THE MANAGEMENT ACCOUNTING SYSTEM

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Abstract: In the previous period, organizations from very different sectors have successfully adopted ERP systems. In this study, we will research the impact of ERP in the accounting industry regarding the case study from company in Bosnia and Herzegovina.

By many theorists, accounting is usually described as the process of collecting, analyzing, and presenting financial data required for taking appropriate management decisions. Studies have explored the effects of IT in the business and accounting, but they didn’t cover complex technologies such as ERP. Companies which have adopted ERP systems expect to improve efficiency and to reduce their costs.

The role of ERP is to support transfer of needed information across all departments in one company. This is achieved through a software application. Utilizing ERP in accounting allows spending more time on analyzing the data instead of collecting it. This is possible because all information is stored in one place (database) which is easily accessed by everyone allowed to use it.

With the successful implementation of ERP in company, accountants have more time to spend for analyzing and reporting, enhancing their roles, and shortening common tasks and activities. The aim of this paper is to explore the significance of ERP systems in management accounting. This research will try to understand what the role of modern accountants is. Enterprise resource planning software has shaped activities and processes in the accounting sector.
The attention of this paper will be dedicated to eLine as one of ERP software. However, we will also analyse and describe the other ones which are mostly used in the accounting business.

**Keywords:** Accounting software, ERP, Enterprise resource planning, IT professionals, accountants.
PASSENGER SATISFACTION IN COACH TRAVEL IN BOSNIA AND HERZEGOVINA - STUDY ON PERCEPTION OF UNIVERSITY STUDENTS IN SARAJEVO

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Abstract: Transportation of people was always very important aspect of human life. Today, there are many ways in which people can travel. This paper was occupied with coach travel, and passenger satisfaction in it in Bosnia and Herzegovina. A coach is a type of vehicle used for carrying passengers on excursions, touristic journeys and trips, and on other long distance journeys such as intercity or international bus lines. The goal of this study was to find out level of passenger satisfaction in coach travel in Bosnia and Herzegovina, and what is most important for passengers when they use coach travel services - is it price, speed, safety, comfort, or something else. Study was performed on perception of university students in Sarajevo, because they are representative sample of passenger population in Bosnia and Herzegovina. Focus of the study was on “on board experience”, which is actually experience of passengers while they are inside of the vehicle. Research clearly indicated what aspects of coach travel are most important for passengers, and also suggested some innovations that can make coach travel more competitive and attractive.

Keywords: passengers, satisfaction, coach travel, university students
EFFECTS OF SOCIAL MEDIA COMMUNICATION ON BRAND EQUITY AND BRAND PURCHASE INTENTION: A CASE STUDY ON DOMESTIC BRANDS IN BOSNA AND HERZEGOVINA

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Abstract: Social media is forming an increasingly central part of how companies communicate their marketing strategies to their customers. Online communities carry a strong and influential voice, and there is much to be gained from engaging directly with people through these channels – whether it is reaching and keeping existing customers or acquiring new ones. In light of such positive ground for social media this study aims to provide an empirical analysis of the impact social media communication has on brand equity and purchase intention. A systematic literature review has been conducted in order to understand how the dimensions of social media create word of mouth i.e. electronic word of mouth (E-WOM) on social media platforms and how this E-WOM further influence brand equity and customers’ purchase intention of domestic brands in Bosnia and Herzegovina. 320 data sets were generated through a standardized online-survey and analyzed in SPSS.

The results of the empirical study showed that both firm-created and user-generated social media communication influence brand equity, consequently impacting brand purchase intention.

Keywords: Social Media Communication, E-WOM, Brand Equity, Purchase Intention, Bosnia and Herzegovina
Abstract: Leasing is relatively new way of financing in Bosnia and Herzegovina and it is still not explored enough.

Through this paper we introduced all aspects of leasing business and emphasized its’ main points. In general, leasing services have characteristics similar to other kinds of services. They are distinguished by providing a solution for financing problems when client is acquiring an assets. The goal of this research paper is to analyze the influence of sales activities on development of leasing company. The focus is on BH market with case study done on VB Leasing BH. Through constant innovations by monitoring market and listening to the customers’ needs, VB Leasing BH stands out between all other leasing companies in BH.

This research paper is empirical research. Primary research is used. Survey includes indirect leasing users, both, legal and physical persons. Results from the survey show satisfaction with several of elements in doing leasing business with VB Leasing and other leasing companies. Also, various factors in selecting VB Leasing are examined and between how many leasing companies leasing users were choosing. This research paper can be useful resources for managers of leasing companies and potential customers.

Keywords: Leasing, sales, sales effects, VB Leasing
COMPARISON OF ENSEMBLE CLASSIFICATION TECHNIQUES AND SINGLE CLASSIFIERS PERFORMANCE FOR CUSTOMER CREDIT ASSESSMENT

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Abstract: Assuming that the credit is one of the most important banking products it follows that the quality assessment of customer credit is an essential factor for reducing the risk. With the intention to make a good assessment of creditworthiness many models and algorithms have been developed. Data mining algorithms for classification are very suitable for determining the validity of the application for credit. This paper presents an analysis of the effectiveness of the algorithms for classification of credit applications when they are used alone (as single classifier) as well as comparison with ensemble techniques usage. The techniques used as single classifiers are Neural Networks, Decision Trees and Support Vector Machines (SVM), and ensemble techniques AdaBoost and Bagging. K-fold cross-validation is used for model validation. Experiment is conducted in the Bosnian dataset and results according to main classification parameters such as accuracy and AUC are presented.

Keywords: classification, data mining, credit assessment, ensemble techniques

JEL Classification: C45, C38
ENTERPRISE RESOURCE PLANNING SYSTEM IMPLEMENTATION: CRITICAL SUCCESS FACTORS THAT AFFECT ERP IMPLEMENTATION IN BOSNIA AND HERZEGOVINA

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Abstract: Enterprise Resource Planning (ERP), is the new generation theme in business, every company need a successful ERP system, but mostly of company that want to implement ERP have many problem, financial and managerial.

This paper tend to analyze which critical success factors affect the ERP implementation in Bosnia and Herzegovina, because unfortunately in this country, there is a lack in information about ERP implementation and many firms have big problem during approaching the new system, and fail in their intents.

Many researchers in developed country, have brought their conclusion about which factors are most affecting ERP implementation, and through their studies it will be much easier to determine what affect ERP implementation in Bosnia and Herzegovina, are the same problem affecting the implementation like in developed country or there are different problems and factors that cause unsuccessful usage of ERP system in companies, and how firms can easily and successful use ERP systems in this country.

Keywords: Enterprise Resource Planning system, Critical Success Factors, successful implementation.

JEL classification: M1, M11, M15, P41.
ANALYSIS OF DATABASE SYSTEMS IN MIDDLE SIZED COMPANIES IN BOSNIA AND HERZEGOVINA

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Abstract: This work contains a detailed analysis of database systems in Bosnia and Herzegovina, where tries to explore the type of database systems used in Bosnia and Herzegovina. It also explored the kind of protection your database systems contain, how much they cost money, and how much are demanding to implement. Also in this research, we tried to find all the relevant data suggesting how companies are familiar with the clear advantage of certain database system and their defects, and what is the effect of Bosnia and Herzegovina in this field in relation to the neighboring countries.

Keywords: database systems, data, security, implementation, etc.
THE CHARACTERISTICS AND DYNAMICS OF MANAGEMENT CONTROLS IN SMALL AND MEDIUM ENTERPRISES: MEASURING PERFORMANCE ACCORDING TO EMPLOYEE STIMULATION

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Abstract: This paper begins with explanation of importance of the control management in organizations and how controlling aspect of organizations plays an important role in achieving organization's best interests and goals that are strategically planned. Set of controls need to be implemented in order to decrease undesirable behavior and to encourage desirable actions. Individuals don’t generally comprehend what is anticipated from them nor how they can best perform do their employments, as they might not have some essential capacity, preparing, or data. Also, individuals have various inalienable perceptual and psychological predispositions, for example, a failure to prepare new data ideally or to settle on reliable choices, and these inclinations can decrease hierarchical viability. This paper suggests that the proper stimulation of employees in terms of different types of rewarding can result in higher achievements, both for the employee and the organization.

Keywords: Management, Control, SME, Performance, Employee
THE EFFECTS OF FAMILY AND NURSERY COOPERATION IN THE NORTH SANDZAK REGION

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Abstract: For normal growth and development of a child, particular, is cooperation of preschool institution (nursery, infant nursery) and family (parents). Better cooperation of these two institutions, the way of harmonization educational influence with individual and group contacts are opened. Objectives of this cooperation is better informing to stay of children in family and preschool institution was more substantial. Results of this research will be support to better solving of these problems, and it will open possibilities for getting acquainted all protagonists of this process with possibilities and perspectives for building strong connections and relations between family (parents) and preschool institutions (educators). The research on theme “The effects of family and nursery cooperation in the North Sandzak region”, was realized in preschool institutions on the North Sandzak region (Novi Pazar, Sjenica, Tutin, Prijepolje). In the research participated 140 examinees, 80 parents of the children attending preschool institution and 60 educators who are employees of preschool institutions.

Keywords: cooperation, family, nursery, child, partnership.
SECURITY SYSTEMS AT THE AIRPORT WITH ACCENT ON DATA LAYER SECURITY

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Abstract: Great number of population use air terminals consistently. This presents potential attraction for terrorism and different types of wrongdoing. Correspondingly, the high convergence of individuals on huge carriers, the potential high passing rate with assaults on flying machine, and the capacity to utilize a seized plane as a deadly weapon might give a charming focus to terrorism.

In this paper we will investigate air terminal security. It alludes to the systems and strategies which are utilized as a part of ensuring travelers, staff and flying machine which utilize the air terminals. Airplane terminal security incorporates assurance from inadvertent/vindictive damage, wrongdoing and other dangers.

Airplane terminal security endeavors to keep any dangers or conceivably perilous circumstances from emerging or entering the nation. All things considered, airplane terminal security fills a few needs: To shield the air terminal and nation from any undermining occasions, to console the voyaging open that they are sheltered and to ensure the people using them.

It is necessary to comprehend the significance of security in each part of airplane terminal operations. It is entwined into the design fabric of airplane terminal operations - securing travelers, workers, data and base.

Convenient and precise database and programming upgrades are vital to guarantee operational proficiency.

Keywords: airport, security, databases, security systems, security operations.
CROSS-BORDER COOPERATION AND INTERNATIONAL EXCHANGE - REQUIRED SKILLS AND KNOWLEDGE OF MODERN ENTREPRENEURSHIP IN THE BALKANS

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Abstract: In a market economy and the existence of competition from other economic entities is essential organized business approach every entrepreneur or business enterprise in the appearance on the market in order to survive and be able to realize their business ideas and goals. The main goal of any business entrepreneur or business enterprise is earning income.

Profit is realized when an entrepreneur or a company successfully operates, and that means its available resources, contained in their knowledge and skills of management started an entrepreneurial venture, engaged the material and financial resources, in an organized manner used, or used, so as to realize lower costs operations, and achieves maximum revenue.
Under market operations is understood that while the participation of entrepreneurs or legal entities in the market of agricultural products, offering the same or similar products or services. Entrepreneur or a company that is better organized, which possesses better knowledge and management skills and jobs available means, with better chosen technology work better selected range of products or services, which are increasingly looking to market, etc., and thus tends to the same available funds realized in the market, competitive prices, higher sales, higher revenue and higher profits.

**Keywords:** entrepreneur, business plan, international exchange, financial plan.

**JEL Classification:** O11, O21, O47
COMPARISON OF MACHINE LEARNING TECHNIQUES IN PHISHING WEBSITES CLASSIFICATION

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Abstract: Phishing is one among the luring strategies utilized by phishing artist in the aim of abusing the personal details of unsuspected clients. Phishing website is a counterfeit website with similar appearance, but changed destination. The unsuspected client post their information thinking that these websites originate from trusted financial institutions. New antiphishing techniques rise continuously, yet phishers come with new strategy by breaking all the antiphishing mechanisms. Hence there is a need for productive mechanism for the prediction of phishing website. This paper described comparison in classification of phishing websites using different Machine-learning algorithms. Random Forest (RF), C4.5 and ANN were used to determine which method provides the best results in phishing websites classification. If identified category is -1 then it is non-phishing otherwise if identified category is 1 then it is phishing. According to results RF is the best technique applied on this dataset for classification of phishing websites.

Keywords: Machine Learning, Phishing Websites, Classification
TAX EVASION IN ALBANIAN ECONOMY AFTER ’90

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Abstract: Albanian economy has gone through some difficult processes during different periods. For 45 years, it was a centrally planned economy, because of the dictatorial system. Albanian economy suffered a defeat during its adoption from centralized economy to a liberal economy. The main difficulty was the concentration of the Albanian economy in the cooperative system. In this type of system, all properties were owned by the state, there was no right of privatization. After ’90 the identity of properties was returned. The banking sector, as one of the most important sectors of economy, was not having an appropriate development. Not only inflation would be the problem of the economy, but also the loss of trust for the deposit of money in the second level banks that could be opened, which would lead to the failure of the financial sector. An important factor which characterize the economy is the informality. This article seeks to explain the factors that influenced informality in economy, in specific, tax evasion. Tax evasion is an illegal action as it constitutes a deed where the person is breaching the provisions found in the Tax Procedures Law and Penal Code. This paper shall discuss such provisions in the Albanian legislation.

Keywords: tax evasion, legislation, liberal economy, informality, economic growth
PERCEIVED SATISFACTION WITH PUBLIC TRANSPORT SERVICE: CASE STUDY OF GRAS

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Abstract: Public service quality is in recent years one of the major challenges for economic analysis. It is due to the size of companies providing public services as well as to the importance of obtained results both for companies offering the services and for the public policy creators and administrators. One of the aspects that can be evaluated is the level of service offered or the supply side. The other side is the perceived satisfaction with the service quality, which represents the demand side aspect. There is not much research that analyzes how the passengers perceive the quality of the services.

The objective of this paper is two folded. Firstly, to evaluate the quality of GRAS services from the aspect of users and secondly to see what needs to be improved in order for non-users or people who rarely use public transport to become regular users. The information is valuable for policy makers as well as operational managers in the public transport system. An insight into what users consider as important and how they perceive existing public transport service can show that investment and improvement of existing service can really attract new users and keep the existing ones.

The data were collected using self-administered internet mediated questionnaires to the residents of Sarajevo Canton. In total 247 persons answered the questionnaire. The response rate was above 50 per cent. The results showed that there is wide space for improvements in service, especially if the company is trying to reach non-users.

Keywords: public transportation, services, satisfaction
FORMATION OF A HIGHER EDUCATION ORGANIZATION
IDENTITY BETWEEN IMAGINATIONS AND STANDARDS:
THE CASE OF TURKISH UNIVERSITIES SYSTEM

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Abstract: Nowadays universities on the one hand try to survive and handle
to their managerial system on the other hand cope with constrains from their
institutional environment. The constrains are multilateral and including
organizational demands, increasing competition in the market, national and
international standardization however which are comprise of responding to
demands of the students who are grown up in the technological era. Hence,
universities are increasingly facing a double-sided pressure: to be innovative
with a specific organizational duty while at the same time being an embedded
part of a growing, and highly interconnected, internationalized and
standardized higher education ‘industry’. This dilemma has both theoretical
and practical interest, and is explored in this paper through an empirical
study of how one university has dealt with these challenges of innovation
and standardization.

In this paper it is investigated that the processes involved in forming an
organizational identity, which it is studied during the founding of a distinctive
new college by using an interpretive, insider-outsider research approach. It
aimed that to identify elements that constitute the identity. It is considered
a dilemma that imaginations and innovations attitudes of entrepreneurs of
university such as struggles to be innovative and authentic on the other hand
centralized structure of state, national and international standardizations and
especially idiosyncratic context of Turkey. By studying a Turkish foundation
university from its establishment in 2007 to present, and by extensive
triangulation of more qualitative studies on this university in this period,
the paper concludes that higher education institutions may handle this
dilemma by relating it to the continuous struggle for organizational identity. As methodologically has done per deep interview with founding members and content analysis to archive documents since its establishment.

**Keywords:** Higher Education, Organizational Identity, Standardization, Innovative Entrepreneurship, Institutional Isomorphism, Autonomy
EMPLOYER BRANDING IN TURKISH PRIVATE HIGH SCHOOLS IN ISTANBUL

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Abstract: Human capital is one of the most important requirements needed to have competitive advantage over competitors in economic activities. Unique Human Resources Management practices are needed in order to select, develop and sustain valuable and rare human capital. Organizations changed their overall evaluation regarding their employees from expenses that have to be decreased to resources that must be developed. This shift also effected human resources approaches from control oriented practices to participative and skill development practices. Employees and employee candidates became important agents whose overall evaluation and perception about organization’s loyalty to their value creating partners making companies attractive places to work. Employees are perceived as internal customers and employee candidates are evaluated as potential human capital of organizations. Employer branding term is used to describe organizations evaluation, perception and reputation as an employer. HRM practices are important initiators of such positive images.

This study is focused on private high schools employee branding policies. Those high schools have successful results in Turkish University Entrance Exam announced by Turkish Student Selection and Placement Center in 2015. Successful private schools are attractive places to be chosen by teacher candidates for their high employee branding. HRM department managers from 8 schools are interviewed in order to understand characteristics of their HRM practices and employee branding policies. Classification of interview results shows that participative HRM practices and financial rewards leads high employer branding.

Keywords: employer branding, Turkish private schools
THE ROLE OF ENTREPRENEURSHIP IN TRANSITION ECONOMIES: FOCUS ON INCUBATORS AND ACCELERATORS IN BOSNIA AND HERZEGOVINA

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Abstract: Entrepreneurship is the process of forming a new organization that searches for repeat customers for its scalable product or service. Incubators and Accelerators are the newest form of business creation engines for transition economies who are seeking economic development. Incubators and accelerators are laboratories of prototyping and perform the actions of education, experimentation and customer discovery and validation. They connect companies to new employees and investment, and act as a meetup space for events and networking. In this research paper we will investigate what role these entrepreneurial facilities should take in helping transition economies support and nurture small business formation and growth. Through semi-structured interviews and descriptive statistics we have examined qualitative and quantitative data from a number of incubators and accelerators to find out their role, effectiveness, and impact on micro economic factors such as small business formation, investment, employment, revenues, and taxes as well as their impact on macro economic factors such as gross domestic product, and growth rate of gross domestic product. Results are wide ranging and often depend on subtle factors such as culture and attitude towards entrepreneurship, level of engagement of triple helix of stakeholders: government, business, and education, level of technology adoption, global and export orientation, level of fluency in the English language and numerous other factors.

Keywords: Entrepreneurship, Economic Development, Transition Economy, Incubator, Accelerator.
DETERMINANTS OF FIRM PROFITABILITY IN CROATIAN MANUFACTURING INDUSTRY

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Abstract: This paper investigates the determinants of the profitability of industrial firms in Croatia, using data for large, medium and small companies for the period 2003-2014. This paper provides a broad theoretical review of the determinants of profitability analyzed in economic literature: macroeconomic, industry and firm level determinants of profitability, and we explain only most used, such as size of firm, revenues, growth rate of revenues, sales, profit in previous years, ownership, productivity level, financial leverage, cost of inputs, indebteness. Results from the panel ordinary least squares model for Croatian manufacturing industry reveal a positive and statistical significant relationship between profitability, the firm size, and concentration measured through Herfindal-Hirschman index, as well as total factor productivity and profit in previous period. On the other hand, the financial leverage, liquidity ratio, debt as a percentage of total revenues, show a negative relationship with the firm profitability.

Keywords: Profitability, determinats, manufacturing industry
USING DATABASE AUDIT FOR ANALYZING SUSPICIOUS BEHAVIOR ON HISTORICAL DATA

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Abstract: Database auditing is one of the biggest issues in data security. Absence of information auditing drives the business applications to the lost trail of business procedures. To cope with auditing and in order to track operations and the actors of those operations in time, we need historical data or temporary database. Legitimate and exchange times are two important time-stamps in temporary database.

In this paper, we show the methods to handle database auditing in business exchange operations, accurate times, and performers of the operations. These strategies are separated in two sets; utilizing relational databases, and utilizing semi-structure information.

Keywords: Audit, Database
THE ROLE OF DEMOGRAPHICS ON INDIVIDUALS’ ATTITUDES TOWARDS AND BEHAVIORAL INTENTION TO USE SOCIAL MEDIA

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Abstract: This current research tested a model explaining the impact of trust towards social media use on attitudes towards social media use, and the impact of attitudes of social media use on behavioral intention to use social media. After examining the independent effects of demographic variables such as age, gender, education, marital status and language knowledge on trust towards social media, attitudes towards social media use and behavioral intention to use social media, this study explored the relationship between trust towards social media use, attitudes towards social media use and behavioral intention to use social media while controlling for the effects of the aforementioned demographic variables. A face-to-face questionnaire was conducted to a convenience sample of 976 participants in different districts in Istanbul, Turkey. Study findings highlight that trust towards social media was positively related to attitudes towards social media use, which, in turn was positively related to behavioral intention to use social media. Demographic variables such as age, education, and language knowledge have been found to impact attitudes towards social media use and behavioral intention use. On the other hand, gender and marital status have no significant impact attitudes and behavioral intention. Based on findings, marketing managers can develop different strategies that foster positive attitudes for different demographic segments.

Keywords: Social media, demographics, attitudes, behavioral intention
SECURITY IN EUROPEAN TOURISM WITH SPECIAL ATTENTION PAID TO THE REPUBLIC OF CROATIA

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Abstract: Security and the sense of being secure represent an important component in choosing a tourist destination, but also the quality of life of domestic population and stay of tourists in the tourist destination. Therefore, the destinations in cooperation with participants in tourism must enable safe and adequate surrounding for its visitors, and encourage the coexistence with the domestic population. Protection and security in tourism are becoming complex multidimensional terms which cover a great number of components among which are political security, public security, health and sanitation security, protection of personal data, legal protection of tourists, protection of consumers, security in communication, getting authentic data, ensuring the quality of services, etc. Croatia is a member of the European Union, and monitors trends in the development of tourism on the European Union level and Europe in whole. Personal safety is an important component of choosing Croatia as a destination, and is one of the advantages of Croatia in relation to the competitive countries. Within the research conducted in the paper the focus is on the analysis of safety in tourism of Europe and the Republic of Croatia.
The goal is understanding the significance which the „sense of safety“ has on a choice of European destinations and the necessity of establishment of security measures and the protection of tourists on the tourist travel on all levels. Based on the conducted analysis, key security factors of improvement of security and protection of tourists in European and Croatian tourist destinations will be suggested.

**Keywords:** Security, tourism, tourist protection, Republic of Croatia, Europe

**JEL Classification:** L83
A DECISION SUPPORT SYSTEM FOR THE ALLOCATION OF ADVERTISIMENT BUDGET

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Abstract: The distribution of advertisement budget among the channels is an important problem which many companies face in competitive markets. The channels might be TV programs, newspapers, radio programs, billboards, magazines, online websites, movies and shows etc. Advertisement and promotions should be broadcasted to target audience at right time and at right place hopind that this combination will provide them a advantage to the company over its competitors. There are many options that companies can use and that’s why advertisement is one of the most significant work are of marketing. The budget and resources are limited and the companies have use them effectively to gain a competitive position and to reach to the target audience. The companies often time use the optimization methods to determine the right channels to invest. In this we paper, we develop a integer programming model to find the optimum choices of the channels and we integrate the model with a decision support system. The decision support system includes variables such as level of income, age, sex and education level. The overall objective is to reach possible maximum access to target consumers while minimizing the cost. It is shown that it is possible to effectively manage the advertisement system of a company by validating on a real case study.

Keywords: Advertisement management, integer programming, decision support system, advertisement channels
Abstract: Nowadays, the increasing application of information technology in modern business and life in general, virtualization and cloud computing are new solutions designed to increase the level of system abstraction and degree of utilization of computer performance. New technologies offer the flexibility, the ability to adapt workloads resources and to realize cost savings of IT infrastructure in terms of administration and support costs. The period when the big companies had a monopoly and control over resources and information are far behind us and the only companies to survive in the future are „smart “ companies. This paper defines the terms virtualization and cloud computing and explains its importance as the challenge of rapid success and growth of the company. Special attention is focused on the savings and its benefits. The advantages of application virtualization and cloud computing are numerous only in case they are implemented in the right way, although many managers have doubts about this technology. The data is obtained through an online survey which was conducted in the companies in Bosnia and Herzegovina as well as data Forrester Research that determined the current level of application of virtualization and cloud computing in the world and companies in Bosnia and Herzegovina. Besides, it pointed out the guidelines of the future steps.
Application of virtualization and cloud computing depend on the will of societies, organizations and people in order to understand this concept that deals with many issues and problems. It is not only knowledge on technology that is enough to solve these issues and problems.

**Keywords:** Information Technology - IT, virtualization, cloud computing, intelligent company, IT infrastructure
CONSUMER BEHAVIOR AND DECISION MAKING PROCESS; IN PURCHASING; PERCEPTIONS OF STUDENTS AT SARAJEVO UNIVERSITY

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Abstract: Consumer behavior is any behavior that consumers display in searching for, purchasing, using and finally disposing a product or a service. The main purpose of the study is to investigate consumer behavior of students at Sarajevo University and their decision making process in buying domestic food and hygienic products. Both qualitative and quantitative methodology was used for this study where in depth interviews were used for qualitative part of the study only in initial stage of pilot study in order to get some insights into topic and main instrument for the quantitative data collection that was used is survey. Online survey was addressed to Sarajevo University students. Analysis and findings describes the proceedings, investigation, which included examination of the behavior of students’ consumers in region of Canton Sarajevo, which attend Sarajevo University, in relation to the type of domestic products to buy, with an emphasis on research and purchasing food and hygienic necessities of domestic production.

The implications of this study for domestic companies is that they should put more emphasis in producing very quality products; develop strategies for increasing product knowledge of their brands and sometimes emphasize the country of origin of their products. This analysis showed that the observed sample of respondents buy domestic products, with an emphasis on the purchase of food, and a little less emphasis on the purchase of hygiene products.
We can conclude that the highest percentage of respondents buy domestic products for a single reason: to support the growth, development and progress of domestic production.

**Keywords:** Consumer behavior, decision making process, purchasing, Country-of-origin, Brand Awareness, Domestic brand visibility on social networking, Product knowledge, Product Quality and Price, ANOVA
FINANCIAL LITERACY AND MONEY MANAGEMENT BEHAVIOURS: THE CASE IN BOSNIA AND HERZEGOVINA

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Abstract: In the globalized world where waste of financial resources is continually rising, it can be seen how people constantly complain and are not satisfied with the earned money. Therefore, managing money is much more important than earning it. The main aim of this paper is to explore Bosnian people’s attitudes toward financial literacy and their money management behaviors. Examining these attributes and behaviors will contribute to gaining an overview of the structure of the economy of Bosnia and Herzegovina and its practice as well. Research will be conducted on 250 samples. Based on the results from the samples in this study, descriptive statistics, nonparametric tests and Chi-squared test will be used. Some solutions will be suggested in the final section, including financial literacy and money management in all school schedules. Moreover, considering that the policy of the state is to raise financial literacy levels of society, the significance of these attributes and behaviors will be clarified.

Keywords: Financial literacy, money management behaviors, BiH
CUSTOMERS’ LOYALTY OF COMPANY VOLKSWAGEN IN CRISES PERIOD; CASE STUDY OF BOSNIA AND HERZEGOVINA

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Abstract: In this study the customers’ loyalty of company Volkswagen will be discussed. The issue is very attractive, since the company was facing crisis being accused for software cheats on pollution checkouts. Since they are present in Bosnia and Herzegovina for many years, and some parts were produced on this area, we decided that market of Bosnia would be suitable to check how strong loyalty of customers is. The survey was created in order to collect data. In three parts of capital city Sarajevo (Sarajevo City Center, Grand Center and Old Town) people were randomly surveyed. Regression analysis was done, where trust in brand was dependent variable. We found that trust in brand is positively related to brand loyalty, discovering that Bosnian customers are loyal to Volkswagen. Studies like this can be done in other countries as well, helping Volkswagen to rebuild trust in customers who were affected by this crisis.

Keywords: Customer Loyalty, Brand Loyalty, Volkswagen, Bosnia and Herzegovina
A LITERATURE REVIEW OF MARKETING OF HIGHER EDUCATION

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Abstract: The first implementations of ‘marketing of higher education’ as a research area go back to 70’s. In early 70s, higher education began to shift from a seller’s to a buyer’s market. Higher education has historically avoided marketing because of the negative image of marketing techniques. The subject is started to be questioned in 80’s. An effective communication between the internal and external public is needed to solve the problems of an institution and this could be done by a marketing approach. In 1990’s marketing of higher education became crucial for the stabilization of an institution. After 2000 and so, most of the universities had their marketing departments and the traditional “four P’s” of marketing. In the first half of the 2010’s we faced fundamental changes in the world in terms of marketing. The carrier of this fundamental change was social media. Administrators became responsible for “tweeting” to constituents and “Facebooking” with fans. Within this study, we provide a literature review of marketing of higher education over the decades. Then we emphasis the current marketing trends and finally we address potential marketing techniques for higher education institutions.

Keywords: Marketing, higher education, marketing of higher education, literature view of higher education marketing
ENTREPRENEURSHIP AND COGNITIVE BIASES

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Abstract: Entrepreneurs face many external challenges in their everyday work. Research shows that cognitive biases affect every day decisions of one’s life but also have detrimental effect on entrepreneurs’ probability of success. A deeper understanding of cognitive biases and entrepreneurship is not only important from an academic perspective but also for policies addressing entrepreneurship. This study explores whether high degree of risk taking, overconfidence and over optimism are present in daily decision making of entrepreneurs. Furthermore it examines how these biases positively or negatively affect entrepreneurs’ decision making. The sample consisted of 20 in-depth interviews with young entrepreneurs from Bosnia and Turkey. The interview included questions about an entrepreneur’s perception of risk taking, overconfidence and over optimism. All the three investigated biases were examined using standard behavioural economics’ methods. Also interviews included data related to educational background, industry and personal life. Results show presence of high degree of risk taking, optimism and overconfidence among the sample. Additionally results show that high degree of risk taking is more present among less educated entrepreneurs. Also results reveal presence of heuristics in decision making like reference points and ‘gut feeling’ known as System 1 (Kahneman, 2011) in the literature. Positive consequences of biases resulted in revenue growth, business growth however negative consequences were in terms of capital losses due to the domination of studied biases.

The findings suggest that entrepreneurs are not aware of these biases and consequently do not consider it during decision making. Given that entrepreneurs are important decision makers, behavioural biases shall be studied
more deeply. In addition to increasing awareness of entrepreneurs on these biases and heuristics, results suggest entrepreneurs may minimize negative effect of the biases by using effective tools (e.g., hiring consultants or using available applications) to mitigate the negative effects of those biases.

**Keywords:** Entrepreneurship, Cognitive Biases
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