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Kaunas University of Technology  
School of Economics and Business

## B O O K O F A B S T R A C T S

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**International Business in the  
Dynamic Environment:**  
Changes in Digitalization,  
Innovation and Entrepreneurship

6<sup>th</sup> AIB-CEE 2019

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Chapter Annual Conference:**

**„International Business in the Dynamic  
Environment: Changes in Digitalization,  
Innovation and Entrepreneurship“**

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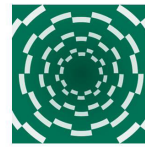
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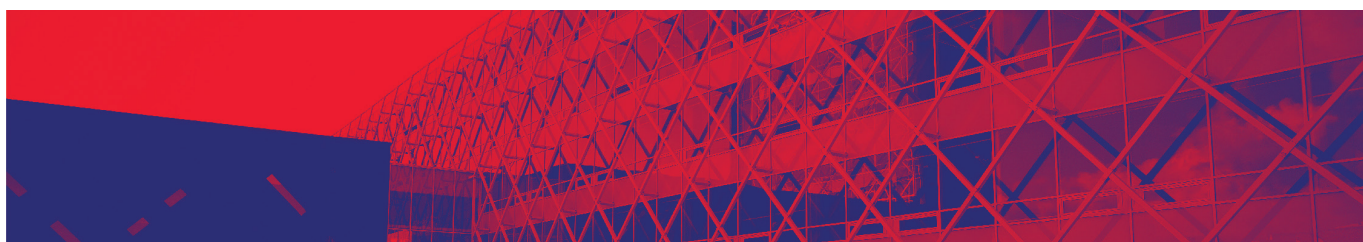


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# W E L C O M E L E T T E R S



## LETTER FROM THE AIB-CEE CHAPTER CHAIR



**Łukasz Puślecki**

AIB-CEE CHAPTER CHAIR  
Kaunas, September 2019

Dear AIB-CEE Members,

Welcome to Kaunas for the 6th 2019 Academy of International Business Central and Eastern Europe (AIB-CEE) Chapter Conference.

The overarching purpose of AIB-CEE, which covers 19 countries from the CEE region is to foster cooperation amongst scholars and specialists from Central and Eastern Europe in regard to conducting joint research, disseminating research outcomes and improving international business education standards, mainly through the organization of regional conferences, seminars and initiation of international research projects. The membership of the AIB-CEE Chapter as of 1.08.2019 stood at 120 members. The Chapter Board is composed of scholars from Slovenia, Estonia, Lithuania, Hungary and Poland. The Chapter establishment project received the support of such organizations as CEEMAN, Corvinus University of Budapest (Hungary), University of Ljubljana (Slovenia), University of Tartu (Estonia) or the Poznań University of Economics and Business (Poland).

As a one of the AIB chapters we have already organized 7 important events during our six years of activity.

The first kick-off event of AIB-CEE was the seminar **„Challenges for International Business and Teaching in the CEE region - Towards an Integrative Perspective”, which** took place on 24 January 2014 at the Poznań University of Economics and Business (Poland). The seminar gathered almost 100 scholars and business representatives from altogether 10 countries. The purpose of the event was to involve top CEE scholars and managers in a joint discussion to elaborate on a shared perspective of key challenges in IB scholarship related to the CEE region so as to outline a research program for future projects.

The first AIB-CEE conference **“Competitiveness of the CEE Region in Global Economy”, took place on October 9-11, 2014 at the Corvinus University of Budapest in Hungary. The conference gathered** more than 100 scholars and business representatives from altogether 22 countries. The aim of the conference was to provide a platform and opportunity for discussing International Business and Competitiveness research findings on Central and Eastern European business and management practices, firms, industries and countries; meeting and learning insights of internationally recognized scholars

with long lasting international research credits on the CEE region as well as networking to build research and academic collaborations, and developing skills supporting paper publication.

The 2nd AIB-CEE Seminar took place on January 9-10, 2015 hosted by the Centre of International Relations, Faculty of Social Sciences; University of Ljubljana, Slovenia. The topic **"Recognising the changing character of the CEE region: towards an updated agenda of business, IB research and teaching"** attracted truly international group. Over 50 registered participants of 14 different nationalities from 9 different countries gathered in Ljubljana. IB scholars and practitioners from the region discussed recent research findings in the area of international business from the region and about the region, exchange challenges and innovation in IB teaching and meet innovative multinational enterprises from CEE.

The 2<sup>nd</sup> AIB-CEE Conference **took place on September 17-19, 2015 at SGH Warsaw School of Economics in Poland**. The conference theme **"International Business and Research in the CEE Region. Why Is It Worth Doing?"** was chosen in order to draw more attention to doing business and research in Central and Eastern Europe and to promote collaboration among businesspeople, scholars and specialists, which is in line with a general idea of establishment of the Central and Eastern European Chapter of the Academy of International Business. **The conference gathered** more than 90 scholars and business representatives from altogether 14 countries.

The 3<sup>rd</sup> AIB-CEE Conference **"Boosting the competitiveness of Central Europe through digital economy", which** took place on September 29-October 1, 2016 at University of Economics in Prague, Czech Republic, focused on issues such as new forms of businesses, role of digital economy in Central Europe, digital entrepreneurship and possible impacts of digital economy on competitiveness and economic growth in the CEE region. **The conference gathered** more than 90 scholars and business representatives from altogether 20 countries.

The 4<sup>th</sup> AIB-CEE Conference **"Changing global landscape and regional cooperation: from regional value chains to China's One Belt, One Road initiative and beyond" which took place in Ljubljana, Slovenia on September 26-28**, focused on key aspects of current trends in international business and implications for countries, markets, companies and consumers in CEE, taking into account the CEE and China perspective. The conference was preceded by the **1st AIB-CEE Chapter Doctoral and Junior Faculty Development Workshop on "Relevance and rigor in IB research: capturing CEE context richness"**. **The conference gathered** more than 90 scholars and business representatives from altogether 19 countries.

The 5<sup>th</sup> AIB-CEE Chapter Conference: **"International Entrepreneurship as the Bridge between International Economics and International Business"** was organized in Cracow (Poland), 14-16 September 2018 and focused on the relationships between International Entrepreneurship, International Economics and International Business in the CEE region. During the conference, we have had a lot of interesting sessions and panels, including special Methodology Session with **Prof. Joe F. Hair Jr. – Workshop on PLS-SEM** and first AIB Community Session with AIB Vice-President Administration (2015-2018) – **Maria Alejandra Gonzalez Perez** and two Chairs from AIB Chapters – AIB-LAT (Latin America) – **William Newbury** and AIB-MENA (Middle East and North Africa) – **Immanuel Azaad Moonesar** as well as with AIB Insights Editor – **John M. Mezas**. With more than 130 submissions and more than 150 participants (from all continents) the 5th AIB-CEE Conference it was the largest conference in the history of the AIB-CEE Chapter.

We were also very active during AIB 2019 Annual Meeting in Copenhagen, in Denmark, which took place on June 26-28, 2019. As a chapter we have organized AIB-CEE Chapter Panel: **"Challenges for Innovation Cooperation in the CEE region: Business and Academia perspective"** and were the member of the panel: **"AIB Chapter Organizations in a Dynamic Inter-**

**national Business Environment: Opportunities, Challenges and Best Practices”** organized by AIB-Southeast US Chapter as well as participated in **AIB Chapter Chairs Workshop**.

We have to be aware of the fact that AIB-CEE is one of the youngest chapters in AIB community; however, the region has a long tradition in global business and IB teaching.

The 6th AIB-CEE Chapter Conference in Kaunas: **“International Business in the Dynamic Environment: Changes in Digitalization, Innovation and Entrepreneurship”**, will focus on digitalization, innovation and entrepreneurship of international business dynamics in the Central and Eastern Europe. During the conference, we will have a lot of interesting sessions and panels. I would like to invite you all to the plenary sessions, led by **Prof. Jan-Erik Vahlne** (University of Gothenburg, Sweden), **Prof. William Newburry** (Florida International University, USA), **Prof. Ilan Alon** (University of Agder, Norway), **Prof. Pervez Ghauri** (University of Birmingham, UK), **Prof. Max von Zedtwitz** (Kaunas University of Technology, Lithuania), **Prof. Charles Dhanaraj** (Temple University, USA) and others.

Moreover, this year we will also have two **Paper Development Workshops (PDW) – Journal of International Business Policy (JIBP)** and **Journal of East European Management Studies (JEEMS)** as well as **Doctoral Colloquium** and **Meet the Editors Session** with Editors from different journals. There will be also a special session devoted to the **AIB-CEE Chapter – AIB-CEE Chapter Development Session** where we will discuss the developments and achievements of AIB-CEE Chapter in last years, plans and future challenges for the AIB-CEE Chapter.

We would like to thank our host institution, the **Kaunas University of Technology, the School of Economics and Business**, for welcoming us to Kaunas. We particularly thank **Professor Jurgita Sekliuckienė**, our **Conference Chair**, for her dedication and key role in making this meeting happen. We hope that the diversity of conference tracks will prompt many IB scholars to draw their attention to the CEE region and enable them to share the outcomes of their research and to develop during the conference networks focused on joint research, comparative studies and publications.

We really appreciate the hard work carried out by **Organizing Committee** and all **Track Chairs, JIBP and JEEMS PDW Workshops** and **Doctoral Colloquium Organizers, AIB-CEE Executive Board members** to put together the meeting for us in Kaunas. Moreover, we would like to thank all people, especially **local Kaunas team**, and all **Reviewers**, who have contributed so much of their time to make this conference happen.

We are looking forward to a warm atmosphere during the conference, great sessions and panels, as well as fruitful networking during these unforgettable days in Kaunas.

## LETTER FROM THE CONFERENCE PROGRAM CHAIR



### **Jurgita Sekliuckienė**

Conference Chair  
AIB-CEE 2019 Program Chair  
Professor of International Business  
School of Economics and Business,  
Kaunas University of Technology  
Kaunas, September 2019

Dear AIB-CEE 2019 Conference Attendees!

A warm welcome all of you to Kaunas for the 6th Academy of International Business Central and Eastern Europe (AIB-CEE) Chapter Conference!

It is a great honour for Kaunas University of Technology to have taken on the responsibility of organizing AIB-CEE 2019 annual conference. The conference will be held in vibrant academic city Kaunas, which is becoming the European Capital of Culture 2022. The city is unique for its contemporary business centres that are full of the state-of-the-art technology with an inspiring layer of interwar modernism, spread all over the city. We hope that you will have some time to explore Kaunas and enjoy its cultural heritage, including the M. K. Čiurlionis National Museum of Art, where we will hold this year's Gala Event.

Our topic is "International Business in the Dynamic Environment: Changes in Digitalization, Innovation and Entrepreneurship". Currently, digitalization, innovation and entrepreneurship stand at the core of international business dynamics within the uncertain environment. The internationalization of companies, supported by innovation and digital technologies, cause the rapid and continuous transformation of the global business landscape, its business models, strategies, global value chains, operations, communication, knowledge sourcing and creation across international networks and geographic boundaries. Digital transformation is one of the main issues of local and international business, while digital economy is a priority of governments in the Central and Eastern Europe. Thus, we believe, this AIB-CEE conference will stimulate the exchange of new insights and ideas and will foster the collaboration among scholars, governmental bodies, and business representatives.

AIB-CEE 2019 received 116 scientific papers which were submitted by 283 authors and co-authors from 36 countries. More than 100 participants have already registered. We are grateful to 12 sections' track chairs, session chairs and reviewers for their great contribution.

All attendees are invited to actively participate in the opening plenary session on Thursday morning (September 26th), led by Prof. Jan-Erik Vahlne (the University of Gothenburg, Sweden), who will speak on "Digitalization, People and Multi-national Business Enterprise Evolution". The second plenary session will continue with other key note talks of Prof. Ilan Alon (the University of Agder, Norway), who will speak on "Globalization of EM Firms: The Case of China", and Prof. Max von Zedtwitz (Kaunas University of Technology, Lithuania) who will discuss "Changes in the Global Landscape of Innovation – Some Myths, Some Realities" and Prof. Pervez Ghauri (University of Birmingham, the UK), who will provide his insights on "Changing Landscape of International Business: The Impact of Populist Governments and BREXIT". Prof. William Newbury (Florida International University, the USA) will speak about "Building Corporate Reputations in Transition Economies: Overcoming Home Country and Other Barriers in a Digital World", and Prof. Charles Dhanaraj (Temple University, the USA) will discuss "The Paradox of Digital Globalization: A Research Agenda for International Business Scholars" on plenary session which is scheduled for Friday morning (September 27 th).

I would also invite you to attend special panels on Thursday, i.e. "Academia, Business and Institutions (AIB): Challenges and Opportunities for Innovation Cooperation in the CEE region" chaired by assoc. prof. Łukasz Puślecki, and "Business and Academia Perspective on the Dynamic Environment", chaired by Prof. Mirosław Jarosiński. This session will also include two presentations of business representatives: Tomas Jaskelevičius (CEO of Arginta Engineering) and Oriana Mašalė (Vice-President, AmCham). A special panel on Friday: "Digitalization and Transformation of the Industry: Current State and Future Trends", chaired by prof. Mantas Vilkas and the round table session on "Perspectives on Online International Business Education: Best Practices, Trends and Technologies" lead by prof. Ronaldo Parente.

We also have three very important sessions "Researchers' Networking Session", "Meet the Editors Session", and "AIB-CEE Chapter Development Session" included in our program. I encourage you to attend these sessions as there you will have an opportunity to meet future collaborators, editors and discuss issues for chapter development.

For the first time in AIB-CEE Chapter we have the following pre-conference activities: the Journal of International Business Policy (JIBP) PDW organized by prof. Sarianna Lundan (the University of Bremen, Germany), the Journal of East European Management Studies (JEEEMS) PDW organized by Thomas Steger and the Doctoral Colloquium, organized by prof. Daria Podmetina (Lappeenranta Lahti University of Technology, Finland). I am very grateful to all of them.

We are sure that all of you, the authors of papers, will enjoy working sessions that will inspire new ideas, foster collaboration and bring new value to your research initiatives. Thank you all! In addition, we invite you to join our cultural program and visit Lithuanian innovative company "Elinta".

Finally, I would like to express my gratitude to the AIB – CEE Executive Board members, and especially to AIB-CEE Chapter Chair Łukasz Puślecki. Also, I would like to thank the authorities of Kaunas University of Technology and the School of Economics and Business, in particular our Dean Prof. Edita Gimžauskienė for support. A big thank goes to AIB-CEE 2019 conference organizing committee – Kaunas team – including the colleagues that make this conference happen, namely Inga Kartanaitė, assoc.prof. Rimante Hopenienė, Karolina Skersytė, dr. Rozita Susnienė, assoc. prof. Akvilė Čibinskienė, assoc. prof. Kęstutis Duoba, assoc. prof. Živilė Stankevičiūtė, assoc. prof. Beata Šeinauskienė, dr. Ineta Žičkutė, Jurgita Butkevičienė, prof. Rimgailė Vaitkienė, Daiva Franckevičienė, Rokas Bartašius and volunteers.

I hope that you will enjoy the AIB-CEE 2019 Conference and have a great time in Kaunas!

## LETTER FROM THE DEAN AS THE LOCAL HOST



**Prof. Dr. Edita Gimžauskienė**

Dean, School of Economics and Business,  
Kaunas University of Technology

Dear Conference Participants,

On behalf of the School of Economics and Business Community at Kaunas University of Technology welcome to the 6th Academy of International Business Central Eastern European Chapter Annual Conference on the topic of "International Business in the Dynamic Environment: Changes in Digitalization, Innovation and Entrepreneurship" and Kaunas.

The conference is important for scientific rigorous, networking with colleagues and the impact for business and society. These factors are among the main objectives for researchers who are seeking to contribute to the development of the society in the age of technological impact on every single field.

High quality papers is a result of rigorous research. Contributions will attract academic and non-academic participants. Therefore, we expect interesting presentations that would continue with important and fruitful discussions during the conference.

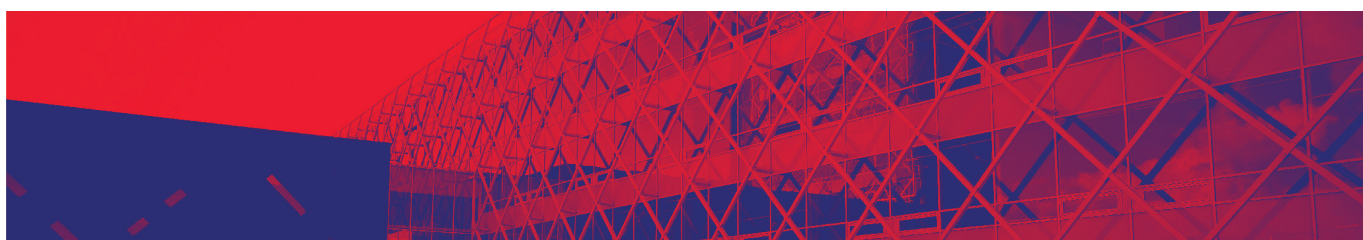
Kaunas Santaka Valley is the perfect place for networking as a space that connects innovations, science, technologies and business for joint activities. Networking during the conference and joint research activities afterwards could help to contribute to overcome societal challenges.

Impact and relevance are becoming buzzwords for academicians nowadays. On the other hand, research in the fields of Business, Management and Economics might bridge the gap between disruptive technological world and the society. Therefore, the selected topic of the conference is important for the development of the Central and Eastern European region. The contribution of researchers from this field is becoming crucial in making an impact on behalf of science on business. Robotization, digitalization and innovation will be successfully integrated in the business world with the help of business researchers. Therefore, we need to discuss about disruptive changes, forming new structures, business models, and human-machine interaction.

Thank you for coming to the Conference. I wish you a fruitful and pleasant stay in Kaunas.



# KEYNOTE SPEAKERS





## KEYNOTE SPEAKER



**Prof. Jan-Erik Vahlne**

University of Gothenburg, Sweden

PhD Uppsala University 1973; Dr h c University of Oulu 2013

Positions: Uppsala University; Stockholm School of Economics; University of Management Sciences, Lahore; Swedish Governmental Committee on Foreign Direct Investment; Stockholm School of Economics in Riga; University of Gothenburg.

The winner of the 2019 Palgrave Macmillan / JIBS Decade Award, to honour the most influential paper published in the 2009 volume of the Journal of International Business Studies: "The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership" (JIBS Volume 40, Issue 9).

Most recent article: From internationalization to evolution: The Uppsala at 40 years, 2017, Journal of International Business Studies, 48(9): 1087–1102.

Keynote: **"Digitalization, people and multinational business enterprise evolution"**

## INVITED SPEAKER



**Prof. Ilan Alon**

University of Agder, Norway

Creator of new knowledge through impactful publications. Published in: Harvard Business Review, Management International Review, Journal of International Marketing, International Business Review, International Marketing Review, Management & Organization Review, Asia Pacific Journal of Management, Journal of Small Business Management, Corporate Governance: An International Review, etc.

Disseminate knowledge through books published with the Financial Times Press/Pearson, McGraw-Hill, Palgrave MacMillan, Routledge, Edward Elgar, Greenwood, ME Sharpe, Kluwer, among others; and cases available (see: [www.iveycases.com](http://www.iveycases.com)). Author of Global Marketing (Routledge, 2017).

Developer of international relations with China, USA, France, Germany, Italy, India, Spain, UK, Ireland, Japan, Mainland China, Hong Kong, Macau, Singapore, Vietnam, & Malaysia.

Trainer of MBAs, executives and policy makers in leading international universities (CEIBS, JiaoTong), international organizations (USAID, City of Orlando), and companies (Disney, illy, etc.)

Developer of a new Business Cultural Intelligence Quotient (BCIQ) instrument.

Keynote: **"Globalization of EM Firms: The Case of China"**

## INVITED SPEAKER



**Prof. Pervez Ghauri**

University of Birmingham, UK

Professor of International Business at Birmingham Business School, University of Birmingham, UK.  
Editor in Chief: International Business Review (IBR).  
Consulting Editor: Journal of International Business Studies (JIBS).

I am a scholar with extensive experience in teaching, research and institution building. I have developed several Master and MBA programmes within top schools in Europe (Uppsala University, University of Groningen, Manchester Business School and King's College London).

I have been conducting research on international marketing and international business topics, with focus on the internationalisation process and entry strategies. In the last seven years my research focus has shifted towards the externalities of international business, specifically the activities of multinational enterprises (MNEs) in emerging markets. My latest projects include:

Social entrepreneurship.

The role of multinational enterprises in poverty alleviation.

Developing a digital business model for the benefit of the poor and female segments.

Exploring how MNEs can create a competitive position through ethical behaviour in emerging markets.

The majority of the projects above have been funded by organisations such as the; European Commission, Economic and Social Sciences Research Council (ESRC) UK, Handelsbanken, Riksbankens Jubileumsfond and Soderbergs foundation in Sweden. To date I have raised more than €5m in research funding.

I have published 30+ books and 100+ journal articles in top level journals. Some of my books have been translated in several languages and are used globally, including the USA, across Europe, and China.

Keynote: **"The Changing Landscape of International Business: The Impact of Populist Governments and BREXIT"**

## INVITED SPEAKER



**Prof. William Newbury**

Florida International University, USA

Dr. William Newbury is Chair of the Department of International Business at Florida International University, and the Ryder Eminent Scholar of Global Business. Professor Newbury's research interests focus on how multinational corporations manage and relate to subsidiaries and other local stakeholders when they invest overseas, with a particular emphasis on corporate reputation-related issues. He has published over 40 articles in top-tier, peer-reviewed journals, including the Journal of International Business Studies (JIBS), Strategic Management Journal, Organization Science, Journal of World Business (JWB), Journal of Management Studies (JMS), and Business & Society, among others. He recently co-authored *Emerging Market Multinationals: Managing Operational Challenges for Sustained International Growth* (2016, Cambridge University Press), and has co-edited two additional books.

Prof. Newbury is Series Editor of Research in Global Strategic Management, and Associate Editor of AIB Insights. He serves on the Senior Advisory Board of the Review of International Business and Strategy, and on the editorial review boards of JIBS, JWB, JMS, Global Strategy Journal, Journal of International Management, Thunderbird International Business Review, and Cross Cultural and Strategic Management. He is also a Non-Resident Senior Research Fellow at the China Europe International Business School (CEIBS) Center for Emerging Market Studies. He served as Chapter Chair of the Academy of International Business Latin America Chapter (AIB-LAT) from 2012-2018. He also previously served as Interest Group Chair of the Global Strategy Interest Group of the Strategic Management Society.

Prior to joining FIU, Dr. Newbury was employed at Rutgers Business School in the Department of Management and Global Business. He received his Ph.D. in 2000 from New York University's Stern School of Business, with co-majors in the fields of international business and management. Prior to pursuing an academic career, he worked six years at McDonnell Douglas Corporation in St. Louis.

Keynote: **"Building Corporate Reputations in Transition Economies: Overcoming Home Country and Other Barriers in a Digital World"**

## INVITED SPEAKER



**Max von Zedtwitz, Ph.D.**

Kaunas University of Technology and Southern  
Denmark University

Max von Zedtwitz is Full Professor of Innovation at KTU in Lithuania and Southern Denmark University, a visiting professor at universities in China, Brazil, Russia and Switzerland, and managing director of GLORAD, the Center for Global R&D and Innovation with locations in Shanghai, Sao Paulo, Moscow, Silicon Valley, Kaunas, Heilbronn, and St. Gallen. Previously, he was vice president at PRTM Shanghai, co-founder and CEO of AsiaCompete Int'l, and professor at Skoltech, Tsinghua, Beijing University, and IMD in Switzerland. He has published widely in the IB and innovation disciplines (Research Policy, Sloan Management Review, etc.), and is on the editorial board of Technovation, the Global Strategy Journal, and seven other journals. He holds PhD and MBA degrees from HSG University of St. Gallen, and a MSc in Computer Science from ETH Zurich. He was also a post-doctoral fellow at Harvard University.

Keynote: **"Changes in the Global Landscape of Innovation – Some Myths, Some Realities"**

## INVITED SPEAKER



**Prof. Charles Dhanaraj**

Temple University, USA

Charles Dhanaraj is an AIB Fellow, and a HF Gerry Lenfest Professor of Strategy at Fox School of Business, Temple University, USA. He also serves as the Founding Director of Translational Research Center – dedicated to bridging the divide between research and practice. Dhanaraj has published 30 journal articles, (AMR, AMJ, JIBS, SMJ, SEJ, JMS, GSJ HBR, SMR) and has received several awards for research, the most recent one being the 2018 AIB Best Theory Paper Award. His current research is in the area of digital globalization, artificial intelligence and strategy, and urban entrepreneurship. Dhanaraj serves in the editorial boards of Strategic Management Journal, Global Strategy Journal, Journal of International Business Studies, and three others. He has also served as the Chair of Global Strategy IG at SMS, Vice President (Programs) at AIB, co-chaired several regional conferences and the AIB global conference (2016), and several doctoral and faculty consortia.

Keynote: **“The Paradox of Digital Globalization: A Research Agenda for International Business Scholars”**

# CONFERENCE COMMITTEES

## CONFERENCE SCIENTIFIC COMMITTEE

**Jurgita Sekliuckienė**, AIB-CEE Executive Board – Chair for Programme 2019, *Kaunas University of Technology, Lithuania*

**Łukasz Puślecki**, Chair of AIB-CEE Chapter – AIB-CEE Executive Board, *Poznan University of Economics, Poland*

**Andreja Jaklič**, AIB-CEE Executive Board – Vice-Chair for Advancement of Membership, *University of Ljubljana, Slovenia*

**József Poor**, AIB-CEE Executive Board – Vice-Chair for Talent Development, *Szent Istvan University, Hungary*

**Michał Staszków**, AIB-CEE Executive Board – Vice-Chair for Finance/Treasurer, *Poznan University of Economics, Poland*

**Piotr Trąpczyński**, AIB-CEE Executive Board – Vice-Chair for Communication, *Poznan University of Economics, Poland*

**Tiia Vissak**, AIB-CEE Executive Board – Vice-Chair for Events, *University of Tartu, Estonia*

**Erzsébet Czakó**, AIB-CEE Executive Board – Vice-Chair for Programme 2014, *Corvinus University of Budapest, Hungary*

**Mirosław Jarosiński**, AIB-CEE Executive Board – Vice-Chair for Programme 2015, *Warsaw School of Economics, Poland*

**Josef Taušer**, AIB-CEE Executive Board – Vice-Chair for Programme 2016, *University of Economics in Prague, Czech Republic*

**Matevž Raškovič**, AIB-CEE Executive Board – Vice-Chair for Programme 2017, *Victoria University of Wellington, New Zealand*

**Krzysztof Wach**, AIB-CEE Executive Board – Vice-Chair for Programme 2018, *Cracow University of Economics, Poland*

**Blaženka Knežević**, AIB-CEE Executive Board – Vice-Chair for Programme 2020, *University of Zagreb, Croatia*

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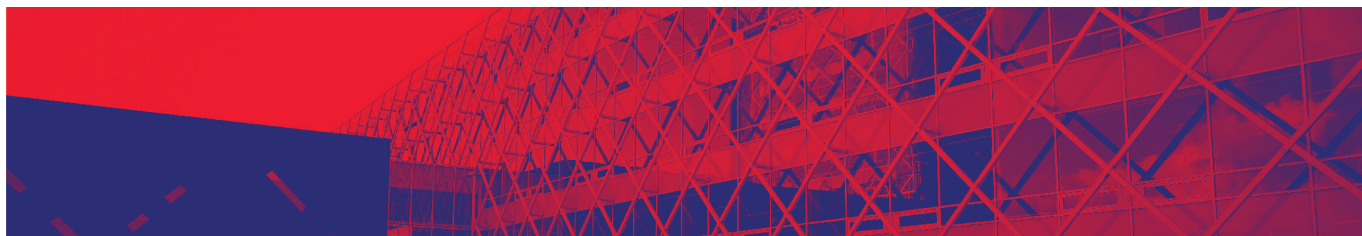
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# TRACK 1.

## RESEARCH METHODS IN INTERNATIONAL BUSINESS: QUALITATIVE, QUANTITATIVE AND MIXED METHODS

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### **Abstract**

The focus of this study is on the role of different methods of Crowd-Based Innovation (CBI) on the firm value creation process investigated from a novel methodological standpoint – data-driven visualization analysis. The methodological contribution arises from the application of Circos, a visual analysis tool, originally designed and intended for use in the field of genome research, which we here introduce into the scope of social sciences – specifically to the analysis of CBI. The presented methodological approach applied to quantitative data with a view to constructing hypotheses from the underlying patterns is encouraged to be replicated in other fields of management research. In addition to the visual analysis the results of the international survey were examined using statistical techniques. Our findings indicate that in the case of generic crowdsourcing, the companies who adopt it as a practice perceive it as more important than those who do not. Different results were achieved in testing for idea and start-up competitions, and customer and consumer co-creation in R&D projects. Moreover, the influence of company size on adoption of CBI was not found to be significant.

**Keywords** – methodology, data analysis, quantitative methods, data-driven visualization

# TRACK 2.

## DEVELOPMENTS IN IB THEORY: FROM GOING INTERNATIONAL TO DESIGNING INTERNATIONAL BUSINESS MODELS

### RE-INTERNATIONALIZATION: FOUR CASES

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#### **Abstract**

This paper aims to find out which forms of re-internationalization Italian and Estonian case companies experienced and which factors affected them. Based on two cases from Italy and two from Estonia, it shows that several internal and external factors – (changes in) the decision-makers' international orientation, the (business) environment, each firm's network relationships, and their unique resources and capabilities – have an impact on re-internationalization. In addition, it shows that the circumstances of initial entries and the following exits can affect firms' re-entry decisions.

**Keywords** – IB theory, concepts of firm internationalisation, strategy adaptation, de-internationalization; re-internationalization, case study

# OUTWARD AND INWARD INTERNATIONALISATION AND INNOVATIVENESS OF FIRMS IN POLAND

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## **Abstract**

Many empirical studies confirm the relationship between internationalisation and innovativeness of firms. Majority of them focus on the influence of innovativeness on the internationalisation of firms. Very few studies tackle the opposite dependence path i.e. the impact of internationalisation on firms' innovativeness. The studies on the relationships between internationalisation and innovativeness usually concentrate on outward forms of internationalisation and product or process innovations. Empirical research on the influence of both outward and inward internationalisation on innovativeness of firms is very scarce. Also studies embracing other types of innovation related with internationalisation are rare. The aim of the research is to explore the relationships between outward (e.g. exporting outward FDI) and inward (e.g. importing, inward FDI) internationalisation with outward (product and marketing) and inward (process and organisational) innovativeness of firms in Poland. The empirical data were collected by direct interviews in 274 firms. The key contribution of the research is that the outward internationalisation is conducive for both the outward and inward innovativeness, while the inward internationalisation supports only the inward innovativeness. The significance and strength of the relationships differ depending on the firms' sector, size, capital group affiliation and origin of capital. The findings might be specific for transition economies characterised with low degree of internationalisation and innovativeness or more universal.

**Keywords** – IB theory, outward-inward internationalisation, outward-inward innovativeness, learning by internationalisation, transition economy



## IMPERFECTION OF THE WTO AS A HAZARD FOR INTERNATIONAL BUSINESS

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### **Abstract**

This paper examines the negative impact of the paralyze observed in the WTO functioning on international business. We provide an overview of the loopholes in the WTO rules and principles which became serious threats for the multilateral trading system. Our research identifies important loopholes in the MFN clause, DSB and Appellate Body and an accession process. We bring a clarity that the paralyze observed in the WTO functioning is a consequence of these factors. The deviations and exceptions of the WTO rules permit the WTO members to compete "unfairly". China is among economies which are most efficient in this respect. China's behaviour on the global market we termed as an "economic factitious disorder". It can be explained as a permanent maintaining by China of the status of a developing country and the use of preferences for LDCs despite a real high level of economic development. These findings indicate that the WTO lacks the mechanism to react and to prevent from such abuses. They were not envisaged by the WTO creators, what suggests the need of the WTO reform. We contribute to international business research and the international organizations literature by identification of causes paralyzing the WTO function.

**Keywords** – multilateral trading system, international business, WTO, MFN, DSB, Appellate Body

# ENTREPRENEURIAL ORIENTATION AND INNOVATION AS DRIVERS OF INTERNATIONALIZATION OF BUSINESSES FROM LARGE EMERGING ECONOMIES

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## Abstract

The aim of the article is to identify and verify the relationship between internationalization and innovativeness as well as innovative behaviour of high-tech businesses in Polish context. A quantitative research design was employed. A survey was conducted on the sample of 355 firms operating in Poland (CATI). To verify the assumed relationships statistical instruments were used, including descriptive statistics, Chi-Square test, the Kruskal-Wallis test and multivariate regression.

The level of innovativeness of investigated hi-tech firms was relatively high. Results suggest that the innovativeness of a business contributes to the intensification of the internationalization process of firms operating in high-tech industries. The regression model confirms the dependence of internationalization on three innovative behaviours, such as the general evaluation of innovativeness of the firm), the pace of innovation diffusion and the number of implemented innovations.

**Keywords** – IB theory, concepts of firm internationalization, strategy adaptation, international entrepreneurship, innovation

# THE SIGNIFICATION OF TRADE AND INVESTMENT ACTIVITY OF FOREIGN-OWNED COMPANIES IN CEE COUNTRIES, WITH PARTICULAR REFERENCE OF POLAND

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## **Abstract**

The aim of the paper is to analyse and assess activities of the entities with foreign capital participation in CEE-10 in the field of trade and investment in the years 1994–2017. The determinants of these activities are presented with reference to the Global Value Chains (GVC) theory. The paper also outlines the results of analysis carried out by World Trade Organisation (WTO). Moreover, the results of the EFIGE Report allowed us to identify the countries which are most dynamic in Europe in the areas of trade, FDI and IO. The trends in changes of FDI inflows to CEE-10 in the period 1994–2017 are presented in absolute and relative terms (in relation to GDP, GDP per capita, GFCF and total trade in merchandise and services). A detailed analysis of the presence of entities with foreign capital participation were carried out for Poland on the basis of data from GUS (Central Statistical Office).

The following research hypothesis was put forward: Only the biggest foreign-owned companies undertake the FDI activity and exert a great impact on trade and investment activities in host countries.

**Keywords** – business models of internationalization, concepts of firm internationalization, strategy adaptation, foreign-owned companies, FDI, CEE, Poland

# DEVELOPMENT DETERMINANTS OF POLISH FOREIGN DIRECT INVESTMENT IN THE UNITED STATES

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## Abstract

Development determinants of foreign direct investment are of great significance for managers, governments and scholars as they constitute present and future conditions of business activity undertaken by foreign entities within a given country. Furthermore, they influence profitability of foreign subsidiaries as well as have their impact on the performance of the whole multinational company.

The aim of the paper is to identify FDI development determinants among Polish enterprises on the U.S. market as well as to find out about discrepancies in their perception between representatives of different business sectors i.e. enterprises from traditional and high-tech industries. The paper presents results of a firm-level survey carried out in 2017 among Polish companies who made FDI in the United States. While analyzing the results an importance index was adopted and to verify the hypothesis Fisher's exact test and Mann-Whitney U test were used. Statistical calculations were performed using the IBM SPSS Statistics software version 25.0.0.1.

The originality of the paper comes from the presentation of unique research results, which allowed the authors to learn about the FDI development determinants from the perspective of late-comers in the international business as well as to provide some recommendations for both managers and policy makers.

**Keywords** – foreign direct investment, FDI, development determinants, MNEs, latecomers

# TRACK 3.

## INTERNATIONALIZATION OF FIRMS: FROM RETHINKING MNES, TO SMES AND BGS

### STRATEGIC RESPONSES TO INSTITUTIONAL PRESSURES IN INTERNATIONAL RETAILING: AN EXPLORATORY FRAMEWORK

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#### **Abstract**

Although research on retailing has suggested that retailer practices and structures are affected by pressures from the institutional environment, few studies have explored the pressures international retailers face in a host institutional environment and the strategic action taken in response to these pressures. The purpose of this paper is to develop a conceptual framework that incorporate institutional theory and Oliver's (1991) framework of responses to institutional processes in a single industry, retail. The research literature on the institutional theory and Oliver's (1991) framework is used to predicting retailers' strategic responses to institutional pressures. We identify a set of institutional factors exerting pressures on trans-national retailers in a host market and develop a conceptual framework along with ten propositions for further examination. These propositions are related unique institutional dimensions - regulatory, normative, and cognitive institutions in the context of retailing. The main contribution of the paper is the application of institutional theory and Oliver's (1991) framework of strategic responses to institutional processes to highlight the specifics of international retailers' strategic responses to regulatory, normative, and cognitive institutional pressures in international retailing.

**Keywords** – institutional environment, international retailing, strategic responses, institutional pressures

# INTERNATIONALIZATION TRENDS IN HUNGARY FROM THE POINT OF VIEW OF SMES

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## **Abstract**

The paper provides an overview and an evaluation on internationalization trends in Hungary in the 2010s. It identifies the actual position and the role of SMEs best positioned to be targeted for government promotion. The paper extended the scope to the exports of services and supplying/subcontracting activities in addition to the traditional exports of goods and compared these three fields. It identified the strong and weak points of internationalization from the point of view of Hungarian SMEs. My conclusion is that indirect exports through suppliers' and subcontracting activities is the most promising field of internationalization for Hungarian SMEs. This enables them to get integrated in global value chains (GVC). The costs and the risks of such a strategy are generally lower than those related to direct access to external markets.

**Keywords** – internationalization process, small-and-medium-sized-enterprises, supplier, SME-promotion

## THE ROLE OF NETWORKING IN INTERNATIONALIZATION OF CZECH FIRMS: EFFECT OF INDUSTRY AND ENVIRONMENTAL UNCERTAINTY

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### **Abstract**

The role of networking behavior in improving internationalization performance is evident from several past studies. Networking assists executives in dealing with various types of environmental uncertainty thereby improving a firm's performance in the international market. However, although previous studies supported the role of networking behavior in improving internationalization performance, the ambiguity on how and what types of networking practices helps managers to deal with various environmental issues in the foreign market still prevails. Furthermore, multiple studies provided conflicting results on how networking affects different industries and it is unclear how and why networking affects different industries differently. We attempted to explore these issues by utilizing five different types of uncertainty dimensions along with four aspects of networking behavior to test ideal networking behavior profile of five different industries (automotive, telecommunication, construction, audit and finance, and transportation) in the Czech Republic. We have used a profile deviation methodology to explore the ideal profile of networking behavior. We have found different ideal networking behavior profile for three industries which supports our hypothesis that each dimension of networking behavior should be fine-tuned for various industries to attain maximum benefit and performance in the international market.

**Keywords** – international business, internationalization process, international expansion

## THE USE OF ORGANIZATIONAL LEARNING PRACTICES IN START-UPS GROWTH

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### Abstract

Globalization of countries, openness of markets and development of technologies have made a positive stimulus for new start-ups creation and growth. Research emphasizes the importance of organizational learning for start-up competitiveness, international expansion, inter-knowledge sharing, operational efficiency in every developmental stage of start-up. Thus, this paper analyses the use of organizational learning practices in start-ups growth. The qualitative analysis has been performed based on seven case studies – Lithuanian technology – based start-ups. The research results indicated that in Lithuanian technology – based start-ups behavioral learning is used the most in their growth stages and international expansion. Start-ups are more likely to use error-learning approach than by applying cognitive or action learning practices. Learning practices are accepted intuitively, later interpreted and integrated, however Lithuanian technology-based start-ups have not yet institutionalized the benefits of organizational learning. The practical implications and directions for further research are discussed.

**Keywords** – international expansion, start-up, organizational learning, start-up growth/development stages, technology-based startups



## CROSS BORDERS MERGERS AND ACQUISITIONS (CBMA) THROUGH EXAPTATION: DOES DOMESTIC GEOGRAPHICAL DISPERSION MATTER?

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### Abstract

Exaptation in the context of internationalization is defined as the re-use of capabilities of a firm, developed through domestic geographical dispersion, in the process of cross border mergers and acquisitions (CBMA). This study tests the association of the newly introduced concept of exaptation in international management on a firm's first and subsequent cross border mergers and acquisition engagements. Particularly, this study identifies those domestic capabilities of a firm which can be redeployed in the process of cross border mergers and acquisitions. The study took the 10 years data from 2008 to 2018 of 100 manufacturing sector companies of Pakistan to test the existence of the relationship between firm's domestic geographical dispersion and chances to engage in first-time and subsequent CBMA. We applied pooled regression to estimate hurdle models. The results showed a positive and statistically significant influence of exaptation of control and coordination capabilities on firm's probability to engage first-time cross border mergers and acquisitions, however, these capabilities become irrelevant in subsequent CBMA involvements. The findings imply that firms operating in geographically dispersed business units can have higher chances of success in cross border mergers and acquisitions.

**Keywords** – internationalization process, exaptation, cross-border mergers and acquisitions, internationalization, geographical dispersion, hurdle model

# TRACK 4.

## INTERNATIONAL ENTREPRENEURSHIP, STRATEGY, INNOVATION AND INTERNATIONAL FAMILY FIRMS

### OPPORTUNITY-BASED VIEW FOR ANALYZING CHALLENGES IN STARTUP DEVELOPMENT: A STUDY ON TECHNOLOGY-BASED STARTUPS

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#### Abstract

The entrepreneurial businesses development starting with the formation of a business idea till expansion to global markets is faced by specific context and organizational challenges. Bringing together elements from opportunity-based view, international entrepreneurship theory, this paper analyses exploitation of opportunities and challenges in startups development. Exploitation and exploration of opportunities is essential element of successful entrepreneurial business. Therefore, this study seeks to contribute to the understanding of exploitation of entrepreneurial opportunities within startup growth by analysing technology-based startups in Lithuania. Referring to case studies approach it is disclosed what entrepreneurial opportunities are and how technology-based startups deal with opportunity exploitation related challenges in startup development. An in-depth qualitative analysis has been performed based on eight case studies. The research results indicated that opportunity identification, motivation and resource exploitation closely related to learning activities within the firm. The exploitation of opportunities by startups lead them to the resource based, and cognitive challenges, where fast resource accumulation needs to be combined with the rapid multidirectional entrepreneurial, and also technological learning. Constant exploitation of entrepreneurial opportunities leads to international growth. Practical implications for technology-based startups and directions for future research are discussed.

**Keywords** – international startups, international entrepreneurship, international entrepreneurial orientation (IEO), entrepreneurial opportunities, opportunity-based view, exploration and exploitation

## INTERNATIONALIZATION PATTERNS OF POLISH FAMILY HIGH-TECH FIRMS

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### **Abstract**

During the last decade, the interest of researchers in the internationalization process of family firm has been continuously growing. However, various research findings still differ on how international behavior of family firms may be different than in the case of non-family firms.

The main goal of this article is to understand internationalization patterns of family firms, especially their internationalization motives, intensity, speed and entry modes. The theoretical framework of the paper is built on literature review of theoretical concepts of family firms internationalization. In the empirical part the quantitative approach was adopted. The results of the survey are presented on the sample of 263 high-tech production firms from Poland, including 101 family firms. The survey was conducted in all 16 Polish regions.

The research results show that the intensity of the internationalization of family firms was lower than that of non-family enterprises and that family businesses are less likely to internationalize early than in case of non-family enterprises. On the other hand, the differences between family and non-family businesses in their entry modes choice and internationalization motives were not found.

**Keywords** – internationalization of family firms, internationalization of firms, international strategies, high-tech firms

## ENTREPRENEURIAL MARKETING COMMUNICATION – QUALITATIVE STUDY OF POLISH, ITALIAN AND FINNISH INVS

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### Abstract

The study presents results of the exploratory qualitative study of the entrepreneurial marketing communication of Polish, Italian and Finnish INVs. It aimed at determining the links between promotion, communication and networking activities of the INVs, identifying the entrepreneurial marketing tools applied to communicate with their customers by the Polish, Italian and Finnish INVs and the usage of entrepreneurial communication tools of the Polish, Italian, and Finnish international new ventures.

The companies under study applied mainly direct selling, trade fairs and exhibitions, high-quality distribution partners, company webpage and social networking, word-of-mouth and referrals to communicate with their markets. High-quality distributor partners played the most important role in their internationalization. Communication, promotion and networking are strongly interrelated. Communication is used to create network and to promote, and the networks and relationships are created during the promotion and sales process. Entrepreneurial communication is a basis for understanding the clients and delivering them value as well as for responding to their needs. The Italian and Finnish companies are more promotion-oriented than Polish ones, treating the communication tools as a means to achieve the sales goals. On the other hand, the Polish companies seemed to attach greater importance to satisfying customer needs.

**Keywords** – international new ventures (INVs), marketing

## **BUSINESS MODELS AND FIRM INTERNATIONALISATION: TOWARDS A RESEARCH AGENDA**

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### **Abstract**

Recent research on the internationalisation of the firm has indicated that the nature of the business model may be pivotal in understanding internationalisation processes, particularly with regard to such phenomena as born global companies or international new ventures. Indeed, going beyond the popular variables analysed by IB scholars can be crucial in explaining not only the pace of international expansion, but also – if not in particular – its modes and loci. In this discussion paper we have departed from overall concepts of strategy and business models and reflected upon their commonalities and mutual relationships. We have then transferred this discussion to the level of firm internationalisation in order to review the usage of both concepts with regard to the international expansion decisions. Our review indicates that some of the dimensions of both concepts, including the operating modes, choice of products or markets, are common to both concepts. However, internationalisation appears to be an integral part of corporate-level strategy which defines the directions of long-term firm development, including the geographic dimension. Thus, considering different geographic commitments as partly independent, one can assume that while the entire firm has a business model as a whole, there can also be varieties of business models within the same organisation, which are a consequence of its growth, particularly internationalisation. These business models enable the implementation of the overall internationalisation strategy in different markets. Therefore, the concept of business model in the context of firm internationalisation has to be explored at several layers.

**Keywords** – international business, international strategies, international entrepreneurship

# EXPORT PERFORMANCE DETERMINANTS: WHAT DO WE KNOW AND WHAT SHOULD WE KNOW?

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## Abstract

Exporting is the quickest and easiest way for firms to operate in foreign markets. However, export success is not guaranteed, as firms may discontinue exporting. Thus, the identification of determinants of the economic performance of export are of key relevance both for exporting firms and the entire economy. Moreover, the international growth of companies from emerging markets has initiated a scientific debate on the specific character of these firms' internationalisation patterns and their outcomes for home and host economies, also on the context of these countries' catching up and avoiding the middle-income trap. The main objective of the study is to analyse export performance determinants from a multi-theoretical and multi-level perspective.

Extant research has mostly neglected the direction of institutional distance in studying export performance, i.e. whether the institutional environment is more or less developed than the host country. There is clearly a need for reducing this gap by accounting for the type of institutional environments to which exporters expand. Furthermore, export behaviour has been predominantly conceptualised with simple dimensions of marketing strategy or level of channel integration, neglecting further performance-affecting dimensions related to the implementation of exports, such as export logistics and the use of information technology for export development.

**Keywords** – international entrepreneurship, internationalization of firms, international strategies

# INFLUENCE OF INNOVATION ON STARTUPS' EXPORT PERFORMANCE IN CEE AND CENTRAL ASIA COUNTRIES

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## Abstract

**Objective:** The main aim of the article is to confirm the relationship between the innovativeness of start-ups and the development of their export. Based on the Oslo Manual, which indicates 4 main types of innovation, the authors have analysed the innovation processes in the examined firms and have analysed the impact of particular categories of innovation on export odds.

**Research Design & Methods:** The article, apart from the literature review and its criticism, is based on data collected by the BEEPS survey, which was conducted among enterprises located in post-communist countries in Europe and Central Asia. After an appropriate selection, 906 startups were finally selected. For this purpose, 5 logit models were created to determine the chances for export depending on the type of innovation implemented in enterprises.

**Findings:** The odds of export in startup are higher when it implements process and organizational innovations. Research results show that implementation of organisational innovations by startups increases the probability of export more than twice, while in the case of process innovations about 1.5 times.

**Implications & Recommendations:** The importance of process and organisational innovations in startups seems to play an important role in explaining the odds of their export. In subsequent studies, the authors recommend to focus on explaining the lack of impact of product and marketing innovations on the export performance of startups.

**Contribution & Value Added:** The article aims to enrich the ongoing scientific discourse on the role of innovation in determining the export odds of startups.

**Keywords** – international startups, innovation, international entrepreneurship

# HOW TO OPTIMIZE INNOVATION MANAGEMENT PROCESSES IN INTERNATIONAL BUSINESS? MANAGERIAL SKILL SET AND ORGANIZATIONAL CAPABILITIES TO BENEFIT FROM OPEN INNOVATION ECOSYSTEM

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## **Abstract**

This paper explores the managerial challenges connected with the expansion of open innovation practices in organizations. Drawing upon dynamic capabilities theory, it argues that new innovation processes to be effective and contribute to the growth of international competitiveness needs new capabilities development. Based on a synthesis of the literature and analysis of multiple case study regarding open innovation practices implementation, the paper proposes that network, virtual teams and internal communication management capabilities are crucial for modern organizations to improve to effectiveness of innovation processes. Not less important seems to be the ability to absorb and manage different knowledge types. The results of conducted research are presented in the tables and are ready to be implemented or included into organization's strategies. Effects of conducted research can help innovation managers to increase positive effects created by external partnerships. Paper's results expand the existing knowledge on open innovation management in international environment.

**Keywords** – innovation, international entrepreneurial culture (IEC), international business, open innovation



# A CONCEPTUAL FRAMEWORK FOR STUDYING INNOVATION COOPERATION PERFORMANCE

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## Abstract

Riskier and more complex product development processes, globalization of economies and the demand for increasingly innovative services and products have increased the pressure on firms to enhance their innovativeness. Thus, firms have increasingly sought for external sources of innovation development, such as external collaborations. The engagement of firms in a wide array of innovation cooperation forms, such as innovation alliances, has become a ubiquitous phenomenon in today's business landscape. In many key industries such as computer hardware and software, telecommunications, electronics, or pharmaceuticals, innovation cooperation has become an important element of corporate strategy. As a consequence, most firms are involved in multiple simultaneous cooperation types in various locations, often geographically dispersed, with various partners and are, therefore, facing the challenge to manage an entire cooperation network [9,10]. Innovation cooperation can be referred to as collaboration with external parties with a key objective of generating innovations, and ranging from wholly-owned subsidiaries, through different forms of equity and non-equity alliances, to transactions, where independent firms engage in arms-length transactions.

In an attempt to systematize the body of existing research with regard to factors which drive the performance of innovation cooperation, we undertake a literature study which considers several levels of analysis. Specifically, we argue that apart from the dyadic level of cooperation (referring to the cooperation between two organizations), not only the increasingly popular network level of analysis, but also the location in which the cooperation takes place, must also be taken into account in order to gain a complete understanding of the performance of innovation cooperation.

**Keywords** – innovation, international business, international strategies

# MECHANISMS OF OVERCOMING DISTANCE IN INTERNATIONAL BUSINESS: AN EXPLORATORY STUDY OF FIRMS FROM A POST-TRANSITION ECONOMY

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## Abstract

The concept of distance, along its various dimensions and antecedents of its perception by managers, has played an important role in international business theory and research. It has been argued that both objective distances and their effects on psychic distance have an effect on managerial choices related to foreign markets and their performance outcomes. However, despite this abundance of research, far less attention has been paid to the mechanisms of overcoming distance. In an attempt to systematize and categorize these mechanisms, we conducted an exploratory study of firms at early stages of their international operations. Apart from identifying distance-overcoming mechanisms and specific instruments which constitute them, our findings also pertain to the antecedents of using particular mechanisms, as well as the dimensions of distance which they address.

**Keywords** – international strategies, international business, internationalization of firms

# **SUCCESSION IN FAMILY FIRMS, SUCESS IN INTERNATIONALISATION? THE IMPACT OF MANAGEMENT SUCCESSION ON THE INTERNATIONALISATION OF FAMILY FIRMS IN HUNGARY**

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## **Abstract**

The focus of our research was the internationalisation of family firms in Hungary, with particular attention to the effect of generational change on internationalisation. Our examination was based on interviews with the current management of six selected family firms from different industries. We had two research propositions. First, we analysed if and how successors in family businesses were more open to the internationalisation of the company. Our results provide insights reflecting that the predecessors are usually quite open, and successors are not always as open when they assume control over the company, unlike existing internationalisation patterns of family firms would suggest. Secondly, in terms of how and why the management style and approach of the predecessors affect the internationalisation of family firms, our findings from different cases varied. The historical and cultural background of family firms' founders and early-generation successors exert notable influence on the internationalisation process, while the role of predecessors' personal characteristics may not be as strong a driver of internationalisation as previously suggested. Areas for potential future research include comparing our findings with empirical results from other countries in Central-Eastern Europe, as well as expanding our sample to further industries.

**Keywords** – internationalization of family firms, internationalization of firms, international business, succession

## **ACADEMIA, BUSINESS AND INSTITUTIONS (AIB): CHALLENGES AND OPPORTUNITIES FOR INNOVATION COOPERATION IN THE CEE REGION**

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### **Abstract**

Taking into consideration this year's theme "International Business in the Dynamic Environment: Changes in Digitalization, Innovation and Entrepreneurship", the aim of this panel is to discuss the challenges of innovation cooperation in the CEE region, given its unique historical, socio-cultural, institutional and economic types of embeddedness and disembeddedness, which provides a particularly challenging, albeit dynamic landscape for international business due to a rich and dynamic context, which is also becoming a gateway into Europe for other overseas MNCs (i.e. Chinese, other Asian, Central Asian etc.). Companies functioning in a competitive global environment, with greater risk and complex product development and the need for ever more innovative services and products, enforce on them, especially in the last few decades, in various sectors of the economy, the implementation of cooperation in the framework of partnerships. As a result, one can observe the development of more advanced and complex alliances between companies, containing, among others, a growing number of global strategic relations, the existence of cultural and organizational differences between the partners, and the commitment of many parties in the implementation of the partnership. We will pay specific attention to the issue of how universities and other research institutions can develop and implement innovation cooperation with business in the forms of research projects, but also alliances, public-private partnerships and cross-border partnerships. Moreover, we will try to discuss the current role of universities in the collaboration with business and the challenges faced by educators and researchers in CEE, taking into account both teaching and research activities.

**Keywords** – international business, innovation, clusters

## SURVIVAL OF HUNGARIAN INTERNATIONAL NEW VENTURES

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### **Abstract**

There is a growing debate in the literature about International New Ventures (INV). Survival of INVs – along with their growth and financial performance – seems to be an interesting phenomenon, but it has been tackled only in small sample studies. This study examines Hungarian INVs and some of their key characteristics in the years 2009-2014. The Hungarian Corporate Tax Database was used to analyse the entire population of Hungarian companies during that period. The database consists of 385,723 companies in 2009 and 422,500 companies in 2014 and comprises the whole Hungarian private sector. Of these companies, 6,547 can be identified as INVs in the period under analysis. In this paper, the survival, growth, and business performance characteristics of Hungarian INVs are examined. Hungarian INVs recorded an exceptionally high survival rate; after five business years, 70% of the INVs remained in business, but nearly half of them withdrew to the home market, which means that only 35% of the Hungarian INVs became Sustainable International New Ventures (SINVs). Hungarian SINVs employed an average of about 25 employees, registered extremely high (around 75%) export intensity, had steadily growing earnings and equity (43.6% and 56.3% mean CAGR), showed a stable return on equity of about 10% after their first year in existence, and created added value of approximately 37,000 EUR per employee.

**Keywords** – international new ventures (INVs), survival

## INTERNATIONALISATION STRATEGY OF FAMILY-OWNED BUSINESS GROUPS – LPP CASE STUDY

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### Abstract

**Purpose** – This paper aims to describe how Polish family business group LPP (clothes designing and distribution) is developing its internationalisation strategy which may interest other family owned organizations about to – or already engaged in doing the same. **Design/methodology/approach** – A case study approach is used in this paper in the form of a chronological story describing the internationalisation trajectory, the challenges faced, solutions deployed and ultimately, revenue generated.

**Findings** – The LPP business group followed different internationalisation motives in diverse stages of the process. Expansion was preceded by domestic success. The fear of inevitable confrontation with foreign suppliers in the domestic market motivated the company to make a pre-emptive move.

**Research limitations/implications** – As business groups become more prominent, there is ample room to conduct empirical research to learn more about the underlying process and strategies.

**Originality/value** – Despite their prevalence in the business world, there has been a scarce amount of theorizing and research focused on family-owned business groups. Our paper lays the groundwork to implement larger scale quantitative studies dwelling into both the challenges experienced and the strategies to resolve them which can lead to the identification of some regularities and rules.

**Keywords** – internationalization of family firms, family owned business groups, Poland, LPP, Uppsala model

# ECO INNOVATION AND ECONOMIC PERFORMANCE OF EUROPEAN UNION ENTERPRISES. DOES INTERNATIONALISATION MEDIATES THIS LINK?

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## Abstract

Eco-innovation should be identified as one of the main pillars for European Union countries, including these from Central Eastern European (CEE) region.

The paper examines the links between eco-innovation, economic performance and international competitiveness of European Union enterprises. It presents a comparative cross-country analysis based on the data of representative sample of enterprises from European Union members states from 2012-2014 Community Innovation Survey. The empirical results based on the Path Analysis show that the introduction of eco innovation plays an important role in increasing international competitiveness of firms, and has a positive impact on its intellectual property. At the same time the link between eco-innovation and firms' economic growth is not revealed. The research also points out on the positive link between international competitiveness and firms economic performance. More importantly, we find also evidence that international competitiveness act as a mediating variable between the introduction of eco-innovation and firms economic performance.

**Keywords** – innovation, internationalization of firms, international business, eco innovation

## ADDRESSING CHALLENGES ON THE GROUND: MECHANISMS OF RESPONDING TO PSYCHIC DISTANCE. A STUDY OF CHINESE MNEs IN POLAND

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### Abstract

**Purpose:** This paper identifies and analyses the instruments and mechanisms of coping with perceived (postentry) challenges resulting from multidimensional differences i.e. cultural, administrative, geographic, and economic (psychic distance) applied by Chinese MNEs operating in Poland. **Design/methodology/approach:** The research design is a multiple case study of five Chinese MNCs that entered Poland through different modes of FDI (acquisitions vs. greenfield) and that are characterized by different corporate international growth logic depicting the role of the host market (in our case Poland) in their overall strategy. It involves in depth, semi-structured interviews with top managers on subsidiary and HQ - level. An original typology was used to identify and analyse coping instruments and mechanisms. **Findings:** We found that the studied companies used four types of mechanisms in coping with challenges coming from psychic distance: relational, resource-based, transactional and institutional. **Originality/value:** This paper fills in the gap in the psychic distance literature by closely examining the ways in which Chinese MNEs 'bridge' the distance after entering the host country. It identifies instruments of coping with distance and the mechanisms that explain the logic of these instrument. It provides a typology of coping mechanisms.

**Keywords** – Chinese MNEs, psychic distance, coping mechanisms



## EXPLORING HOW MANAGERS IN CENTRAL EUROPEAN COUNTRIES ADAPT THEIR LEADERSHIP PRACTICES TO THE BUSINESS ENVIRONMENT

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### **Abstract**

Weaknesses in the institutional environment of the Central European Visegrád countries are indicated by the World Governance Indicators, the Corruption Perception Index and the Doing Business Indicators. This paper explores whether these aggregate indicators are reflected in individual behaviours and attitudes, in terms of leadership and ethics. A survey of 868 private and public sector managers from Czech Republic, Hungary, Poland and Slovakia provides evidence that leadership behaviours and ethical attitudes are congruent, suggesting a positive influence on the institutional environment. The results also provide evidence for the trickle-down effect of ethics in leadership, and the presence of a value-action gap. Implications of the paper address future directions of theory development, and practical application of the outcomes.

**Keywords** – Visegrád countries, leadership behaviours, ethical attitudes, trickle-down effect, value-action gap

# ANALYSIS AND ASSESSMENT OF EMPLOYEE COMPETENCES IN POLISH THERAPEUTIC ENTERPRISES

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## **Abstract**

The aim of the paper was to assess employee competences as seen by top management in Polish therapeutic enterprises on the example of two spa resort communes, Krynica-Zdrój and Muszyna. Descriptive methodology and methods typical of qualitative research (e.g. case study, interview) were employed. The inductive model was adopted in order to achieve the research goal. Focus group interviews conducted with 16 representatives of top management in therapeutic and tourism enterprises indicate that problem-solving skills, creativity and cooperation/collaboration with other people will be the most useful soft skills for the future operation of therapeutic enterprises, whereas implementation of new IT solutions, building and maintaining relations with clients, and writing blogs and activity in social media are hard skills that will require the most rapid changes. This is of key importance for the process of adjusting the product and the quality of therapeutic and tourism services to the ever more demanding commercial visitors, whose number is growing in spa resorts and who are becoming an increasingly important segment for such resorts. The competences listed above have important implications for scholars, allowing them to understand the specifics and character of competences used in spa resorts, as well as for therapeutic enterprises functioning in European spa resorts.

**Keywords** – competences, therapeutic enterprises, spa resorts, Poland

# TRACK 5.

## GLOBAL VALUE CHAINS AND DEVELOPMENTS IN FDI AND INTERNATIONAL TRADE

### RESOURCE DEPENDENCIES AND PERFORMANCE IMPLICATIONS IN THE SUPPLIER NETWORK BETWEEN SYSTEM SUPPLIERS AND THEIR COMPONENT SUPPLIERS: A STUDY OF THE GLOBAL AUTOMOBILE INDUSTRY

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#### **Abstract**

The dynamics of competition in global markets, especially between tier-one suppliers in the automobile industry is increasingly shifting from inter-firm rivalry to rivalry between networks of firms. Based on the resource dependency perspective, we examine how three distinct types of resource dependencies influence the performance of foreign tier-one (system) automotive suppliers in the context of the Brazilian automotive industry. Our findings show the importance of relational dependency on component (Lower-Tier) suppliers' performance. However, results indicate that system (tier-one) suppliers' performance is affected by trust dependency and financial dependency.

**Keywords** – the changing nature, dynamics and structural impacts of GVC and FDI, regional evaluations, resource dependency theory

# THE MACROECONOMIC BEHAVIOR IN THE BALTIC STATES: PRE- AND POST- ACCESSION TO THE EU APPROACH

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## Abstract

Previous studies on the importance of economic development and involvement in the global economy disclosed that accession to the free trade agreements creates conditions for trade liberalization, economic growth, labor productivity and high technology development. This paper is focused to Baltic States accession to EU and describes how international trade indicators – imports and exports – evolved in the Baltic States after 2004, and provides an econometric insight in contribution of these indicators to macroeconomic behavior. The methods of the research include regression model parameter stability analysis. However, study showed that only changes in Baltic States productivity was inspired of trade liberalization after accession to EU. To other macroeconomic indicators as FDI % GDP, unemployment, R&D % GDP accretion to ES has not had any significant influence. It should be noted that the research does not cover all possible factors underlying the differences in external sector performance and thus may need to be complemented with country-specific analysis as warranted.

**Keywords** – case studies, GVC trade policy, macro evaluations, economic integration

## POLAND'S PARTICIPATION IN GLOBAL VALUE CHAINS

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### **Abstract**

The aim of the paper is to shortly assess changes in global value chains in Poland since mid-90s. Transformation, accession to the European Union and foreign investment have conversed Polish economy and trade. In addition, globalization and revolution in the global economy not only affected adjustment in global value chains (GVCs) but also formed new positions of countries within them. As a result of marketization, Poland has become an open economy which is increasingly involved in world trade. To illustrate a shift in polish participation in global value chains data from the Trade in Value Added database (TiVA) was used. The research results show that over the past 20 years, Poland has been opening up to the global economy. The importance of foreign value added in exports increased, and the position of Poland in GVC shifted down along the production chain.

**Keywords** – GVC trade policy, the changing nature, dynamics and structural impacts of GVC and FDI, regional evaluations, international trade, trade in value added, Poland

## CHINESE FDI IN EAST CENTRAL EUROPE

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### **Abstract**

Chinese outward FDI has increased substantially in the world economy recently, including in Europe. Data problems hinder the assessment of the real extent of Chinese FDI, however, the Visegrad countries seem not to be not major hosts of Chinese FDI in Europe, with the possible exception of Hungary. New FDI data reinforce this statement. According to the results of various analyses, Chinese FDI is special due to the state's high involvement in the economy in general and in shaping outward FDI in particular. This special feature goes together with higher risks, instability and lower transparency compared to FDI coming from developed countries. Company cases in the Visegrad countries point to the presence of this risk in the region as well.

**Keywords** – extra and intra-CEE FDI, firm-level evaluations, government policies

## GLOBAL VALUE CHAINS, SKILLS AND INNOVATION ACTIVITIES IN FIRMS: CONCEPTUAL ISSUES

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### Abstract

The paper outlines a conceptual model behind the proposition that firms' position in global value chains (GVCs) affects actual skills of the labour force and innovation activities. The proposed approach rests in particular on a concept of absorptive capacity and a distinction between potential to act and actually realised skills that employees use at their workplace. The paper contributes to scholarly literature by linking skills, participation in GVCs and innovation. This helps improve the current understanding of the role that GVCs play in overcoming the regional innovation paradox and increasing development capacities. The resulting model provides potentially fruitful fields for empirical research and enables moving to higher constraint research designs. Although Central Eastern Europe serves as the background of the framework, its implications are applicable to latecomer and catching-up economies more widely.

**Keywords** – GVC trade policy, the changing nature, dynamics and structural impacts of GVC and FDI, innovation, skills

# CONTEMPORARY TRADE DISPUTES OVER RENEWABLE ENERGY – THE CASE OF THE SOLAR PHOTOVOLTAIC SECTOR

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## Abstract

The development of renewable energy industry is a priority of economic policies in many countries, since it is viewed as one of key growth sectors in the economy and due to the fact that it plays a very important role in the mitigating climate change. The protectionist policy of the main players in the sector makes disputes in international trade a likely outcome.

The main goal of the study is to examine the sources of recent trade disputes over solar photovoltaic products, which are crucial renewable energy sources. Additionally, the paper seeks the links between the contemporary trade disputes and modern protectionism and between the protectionist policies and practices and the export competitiveness in the growing sector of the economy.

The study methods used to address the topic include: the literature review and critical analysis, the case studies of trade disputes over solar panels between 2009-2019; the examining of statistical data on international trade with solar panels and their parts. The elements of taxonomic analysis and export competitiveness indexes are applied in the article.

The application of protectionist measures leading to trade disputes between top countries in international trade were identified as a result of economic policy aiming to achieve long-term competitive advantage in photovoltaic sector, considered as one of key growth sector in the global economy. China's dominant position in the global market of the solar panels and its alleged unfair trade practices are the major cause of disputes within the WTO. However, the reaction to the China's unfair competition differ among the countries. Some of them use unilateral retaliatory measures which are not with the compliance with the WTO rules. This may seriously affect the development of the sector and market trends. Therefore, further research is needed on the impact of protectionism and trade conflicts on the future of the renewable energy industry.

**Keywords** – government policies, trade disputes, export competitiveness, protectionism, solar photovoltaic sector



# EXPORT AND PRODUCTIVITY IN GLOBAL VALUE CHAINS: COMPARATIVE EVIDENCE FROM LATVIA AND ESTONIA

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**Abstract**

This paper investigates the effect of exporting on productivity, often referred to as “learning-by-exporting”, in the context of global value chain (GVC). Although the rise of GVCs raised hope that participating in GVCs would facilitate knowledge transfer from technologically advanced global buyers, empirical evidence on the role of GVCs in learning-by-exporting has been scant. We exploit large data of Latvian and Estonian firms and observe how learning-by-exporting differs across types of exports that are associated with participation in different segments of GVCs. We find that while exporting results in significant improvement in productivity, productivity gains are larger for exports of intermediate goods and non-transport services, which correspond to the participation in upstream of GVCs. Our findings echo the literature on GVC study that stresses the importance of strengthening a country’s capabilities to supply knowledge-intensive goods and services to GVCs.

**Keywords** – the changing nature, dynamics and structural impacts of GVC and FDI, firm-level evaluations, regional evaluations, exporting, productivity

# **MOLDOVA'S INFLOW OF FOREIGN DIRECT INVESTMENTS AND ITS CONTRIBUTION TO THE EXPORT CREATION AND INCREASING COMPETITIVENESS**

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## **Abstract**

Foreign trade and foreign direct investments are widely considered to be the two main engines that fuel economic growth and development of a country. Moldovan's situation is quite a unique one, because even after almost 30 years of independence it still finds itself in a transition type of state. The main goal of the article is to submit to the analysis the current state of the Moldovan's exports and foreign direct investments inflows. It examines the dynamic of the two during 2002-2017 period. The methods used in this paper are, on the one hand, the Content Analysis with a focus on qualitative observation and, on the other hand, a quantitative analysis, using the correlation between the volume of exports and foreign direct investments in order to identify the link between these indicators. As a result, we notice very little to know correlation between export and foreign direct investments in case of the Republic of Moldova which leads us to the idea that further research is required which would implicate other factors.

**Keywords** – regional evaluations, macro evaluations, investment promotion, foreign direct investments, foreign trade, competitiveness

# TRACK 6.

## INTERNATIONAL MARKETING: SOCIETIES, MARKETS AND CULTURES

### THE MATURITY OF CORPORATE RELATIONSHIP MANAGEMENT AND FIRM PERFORMANCE – A STEP TOWARDS RELATIONSHIP MANAGEMENT MID-RANGE THEORY

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#### **Abstract**

Relationship approach to business is well recognized by both academia and business practitioners. But superficial understanding of this concept makes it hard to separate firms truly relationship-oriented from those who only declare relationships as their priority, while being prevalingly transaction-oriented. In consequence, the correlation between the relationship approach and firm performance is studied in the absence of relationship management maturity definition what undermines the plausibility of this concept. This paper seeks to close this gap. A multistep statistical analysis including the methods of association rules and frequent item sets mining were applied to effectively analyze the 608-strong sample of Polish companies. As a result, the paper develops a workable definition of corporate relationship management maturity based on the evidence of top performing companies and quotes the key business practices, which indicate a truly relationship-oriented company.

**Keywords** – marketing strategies

# AN EMPIRICAL EXAMINATION OF THE USE OF LINGUISTICS IN THE CREATION OF GLOBAL BRAND NAMES

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## **Abstract**

This study focuses on factors that affect the creation of a successful international brand name for a born global or a global startup company. Successful brand names are typically “blank” or meaningless in both the source and target languages. By observing their use or non-use in the 2018 Interbrand top 100 global brands list, we test the applicability of multiple linguistic suggestions offered by Usunier and colleagues (Usunier & Shaner, 2002; Usunier & Lee, 2013) on how to create successful global brands. While many of Usunier and colleagues’ suggestions are empirically supported, several do not stand up to empirical scrutiny and should be discarded.

**Keywords** – international marketing, marketing strategies, global marketplace, linguistics, global branding

# GENDER INEQUALITY AND LENDING TO WOMEN: THE MODERATING EFFECT OF INTERNATIONALIZATION

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## **Abstract**

Much of the microfinance rhetoric evolve around the industry's focus on women. Similarly, the industry is subject to much foreign influence. Yet, little is known on how the women targeting strategy of microfinance institutions (MFIs) is affected by the interplay between societal norms and internationalization. In response, this study investigates the influence on gender inequality on the women outreach performance of MFIs and tests the moderating effect of internationalization. Using data on 214 MFIs from 65 countries, the results show that microfinance outreach to women is low in contexts where women face much discrimination. The results further show that this relationship is the reverse for internationally initiated MFIs. This study highlights the role of international actors in driving the women focus of microfinance.

**Keywords** – institutions, cultures, societies, microfinance, internationalization, gender inequality, societal norms, women empowerment

## DIFFERENCES OF X AND Y GENERATION IN ONLINE BOOK PURCHASING

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### Abstract

Studies in consumer behaviour confirmed that consumer behaviour change over time and that age influences consumer choices of sales channel as well. Electronic retail is rapidly developing as a new communication and sales channel. Therefore, it is necessary to explain are there differences according to consumer's age when it comes to online purchasing of particular product categories. In this paper we examine differences in consumers' attitudes regarding online book purchasing. The paper is based on own primary research conducted in March and April 2018.

**Keywords** – marketing, retail, e-commerce, electronic retail, online shopping, consumer behavior, generations of shoppers, generation X, generation Y

# PITFALLS IN WRITING A GOOD PAPER IN INTERNATIONAL BUSINESS AND EXPORT MARKETING: THE CASE OF INTERNATIONAL JOURNAL OF EXPORT MARKETING

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## **Abstract**

The aim of this paper is to find out the main factors of rejections of one specific journal, namely, International Journal of Export Marketing (IJEXPORTM) published by Inderscience publishers.

In this article, the author presents the data of rejections by reviewers of International Journal of Export Marketing (IJEXPORTM) (n=18). The data collection is focused on the reviewers' comments, for IJEXPORTM, which were evaluated based on a manuscript assessment list (106 variables) prepared by professor Leonidou (2015). The total sample of 35 reviews was analyzed using the manuscript assessment list by Leonidou (2015) and the SPSS tool of frequencies. In addition, there is a survey of 15 questions used for the reviewers of IJEXPORTM.

The analysis of abstracts of all published 37 papers of IJEXPORTM revealed that 18 papers are in the area of exports/exporting. The papers covered different geographic areas i.e. Europe, Hawaii, Latin America and Caribbean, India, Vietnam, and Australia. A short survey of 15 questions revealed that the most important factors for rejecting the 18 papers of IJEXPORTM were for example the likelihood of passing the "test of time", completeness of the work, originality of the work and organization of the manuscript. Based on the analysis of qualitative data provided by the use of Leonidou's manuscript assessment checklist, there are other fifteen important factors for rejecting the 18 papers of IJEXPORTM.

The analysis of the abstracts of the 37 published papers of IJEXPORTM found the profile of the accepted papers. Furthermore, the study reveals in eight major factors of rejections of manuscripts based on one survey. In addition, the use of Leonidou's tool in connection to the reviews shows fifteen factors of rejections which are based on SPSS analysis of the qualitative data consisting of the comments of 35 reviewers regarding the 18 rejected papers of IJEXPORTM. Conclusion, implications, limitations and future research are discussed.

**Keywords** – factors of rejections of manuscripts, international business, export marketing, International Journal of Export Marketing

### THE ROLE OF E-GOVERNMENT IN ENHANCING THE ORGANIZATIONAL EFFICIENCY LITERATURE REVIEW: THE THIRD WORLD COUNTRY, THE FINANCIAL AND INVESTMENT SECTOR

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#### **Abstract**

The research aims to focus on the importance of e-government in general through three dimensions (Viability, Privacy, Security) and its impact on organizational efficiency in public institutions, especially in reference to the positive impact evident in third world countries.

Where the past centuries have seen the emergence of many logistics and strategies that changed the foundations of success in communities because of their application of the principle of e-government and found a positive impact on the level of organizational performance among the staff. The financial and investment sector in the third world countries was selected as a research sample because of its strategic importance.

The study found that the application of e-government in public institutions in third world countries should be taken into consideration because its impact on organizational efficiency is still limited. The study also confirmed the direct positive impact of the e-government application on the organizational efficiency of the employees in the research sample. Accordingly, the study recommended focusing on relevant studies and giving attention to human development efforts and strategic dimension.

**Keywords** – e-government, organizational efficiency, third world countries, financial and investment sector



# MIGRATION CHALLENGES AND HUMAN RESOURCE MANAGEMENT: A RESEARCH ON TOLERANCE AND SENSITIVITY IN HUNGARY

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## Abstract

In the 21st century there is an exponential increase in global workforce mobility that results complex, multinational and multicultural workplace relationships where many nations have to work together, as active, global citizens, 'mobile' professionals who improve their learning abilities and their capacity to transfer their skills into new areas, have to be ready to work in various fields and accept that challenges require flexibility, adjustment, adaptivity and investment in human capital. The issues of citizenship, several aspects of the European migrant-crisis are frequent topics for everyday discussions in Hungary. The level of tolerance and sensitivity about among employers and employees certainly affects the labour market, attitudes and negative stereotypes in connection with the 'others' usually makes the entering to a workplace, the everyday working activities, the integration relatively hard and in certain cases almost impossible. The main aim of our empirical research in 2017 and 2018 was to get up-to-date and relevant information about tolerance and sensitivity in Central-Eastern Europe focusing on the present situation and emerging issues about social and cultural diversity challenges of the region. The most important HRD perspective of the research is to develop mentoring, coaching, and labour market strategies and approaches in order to change the negative attitudes, facilitate cross-sector discussions to develop county-wide policies and processes that could increase the level of tolerance, conduct studies to understand the impact of different European strategies, approaches, processes deal with migration related labour market challenges.

**Keywords** – migrations, internationalization and globalization in HRM, Central and Eastern Europe and transitional countries

# THE CONCEPT OF 'TALENT' IN THE LABOUR MANAGEMENT PERSPECTIVE – THE BIBLIOMETRIC ANALYSIS OF LITERATURE

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## Abstract

The principal aim of the article is to identify scientific research areas within which the subject matter of "talent" in the labour management perspective is addressed, on the basis of bibliometric data analysis characterising scientific publications indexed by the Scopus and Web of Science databases. To achieve the aim, the authors use different techniques of the bibliometric analysis with the support of the VOSviewer software.

The study assured, from a bibliometric perspective of scientific literature, the identification of the current state of research on the analysed subject. Bibliometric analysis facilitates the evaluation of developments in knowledge on a specific subject and assesses the scientific influence of research and sources. Thus, this manuscript represents a contribution to identify the main trends and, from there, propose future research initiatives. The authors identified the clusters of keywords for both analysed databases, which set those research trends. According to the identified clusters, the focus of both databases is on the regional and organisational perspectives.

**Keywords** – migrations, internationalization and globalization in HRM, bibliometric analysis, talent management, human resource management, labour

# THE ROLE OF INDULGENCE VERSUS RESTRAINT AS CULTURAL HOFSTEDE DIMENSION ON CORPORATE PERFORMANCE

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## **Abstract**

The Jordanian society has begun to transition from a traditional to a state of modernity and globalization has had a great impact on the individual culture and organizational culture of organizations. This confirmed by the literature that indicates the important role of indulgence versus restraint as one of the cultural dimensions that the plays in effect on the business environment or on the CSR. Later it will affect the on corporate financial performance. Furthermore, the literature indicates that indicates that cultural dimensions influences on the behavior of individuals and the performance of companies.

After review, the literature of Indulgence dimension we can predict that there is a critical role of indulgence dimension on the performance. Since there are no conducted studies in Jordan regarding the Indulgence vs. restraint dimension. And since this dimension is new. This paper emphasizes the importance of further research on this subject to enrich the literature of Indulgence.

**Keywords** – transportability of HR tools, internationalization and globalization in HRM, role of consultants and impacts of migration, corporate performance, indulgence dimension, Jordanian society

## INITIAL FINDINGS FOR LABOR MARKETS IN THE CZECH REPUBLIC, HUNGARY, POLAND AND SLOVAKIA (2016–2017)

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### **Abstract**

The purpose of this article is to present a picture of the labor shortages in the V4 countries. Through a sample of regional organizations, the authors outline and analyze the data obtained in research samples from 2016 and 2017. The paper begins with a general overview of the current situation of four countries in the category of labor shortages and the pattern of labor shortages among countries. Next, the authors draw from their two regional samples and outline what economic sectors and job families have the greatest levels of labor shortage. An analysis follows and details are provided for patterns and activities in the four focal countries (the Czech Republic, Hungary, Poland and Slovakia) describing the elements that lead to national workforce deficits and providing information on the practices organizations are implementing to mitigate this problem. Finally, we summarize the results and draw a series of conclusions.

**Keywords** – migrations, labor movement, comparative HRM, labor shortages and robotization

## MANAGEMENT CONSULTING – TRENDS, TENDENCIES AND CHALLENGES IN EUROPE 2006–2018

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### Abstract

Management consultancy is a rapidly changing world where new players, disciplines and capabilities are continuously being integrated into the profession, where borders are continuously expanded and horizons recede until our trade becomes a global network of businesses, covering a wide spectrum of areas that only few years had not been imagined. The demographic upheavals have made the workforce both younger and older, as well as more diverse. The digital technology is now everywhere, new business models and radically changing the workplace and the way work is done. The rate of change has accelerated that means several new business models were appeared such us Uber and Airbnb is forcing organizations to respond and reposition themselves quickly to meet new challenges. The new social contract is developing between companies and workers, driving major changes in the employer- employee relationship (Poór et al; 2016).

Our submission describes key features of general and HR consulting in Central and Eastern Europe. Our paper provides insights into HR consulting in general and at foreign own firms in light of Feaco Research Reports. The Management Consulting industry in the past three years achieved a significant turnover growth which has grown much more than GDP. The significant growth of Management Consulting turnover has triggered a positive trend in employment as well.

**Keywords** – cross-cultural communication, team-building within virtual international projects, comparative HRM, management consultancy

## **BURNOUT OF MIGRANT AND NON-MIGRANT ENTREPRENEURS: PILOT STUDY OF ITALIANS OWNING RESTAURANTS**

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### **Abstract**

The objective of this article is to compare burnout of Italian entrepreneurs who own an activity in Italy and those who own a business abroad, in the catering sector. The comparison is made to evaluate the differences in burnout between the two samples, i.e. the level of stress and estrangement from society that these individuals have to face daily as a result of their tiring work. The questionnaire based on the Maslach Burnout Inventory, including three dimensions of burnout 1) Emotional exhaustion, 2) Depersonalization, 3) Personal accomplishment, was used. Results revealed that migrant entrepreneurs feel higher level of burnout and statistical significant difference was found for Emotional exhaustion.

**Keywords** – migrations, comparative HRM, burnout

## MICROFOUNDATIONS OF LATERAL COLLABORATION IN MNC: THE CASE OF FINNISH, RUSSIAN, AND INDIAN UNITS WORKING ON A GLOBAL VIRTUAL PROJECT

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### **Abstract**

Exploring how to arrange global virtual work that it delivers expected business results while also addressing individual level needs and challenges is essential, but remains under-researched area (Reiche, Lee, & Allen, 2019) despite it defines daily work arrangements in multinationals (MNCs) today. Consequently, this paper employs microfoundation approach and aims at exploring: how lateral collaboration happens in global virtual work and via which mechanism lateral collaboration in global work is shaped. Multilevel critical realist case study was conducted in Finnish MNC and its three units in Finland (HQ), Russia, and India connected via global virtual project. Study reveals that within the same corporate management structures and strategy that encourage lateral collaboration in global work individuals within the MNC units simultaneously collaborate and compete. Moreover, competitive elements in individual behavior are frequently meant to legitimize or defend the value proposition and the role of their country unit in global lateral collaboration. Study contributes to International business (IB) literature by shedding light on the implicit processes occurring during the lateral collaboration and suggesting a model for microfoundations of lateral collaboration. Methodologically, the study offers one of the first multilevel critical realist case studies in the IB research domain.

**Keywords** – team-building within virtual international projects, lateral collaboration, global work, microfoundations, MNC, global teams, coopetition

# YOUTH EMPLOYMENT IN LITHUANIA: EXPERIENCE, SATISFACTION AND CAUSES OF UNEMPLOYMENT

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## Abstract

Youth unemployment is economic and social problem in many countries. It has negative impact not only for the individual but for the state as well. Being a part of labour market provides financial security and psychological satisfaction. From the point of the state, it deteriorates its financial situation and slows down the economy. Young people are the most important members of future labor market. The aim of the paper is to analyse the work experience of youth, their satisfaction and identify the causes of unemployment in Lithuania. The research methods encompass correlation analysis, granger causality test, autoregressive distributed lag model. The results show that type of job, salary and career opportunity are the most important criteria for choosing the job. Most young people who work are satisfied with their job, but salary is the least pleased component. The research reveals that youth unemployment is mainly influenced not only on economic situation, education or compensation as it is mentioned in the large amount of scientific papers, but also on such indicators as long-term unemployment rate and self-employed persons.

**Keywords** – labor movement, comparative HRM, Central and Eastern Europe and transitional countries



# ASSESSMENT OF THE IMPACT OF INCOME INEQUALITY ON POPULATION'S MIGRATION

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## Abstract

Income inequality and population's migration are economic processes ongoing in every country, but their scales are different. Although both phenomena – income inequality and population's migration – earn sufficient scientific attention, scientific literature is still lacking comprehensive studies on interdependence between them. This research is aimed at assessment of the impact of income inequality on population's migration. This article highlights how significant it is to assess the impact of income inequality on population's migration and reviews the issues of income inequality and population's migration previously analysed in scientific studies. The research is based on the methodology developed for the EU Member States. The EU Member States are divided into six groups by their income inequality and net migration rates. The impact of income inequality on population's migration is researched in particular groups of the current EU Member States by applying the methods of correlation and regression analysis. The results of the research indicate that the impact of income inequality on population's migration differs within and between the EU Member State groups. What is more, income inequality has a more significant impact on population's immigration than on emigration in all EU Member State groups. Income inequality causes population's emigration only in the states with medium income inequality rates.

**Keywords** – migrations, income inequality, Gini coefficient, EU member states

## TO BE OR NOT TO BE: HOW MIGRANT ENTREPRENEURS BALANCE SOCIAL EMBEDDEDNESS FOR OPPORTUNITY IDENTIFICATION?

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### Abstract

Emerging economies are witnessing the large-scale movement of internal migrants, i.e., the movement of people within the boundaries of a nation-state. Many of these migrants are entrepreneurs. Inevitably, migrant entrepreneurs are embedded in both local (host) networks and ethnic networks (group of people from the same origin/hometown). However, such embeddedness seems to constrain their entrepreneurial opportunity identification, due to redundant information, according to available research (e.g., Burt, 2000). In addition, engagement with networks can be constrained by limited time available to entrepreneurs. In this paper, we theorize how migrant entrepreneurs' embeddedness in both local and ethnic networks influences their opportunity identification. Using data derived from on a national household survey in China, we find that migrant entrepreneurs' embeddedness in both local and ethnic networks is positively associated with entrepreneurial opportunity identification. Furthermore, a balanced embeddedness in both social networks appears more effective.

**Keywords** – migrations, Central and Eastern Europe and transitional countries, labor movement, network and entrepreneurship

## HUMAN RESOURCE MANAGEMENT IN SERBIAN RAILWAYS: CHALLENGES AND PERSPECTIVES

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### Abstract

The paper sheds a light on Human Resource development practices in the state-owned company of Serbian Railways through conducted interviews with employees in the period of 2017-2018. The paper dataset consists of collected and processed data and their preferences from the proposed list of 22 competences and consideration of current and future activities of the senior management. Based on the gathered data the study suggests an overview of the most significant required competences, both for the purposes of selection, employment, retaining and improvement of employees, and for the purposes of guiding of their training and development of knowledge and skills in view of improving efficiency and quality of work. In the paper there are numerous key performance indicators that are used for measurement of HR management process efficiency and HR approach suitability. Paper's goal is to choose such combination of indicators that would adequately present as-is situation and enable employer to determine reasons for potential discrepancy in Serbian railways. The most important presumptions in the study are that representative indicators that are used and that the proper set of HR data is analyzed.

**Keywords** – Central and Eastern Europe and transitional countries, comparative HRMt

# AN INVESTIGATION OF TOP MANAGEMENT TEAMS' NATIONAL CAREER PATTERNS IN THE AGE OF GLOBALIZATION – EVIDENCE FROM EASTERN EUROPE

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## **Abstract**

Research on European business elites has been dominated by a national career model approach, arguing that each country has a specific top management career pattern, highly embedded in national institutional contexts. Research to date has focused on applying those patterns on Western European countries, while no analysis of the Eastern European market to date has been taken place. Furthermore in recent years this line of argumentation has been challenged due to the increasing international circulation of top managers. In this article we analyze the applicability of these patterns on an Eastern European Market, specifically Poland. For this purpose we will analyze the career paths of Polish TMT members and investigate their development. We collect biographical data and career related information from top managers employed by the 30 biggest stock-listed companies located in Poland. Our analysis reveals that the most important career distinctions from existing models are applicable on the Polish market. Our data show similarities with the Germanic national model. This will also shed light into the stability of certain career pattern features of top management profiles.

**Keywords** – internationalization and globalization in HRM, comparative HRM, cultural diversity

# MIGRATION AND MOBILITY ISSUES IN HUNGARY AND SLOVAKIA BASED ON AN EMPIRICAL BASELINE RESEARCH CONDUCTED IN HUNGARY AND IN SLOVAKIA

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**Abstract**

Migration has always been a big issue for Europe and the rest of the world. Back in ancient times, numerous sources and records describe the impacts migration made on the social, scientific, legal and everyday lives of people (Halász, 2011). The change of location of people and its economic and social effects have influenced public opinion and scientific thinking, and has been an important issue not only for heads of states, military leaders but for common people for hundreds and thousands years.

Over the last few years the size of migrating groups has increased to such an extent that Europe has experienced a mass migration from different parts of the world. It was not only the size of migrating groups which caused a headache for European governments but also the inclination of migrants to cross the national borders illegally. As a result national and European defence and security policies have been placed high on the agenda of national governments and European institutions (Pósán et al., 2018).

**Keywords** – migrations, mobility, international migration, social relationships

# **ORGANIZATIONAL BEHAVIOR AND ITS IMPACT ON MANAGEMENT CASE STUDY: INTEGRATION OF THE MINISTRY OF YOUTH AND SPORTS, AND THE MINISTRY OF ARTS AND CULTURE IN QATAR**

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## **Abstract**

The aim of this paper is to define the organizational behavior and explore its impact on management exemplified by a case study on the integration of two ministries in Qatar: the Ministry of Sports and Youth, and the Ministry of Culture.

**Keywords** – organizational behavior, organizational structure, organizational environment

### JUST LOOK BEHIND THE DATA! CZECH AND HUNGARIAN OUTWARD FOREIGN DIRECT INVESTMENT AND MULTINATIONALS COMPARED

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#### **Abstract**

There is an increasing volume of Czech and Hungarian outward FDI and an increasing number of Czech and Hungarian multinationals. Our study tries to give an insight in the possible extent of outward FDI by indigenous (locally owned or controlled) multinationals from these countries relying on BMD4 mirror data. Furthermore, the results of the descriptive statistics are contrasted with company cases, which reinforce our assumption concerning the specialty of Czech and Hungarian multinationals. We found that Czech multinationals in reality are much more numerous and have much larger foreign assets than what outward FDI data of the balance of payments show. The main reason is that they are headquartered abroad and realise their foreign (and part of domestic) direct investments from there. On the other hand, Hungarian multinationals invest abroad less than what is indicated in the balance of payments and the leading foreign investors can be characterised as "virtual indirect", because they are in majority foreign ownership but in Hungarian control.

**Keywords** – international economics, competitiveness, multinational companies

# STICKY PLACES FOR FOREIGN SUBSIDIARIES IN THE REALM OF INDUSTRY 4.0 – THE CASE OF THE AVIATION VALLEY IN POLAND

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## **Abstract**

Clusters are said to be repositories of knowledge among others. That is why they are recognised as attractive locations for FSs. The fourth industrial revolution has revealed even more the importance of intangible resources. Thus, the author asks the question, how clusters may be attractive for FSs in times of the fourth industrial revolution. To answer the question literature studies on clusters and their advantages for incumbents and the key premises of Industry 4.0 have been conducted. The result of the critical literature review is an analytical framework highlighting the interdependencies between cluster-specific advantages and Industry 4.0 solutions. To contrast the literature findings with reality, the case study method was applied. The case of the Aviation Valley in the South-eastern Poland presented in the paper manifests that clusters may be still attractive for FS and their attractiveness may be even greater since they may work like a testing ground for the Industry 4.0 solutions.

**Keywords** – competitiveness, regional cooperation, industrial revolution, foreign subsidiary, clusters



## LOGISTICS SECTOR IMPACT ON SUSTAINABLE ECONOMIC DEVELOPMENT: CONCEPT AND INDICATORS

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### Abstract

Constantly growing logistics sector in the context of global economy earns the right to be called strategic economic activity. Logistics activities are necessary for ensuring the global competitiveness of other sectors and comprehensive development of the country. In the recent years, meaning of economic growth is being changed by the concept of sustainable economic development implying integrated evaluation of logistics as one of the priority sector's influence to economic, social and environmental factors. Taking into account the meaning of logistics, principles of sustainable economic development and lack of research in this field, in this paper theoretical concepts of sustainable economic development, logistics and its' relationship was disclosed, as well as key macroeconomic indicators and indexes of the logistics sector impact on sustainable economic development were identified.

**Keywords** – development, logistics, logistics sector, sustainable economic development, development indicators

# THE EUROPEAN AUTOMOTIVE INDUSTRY IN THE WAKE OF INDUSTRY 4.0 AND BREXIT

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## **Abstract**

This paper concentrates on the location, relocation and internationalization decisions of automotive firms operating on the Single Market of the EU and putting a special focus on firms present in the Central Eastern European region. The Single Market is believed to be one of the greatest achievements of the EU that provides a framework for EU member states, their inhabitants and the companies operating in them. However, despite the common framework, the EU consists of countries with differing economic, political and social systems. These diverging attributes are more important for firms when making a production decision. The European automotive industry has already gone through a big transformation, yet there are events that are forming it also today. Both Brexit and the 4th Industrial Revolution are going to affect the industry.

This paper is briefly looking at the current state of the European automotive industry, the position of Central Eastern Europe and the possible impacts of Brexit and Industry 4.0 on the automotive industry.

**Keywords** – industrial revolution, CEEC, automobile industry, location, Brexit

# SUSTAINABLE ENERGY CONSUMPTION IN PUBLIC BUILDINGS: THE SIGNIFICANCE OF OCCUPANTS' BEHAVIOUR

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## Abstract

Significant energy amount is consumed in public, commercial and office buildings and therefore the sustainable energy consumption is important. The reviewed scientific papers on energy consumption in public buildings emphasize on appliances that are the most often used in that type of buildings. These appliances include computers, printers, copy machines, lighting, air conditioners, and heating. Nevertheless, human behaviour in this area is not less important than the use of new energy saving technologies. Human behaviour in terms of energy saving and decreasing levels of CO<sub>2</sub> emissions is a crucial factor solving energy resources and environmental problems. The main objective of this paper is to investigate what determinants of sustainable energy consumption in public buildings are most studied in the scientific literature and to test the impact of some energy saving determinants on employees' behaviour in public buildings in Greece. The questionnaire survey has revealed that even though the organization pays the bill the employees believe that saving energy at work is important. The results also show that female employees more than males feel responsible for energy problems, such as the exhaustion of energy sources or global warming. These results may be applied during the consideration of the interventions encouraging energy – saving behaviour.

**Keywords** – development, sustainable energy consumption, energy saving, energy saving behaviour, determinants, public buildings, office buildings

# MANUFACTURING AND SERVICES INTERACTIONS IN GLOBAL VALUE CHAINS: ARE THERE ANY DIFFERENCES BETWEEN 'OLD' AND 'NEW' EU MEMBER STATES?

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## **Abstract**

We explore patterns and trends in the interactions between manufacturing and services in international trade. Using trade in value added data we demonstrate the extent of interlinkages between services and manufacturing in value added of both sectors' exports in the EU. The results of the analysis show weak upward trend in the intensity of links between services and manufacturing from 2000 to 2014 in EU. The share of manufacturing in value added of the services exports in EU amounted to 7 per cent, while the share of services in value added of the manufacturing exports represented over 34 per cent in 2014. Foreign services gained importance in value added of manufacturing exports across all the EU economies and relatively more in new EU member states. The analysis points to the dominant role of services in business processes in international trade that bear implications for public policies, firms' strategies and directions of future research. With industry 4.0 and services 4.0 the integration of services and manufacturing is deepening; manufacturing increasingly depends on services in introducing and implementing new technologies and vice versa.

**Keywords** – competitiveness, regional cooperation, international economics, global value chains

## EMPLOYEE RELATIONS IN ASIAN SUBSIDIARIES IN HUNGARY: HOME OR HOST COUNTRY FACTORS DOMINATE?

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### Abstract

Asian foreign direct investments are substantial in Hungary in regional comparison. Multinationals, coming from China, India, Japan and Korea are important investors in the Hungarian economy. The paper is based on company interviews, conducted with the representatives of seven Asian subsidiaries in Hungary (1 to 10 interviews per company). All seven companies are operational in the automotive and/or electronics industries. On the basis of the information gained from the interviews and available macro data, we show certain quantitative and qualitative characteristics of these investments. We show how home and host country institutions, business and management culture influence the operation of the companies in question, first of all in the area of human resource management. As a theoretical basis, we rely mainly on the Varieties of capitalism approach. Our preliminary conclusion is that management and labour relations in these companies evolve under the influences and through the interaction of related home and host country business culture, thus they contain elements of both. However, we found the clear dominance of host country impacts.

**Keywords** – competitiveness, development, varieties of capitalism

## ASSESSMENT OF MANUFACTURING GLOBALISATION OF A SMALL COUNTRY

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### Abstract

Manufacturing is a very important economic sector in any economy, however there is a lack in a unified methodology that would enable the establishment as to what extent manufacturing is involved in the processes of global integration. Manufacturing in small countries are even more dependent on global processes and therefore more vulnerable to global economic shocks. Statistical indicators and quantitative methods are employed for estimating the scopes of globalisation. The vast majority of authors highlight the causes and drivers of globalisation, but the quantitative indicators that reflect the level and impact of globalisation are presented in the same context without revelation of any aspects of a cause and an effect. The article aims to assess the scope and pace of globalisation in manufacturing industry and individual manufacturing sectors applying the concept of cause and effect. For this purpose the multidimensional manufacturing globalisation index is developed in the article. It is composed of several components reflecting the channels of the spread of globalisation. Before its practical application, the manufacturing globalisation index can be modified to take into account the specific development trends in the manufacturing of a particular country.

**Keywords** – backlash of globalization, development, industrial policy

# QUANTUM THEORY AND ARTIFICIAL INTELLIGENCE IN ECONOMIC DEVELOPMENT PATTERNS: THEORETICAL INSIGHTS

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## Abstract

The article has a philosophical focus. It is designed to stimulate a discussion on a new approach to economic modelling. The article analyses theoretical perspectives of the use of quantum theory and artificial intelligence in development of economic development patterns. This paper proceeds in the following manner. Initially, the paper introduces the reader the specifics of modern socio-economic system, economic development and economic development patterns. Thereafter, the challenges for research are identified. After that, the paper discusses of possibility and compliance of approaches (quantum theory) and tools (artificial intelligence) for development of economic development patterns. The paper concludes with synthesis of the most important insights of this study, comments on this study's limitations and the possibilities for further research. The article contributes to a new approach in economic development theory by integration the quantum theory and artificial intelligence possibilities. The value of the article contributes to the original methodological justification of compatibility of modern economic development, the quantum theory and the possibility of use the artificial intelligence in developing the economic development patterns.

**Keywords** – development, industrial revolution, competitiveness, patterns, artificial intelligence

## INVESTMENT PROMOTION (POLICY) - BETWEEN TARGETED AND GENERIC APPROACHES

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### **Abstract**

Foreign direct investment remains one of the staple propositions and a focal point of national and regional development policies. Economy ministries, specialised public agencies, regional development bodies, and private site developers compete for mobile investment projects in hope to secure employment, innovation, links to global supply and knowledge networks leading to growth and development of their locales. Previous research shows the importance of targeted investment promotion policy and practice. Other studies demonstrate targeting to be often misunderstood and an overall uncommon practice dominated by generic messages and undifferentiated offer. If at all applied, the two dominant approaches in investment promotion segment the foreign investors based on their nationality or sector of operations. The paper argues such an approach is outdated and insufficient, and offers a more robust approach to segmentation and targeting of investors. The proposed approach recognises the ever-increasing diversity of foreign investors and argues for their segmentation based on strategy and behavioural characteristics in addition to country-of-origin and type of activity.

**Keywords** – investment promotion, segmentation, targeting, internationalisation strategy



### CORPORATE SOCIAL RESPONSIBILITY AND AGE OF PRODUCTIVITY: UPPER ECHELON PROSPECTIVE

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#### **Abstract**

What is the relationship between corporate social responsibilities and director age? To shed light on this issue, we examine whether, and how, positive and negative Corporate Social Responsibility (CSR) events relate to a directors' age in Asian emerging economies. By using the upper echelon hypothetical perspective of Hambrick and Mason (1984), we found that the demographic characteristics of top management teams, particularly directors' age, has a significant relationship with corporate social responsibilities. Demographic characteristics of directors are an important way to measure individual cognitive bases; cognitive bases in turn combine to create certain team abilities and tendencies, resulting in patterns inboard decision outcomes.

**Keywords** – international and corporate finance, access to local and international financial markets, international economics, corporate governance

## FINANCIALIZATION: CURSE OR SALVATION? THE CASE OF LATVIA, A SMALL AND POST-TRANSITION ECONOMY

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### Abstract

Since the 1980s, the financial sector and its role have increased significantly, introducing a new term or phenomenon as financialization of the economy. There is still confusion about the nature and dynamics of financialization, including its impact on the economy. The aim of this article is to investigate the relationships between financialization and the state a small and post-transition economy. We are looking for these relationships and their strength of influence; at what time after a shock these variables reach their original levels by applying the standard Vector Auto-Regressive model. Research results show that we had not found a confirmation that financialization causes significant changes in the state of the economy, but we found that the change in GDP per capita causes changes in the level of employment and in the value of assets in the financial sector. The research results have an important contribution to policy debates about the impact of financialization on the state of the economy in the small and post-transition economy.

**Keywords** – international economics, financial market development, financial integration, financialization, post-transition economy, small and open economy

## FACILITATION OF LEGAL TRADE: IMPLEMENTATION OF AEO

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### **Abstract**

Customs functions are evolving and the promotion of legal trade is at the forefront along with provision of security in various aspects. How can customs promote legal trade? One of the options is the creation of simplifications in customs clearance providing for faster, easier and cheaper movement of goods across the customs border.

**Keywords** – international economics, access to local and international financial markets, financial market development, international trade, customs functions, customs modernization, authorised economic operator, customs and business cooperation, customs efficiency

## THE IMPACT OF AN AGING POPULATION AND SOCIAL STRATIFICATION: THE LATVIAN CASE

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### Abstract

Population aging and social stratification is widely assumed to have detrimental effects on the economy yet there is little empirical evidence about the magnitude of its effects. The aim of this article is to investigate the relationships between population aging and social stratification and the state of economy of a small and post-transition economy. We are looking for these relationships and their strength of influence; at what time after shock these variables reach their original levels. We apply standard Granger (non-) causality tests, VAR (Vector Auto-Regressive), IRF (Impulse Response Function) and the prediction error variance analysis by using quarterly data from 2000 to 2018. Research results show that the changes in the level of GDP per capita and the amount of pensions paid imply changes in the number of retired persons. The research results have important contribute to policy debates about the impact of population aging and social stratification on the state of economy in small and post-transition economy.

**Keywords** – international economics, financial integration, population aging, population social stratification

# MINORITY SHAREHOLDER PROTECTION AND FIRM PERFORMANCE: EVIDENCE FROM EUROPE

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## Abstract

In this paper, we examine the relationship between institutions offering minority shareholder protection (MSP) and firm performance. Using a dataset of nearly 129,000 observations across 27 countries over the period 1990–2016, we analyze the impact of Guillen and Capron's (2016) Minority Shareholder Protection Index (MSPI) on dividends paid and return on assets (ROA). We find the expected result of positive correlation of higher MSPI with higher ROA, but a negative correlation between MSPI and dividends paid for the entire sample. For economies transitioning from socialism to free markets, the effects of MSPI on firm performance are mixed.

**Keywords** – international and corporate finance, minority shareholders, ROA, Europe

# INITIAL COIN OFFERINGS (ICOS): SUCCESS DRIVERS OF INNOVATIVE FINANCING MECHANISM

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## Abstract

The initial coin offering is usually defined as a new, innovative way of raising funds used by organizations, companies, or entrepreneurs, attracting funds through a cryptographic exchange in exchange for the coins that can be sold, used for future products or services purchase or profit. This article provides an overview of the evolving ICO market and indicates the main advantages and risks of the ICO. It is pointed out that ICO offers many advantages, such as high liquidity, return on investment, availability, fast capital raising process, minimization of capital raising costs. Nonetheless, the noticeable benefits of ICOs are often available only when companies or investors agree to take considerable risks, caused by the information asymmetry, lack of investor protection, proper regulation and methodical guidance both for investors and entrepreneurs. Considering the novelty, volatility, emerging risks, growing popularity of the ICO market and the lack of research in the scientific literature, it is important to investigate the factors that influence the success of the ICO, which is usually defined as the amount of funds attracted, listing of the coins, return on investment, market capitalization or the duration of the ICO.

**Keywords** – FinTech, initial coin offerings, ICO, Token, blockchain, cryptocurrencies, diversification, open innovation

# REASSESSMENT OF THE TAX SYSTEM IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

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## **Abstract**

The challenges of sustainable development create new requirements for the tax system, as it must not only serve the interests of the government, business and society, but also contribute to solving environmental problems. The aim of this research is to determine the relationship between taxation, energy intensity and economic development in the case of the European Union countries. Following research methods are used: analysis and synthesis of scientific literature, logic analysis and synthesis, statistical methods. The study covers period of 2005 – 2017 years.

The empirical research results using cross-sectional data have shown that there is a strong negative relationship between energy taxation and energy intensity of the economy, while there is a strong positive relationship between GDP per capita and energy taxation, and a strong negative relationship between GDP per capita and energy intensity of the economy. These results indicate that the governments, especially of lower GDP per capita countries, can apply higher energy taxes and energy taxes can be one of the powerful tools designing fiscal policy.

**Keywords** – international taxation and auditing, international economics, economic development, energy intensity, sustainable development, taxation

# USING GRANGER CAUSALITY TO DETERMINE INTERCONNECTEDNESS IN UNLISTED BANKING MARKETS

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## **Abstract**

I propose a novel method, by using causal relationships (direct and indirect) between bank performance indicator changes to identify the interconnectedness of the banking sector where banks are non-listed. The method allows to identify leaders and followers of the market, therefore, fulfilling the need to distinguish too-interconnected-to-fail banks. Method was applied to three separate banking markets in Baltics – Estonia, Latvia and Lithuania for time period 2014-2018. It was found out that least interconnected banking sector is in Lithuania, followed by average interconnected Estonian market and highly interconnected Latvian banking market. There are total 60 Granger-causal relations between banks in Estonia, 109 in Latvia and 12 in Lithuania. 27 in Estonia and 35 in Latvia bank pairs showed no interconnectedness between them, suggesting that these banks do operate completely independently. This study clearly shows that for testing interconnectedness at least several indicators are needed to be tested, not only ROA, as bank strategy might depend on herding through other channels, like liquidity management, loan portfolio or capital management.

**Keywords** – financial market development, financial risk management, interconnectedness, causal relations, systemic risk



## TESTING LOAN PERFORMANCE IN ONLINE LENDING CASE

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### **Abstract**

The development of financial technologies and growth of investment and lending volumes in shared lending platforms encourages to assess the factors describing loan performance and methods applied for valuation. The risk of default is measured by applying credit scoring and rating methodologies, using hard and soft information in traditional and artificial intelligence tools. The development of loan performance testing models is still new area with relatively short history of records.

The research presented in the paper aims to test the default factors and proposes the classification of loans using artificial neural networks. Despite some intense studies there is no consensus on the most appropriate online lending default factors and methods for valuation. The main findings indicate that neural networks may be used for loan performance evaluation. The most influential loan performance factor groups are loan characteristics and financial performance, specifically rate, purpose and monthly income.

**Keywords** – financial risk management, ratings, FinTech, borrower assessment, online lending, neural networks

# THE RELATIONSHIP BETWEEN THE EUROPEAN UNION'S ECONOMIC POWER STATUS AND THE ECONOMIC CONVERGENCE OF THE MEMBER STATES

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## Abstract

In this paper, we set out to look at where the European Union is located globally from an economic point of view. Let us observe what are the indicators that characterize us as a global economic power, at the same time, what are the indicators where we have problems. We consider it appropriate to observe whether the European Union's top-level indigenous people are internally influenced by the lack of convergence between the member states of the Union. All the Member States of the European Union have committed themselves to convergence, but over time we have noticed that convergence is often abandoned to the detriment of national interests. In the first part, we intend to observe the areas in which the European Union reflects the status of world economic power. In the second part, we focused on an analysis of the following indicators, which determine a European Union deficit at the global level: GDP growth, unemployment rate and inflation rate. Finally, we propose to conclude if, for the three indicators, there is a correlation between the economic convergence between the European Union states and its world economic status.

**Keywords** – international economics, financial integration, financial market development, European Union

## CASH FLOWS INDICATORS IN PREDICTING FINANCIAL DISTRESS

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### Abstract

We argue that the conventional approach of bankruptcy modelling which relies on accrual based ratios, is vulnerable to earnings management of company threatened by insolvency. This fact may poses significant limits to possibilities of the distress prediction. The business distress is defined as a cash flow insufficiency, while the cash flow indicators are less vulnerable to earnings management. For these reasons we assume that the cash flow ratios are theoretically more suitable for predicting the distress. In our research we analysed many variants of operating, financial, investment or free cash flow to firm in combination with total assets, sales, liabilities and others indicators. The research was carried out on a sample of 4,350 Czech manufacturing SMEs, operating in period between 2013 and 2018. For creating the prediction model we employ a previously published approach of hybrid modelling, however for the purpose of the paper we suggest a modification. The modified hybrid model employs of Classification and Regression Trees and Logistic Regression, while we use Principal Component Analysis method to handle the multicollinearity problem. The results showed that the operating cash flow ratios play significant role in financial distress, especially when combining with short-term debts.

**Keywords** – international and corporate finance, financial risk management, financial distress, prediction models, hybrid model, SMEs

### FACTORS OF TRUST IN ADVANCED ANALYTICS IN CENTRAL EUROPE

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#### **Abstract**

Algorithm-based decision-making is a new way to handle uncertainty and it can significantly increase the competitiveness of the company. Therefore, its implementation into the organisation is a crucial question for managers. The implementation process cannot be successful in the long run if people do not trust algorithms. This paper examines what factors influence humans' trust in algorithms. This paper is a first stage of a researcher analysing human-machine interactions. This theoretical paper creates a basis for a further interview-based qualitative research.

**Keywords** – digital transformation, digitalization, trust

## DESIGNING FOR THE FOURTH INDUSTRIAL REVOLUTION IN BUSINESS

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### **Abstract**

Business is a complex collection of activity, performed to maximize the triple bottom line. The fourth Industrial revolution introduces advanced technologies to improve and optimize business. The technological options are diverse, complex, expensive and difficult to match to the business exact needs. Traditional approaches to matching systems to business requirements have evolved significantly but are still limited especially in terms of addressing the comprehensive, system of systems.

Global technological evolution's is rapid if not accelerating. The ability to simplify and accurately select automation and digital, relative to a business requirement and global best practice is considered a challenge.

This paper focuses on presenting methods and tools for insights on digital selections. The paper presents the current digital tools, international best practice, and business specific evaluation protocols and tools for requirements extractions. This paper provides an approach to navigate the matching of business needs and global digital standards and systems.

**Keywords** – industry 4.0, digital transformation, business models

# WHAT IS DRIVING THE SHARING ECONOMY AS A PERSPECTIVE BUSINESS MODEL?

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## Abstract

The growth of the sharing economy is probably one of the most meaningful global socio-economic evolution in the past ten years (Koen Franken, 2017). The definition “sharing economy” is mostly used to describe the business model with digitized platforms for peer-to-peer exchanges (Geissinger et al., 2019; Belk, 2014; Juho et al., 2016). This article presents an approach to research that estimates the sharing economy and principally the main factors and conditions, what stimulates and drives the development of sharing economy as a perspective business model. Firstly, we define the understanding of sharing economy as one of the most engaging business models in nowadays according to economic literature study. Secondly, we conduct the analysis of the perspective and sustainable evolution of sharing economy mostly in the past decade. Furthermore, we identify forces which are driving the sharing economy for economic development. Thus, we design the conceptual framework of the sharing economy as a perspective and digitally based business model.

**Keywords** – business models, digitalization, platforms, sharing economy, economic development, international business

## FINANCIAL MODELLING TRENDS FOR PRODUCTION COMPANIES IN INDUSTRY 4.0 MIST

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### Abstract

The world has already passed through three industrial revolutions since the 18th century. Radical changes in industrial processes led to the fourth industrial revolution, named Industry 4.0. Technological advance has increased highly through the years, and the speed, flexibility, humans' errors reduction, efficiency and possibility to manage processes in the real-time became more important in production industry. Such a changing environment requires industrial companies to react fast to changes and adapt production and business models according to the needs. The paper shows the summarized literature analysis of indicators and financial forecasting models used in forecasting production companies' activity. The main findings show that production line's operation time is about 90% of time, the failures - 10% and optimal time to repair is up to 40 minutes; the forecasting accuracy is up to 96% when combining economic information with demand forecasting; optimal forecasting periods differs from 10 months to 5 years; correlation coefficient's results between 0.27 and 0.46 showed the relationship between company's size and production planning.

The aim of this paper is to define and summarize the main methods for financial / economic forecasting of companies' production activities in the context of Industry 4.0 impact on operational processes.

**Keywords** – industry 4.0, financial modelling, artificial intelligence

## ASSESSING EMPLOYEE READINESS FOR INDUSTRY 4.0 USING INTELLIGENT CAREER FRAMEWORK

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### Abstract

In the light of Industry 4.0 employees need to take on more strategic, creative and coordinating activities. Generally speaking, they need to be ready to cope with challenges related to new technologies. While many previous studies typically examined employee future competencies, the more sophisticated approach is still missing. Trying to close the gap, the paper analyses employee readiness for Industry 4.0., including career adaptability, IT competencies, technological innovativeness and autonomy of employee. In doing this, quantitative data were collected.

**Keywords** – employee, Industry 4.0, career adaptability, readiness, latecomers economy, capital



## **DIGITIZATION AND TRANSFORMATION OF THE INDUSTRY: CURRENT STATE AND FUTURE TRENDS**

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### **Abstract**

The deindustrialization of EU countries is concerning. Past economic crisis revealed the central role of manufacturing for employment stability and, therefore, social cohesion. Present industrial context is characterized by a disruptive change. The convergence of trends related to digitization, data science and advanced technologies provides affordances for new business models and shifts operational excellence frontier. EU and Lithuania aim to promote digital innovation and transformation of manufacturing companies, concerned that other countries and regions that are more open to digitalization processes will increase their share in industrial output. The main aim of the panel is to reveal the extent of a digital innovation and transformation of Lithuanian manufacturing companies in the context of European Union countries. The panel will present data collected by international network conducting "European Manufacturing Survey" which is carried on in 15 European countries.

**Keywords** – digital transformation, industry 4.0, business models

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# EVALUATION OF DIGITAL MARKETING IMPACT ON SALES GROWTH OF SMALL AND MEDIUM ENTERPRISES: CASE OF LATVIA

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## **Abstract**

The paper makes a theoretical contribution by proposing a conceptual framework for investigating factors affecting E-commerce adoption in SME. Furthermore, this research provides a theoretical contribution to E-commerce adoption literature on SME. It adopts factors of E-commerce in the context of a developing post-socialist country. The study provides a methodological interpretative evaluation of digital marketing adoption research in the context of Latvia. Strategies for improving sales growth development using digital marketing channels in SME and implications of the research findings are presented. This paper offers insights into understanding the factors of digital marketing adoption by SME in other contexts with similar characteristics.

**Keywords** – digital transformation, SME, e-commerce, channel governance, digital marketing

# ENABLING TECHNOLOGIES AND DYNAMIC CAPABILITIES: THE CASE OF THE US HEALTHCARE INDUSTRY

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## Abstract

The influence of firms' dynamic capabilities on performance has been well articulated in the strategy literature. Relatively less attention has been paid to how such capabilities are developed. In contrast to the literature investigating the antecedents of dynamic capabilities, which has focused mainly on organizational structures, behavioral contexts, and leadership processes as antecedents of dynamic capabilities, we explicate the role of enabling technologies in the development of dynamic capabilities. Our study provides initial empirical evidence to better understand 5G-based innovations in the healthcare sector and their relationship with organizational dynamic capabilities.

**Keywords** – digital transformation, business models, digitalization, enabling technologies

## **CIRCULAR ECONOMY AND INDUSTRY 4.0 RELATIONSHIPS: ONE-WAY OR TWO-WAY?**

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### **Abstract**

The aim of the paper is to identify the relationships between Circular Economy (CE) and Industry 4.0. For this purpose we performed systematic literature review and content analysis. At total 17 papers were analysed from the period 2017-2019. The findings shows one-ways relationship: Industry 4.0 leads to CE, but also two-way as expressing the synergy between these concepts. The key enablers for CE in terms of Industry 4.0 are: Sustainable Supply Chain, Business Models, Smart Production and Life Cycle Assessment. The article ends with limitations of the study and formulation of directions of future research.

**Keywords** – industry 4.0, circular economy, symbiosis

### SUBSIDIARIES' DUAL EMBEDDEDNESS AND INNOVATION-RELATED COMPETITIVE ADVANTAGE. EVIDENCE FROM SELECTED EUROPEAN UNION COUNTRIES

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#### Abstract

Foreign subsidiaries are involved in two types of networks: in internal (corporate) network of the company (incl. headquarters and sister subsidiaries), and in external (inter-organisational) network of cooperation partners. Based on the concept of "dual embeddedness" this paper proposes a model explaining the role of internal and external relationships in building innovation-related competitive advantage. Path analysis based on the Community Innovation Survey 2010-2012 sample of enterprises – members of capital groups from 10 EU members states, mostly CEE (post)-transition countries is conducted. The results show positive influence of dual embeddedness on subsidiaries innovation leading to competitive advantage based both on cost and on differentiation. Mediating role of external knowledge in the link of internal integration and competitive advantage is put forward. External and internal relationships are not mutually exclusive, but on the contrary, while together, reinforce their impact on innovation performance. Internal integration has the decisive role in building the innovation-related competitive advantage based on cost, whereas external relationships have stronger influence on differentiation-based advantage. Therefore firm management should promote both types of relationships considering their distinct roles in the process of building competitive advantage.

**Keywords** – knowledge management and entrepreneurship, opportunity recognition, innovation, dual embeddedness

# MULTITASKING AND ITS EFFECTS ON INDIVIDUAL AND ORGANISATIONAL PERFORMANCE IN KIBS

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## Abstract

In this study, we analysed multitasking activities in KIBS and the employees' perception of multitasking effects on individual and organisational performance. We also explored associations between the perception of multitasking and individual time management orientation. The research study employed an online survey methodology, data analysis with descriptive statistic methods and the Spearman correlation coefficient. Although KIBS employees were strongly engaged in multitasking activities in their workplaces, they held polarised views on the effects of multitasking on individual and organisational performance. Meanwhile, above 90% of respondents admitted that they were more effective when they worked on one task at a time. Managing interruptions, the setting of the optimal number of tasks and designing of workflows require further research as this may give the company managers guidelines and tools for organising productive multitasking or task switching towards enhanced work efficiency and effectiveness and employees' well-being. Human multitasking has been widely researched in such fields as medicine, command and control, aviation, information technologies, but there is little detailed empirical evidence on multitasking in KIBS such as management consulting, research and development, architecture, engineering services, design, advertising. Our research provides a fresh view on the human aspects of KIBS companies which can be of help in addressing the related managerial issues.

**Keywords** – knowledge management and entrepreneurship, multitasking, time management orientation, productivity, task switching, KIBS

## DEVELOPMENT OF BIO-BASED ECONOMY: ENTREPRENEURIAL ENDEAVOURS AND INNOVATION ACROSS BULGARIAN WINE INDUSTRY

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### Abstract

The current research studies the dynamics of business environment, related to the development of smart and sustainable bio-based economy. It presents the factors, which motivate the entrepreneurs to transform their companies in order to become part of the latter. The investigation is focused on the wine industry in Bulgaria and more specifically of Plovdiv Territorial Unit as a sectorial case study. We try to identify some innovative practices and opportunities for doing business in the area of bio economy. The results indicate that bio and socially responsible behavior of the enterprises can provide added value based on a favorable reputation that they create.

**Keywords** – innovation, knowledge management and entrepreneurship, bio economy, wine industry

# TECHNOLOGICAL CAPABILITY AND ABSORPTIVE CAPACITY DYNAMICS THROUGH CLUSTER ORGANIZATIONS

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## Abstract

The purpose of the paper is to portrait how members of cluster organizations (COs) perceive the role of clusters in enabling them accumulation of technological capability significant for their innovation. The authors report the findings from the qualitative study based on analysis of four COs from the metal and the highly internationalized ICT industry that concerns the role of knowledge and other cluster benefits in technological capability dynamics of cluster companies. The organizational inertia and absorptive capacity theories are the theoretical underpinning of the research. It shows that the companies with relatively low initial technological capability increase it via COs, if the clusters offer comparatively high benefits compatible or not with their technological trajectories. On the other hand, those COs' members that present relatively high initial technological capability advance it, provided that the external knowledge and other benefits they can absorb from partners in their clusters is suited to their technological trajectories. Our study suggests that coordinators in COs should create subgroups of partners based on similarity of their technological capability as it increases chances for cooperation among them that may result in innovation. The findings add to the state-of-the-art knowledge on the link between technological capability and absorptive capacity of companies involved in COs by depicting the role of COs in providing knowledge and other cluster benefits that help cluster companies to accumulate technological capability and improve their absorptive capacity which further support their innovation. Nevertheless, the qualitative approach in the study does not allow for generalizing the findings.

**Keywords** – absorptive capacity, cluster organizations, organizational inertia, technological capability



# ORGANIZATIONS' SUSTAINABLE HUMAN RESOURCE MANAGEMENT PRACTICES THAT ENCOURAGE INNOVATIVE WORK BEHAVIOR IN INDUSTRY 4.0

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## **Abstract**

Employees' innovative behavior has gained increasing attention over the past decade arguing that in the context of the 4.0 Industrial Revolution, such behavior is the key factor not only for business success but also for employee wellbeing. Previous research mostly investigated the meaning of construct trying to define it and accordingly neglecting the antecedents of innovative behavior. The paper aims to close the gap arguing that sustainable human resource management (HRM) can serve as driver of employees' innovative behavior. The core result of the paper is theoretical model linking sustainable HRM and employees' innovative behavior.

**Keywords** – innovative work behavior, Industry 4.0, sustainable HRM practices

## TRANSFORMATIONAL COMPETENCE OF ORGANIZATION

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### Abstract

Organizations restructure and transform organizational structures and resources for competitive advantage in a dynamic business environment. Transformation results are associated with organizational features that compose the organization's transformation potential. In this paper we aim to introduce the concept of transformational competence of organization. The concept of competence that facilitate and enable transformation of organization's strategic orientation and processes helps to reveal the factors that increase the possibility of successful organizational transformation. We examine theoretical conceptions of organizational transformation, organizational competence, dynamic capabilities in terms of their relationship to transformational competence. We reinterpret and synthesize the constructs of dynamic capabilities, organizational and individual competence, introduce the concept of transformational competence, and discuss its dimensions – attributes related to individuals, attributes related to organizational structures, organizational context/path dependence.

**Keywords** – knowledge management and entrepreneurship, opportunity recognition, innovation, transformational competence of organization

## **R&D INTENSIVE ENTREPRENEURIAL GROWTH IN TRANSITION COUNTRY: LONGITUDINAL CASE STUDY**

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### **Abstract**

Technology and innovation-driven progress and economic growth is one of the most important socio-economic development paradigms of the last century, which has formed an independent field of management and economic discipline research. The aim of the study is to extract the critical long term success factors of R&D intensive firm in an open, global and dynamic innovation system, with a specific focus on international entrepreneurship from CEE countries. Specifically, the micro-foundations of a rapid development of the R&D intensive business are being addressed, with the specific focus on the interrelated nature of business strategies, innovation capabilities, networking, and internationalization. As a result, we aim to extract R&D driven business growth typologies, development strategies within an asymmetric innovation system.

**Keywords** – innovation, opportunity creation, entrepreneurial cognition, R&D intensive firm, longitudinal study

# ENTREPRENEURIAL DECISIONS UNDER UNCERTAINTY IN INNOVATION ECOSYSTEMS

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## Abstract

The paper builds on a combination of theoretical and empirical insights in order to fill a noticeable research gap between the fields of entrepreneurial decision making under uncertainty and innovation ecosystem as the environment empowering the entrepreneurial risk-taking. The paper reveals the conceptual linkages between entrepreneurship and uncertainty, and substantiates them with the findings of cross-national empirical research. Paper distinguishes four key uncertainties in the entrepreneurial innovation ecosystems related to demand, competitors, technology and industry. It also presents different measures for managing these different uncertainties, and discusses the ways that innovation ecosystem empowers entrepreneurs to deal with uncertain environment. The paper provides convincing arguments that functioning innovation ecosystem enables entrepreneurs to minimise the risk and uncertainty they face while performing the innovative activities. The main strategies and guiding principles of entrepreneurial behaviour for dealing with uncertainty are also given a critical assessment. The paper attempts to dispel some popular myths regarding the entrepreneurial risk-taking in different socioeconomic contexts. The empirical survey of entrepreneurs and field experts in Lithuania and USA (Silicon Valley) reveals different managerial attitudes towards uncertainty within and outside the organizations, as well as the main measures for managing in uncertain environments. The research has shown the similarities and differences of dealing with uncertainty in diverse social and economic environments.

**Keywords** – entrepreneurial cognition, innovation, ambidexterity, uncertainty

# INTEGRATED MODEL FOR TEAM INNOVATIVENESS PREDICTION: HOW THE TEAM DIVERSITY AND THE CHANGE OF TEAM COMPOSITION DETERMINE ITS INNOVATION OUTCOMES

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## **Abstract**

Teams are dynamic by nature and naturally undergo changes in their composition as well as diversity over time since new members join in and old members leave, or the entire team is replaced. This dynamism and membership change in the team composition is closely linked with the changes in the diversity of knowledge because due to the newcomers the team gets infused with new perspectives and new knowledge domains which, if managed well, can be essential for sparking creativity and innovative ideas. With organizations mainly relying on teams to address creativity and innovation challenges a greater understanding on how to manage the team dynamics and perform changes in its composition in order to reach the desired outcomes is increasingly relevant. Therefore the objective of the paper is to develop an indicator system to measure the potential for team innovativeness based on the intensity of knowledge and perspectives in the team, and their change in the team composition, while also taking into account the influence of team processes and team management, as well as demographic indicators of organization and innovation team. As a result the paper provides an integrated model for the prediction of team innovativeness.

**Keywords** – innovation, creativity, international teams, innovation teams

## ENTREPRENEURIAL ORIENTATION AND OPPORTUNITIES RECOGNITION ON FOREIGN MARKETS

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### Abstract

The article aims at discussing the role of opportunities recognition on foreign markets in the process of internationalization of firms. In the literature of entrepreneurship there are three parallel approaches namely (i) opportunities recognition, (ii) opportunities creation, and (iii) accidental discovery. This article investigates into the most popular approach of opportunities recognition introduces by the Austrian school of thought in the theory of entrepreneurship. We would like to check how opportunities recognition impacts the internationalization processes and its level. Apart from the literature review and its critics, the qualitative design is applied by using a CATI survey. The article is based on the sample of 355 internationalized business from Poland. Multivariate regression was used to reveal the impact of variables and to verify the assumed hypotheses.

**Keywords** – opportunity recognition, entrepreneurial cognition, international entrepreneurship, international business

# THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES ON KNOWLEDGE SHARING IN ERP IMPLEMENTATION

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## **Abstract**

Drawing on rich data from a single case study in the educational context, this study examines the impact of human resource management (HRM) practices on knowledge sharing success in enterprise resource planning (ERP) system implementation. Findings suggest that HRM practices influence team members' (a) ability to share knowledge by affecting the project team selection procedure based on referrals, their competence and expertise, and training environment and method; (b) motivation to share knowledge by means of their desire to learn and enjoyment in helping others; (c) opportunity to share knowledge by means of designing office space around teams.

**Keywords** – knowledge management and entrepreneurship, HRM, enterprise resource planning, knowledge sharing, HRM practices, enterprise resource planning, case study

## HIGH GROWTH ENTREPRENEURSHIP: UNDERSTANDING THE INTERACTIVE EFFECT OF REGULATIONS AND CULTURE

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### **Abstract**

Increasing the pace of opportunity entrepreneurship has gained priority in policy debates around the world, and despite significant investment in resources, the outcomes are disappointing. We use an institutional theory framework to examine whether culture is the missing link in our understanding of the factors that explain the growth in opportunity entrepreneurship. Our analyses, based on data from sixty-two nations, indicate that the autonomy-embeddedness and egalitarianism-hierarchy dimensions of culture play a significant role in moderating the effect of regulatory burden on the growth of opportunity compared to necessity entrepreneurship across nations. We discuss our findings and suggest implications for public policy.

**Keywords** – innovation, opportunity entrepreneurship, cross-national comparative entrepreneurship, culture, regulatory burden, institutional theory



# LINKING INDIVIDUAL COMPETENCIES AND INNOVATION PERFORMANCE IN SMES: THE MEDIATING ROLE OF ORGANIZATIONAL OPEN INNOVATION CAPABILITIES

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## Abstract

Open innovation serves as a principal paradigm for success in diverse and dynamic business environments, as it gives the promise of better-marked acceptance, higher level of novelty, and managed innovation risks. However, SMEs face critical challenge in developing open innovation capabilities, and establishing new organizational processes, that would empower employees to perform in open innovation regimes. We analyze the mediating role of organizational capabilities for employing and facilitating individual competencies for innovation performance improvement, as based on the survey of 266 SMEs. The results demonstrate the full mediation of organizational learning and knowledge sharing capabilities and complementary mediation of knowledge exploration and integration capabilities in employing individual open innovation competencies (i.e. interpersonal management skills, distinct open innovation management skills and collaborative works skills) for improved firms innovation performance. Next steps should enlarge the study within the larger sample of medium size enterprises.

**Keywords** – innovation, knowledge management and entrepreneurship, opportunity creation, open innovation, organizational capabilities, individual competencies, innovation performance change, small and medium size enterprises, SEM PLS

## **SOCIAL FRANCHISING: ACHIEVING A MISSION-DRIVEN SHARED IDENTITY IN MICRO-FRANCHISING**

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### **Abstract**

A relatively new idea in social entrepreneurship, social franchising is increasingly becoming important in scaling up social impacts. However, factors contributing to the success of social franchises are less explored. Recent empirical suggestions indicate an innovative mission can motivate and influence a mission-driven shared identity between franchisors and franchisees in social franchises targeting clients as beneficiaries. Adopting an inductive qualitative approach, we conduct an in-depth analysis of One Family Health social franchise, investigating how a mission-driven shared identity can be achieved in a social franchise that includes franchisees as beneficiaries. We find the entrepreneurial capability of a CEO franchisor, their sound and replicable business model including attractive mission as drivers of key-stakeholder endorsement. Government as key stakeholder endorsement creates an enabling environment for the franchisor to empower franchisees and employees, impacting on a mission-driven shared identity and survival. Employees positivity play a crucial role in the relationship between the franchisor and franchisees. We recommend that, while it is important to invest on a mission-driven shared identity with franchisees, employees' satisfaction should not be downplayed.

**Keywords** – entrepreneurial cognition, opportunity creation, opportunity recognition, entrepreneurial cognition

## PRIORITIZING DIMENSIONS OF INTERNATIONAL ENTREPRENEURIAL ECO-SYSTEM: A PROPOSED FRAMEWORK

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### Abstract

The objective of this study is to prioritize the various dimensions of an entrepreneurial ecosystem (EES) and propose a framework for developing it. The study adopted a three-fold approach to meet the objective. First, we extracted sixty-three dimensions of the entrepreneurial ecosystem through a comprehensive literature review. Second, the extracted dimensions were then shortlisted by focusing on the importance of each in entrepreneurial ecosystem. Thirty-one selected dimensions were grouped in eight core dimensions, namely markets, finance, human resource development, support, government role, infrastructure, industrial network relationship, and mentorship. Third, the study applied the Analytical Hierarchy Process to prioritize the selected dimensions and sub-dimensions of EES. Data was collected from experts using a bi-polar questionnaire. Results of pairwise comparisons reveal that human resource development possessed highest weight, followed by finance, support, and industrial relationship. Markets emerged as the least important dimension. The proposed EES provides a basic framework that can be replicated in a specific area to identify the industry-related EES framework.

**Keywords** – entrepreneurial ecosystem, business environment, business support, analytical hierarchal process

## ASSESSMENT OF THE IMPACT AND QUALITY OF RESEARCH – INSIGHTS FOR SOUTH EAST ASIAN COUNTRIES

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### Abstract

In recent decades research policy has seen the rise of such principles as formal accountability, commercialization and competition. A symptom of this change is the increasing reliance on performance-based assessment systems, not only to inform public investment in research, but also to direct research activity itself towards goals connected with global competitiveness and measurable contribution to the knowledge economy. National governments in different countries invest significant financial resources in supporting research activities. However, the need to ensure the rationale of public spending makes policymakers investigate the returns from public investments, including expenditures in science and innovation.

The justification at a macro level for governments support for research is that through the process of innovation, it can improve productivity and international competitiveness of economy. Nevertheless, the exact nature of these impacts and benefits that countries receive from investment in knowledge-generation subsystem are much less clear. With that respect, important questions remain valid in the current economic climate: “what does society get in return for this investment? Does this research improve the health and wellbeing of society? What is the nature or size of these returns, benefits, or, more broadly, impacts?” Even more fundamental question is connected with measuring the quality of research, in order to make public money channelled on these activities that really contribute to scientific development in the country.

The above questions are of particular importance for South East Asian countries as research assessment systems in developing markets vary from systems that evolved in developed countries, and the extent of progress in that area differs from country to country. In general, the common deficiencies in developing

countries are connected to insufficient institutional arrangements, lack of political will, and bureaucratic culture. This provides the rationale for this study, which aims to present the key principles and proposals when assessing the impact and quality of research, and policy recommendations for South East Asian countries. In particular, the results of the research presented on the conference poster identify some key principles, which should be taken into consideration while developing a national system of assessing the impact and quality of research, and related policy suggestions. They include the need to address social needs, rely on the evidence and indicators that can incentivize the best research and publication practices, publishing all research completely and transparently, regardless of the results, implement fair assessment of the teamwork, reward open research, fund research referring to research assessment criteria, supporting out-of-the-box ideas, and create reasonable system that is feasible and not intrinsically contradictory in order not to demotivate the researchers. In addition, different criteria that may improve and enhance system of scientists assessment are presented.

The study was conducted in the framework of the project „Assessing and Improving Research Performance at South East Asian Universities“ (REPESEA) implemented in the framework of ERASMUS+ Program, Capacity-Building projects in the field of Higher Education (E+CBHE).

**Keywords** – research evaluation, science policy, research funding systems, peer review, bibliometrics, excellence in research

# CHINA'S INNOVATION CAPACITY AND ITS CONVERGENCE TOWARDS THE EUROPEAN UNION

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## **Abstract**

The article focuses on the problem of innovation gap in the world economy, as there are in general countries with developed national innovation systems, playing the role of technology leaders, and those with developing innovation systems, acting as innovation followers. Western European economies usually belong to the first group whereas China is traditionally classified in the second group, however, the analysis conducted in this study reveals a continuous catch-up process of this country towards the European Union in terms of the level of innovativeness of the economy. Although for most of the analyzed indicators related to innovation, China's performance is much below the EU average, the growth rates for Chinese economy in 2008-2015 have been higher than these of the EU, indicating convergence process. The aim of the paper is to analyse innovation gap between China and the EU, and to identify determinants of China's innovative capacity at national and regional level as well as strategic directions and goals of China's science, technology, and innovation (STI) policies and their relevant instruments.

**Keywords** – China, innovativeness, innovation gap, innovation system, research and development, clusters

# TRACK 12.

## TEACHING IB AND NETWORKING IN THE CEE REGION

### PERSPECTIVES ON ONLINE INTERNATIONAL BUSINESS EDUCATION: BEST PRACTICES, TRENDS AND TECHNOLOGIES

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#### Abstract

The field of international management has recognized the importance of learning, especially of experiential learning; and education has had a major influence in our research. We hope that this growth in understanding in learning can influence our teaching by seeking better understanding and deeper insight into how we can foster good practices in our students. In this panel scholars will try to convey our understanding of Online education to our students by hoping to enable them to adapt management practices to respond to the new digital economy, and the challenges and opportunities that it creates. Particular emphasis will be given to reviewing new technological tools and techniques for delivering international management content for online and hybrid courses, instructor strategies for making existing online courses richer and more engaging for students, and best practices for teaching international management content, including cases, to students at the undergraduate, graduate, and executive levels. In addition, the panel provides a framework for understanding how instructors can create “presence” in a virtual learning environment and will examine innovative tools, technologies and pedagogical approaches to teaching courses online and / or using hybrid formats.

**Keywords** – experiential learning, new technologies in education, blended learning, online education

## NETWORK GENERATION STUDENTS: LATERAL PROFILES AND DIGITAL SKILLS

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### Abstract

**Purpose** The aim of this study is to study the lateral organization of the brain of modern students, positioned by us as a generation Y+, as well as to determine their level of knowledge of modern computer technology. The authors considered the following research questions: does generation Y+ differ from previous generations in terms of neuropsychology? How developed are the skills of generation Y+ to take advantage of the digital environment?

#### **Design/methodology/approach**

To study the profile of the lateral organization of the brain, we used the E. Chomsky Method to determine the predominant hand and the predominant eye (motor and sensory systems). This technique allows us to refer a person to one of the 16 profiles of the lateral organization of the brain. We assumed that the new "digital generation" will have a more pronounced right-hemisphere lateral organization of the brain than it was in the studies of 60-80 years.

To study the skills of computer technology, we have compiled a questionnaire of 30 questions, allowing to differentiate the skills of computer technology of modern students.

The object of the study was the first-year students of two leading economic universities of Moscow and Prague and students in different courses (psychology, information technology, management). It was interviewed 149 people (75 boys and 74 girls) from 17 to 22 years. The median age was 18.7 years. The research was conducted with the help of a questionnaire placed in google-form.

#### **Findings**

The study demonstrates the emerging generational changes in the lateral profile and computer skills of the younger generation, which for these reasons can be attributed to the generation Y+. The main conclusion is that the computer literacy of the younger generation is a confirmed fact, but the final transition to the "digital reality" has not yet taken place, and possible qualitative changes of the next generation require scientific confirmation on the basis of comprehensive research.



#### Originality/value

Today's Y+ generation students still have a predominant right profile (left hemisphere dominance), but the percentage of people with a predominant right hemisphere has increased. This indicates an increase in a more pessimistic background of mood, anxiety, and anxiety than the students of generation Y. Most of the study was conducted in Moscow. Similar indicators of the lateral organization of the brain and computer skills were shown by the students of Prague.

**Keywords** – experiential learning, networks in education, generation Y+

## USE OF MULTIMEDIA IN IB TEACHING: AN EMPIRICAL STUDY COMPARING LECTURER AND STUDENT PERCEPTIONS AND EXPECTATIONS

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### **Abstract**

This paper discusses the current use and preferences of multimedia in international business (IB) teaching. Building on survey data from IB lecturers and students, we examine the type of multimedia used and focus further on the use and usefulness of video teaching, the main barriers and the (un)exploited potential of video teachings, specifically video cases. We identify relatively modest use of videos in IB teaching (18% of lecturers are using videos and they represent less than 25% of teaching material). Proposals from lectures and students suggest how videos could become more relevant and engaging as well as an innovative teaching methods for IB.

**Keywords** – new technologies in education, new teaching methods, video cases in IB

## BUSINESS AND ACADEMIA PERSPECTIVE ON THE DYNAMIC ENVIRONMENT

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### Abstract

In the last years we have witnessed many new (technological) trends that require changes within enterprises and put bigger and bigger pressure on their operations. Innovations, digitalization, automation, Web 3.0, Industry 4.0, Artificial Intelligence are only a few of "buzz words" that challenge enterprises and existing business models. Or are they the trends that are going to change the future of business? If we add some political pressures to them like growing populism, protectionism, nationalism, Brexit etc. the international business environment becomes very dynamic. The question is what the future of international businesses will be?

The aim of this panel is to discuss the dynamic international business environment and its influence on internationalization of CEE firms. Questions that will be addressed are:

- What makes international (business?) environment really dynamic? Is business environment more dynamic that it used to be?
- What are the major trends that will change the future of international firms?
- What competences do the firms need to survive and succeed internationally?
- How will the dynamic environment influence the competitiveness of CEE firms?

**Keywords** – international business environment, internationalization of CEE firms, competences of the firms, competitiveness of CEE firms

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