Layers of competitiveness: from competitive mindset to competitive economy

October, 12 – 13, 2016
Osijek, Croatia
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INTRODUCTION

As in the past three decades, the thematic focus of the joint symposium of the Faculty of Economics, Josip Juraj Strossmayer University in Osijek and Hochschule Pforzheim – Pforzheim University was based on topics which were of great relevance for the future development of both Osijek and Pforzheim.

For the past few years we have concentrated our research focus on competitiveness issues from different perspectives.

In this booklet you will find 9 abstracts from the 37th Scientific Symposium Osijek – Pforzheim „Layers of competitiveness: from competitive mindset to competitive economy” held at Faculty of Economics in Osijek from 12th to 13th October 2016.
**SYMPOSIUM SCHEDULE**

**Wednesday, 12. 10. 2016**

<table>
<thead>
<tr>
<th>Time</th>
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<tbody>
<tr>
<td>17:00-17:30</td>
<td>Meeting at EFOS, welcome speech by Dean, prof.dr.sc. Vladimir Cini</td>
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<tr>
<td>17:30-18:00</td>
<td>Guy Fournier: The new mobility paradigm: Transformation of value chain and value proposition through innovations</td>
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<tr>
<td>18:00-18:30</td>
<td>Dubravka Pekanov Starčević, Josipa Mijoč, Ana Zrnić: Is it worth going green in Croatia? Empirical evidence from SME</td>
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<td>19:00</td>
<td>Dinner at Lumiere</td>
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**Thursday, 13. 10. 2016**

<table>
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<th>Time</th>
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<tr>
<td>9:00–10:15</td>
<td>Opening session of Business Logistics in Modern Management conference with key note speaker presentation: Alexander Hubner: „End-to-end retail supply chain management – development: stages and opportunities to grow”</td>
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<tr>
<td>10:30-11:00</td>
<td>Daniel Durrich, Regina Mocadlo: Consequences of the ECB policy for consumers, enterprises, states and banks</td>
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<tr>
<td>11:00-11:30</td>
<td>Nataša Šarlija, Marina Jeger, Anamarija Delić: SMEs growth in the manufacturing industry: the case of Croatia</td>
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<tr>
<td>11:30-12:00</td>
<td>Regina Mocadlo, Harald Strotmann, Jürgen Volkert: Corporate social responsibility activities in the light of the capability approach</td>
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12:00 – 12:15 Coffee break

12:15 -12:45 Ivana Šandrk Nukić, Ivana Načinović Braje: Building competitiveness through effective culture management

12:45-13:15 Aleksandar Erceg, Ljiljana Kukec: Can microfranchising be a tool for increasing self-employment and competitiveness: Croatian examples

13:15-13:45 Vesna Vučemilović, Biserka Vištica: Competitive advantage creation of nature parks through differentiation

13:45-14:15 Danijel Čorak: Wood industry in Croatia and possibilities for improvement

14:15 Lunch at EFOS

15:00 Departure for Vukovar

19:00 Dinner at Dunavska golubica, Vukovar
THE NEW MOBILITY PARADIGM: TRANSFORMATION OF VALUE CHAIN AND VALUE PROPOSITION THROUGH INNOVATIONS

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Keywords: sustainable mobility, future mobility, low carbon economy, electric vehicles, powertrain, sharing economy, multimodal mobility, mobility service, servitization, jugaad innovation, reverse innovation, circular economy

Abstract:
Meeting transportation needs, with a predicted global population of nine billion in 2050, will be challenging for our societies. Driven by external costs like global warming, noise or congestions and supported by new policies and growing consumer awareness, the current mobility paradigm based on cheap fossil fuel energy and high CO2 emissions comes to its social, economic and environmental limits. Innovation can provide value propositions to meet the mobility needs of future generations. Innovation in products will foster new energy efficient, low CO2 emitting electric vehicles. Innovation in services, triggered by the net economy, will simplify travels, improve the value of time, the use of assets like cars, bikes, parking, taxis, plane etc. while driving or parking and emphasize environmental aspects. Customers can in this way cut costs, extend the mobility means, meet people etc. Bundling mobility solutions will further facilitate access to seamless mobility experience. Jugaad innovation and reverse innovation finally can meet the needs of developing countries and subsequently of developed countries - providing methods on how to do more with less. The value propositions of mobility solutions will therefore deeply impact the future: new raw materials, components, vehicles and services will emerge; new players will reshape the value chain, capture competitors’ customers and customer value, thus challenging traditional OEM’s with new products and services; even customer will be part of the value chain and become prosumer (either consumer or producer, as the case may be). Simultaneously sustainable mobility will rise and propose an answer to the current systemic challenges and externalities our societies are facing.
IS IT WORTH GOING GREEN IN CROATIA? EMPIRICAL EVIDENCE FROM SME

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Keywords: green business, green market, costs, SME

Abstract:
Technological progress and innovations in production are the basis for increasing productivity and reducing operating costs. On the other hand, rapid development accompanied by neglected environmental issues has resulted in adverse effects on the environment, and thus on the entire society. The consequences on the environment occur in the form of natural disasters, climate change and global warming. In order to reduce the adverse effects on the environment, states have introduced legal provisions such as pollution charges. Such charges represent the costs incurred by the company that consequently burden its financial result. On the other hand, those charges can be lower for companies that apply more efficient production methods. The question is whether it is worth for the company to be “green” and hence pay a lower charge or not to take into account “green business” and then pay a higher charge for using inefficient production methods.

This paper will explore whether it is worth being green, i.e. whether improving production efficiency results in production cost reduction and realization of a satisfactory return on investment. The emphasis is thereby placed on small and medium-sized enterprises as generators of economic growth and green jobs. In order to give an adequate review of green business and green markets, the authors will analyse Flash Eurobarometer 426 data. It is evident that “green business” is one of the main business areas in the context of sustainable and socially responsible business. Concern for the environment and the community has changed the paradigm of doing business, the basis for the development and classification of green markets has been created, and green business is increasingly becoming an imperative for doing business in the Republic of Croatia.
CONSEQUENCES OF THE ECB POLICY FOR CONSUMERS, ENTERPRISES, STATES AND BANKS

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Keywords: expansionary monetary policy, fields of activity, failed interest and monetary policy

Abstract:
The ECB has been criticized for a long time, the main reason is the expansionary monetary policy. The paper discusses first the instruments which are used by the ECB to achieve its objectives. In the next step the different monetary activities are evaluated regarding efficiency and effectiveness. The analysis of this policy focusses on four main affected parties: On the one hand we are looking on private households as financiers, savers and investors. On the other hand we have to take into account states, banks and companies. Although the ECB gives reasonable explanations for its comprehensive monetary policy it has to be analysed if and for which of the parties mentioned above the aspired goals and effects have be achieved. The low level of interest rates helps the debt-ridden European states but puts banks and the insurance industry under pressure. A closer evaluation of private households shows that most of them are not benefitting from the ECB policy. The credit crunch of many companies which has been described by the ECB could not have been fighted successfully either. The holistic view of the ECB’s policy shows that it can be described to a large extent as failed interest and monetary policy.
SMES GROWTH IN THE MANUFACTURING INDUSTRY: THE CASE OF CROATIA

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Keywords: growth prediction, SMEs, manufacturing industry, logistic regression

Abstract:
Enterprise growth has been of a great interest to researchers due to its perception as a key driver of economic development, competitiveness and employment. Most of the research about growing enterprises is focused on large companies, while only recently, researchers have started to investigate determinants of growth in small and medium-sized enterprises (SMEs). However, SMEs pattern growth differ depending on various factors that affect growth. The goal of this study is to investigate the influence of financial structure and industry affiliation to enterprise growth. The sample consists of SMEs within manufacturing industry in Croatia. The aim is to develop and compare growth prediction models developed for SMEs in all industries in Croatia as opposed to models developed only for SMEs in manufacturing industry in Croatia. Modelling procedure consisted of developing 4 models by using logistic regression, separately for the sample of all industries of Croatian economy and specifically for manufacturing industry: assets growth prediction model for all industries in Croatia, assets growth prediction model for manufacturing industry in Croatia, employees growth prediction model for all industries in Croatia and employees growth prediction model for manufacturing industry in Croatia. Results have shown differences between models and confirmed that the manufacturing industry in Croatia has its idiosyncrasies that are of interest to managers, entrepreneurs, financial institutions and policy makers.
CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES IN THE LIGHT OF THE CAPABILITY APPROACH

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Key words: Corporate Social Responsibility, Capability Approach, Rural India

Abstract:  
Corporate social responsibility actions in the field of development assistance are aiming either on the creation of a win-win-situation or are of philanthropic nature. The capability approach (CA) developed by Amartya Sen focuses on people, notably on the beings and doings they do value and have reason to value. Hereby are not the achieved goals in the sense of an outcome decisive but the freedom to achieve them. Based on this approach company actions for improving the living conditions can be both planned and evaluated. According to the CA all development activities should place people, their freedom and their beings and doings in the centre. For empirical analyses it is important first to conduct a baseline study to find out in which of the multiple well-being dimensions people are deprived. For this a combination of quantitative and qualitative methods is promising. Actions taken can later be evaluated by measuring the progress they brought for well-being dimensions people value and have reason to value.
BUILDING COMPETITIVENESS THROUGH EFFECTIVE CULTURE MANAGEMENT

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Keywords: competitiveness, national culture, organizational culture

Abstract:
This study aims to map the connection between features of both national and organizational culture and competitiveness. World Economic Forum defines competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. Pursuant to said, the global competitiveness report assesses the competitiveness of more than 100 economies, providing insight into the drivers of their productivity and prosperity. Although those drivers are organized in 12 relatively independent pillars, we argue that, as being people driven, all those pillars are closely related to basic underlying assumptions, espoused values and artefacts, shared by the people from the observed entity. This makes competitiveness closely related to national and organizational culture. The concept of culture has been studied by many scholars. As a result, specific characteristics of culture at different levels (nations, organizations, industries) have become part of the extant knowledge. However, when it comes to managing specific cultures, in a way that would foster certain goals, being for instance competitiveness, there is a gap that requires further research and better understanding. The purpose of this paper is to perform an investigation of cultural determinants of competitiveness. The research question to be answered by this paper is: are some organizations predetermined to be more competitive due to cultural values. National cultures have been conceptualized by using Hofstede's framework. Results of this study suggest critical features of national culture that are important for the effective management of organizational culture in order to boost competitiveness.
CAN MICROFRANCHISING BE A TOOL FOR INCREASING SELF EMPLOYMENT AND COMPETITIVENESS: CROATIAN EXAMPLES

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Keywords: franchising, micro-franchising, self-employment, competitiveness, Croatia, Body Creator

Abstract:
Franchising is present in global economy in its current format for more than 100 years. Companies have used the franchising for growing their business and geographical expansion by bridging the distances in partnership with local entrepreneurs. Micro-franchising provides proven business model and chance for self-employment by exploiting all advantages of franchising on a far smaller scale than “normal” franchising. This model also helps potential entrepreneurs with low income to cross certain barriers, establish sustainable business and create opportunity for new employment with mentorship of franchisor. With micro-franchising, franchise systems can open locations where franchising in regular format would (could) not work and with this it can expand their business and gain competitiveness on the market in the same time enhancing employment and development of entrepreneurship.

Paper is examining micro-franchising situation in Croatia and checking if this model of growing business can help in increasing competitiveness of company and in same time enhancing self-employment. As a practical examples Body Creator and Surf’n’Fries were chosen due to their pioneer work in the field of micro-franchising in Croatia.
COMPETITIVE ADVANTAGE CREATION OF NATURE PARKS THROUGH DIFFERENTIATION

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Keywords: competitive advantage, nature parks, differentiation, positioning

Abstract:
Differentiation is one of the ways for gaining sustainable competitive advantage or achieving market position which enables companies to satisfy customers’ needs better than competition. Differentiation can manifest itself through four dimensions: product, services, personnel and image. Nature parks next to national parks, strict nature reserves and special reserves are categories of protected areas of national importance. In order to protect and preserve the natural and landscape values of national and nature parks, and their ecological characteristics, purpose and use of these areas, in comparison to other areas that are not protected, is specific and is subjected to nature protection restrictions arising from the legislation and management documents. Nature parks as well as national parks have great potential in development of visiting system but also an obligation of sustainable management.

Creating and realizing visiting activities as a part of touristic services supplied through Public institution that manages protected area on the market is also specific. These services can and must be differentiated on the market related to competition. Income generated from touristic services in income structure of nature parks will be more and more important in the future because of self-financing development and central budget dependency reduction. It has to be emphasized that nature parks helps larger community trough development of complementary economic activities.

This paper is based on market research conducted this year in Nature Park Kopački rit, which is one of the most visited nature parks in Republic Croatia. Poll survey was carried out among randomly selected 300 visitors. Research of nature park visitor’s attitude is important because it helps to create adequate products, services and promotional activities, insure quality education for visitors about natural, historical and cultural protected area values and minimizing visitors influence on natural resources.
WOOD INDUSTRY IN CROATIA AND POSSIBILITIES FOR IMPROVEMENT

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Key words: Implementation, wood, wood industry, growth of economic indicators

Abstract:
This paper will discuss several topics as possibilities of use and implementation of wood as a resource, and the goal of keeping the economy's growth and competitiveness in eastern Croatia with an emphasis on wood and processing industry. This paper will give special attention to the “success” stories and examples from the environment, and will be referred to research carried out in one of the largest such companies "Spin Valis" from Požega, will give a realistic image and the current state of the industry, generally on the market and by competent and responsible persons suggestions will be given and other.

One of the prerequisites for a successful business and an efficient and effective utilization of available resources is certainly sustainability and maximize workflow in terms of the use of scarce resources in the best possible way.
The aforementioned industry have many opportunities to use funds from the EU and national funds intended for the development of the same sector. The presented data and analysis will be used to give a comparison with other places in Croatia, the region and the world in general.

Emphasis and one of the conclusions of the research in this paper is that the eastern Croatian region have a very high potential in terms of wood industry and that with good examples, quality planning, preparation and implementation can achieve a lot in terms of growth of economic indicators and thus and achieving economic viability thereof, this part of the Croatian could and should serve as an example to others.

Some of the scientific and research methods used in this work are methods of surveying and interviewing, methods of analysis and synthesis, description method, comparative method, inductive and deductive method, and other observations.
NOTES