

## EDITORIAL. INNOVATION FOR ORGANISATIONAL PERFORMANCE: APPROACHES AND APPLICATIONS

Dear readers,

aiming to provide additional discernments into creating and sustaining innovative business practices and sustainable development, this thematic issue of INDECS represents articles and research results on several issues related to information systems and technology, circular economy, ethical and corporate social practice as well as aspects of technological advancements, managerial and corporate performance that can help to sustain innovative business and long-term organizational sustainability.

Some of the latest trends, approaches and research results in this field were presented at the 6<sup>th</sup> Enterprise Research Innovation Conference (ENTRENOVA) virtually held from Zagreb Croatia, from 10-12 September 2020. ENTRENOVA is an international scientific conference organized by IRENET, Society for Advancing Innovation and Research in Economy, in cooperation with the Faculty of Tourism and Hotel Management, Kotor, Montenegro and the University North, Varaždin, Croatia. It is a multi-disciplinary conference dedicated to examining, comprehending and discussing the art in the theory and application of innovation, knowledge management and R&D issues in the business settings, especially related to ICTs. At ENTRENOVA 2020 more than 150 authors, from 25 countries, participated with 75 abstracts and 60 papers.

Beside for participants of ENTRENOVA 2020, open call for this thematic issued of INDECS was for all other interested authors, researchers and practitioner from the field of economics, organization and management science, information technology and different managerial aspects in relation to innovative business practices and sustainability.

Ten submissions for thematic issue of INDECS were received, some of them being extended journal version of short articles from proceedings. Articles in this issue were accepted after review by guest editor and a blind review process by two independent reviewers. A short description and contribution of each article is provided in the following lines.

*Innovation and Invention in the EU Business Sector: the Role of the Research and Development Expenditures*, the article by Huňady, and Pisár investigates the problems of business innovation and inventions in the EU countries, focusing on the potential effects of business R&D expenditure. The authors accentuate the importance of business R&D expenditure in creating innovations, in the same time presenting R&D expenditure as a risk of failure due to its long-term nature and complexity. Therefore, the authors explore the short-run and long-run relationship between business R&D expenditure, an invention, and innovation. For obtaining the results, the authors use

the tests of Granger causalities and panel cointegrated regression on macro-level data. Moreover, the authors investigate the structure of R&D expenditure in EU countries. Research results reveal a positive relationship between business R&D expenditure and innovation activities and the positive causal influence of business R&D expenditure on patenting in the long run.

Article *Measuring Returns on Investment in Education: Lessons for Sustainable and Innovative Education Policy*, by Jahic, and Pilav-Velic, stresses the importance and complexity of the relationship between education and the labour market. The empirical part of the paper employed two methods: Earnings function and Short-cut method, based on the Mincer equation to estimate private and social returns on investment in primary, secondary and tertiary education in selected old and new member states of the European Union (EU). Analysed results show no statistically significant difference between the estimated private and social returns on investment in primary, secondary, and tertiary education in groups of old and new EU members. Additionally, the obtained results imply the low and negative returns on investment existence in education, both in old and new EU members. Therefore, this article contributes to the literature that studies the universality of conclusions on returns on investment in education and applied methodology.

In their article *Employment of Economics Graduates: do Grade Point Averages Matter?*, authors Mehmetaj and Zulfiu Alili discuss the importance of young people's educational attainment and skills level on economic activity and employment rates. Also, the authors of the article consider the index of mental ability related to job performance and successful outcomes, named as grade point averages (GPA) metric of undergraduate studies, relevant selection tool in the employment process. The authors conducted their empirical research using survey analyses of tertiary graduates of economics programs at Luigj Gurakuqi University (LGU) in Albania and South-East European University (SEEU) in North Macedonia. In this article, the authors focused their comparative analysis on the determinants of the employability of economics graduates in the last decade, using qualitative and quantitative analyses for each university. Based on their research results, obtained by using logistic regression, the authors indicate that the GPA of the bachelor program is a significant factor in the graduate's employment. Also, the obtained results proved that additional variables such as gender, time of graduation, and obtaining a master's degree play a crucial role in being employed at LG University. To conclude, the authors of this article note how developing educational attainment by modernizing educational and vocational curricula considering market demands would advance the school-to-work transition of youth.

Radlović, Hunjet, and Kozina, in their paper *Entrepreneurship during the Times of the Coronavirus Pandemic in Republic of Croatia*, discuss the issue of entrepreneurship and various economic activities that have been slowed down or entirely stopped due to the coronavirus pandemic. Furthermore, the authors of this article stress the importance of the entrepreneur's proactivity and adaption to the new situation in the Republic of Croatia and other countries during this extraordinary situation. For this purpose, the authors of this article investigate the entrepreneur's position in the Republic of Croatia and identify the main problems entrepreneurs face during the coronavirus pandemic. Based on the results, the authors indicate that the coronavirus pandemic has drastically changed business activity conduction and entrepreneurship. Moreover, results show that enterprises are forced to adapt their supply to market

demands and introduce new information technology into businesses during the pandemics. Also, results indicate that enterprises lower the prices of their products and services as well as invest more in human resources to survive new challenges caused by coronavirus pandemics.

In the article named *The Impact of Covid-19 Crisis on a Company's Internal Communication*, authors Bojadjiev and Vaneva identify whether the COVID-19 crisis influence the company's internal communication – both from the leader's and organization member's perspective. Namely, the authors want to compare the leaders' perceptions of their leadership and communication style on the one hand, with the organization members' perceptions of the communication model they use with same-level colleagues and the descriptions of their leaders' philosophy on the other. To conduct this case study, authors use their own designed two questionnaires: one for leaders and one for organization members. Therefore, research is focused on two targeted hierarchical levels in a privately-owned company in North Macedonia. Based on the results, the authors indicate the emergence of virtual meetings, frequent shorter meetings, and leaders involved by giving feedback during the COVID-19 crisis in both examined groups. However, the difference is noted in the leadership model in which leaders maintained that their leading was by example in both periods, while organization members claimed that their leaders' priority was the work-life balance after the COVID-19 crisis start.

*Strategic and Digital Marketing in Cultural Institutions and the Impact of the COVID-19 Pandemic – a Comparative Analysis of Two Case Studies*, the article by Krajnović, Vrdoljak-Raguž, and Perković, explores the influence of the coronavirus pandemic COVID-19 on marketing within cultural institutions, particularly in the digital marketing field. Therefore, the article aims to show how COVID-19 affects digital strategies, marketing communication, and the presentation of cultural programs. The authors focus their research on the sample of customers in Croatia. In the empirical part of this article, the authors employ semi-structured in-depth interviews with managers in two cultural institutions in Zadar and Dubrovnik at the end of 2020. Moreover, to explore how cultural institutions have adapted to the COVID-19 crisis, the authors of this article conduct a qualitative descriptive analysis. The research results show a certain degree of flexibility in adapting to the new conditions like marketing communication adjustments, cultural programs performance modification, and budget adaptation for cultural activities. Also, the research results reveal the crucial role of marketing digital communication, which proves that cultural management adopted the digital-first paradigm, modelled on the for-profit companies in the COVID-19 pandemics era. Accordingly, the authors conclude that culture will continue its activity after the crisis, but in an inventive way.

In the article, *The Relationship between Corporate Social Responsibility, Corporate Reputation and Business Performance*, authors Božić, Kolić Stanić, and Jurišić examine how corporate communications managers of successful retail enterprises in Croatia perceive the relationship amongst corporate social responsibility, reputation, and business operation. In this article, the authors use the in-depth interview as a research method intending to investigate the corporate communications manager's attitudes of successful enterprises in the retail market on the relationship among corporate social responsibility, reputation, and business performance. Analysed results reveal that the surveyed public relations experts notice a positive relationship between corporate social responsibility and reputation. Also, according to the obtained results,

public relations experts observe a positive relationship between corporate social responsibility and business performance.

Ernszt and Marton, in their article *An Emerging Trend of Slow Tourism: Perceptions of Hungarian Citizens*, discuss the trend of slow tourism as a possibility for people who would like to live their life in a different way even during their travels: giving respect to the environment and the local people. Moreover, the authors explain the slow tourism trend as putting local culture, traditions, gastronomy, sustainability, the well-being, and interests of the inhabitants of the destination in the centre. Therefore, the authors of this article aim to examine the attitudes and perceptions of respondents towards different slow tourism elements. By conducting an online survey, Ernszt and Marton collect quantitative data on a sample of 386 Hungarian respondents. The authors of this article also employ a multidimensional scaling model and principal component methods to uncover the perceptions and attitudes of the respondents towards slow elements. The results suggest that the “local” elements of a journey are important for the respondents while the personalized services, the spirituality of the destination, and the sustainable approach are not. The analysed results also reveal that traveling to hidden places is not a favourite holiday option for the majority of Hungarians due to the small proportion of respondents who avoid crowded locations. Still, the authors indicate how pandemics can strengthen the demand for this tourism product due to more tourists who want to avoid crowded places during the COVID-19 pandemics. Besides, Ernszt and Marton state how service providers can benefit from the research results, concentrating on the key elements for Hungarian travellers.

Budak, Rajh, Slijepčević, and Škrinjarić, in their article named *Theoretical Concepts of Consumer Resilience to Online Privacy Violation*, aim to present in detail the theoretical concepts, possibly applied in the unexplored research field of consumer resilience to online privacy violation. Therefore, the main objective of this article is to establish future research frontiers in investigating consumer resilience to online privacy violations. Accordingly, this article contributes to the privacy resilience debate. It also lays the groundwork for developing a conceptual model of online consumer resilience that would examine how individual behaviour is influenced after online privacy violation occurs. By developing a conceptual model of consumer resilience to online privacy violation that would include a set of individual and environmental variables, this article contributes to the current comprehension of resilience at the intersection of psychology, economics, and privacy studies. Additionally, this article develops awareness of adaptive responses of resilient individuals to privacy breaches in an online environment. Also, it provides an understanding of processes by which resilience influences adaptive responses of consumers in the particular context of online privacy infringements.

In the article *Different Tax Preferences? Old vs. New Europe*, Botrić, Broz, and Jakšić investigate the factors behind citizens’ specific tax burden preferences between the EU Member States. To achieve the main article objective, the authors conduct comparative analysis amongst two groups of countries: New and Old Europe, formed on the International Social Survey Programme (years: 2006 and 2016) data. In the article, Old Europe is consisted of the following countries: Germany, Denmark, France, Spain, Finland, and Sweden, while New Europe comprises Czech Republic, Slovenia, Latvia, Hungary, and Croatia. The results of the initial examination of the preferences for more progressive taxation reveal how citizens in most countries of both groups would

favour the higher redistributive role of the state. Furthermore, the analysed results of the factors contributing to individuals' preferences for progressive taxation show how older cohorts in New Europe are not disproportionately inclined to progressive taxation. Also, the results indicate how political orientation and union membership are more important in Old than in New Europe. Besides, the results of the conducted analysis point out that there are no significant changes in the patterns resulting from the latest financial crisis.

Zagreb 20<sup>th</sup> June 2021

Guest editors

Mirjana Pejić Bach

Sanja Peković

Vanja Šimičević