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Session 1
Business & Finances

THE DEVELOPMENT OF A BUSINESS MODEL, AS AN ELEMENT OF THE ARCHITECTURAL APPROACH FOR THE ANALYSIS OF THE TRANSPORT ENTERPRISE'S ACTIVITIES

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For each enterprise, it is very important to achieve unity and interconnection of the strategic objectives of the organization, the existing business model, the information which necessary for its functioning, and the technologies ensuring the receipt, analysis and structuring of the necessary information.
In modern times, each organization should be able to answer the following questions:

- Why, for what purpose do we carry out this or that activity?
- For whom do we do this? And how?
- What is our competitive advantage? What makes us different from others?
- What can we do in the future? What are our prospects for development?
- What we need in order to become the best?

Relatively recently engineering methods have been used in business. Their use, helps to answer all questions.
The process of developing a business model is part of a business strategy.
In modern conditions, the business model acts as an instrument by means of which it becomes possible to investigate and evaluate the influence of the external and internal environment of the enterprise on processes and proceeding from this, to adjust the parameters in order to achieve the tasks set.
Historically, Latvia has been one of the main transit points for both north-south and east-west trade flows. Efficient and competitive services are offered in Latvia by operators of ports, railway, road transport, warehousing and customs brokerage, logistics centers, as well as shipping agents, forwarding agents and transporters of oil and oil product pipelines. One third of service export in the economy of Latvia is provided by transit and logistics sector, placing transit among the top priorities at governmental level (Transit Latvia, 2017).
Purpose of research: to offer a business model of the container terminal, for presenting and analyzing the main factors affecting the success of the enterprise and improving the position of SIA LDZ Cargo in the market.

Keywords: Planning, Analysis of Activity, Business-Model, Calculation of Cost, Activity Card.

BANKING ON SOCIAL VALUES: BUSINESS OR ETHICS?

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Banking on social values: business or ethics? During the last four decades we can observe a new trend in banking industry – focus on social responsibility and social policy in traditional commercial banking, that makes business more ethical (or moral). Some banks go further and develop a new approach based on the priority of social values, they introduce ethical principles as alternative to commercial principle of profit maximization. This approach is known as ‘social banking’ or “ethical banking”. The purpose of the paper is to overview the phenomenon of social banking, taking as example some leading European ethical banks, such as GLS Bank in Germany, Triodos Bank in Netherland, Cultura Sparebank in Norway, Alternative Bank Switzerland (ABS), Banca Ethica in Italy. They all are devoted to the idea of changing the world with money for common good. They declare their mission in providing sustainability for economy, society and environment and consider money as a means and not as end. Can social banking change the world just by changing the priorities in bank policy and reconsidering the role of money? Is it possible to combine ethical and commercial principles in banking business? The appearance of ethical banks shows that the need for this has come. The very small number of ethical banks at present has raised the global question – what is the social mission of bank? And they answered it by introducing value-oriented banking instead of profit-oriented banking. How viable this trend is? This is the question for discussion.

Potential export of Latvia to China

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Purpose: Due to the negative balance of foreign trade of Latvia, the analysis of export trade flows expansion is an urgent topic. This paper aims to assess the competitiveness of exports of Latvia to China. Methods: The following methods were used this study: Quantitative and Qualitative Research Methods, statistical data analysis, methodology for the assessment of expert potential of Latvian goods in China. For determination of products with export potential a method of calculation of the indicative trade potential was used, but to assess its competitiveness - a method developed by G. Lafay. Tools developed in interactive Trade Map were also used in this research. Results: This article identified a group of products with potential for exports to China. Application: The results of this study can be used by entrepreneurs of Latvia for the determination of priority for products with higher potential for exports to China, aiming to increase its export volumes.

Keywords: export, foreign trade, indicative trade potential, competitive products, Lafay index.

IMPOSITION OF ENTERPRISE'S CURRENT STATE'S ASSESSMENT ON ITS ACTIVITY'S RECORVERY PROGRAM

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As basic tools, the means of fundamental diagnostics of business support are chosen. The effectiveness of fundamental diagnosis is determined by its ability to identify problems and exclude organizational pathologies. To do this, it is necessary to take radical measures, the right to fundamental changes in the organization. Maintenance as a form of the latent organization of modern business occurs in conditions of open systems. Such an organization is associated with a high level of uncertainty. Inability to recognize uncertainty in a timely manner leads to a loss of stability in the functioning of the enterprise.

In this regard, the object of this study is the state of unstable functioning of the organization. To eliminate such a shortage, it is necessary to objectively and reliably assess the current state of the organization, identify the reasons for organizational deviations and propose a program to restore the organization's activities.

When assessing the current state of the organization, before issuing objective conclusions, it is required to conduct increased measures to ensure sustainability. With regard to sustainability, given the short-term nature of the symptoms and the long-term effects of the factors, management should be seen as a focused movement of a viable organization in pre-assessed conditions. Such a movement is explored from the point of view of a new management paradox, reduced to the fact that in a rapidly changing environment, the more the situation puts the organization in a "reactive" management regime, the more important becomes the target component of concrete actions in the conditions of uncertainty and chaos, allowing to create and retain a clear Vision of the future of the organization. Disclosure of the paradox is carried out in the context of ensuring specific actions for restoration to restore vacancies. Thus, there is a need for reactive means for assessing stability.

In this regard, an approach is proposed for assessing the current activities of the organization, and in the event of a loss of its sustainability, a method for restoring activities by redistributing resources in the organizational structure of the organization is proposed. To do this, it is necessary to continuously monitor and diagnose the degree to which the resource and intellectual potential of the organization is consistent with the constantly changing needs of the market. The developed diagnostic system is designed to organize and support business in an environment with a focus on strategic aspects of management on the way: from assessing the current state to the restored activity.

The strategic direction allowed to obtain a number of practical results. As the main practical result, the program of fundamental diagnostics is proposed. Such a program contains the actions that must be performed at a certain phase of the diagnosis. In particular, the paradox of stabilization is permitted, the essence of which is manifested in organizations that seek to support their activities in the conditions of the resumption of sustainable functioning. This condition is associated not only with the loss of vigilance, but also by the mismatch of the pace of adaptation. The resolution of the paradox of stabilization through the disclosure of the adaptation syndrome occurs at the level of restoration of the organization's activities. Restoration of activities in contrast to the development of activities requires the implementation of new organizational capabilities without loss of flexibility in the medium term. In this case, recovery is perceived as a correction of the consequences of the current state. Improvement of the old is due to the implementation of a new, pre-substantiated, organizational model. Such a model, being flexible, is set up for a purposeful management process, which provides a combination of the application of the two strategies. This combination, based on the use of two strategies at the same time, from a practical point of view represents the principle of superposition of current activities for recovery activities. This principle does not contradict the principle of superposition of the investment project on the model of the operating enterprise.
At the disposal of an effective organization, it is now necessary to have two strategies, as well as a program of transition from one strategy to another. Such a transition must be timely and correctly justified. That is why at the present stage of the development of the economy, professionals who are able to achieve effective management results in the present period of time are needed more than ever, combining them with designing and restoring the organization's activity in the future perspective period of time.

Keywords: support, instability, pathology, stabilization, paradox, strategy, implementation.

VARIABILITY OF ACCOUNTING POLICIES – ADVANTAGES AND DISADVANTAGES

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Actuality. Accounting policy is the main document which regulates a company's accountancy. It is the key element which ensures that business information is both complete and comparable. It is also an important impact factor that influences the company's key performance indicators as well as its pricing policy. When a company develops its accounting policy, it comes across a range of options in choosing the method for evaluation and accounting of any given financial reporting item.
Scientific problem. The legislation of the Republic of Latvia does not regulate the content of a number of essential accounting policy provisions. For example, current legislation provides for multiple solutions to the following issues:

- value or the lowest value of the criterion of fixed asset and non-material asset evaluation;
- depreciation method for certain categories of fixed assets;
- evaluation of assets either in accordance with full production cost, which includes both direct and indirect operating expenses, or according to direct operating expenses only;
- criteria for recognizing debtors as doubtful, etc.

The Object and Aim of the Study. The issues listed above should be framed and finalized in a special document, namely, a company's accounting policy. This is where the problem arises which the author has chosen as **the aim of the study**, specifically, the analysis of positive and negative implications of a free choice of evaluation and accountancy methods, which have a significant effect on the company's performance indicators. **The object of this study** are recognition criteria and the evaluation and accountancy methods applied in financial reporting.
Key Outcome of the Study. On the one hand, variability in the methods applied for asset evaluation or for writing off assets as expenses, results in the lack of comparability of information in financial reports produced by different companies. As a result, the outcome of comparison in terms of the companies' efficiency and stability may be somewhat distorted. On the other hand, a relative freedom in choosing the methods of asset evaluation, depreciation and debtor reliability evaluation facilitates the company's adaptation to a specific global, domestic and micro market situation. It allows for accounting (financial, administrative and taxation) to be used as a factor of productivity enhancement.
Conclusions and Suggestions. Under current legislative conditions, where the companies are free to make key decisions on their accounting policies, it would be

worthwhile to define a company's efficiency criteria and business stability criteria that would be least dependent on specific statistical profitability, liquidity and solvency figures. **The author of this article** believes that the cost of business, its baseline being the company's owner's equity, should eventually be used as an integrated criterion of production and management efficiency.

DELTA COEFFICIENT OF PAY-LATER OPTIONS

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Options are the derivative financial instruments. Investors find derivative the most attractive, because they can hedge the risk against future price changes of underlying instruments. Options are asymmetric derivatives. Pay-later options are the singular payoffs options in the class of exotic options. If at the option's maturity date the option is in-the- money or at-the-money, then the buyer of pay-later option has the obligation to perform his options and to pay the premium. The delta coefficient measures the change in the option price with respect to change in the price of the underlying instrument. This paper presents the properties of the pay-later option: the instrument's structure, the pay-off function, the pricing model, the effect of selected factors on the option price and the value of the delta coefficient. The aim of the paper is to present the analysis the impact of the underlying instrument's price and the time to maturity on the value of the delta coefficient of pay-later options. The empirical illustration included in the paper is presented based on an currency pay-later options (on EUR/PLN) pricing simulation.

Keywords: option, derivatives, financial instruments, risk management.

ABSORPTION OF STRUCTURAL FUNDS IN THE YEARS 2007-2015 IN POLAND IN THE LIGHT OF SOCIAL AND ECONOMIC DEVELOPMENT OF REGIONS

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The objective of this paper is to analyse the differences between the structural funds absorption levels in Polish regions in the years 2007-2015. The conducted research enables to verify the existence of correlations between the development of a given region (on NUTS2 level) and its potential to "accept" external funding. The text contains, among others, a comparison between the amounts of support applied for, contracted and settled in reference to GDP and unemployment levels in the given region. Additionally, the study compares areas of intervention in the leas and most developed regions.

PROPERTIES OF THE GAP OPTION

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Changes which take place on financial markets make it necessary to improve the methods and instruments of risk management. Options, due to the asymmetry of the rights and obligations of the transaction parties, are attractive risk management instruments. Exotic options assure a structure of income different from that guaranteed by vanilla options. Gap options are the singular payoffs options in the class of exotic options. This papers shows the issues connected with the gap options: the instrument's structure, the pay-off functions, the pricing model, the effect of selected factors on the option price and the values of the sensitivity measures (coefficients: delta, gamma, vega, theta, rho). The sensitivity measures are risk measures of options. They determine the influence of a change in the value of a risk factor on the option price. The aim of the paper is to present the analysis the influence of the gap parameter, the underlying instrument's price and the time to maturity on the price and on the risk of the gap options. The empirical illustration included in the paper is concerned with the simulations of the currency gap options on EUR/PLN.

Keywords: call option, put option, derivatives, financial instruments, risk management.

ENERGY TAX DEVELOPMENT IN EUROPEAN UNION

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For sustainable development we call for action to reduce our dependency on fossil fuels. A fair and transparent energy taxation is needed to reach our energy and climate targets. Our common goal is a more resource-efficient, greener and more competitive EU economy. This proposal sets a strong CO2-price signal for businesses and consumers, it is also an opportunity to shift the tax burden from labour to consumption, in order to favour growth enhancing taxation. Taxation of energy products is to a certain extent harmonised at EU level. The Energy Taxation Directive already now sets forth minimum rates for the taxation of energy products used as motor fuels and heating fuels as well as electricity. However, the Directive has become outdated and inconsistent. Taxation based on volumes of energy products consumed cannot address EU's energy and climate change targets. It also fails to set economic incentives to foster growth and stimulate job creation. Taxation of energy products must better take account their energy content and their impact on the environment. The revised Energy Taxation Directive will allow Member States to make the best possible use of taxation and, ultimately, support "sustainable growth". To do so, it proposes splitting the minimum tax rate into two parts: • One would be based on CO2 emissions of the energy product and would be fixed at €20 per tonne of CO2. • The other one would be based on energy content, i.e. on the actual energy that a product generates measured in Gigajoules (GJ). The minimum tax rate would be fixed at €9.6/GJ for motor fuels, and €0.15/GJ for heating fuels. This will apply to all fuels used for transport and heating. Social aspects are taken into account with the option for Member States to completely exempt energy consumed by households for their heating, no matter what energy product is used. Long transitional periods for the full alignment of taxation of the energy content, until 2023, will leave time for industry to adapt to the new taxation structure

Keywords: energy tax, sustainable economic development.

NATIONAL BANK OF GEORGIA SUPERVISORY POLICY PECULIARITIES

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The Global Financial Crisis of 2007-2009 revealed the weakness of central banks supervisory policy. In the academic circles, before the global financial crisis there was a widespread perspective about existing conflict between monetary policy and macroprudential policy (inflation / financial stability), which justifies the division of monetary and prudential functions. Depending on this approach, there was a significant trend in separation of these functions in some countries. After the crisis, the weakness of this approach was clearly demonstrated by poor economic growth and financial instability. We should note, that monetary policy independently is not sufficient to promote economic and financial stability, in this case macroprudential policy aims to mitigate risk in financial sector, minimize and eliminate financial instability whole.

Nowadays, consensus has been suggested that developing banking regulatory norms and implementation in practice is a necessary condition for achieving the financial and economic stability of each country.

In this article is surveyed supervisory policy peculiarities of National Bank of Georgia, legislative norms, which are in compliance with Basel Committee regulations. Topic emphasizes financial sector stability index and its components, index evaluation and detailed explanation, correlation between GDP growth and banking stability index.

Keywords: supervisory activity, macroprudential policy, financial stability indicators, banking stability index.

INNOVATION POTENTIAL OF LATVIA

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The estimation of innovative potential of Latvia is given, positive sides and lacks are revealed. The dynamics of changes in the capacity of innovations and problems that hamper further innovative development are reflected. The directions of innovative development that contribute to the formation of the national innovation policy, long-term growth of the economy and increase of the country's competitiveness are considered.

According to the report of the European Innovation Scoreboard 2015, Latvia occupies the 26th position in the European innovation rating. This is facilitated by the difficulties of introducing innovations into the practical activities of economic entities.

The main obstacle to increasing the innovation potential is insufficient investment in research, in particular, the reduction of active innovative small and medium-sized enterprises and the decline in sales of innovative products, small sales of innovative products, problems with patenting, weak public-private cooperation, and insufficient private investment Business in research activities. These negative trends are determined by the absence of large international manufacturing companies that have great opportunities for introducing innovation. In addition, Latvia's export structure (wood, furniture, agricultural and food products, chemical industry) also explains why companies spend less money to create innovations - the main exported goods do not require an innovative approach.

According to the survey, 59% of small and medium-sized businesses in Latvia intend to invest in innovation by investing in new products or services, as well as in personnel development. But less than 10% of companies think about changing the business model. Considering that the Baltic countries are rapidly losing their advantage as a place with cheap labor, only an innovative approach will help companies to remain competitive. For those who think about long-term prospects for business development and expansion of activities in foreign markets, the introduction of innovations, especially at organizational and technological levels, becomes vital.

Keywords: innovative potential, innovative development, investments, competitiveness.

Session 2
Challenges in Economics and Finance System

FUNDAMENTAL ECONOMIC POLICIES

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Fundamentalism is nowadays seen as something related to religion. In fact, fundamentalism also occurs in economic policy. Normally, even given self-interest driven politicians and bureaucrats, economic policy aims at improving the market mechanism and increase citizens' welfare. However, if fundamentalistic, it is just focussed on one target, disregarding all costs and all negative side effects. In such a context, we can analyse the removal of poverty within Germany, but also world-wide, which has become an obsession in Germany. Also, rescuing the Eurozone since almost a decade, disregards many rational criteria. Rescuing the climate is on top of the agenda of a fundamentalistic economic policy.

THEORETICAL AND PRACTICAL ASPECTS OF THE METHODOLOGY OF STATE BUDGET EXPENDITURE DEVELPOMENT

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An important stage in the budget process is a budget planning, when possible state income is predicted and financial resources necessary for carrying out government functions are allocated. In the finance theory and practice great attention is paid to the part of expenses, saying that the most efficient budget reforms are possible in the area of government expenses. There is an opinion that the so called uncontrollable expenses are always created in the state budget expenses and the main task of the government is to diminish these expenses. It is emphasized that diminishing of state expenses is possible already in the process of budget planning by increasing the reliability of users of budget funds. The finance practice of foreign countries offers several models reflecting problems in the sphere of planning budget expenses. The aim of the research – to evaluate methods of planning budget expenses used in the government finance practice and identify the figures of their efficiency by analyzing budget reforms, their problems and suggesting possible solutions.

Keywords: budget reform, fiscal policy, government expenditure, state budget.

ORGANIZATION AND INDUSTRIAL LIFE CYCLES: CHALLENGES OF REINDUSTRIALIZATION FOR THE LIGHT INDUSTRY OF KAZAKHSTAN

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Nowadays, when the world markets report about decline in spending, it is urgent for resource oriented economies to rethink their directions of development. The World economic crisis forces governments to change their thinking: governments are trying to mobilize their resources to revive economies. With the aim to respond to evolving economic difficulties new reindustrialization policy was pronounced by European Commission in 2014.

Kazakhstan economy has long been considered as a resource-based one because of oil and gas processing. Today the country is concerned with making the economy more prosperous but without considering extracting industries: it tries to reshape the economy by launching programs on developing other sectors of the economy, not only those that are involved in resource extraction. Recently the country moved to the reshaping the economy by launching the Modernization 3.0 Program.

It is said that the largest share of a national income comes from consumer spending. Currently for the Kazakhstan economy that has been quite successful in developing the service sector, and the financial system is the most successful part of it, there is a very valuable time to reconsider its structure and reshape it by developing consumer goods producing industries. One of such sectors that may succeed in the new reindustrialization movement is so called light industry which is about producing textile and clothing goods and that needs to have a more attentive look on it. These days the industry survives its decline stage though it was previously, during its best time, quite developed as it formed a solid part of the country's budget. Now the biggest share of the goods consists of imported ones. To cope with this situation the country's authorities have launched some programs that are required to substitute imported goods. This can be the restarting point for local light industry's companies.

Organizations have their life cycles and very often these are different depending not only on the time of existence but also on the management processes and the situation in the industry as well. This is a period of a company's existence during which the company changes not only strategically but by the tactics how business is conducted. These all happen as the company, moving from stage to stage, should be able to adapt to changes that occur in the environment.

Reindustrialization is about jobs that are socially oriented and in such sectors as light industries which in many countries are their economies' engines. Modern reindustrialization may have some specific features as it can affect the ways how Kazakhstan companies are developing. The article considers the benefits of

reindustrialization for light industry's businesses development during their life cycles.

Keywords: organization life cycle, industry life cycle, reindustrialization, light industry, import substitution, information technologies.

EXPECTED PROFITABILITY AND RISKS IN VARIOUS SECTORS OF LATVIAN ECONOMY

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The estimation of expected profitability and level of risk for various sectors of Latvian economy is an important task, when making a decision about investing in a concrete business. These parameters themselves are the basics for discount rate calculations, which is used to substantiate investment projects, business plans, real estate, and business value. The discount rate significantly affects decision on investments that is why the precision of its calculation is worth attention. However, at the present time there is no unified approach for definition of discount rate, moreover, existing methods have limitations, and there also are problems when it comes to their practical use. That is the reason why the search for new calculation methods for discount rate continues, at the same time this serves as the proof for chosen themes topicality.
The aim of this work is estimation of expected profitability and risks in various sectors of Latvian economy. To achieve this goal there is necessary to solve the following tasks: - prepare an overview of relevant aspects on discount rate calculation issues; - assess the pros and cons of existing discount rate calculation methods; - conduct an assessment of expected profitability and risks in various sectors of Latvian economy. In this research the methods of statistical analysis (comparison, grouping, calculation of average values), economic and mathematical methods, economic analysis. Main results: The results of this research can be used by consulting companies and banks analysts, also by companies managers when substantiate and evaluate investment decisions.

Keywords: profitability, risks, discount rate, Latvian Economy.

DEVELOPING THE WAYS OF IMPROVING COMPETITIVENESS OF A COMPANY

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Strategic management is becoming increasingly important for business organizations due to a severe competition in the global market, as a wide range of services are now available for the customer to choose. The ways of achieving competitive advantage can be regarded as one of the most challenging topics in the area of strategic management. Strategic success involves a clear understanding of the requirements of the target market, which is vital for satisfying customer needs more effectively than competitors. The hospitality industry is a fundamental part of the service sector. In order to stay competitive in the turbulent business environment managers, who work in the hospitality industry, search for the new ways to gain competitive advantage over their rivals, focusing on the main determinants of competitiveness in the service sector.
The aim of the paper is to report the findings of the study, which explored the main factors determining the competitiveness of a modern company in the hospitality industry. In the paper, the basic concepts and theories of competitiveness were also discussed, as well as some decision-making tools to be applied in the context of strategy implementation in a contemporary enterprise. From the theoretical literature review, the main indicators of competitiveness from the performance-based view were identified. The empirical data were acquired through interviews with the top managers of five companies operating in Latvia, and a survey distributed to the top managers of these companies. For processing the obtained results Multiple Criteria Decision Analysis (MCDA) was carried out. Having taken into consideration the data obtained via the analysis of the theoretical literature and the results of the empirical research, the authors developed some recommendations for the managers responsible for the company's strategy creation. In further research, the authors are going to analyse not only performance-based, but also asset-based and process-based factors, which are closely related to achieving and enhancing the company's competitive advantage as well.

Keywords: Competitiveness, competitive advantage, strategic management, hospitality industry, customer satisfaction.

COST MANAGEMENT IMPROVEMENT IN MANUFACTURING COMPANIES

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In the modern world market every company focuses on how to reduce and control their costs as well as enhancing better profit in the business, but most business firms fail to achieve their goals. Cost management issues are the most difficult in the financial management system of an enterprise. The cost of production is a qualitative indicator, which reflects the results of the company's economic (operating) activities. The accuracy of estimating the cost of production largely depends on the chosen method of cost accounting and calculation of product cost. The object of the study is the company Synthite Ltd, well-known in the food market in India. The research allows to point some negative points of existing cost management has lack of accuracy, lack of control, non-validity of the existing costing method. In this paper the issues of creating a cost management system by types of activity (Activity Based Costing method) at a manufacturing enterprise are considered. The introduction of the ABC method would significantly improve the current practice of cost accounting and calculating the cost of production. It would be possible to decentralized the responsibilities in the company moreover it would be help to the management for better decision making. The ABC system's creation methodology proposed in the paper is universal and can be applied at any other manufacturing enterprise.

Keywords: Cost Calculation, Activity-Based Costing, Manufacturing Company.

THE RENEWABLE ENERGY DEVELOPMENT POTENTIAL IN LATVIA

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Energy sufficiency in the country is a question of economic development, life quality and security of the country. The goal of the development of the energy sector in Latvia is to provide balanced, qualitative, safe and sustainable energy supply for economy and inhabitants. Energy sector value added is around 3% of the total economy in Latvia and it employs less than 1.5% of the total employed in the economy, which ranks energy sector among smallest sectors by the share in GDP. However, it should be noted that energy determines competitiveness of many other sectors, particularly, tradable sectors, because in nowadays energy is used in all life processes. In Latvia mainly imported energy has been used, local energy resources make just 1/3 of total primary energy resources. In the structure of primary energy resources, the biggest part is taken by the oil and natural gas products, which have been mostly imported. Currently, significant problem is low diversification level of the imported energy resources in Latvia, almost 40% of the total imported energy volume consists of the import from Russia. One of the possible solutions to reduce energy dependency is wider use of renewable energy resources, which also provides significant contribution in reduction of GHG emissions and provides sustainable economic development. The aim of the research is to analyze importance of renewable electricity in the total energy resource balance and development in Latvia. A Renewable energy resource (RES) in Latvia takes a significant place in the primary energy resource balance. The amount of renewable energy as a share of energy consumption in Latvia exceeds 35% and it places Latvia in one of the leader positions in EU (on average in EU renewable energy makes 15% of energy consumption). RES energy accounted for more than half of the total electricity consumption. Main resources which have been used in Latvia are hydropower, but Latvia has great potential to develop biomass, wind, solar and geothermal energy sources further. One of the most significant barriers for the wider use of renewable energy resources is, that in most cases the price for such an energy is higher than for the energy which is produced from fossil fuels, thus it’s production have been subsidised from the state. In order to promote RES and co-generation electricity productions Latvia adopted a mandatory procurement of electricity (feed-in tariff) and a guaranteed payment for installed capacity, what attracted many local and international investors.

Keywords: renewable energy resources (RES), sustainable economic development, energy resource balance.

POTENTIAL FLOOD IMPACT ON NATURAL AND SOCIOECONOMIC ENVIRONMENT IN RIGA (LATVIA)

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Flood risk management is the process of data and information gathering, risk analysis and evaluation, appraisal of options, and making, implementing and reviewing decisions to reduce, control, accept or redistribute the flood risks. It is a continuous process of analysis, adjustment and adaptation of policies and actions taken to reduce the flood risk. Preventive measures and timely, reasonable flood risk prevention measures can help reduce the risk of floods and caused damages. In addition, protection against floods is primarily necessary for populated areas, especially when it comes to densely populated areas, since floods may affect a large number of citizens and their property thereby causing enormous material damage not only to the inhabitants of these territories but also to business infrastructure, respectively, it can result in significant material and socioeconomic losses. The aim of the paper is to evaluate the flood risk management theoretical and practical aspects, identify the potential impact of floods on natural and socioeconomic environment, as well as to show the usefulness of flood risk reduction measures. To reach this aim, the following tasks must be fulfilled: to research and characterize the definitions of flooding and flood risk in Latvia and the European Union; to study and characterize the flood risk management legal and institutional aspects; to carry out an analytical overview of the flood risk assessment on right bank of the Daugava River in Riga; to carry out a cost-benefit analysis of flood risk prevention measures on the right bank of the Daugava in Riga.

Keywords: flood risk, flood risk management, flood defence, risk governance.

THE EXAMINATION OF INFLATION EXPECTATIONS AND THE CENTRAL BANKS' FORECASTS DEPENDENCES. SOME METHODOLOGICAL ISSUES

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Drawing on the relevant literature examining the dependences of the central banks' inflation forecasts and inflation expectations of economic agents we present a framework for the analysis of the methods applied to detect such dependences. The detailed review of the literature in this field is necessary as the existing research does not bring unambiguous conclusion on the basic question: does the central bank's forecast affect expectations formation and their dispersion? As nowadays, the expectations-oriented monetary policy is a standard, central banks search for the best way of shaping the expectations. Inflation forecast may be useful tool here. This is why reliable ways of evaluation of their relations must exist. Previous research is based on diversified methodology: from the simplest statistical measures to sophisticated econometric tools. There is no commonly accepted methodology to cover this issue. A lot of papers present some experimental solutions. The difficulties of that kind of research are enforced by the data quality and accessibility: times series with inflation forecast are relatively short, and the forecast is sometimes revealed descriptively. The second relevant time series - expectations - are not directly observable. Some procedures of their measurement must be applied what can also be the subject of critics. Even the authors of the papers analyzing the relations of inflation forecasts and expectations remain cautious while interpreting their own results. In this paper we analyze the methodology of examination of the association of the forecast and the expectations: their dependences and the forecast role as the coordinating device which diminishes dispersion and heterogeneity of expectations amongst different groups of forecasters. Firstly we discuss the difficulties of this research. Than we elaborate the concise framework of methodologies comparison and apply it for existing research. Finally, we discuss some interesting paths of further research in this field.

LOCALITY AND TRANSFERS OF FUNDS IN THE COOPERATIVE BANKING SECTOR IN POLAND

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One of the most important features of cooperative banks is locality which means concentrating financial activity on a specific area. The consequence of locating the banking activity locally is the use of funds raised from the local market for credit needs of the community. The barrier in this area may be an imbalance between the loans and deposits when the co-operative principle (the local money for local needs) is not met. The paper aims to examine the scope of the principle of locality by the cooperative banks in Poland and to diagnose the causes of net transfers in the sector. The study uses quarterly financial data from the years 2009-2016 the selected group of more than 90 cooperative banks in Poland. Most cooperative banks are net lenders for money market in Poland. The average value of the loans to deposits ratio is 0.7-0.8, and the scope of imbalance deepens in recent years. The reasons for such a situation are the regulations of the cooperative banking sector but also the individual policies of the institutions.

Keywords: locality; net lenders; cooperative banks.

THE POSSIBLITIES OF MICROFINANCING IN SLOVAKIA

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The aim of this paper is to describe the possibilities of microfinancing on the global market as well as on the Slovak market too. Microfinancing is one of those small ideas from which the financing tool with the great influence has come out. This idea was brought by Muhammad Yunus who provided small loans to local people as a solution for poverty. The different banks already tried to provide loans to poor households, however this provision was not effective, at all, and it ended with wasted subsidies and corruption. Moreover, economic theories also issued warnings against providing loans to low income households. Nowadays this microloans without guarantee are provided by microfinance institutions to the clients who were refused as not profitable by banks. Regarding the fact that there are not any institutions that deal with microfinancing we are going to find out the possibilities of their existence on the Slovak market. For this aim we will use the comparative analysis and on the basis of description we will bring the SWOT analysis. The practical implications of this paper could be the background for establishing such institution on the Slovak financial market. Regarding the fact that there has not been done any research in this field, the results of the SWOT analysis will be the added value of this paper.

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NON-TRADITIONAL POSSIBILITIES OF INVESTMENTS

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The aim of this paper is to describe some forms of non-traditional investments provided on international financial markets. After the last economic crisis, one of the impacts has been the growing number of investors who are looking for more stable and sustainable investments. This fact has brought higher demands for investing and its possibilities. The market where sustainable investments are dealt with, expects the growth of investors with more specific requirements and wider knowledge of non-traditional investment opportunities. One of these products is microfinance, cash investments, private debt, private equity debt, social impact bonds, green bonds and development impact bonds. Thanks to the positive impact of these types of investments, the interest in investing has been growing constantly. In 2016, GIIN made the research, that showed the growth of these investments in the amount of 77 billion USD. The added value of our paper is to bring the present view of the market where these investments are realized. The practical implications of this paper is to draw up the possibilities of investing into these non-traditional investments with financial return as well as to create the positive environmental and social impact.

OPTIMAL CONTROL THEORETIC MODEL OF AGENCY THEORY

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The central idea behind the agency theory as applied to a corporations is that the Principle (shareholder) is too busy or lacks the knowledge to run the corporation and chooses an Agent (general manager) to do so. Then the shareholder faces the problem of motivating the Agent to maximize the value of the firm whereas the Agent's objective is to maximize his own earnings. İn its simplest and static version, the solution of the problem is that the Agent will be best motivated not by the basic salary but by the bonus he receives as a proportion of the increase in the value of the firm which is assumed to be a function of the efforts of the Agent. A more complex model is solved by assuming the objective of the Agent is to maximize his wealth at the end of his expected tenure in the corporation when his basic salary is also a function of the size of the company. The solution of the model shows that the expected length of tenure of the Agent, basic salary (as proportion of the size of corporation) becomes important in addition to bonus only as in static case. This results suggests that the shareholders should institute other measures to increase the loyalty of the Agent.

EUROPEAN TRANSPORT PROJECT RAIL BALTICA: PROSPECTS FOR BALTIC STATES AND RUSSIA

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Subject to the entry of the Baltic countries to the EU was to bring the state of transport infrastructure in line with the requirements of the integration group. For the purpose of integrating the Baltic States into a common European space transport strategy has been developed for the Baltic Sea Region in the early 1990s. The main goal of this study is to research advantages and disadvantages of Rail Baltica realization and prospects of it for Baltic States and Russia. To analyze the primary information we applied logical analysis, method of comparison. SWOT-analysis was made to reveal the strengths and weaknesses of the project as well as opportunities and threats of its realization.

The main goals of RB are development of high quality passenger and freight traffics between Baltic States and other European countries (via the transport node in Warsaw with the further destination to Berlin) and speed up regional development in Poland and Baltic States. Construction of railway Rail Baltica will extend capacity of cargo transport on railway and develop the goods traffic to/from European countries (new cargo passage North – South), it will be the possibility to shorten the length of travel, traffic flow on ViaBaltica, Polish and German motor highways as well, and nature friendly railway transport will be developed. Thus, there will be new chances to develop transport and logistics services and tourism too. Via Rail Baltica is intended to transport at least 13 million tons of cargo and five million passengers a year.

Keywords: Rail Baltica, interregional trade, Baltic States.

Session 3
Business & Marketing / Welfare and Human Resources / Behavior

COUNTERVAILING POWER IN A VERTICAL MARKET EXPERIMENT

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In a vertical market experiment featuring a wholesale market and a retail market we investigate the countervailing power hypothesis (Galbraith 1952). Counter to standard models of imperfect competition this hypothesis proposes that increasing concentration of retail firms might actually be beneficial for consumers due to the retailers' increase in power vis-à-vis wholesalers. Consequently in the experiment we vary the number of retailers (4 retailers versus 2 retailers).We show that increasing retailer concentration induces substantial wholesale price reductions. Furthermore, wholesale price reductions are to some degree passed on to consumers in the retail market. These two partial effects are important prerequisites for the countervailing power effect and thus support Galbraith's idea. However there is a third, opposing effect: With 4 retailers the retail market performs rather competitively, while there is strong cooperation with only 2 retailers. Cooperation of retailers ceteris paribus increases the retail price. We have final sessions running in May and will afterwards be able to determine whether the countervailing power hypothesis holds or fails.

NEUROMARKETING / CONSUMER NEUROSCIENCE- STATE OF THE ART IN 2016

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The present paper represents the comprehensive systematic literature review on neuromarketing and/or consumer neuroscience. The aims are to shape the theoretical concepts to guide neuromarketing/consumer neuroscience research agenda; Define the difference (if any) between the term “neuromarketing” and “consumer neuroscience”; Determine the neuromarketing/consumer neuroscience state of the art, including the aspect of ethics. As method, authors applied Systematic Literature Review of peer-reviewed articles addressing neuromarketing and consumer neuroscience. For the resulting bibliographic portfolio analysis, authors used as lenses the prisms of various disciplines, seeking to comprehend the contribution of those perspectives to neuromarketing and consumer neuroscience. Based on the review, the paper has enlightened the conceptual understanding of neuromarketing/consumer neuroscience in order to assist both academia and managerial practice to guide their future research agenda. Therefore, it gives a theoretical basis and presents the potential risks (opportunities and threats) of neuromarketing and consumer neuroscience. This study may not have enabled a complete coverage of all existing peer-reviewed articles of neuromarketing and consumer neuroscience. Once, as inclusion and exclusion criteria, the authors established articles with full paper access, by university access, sent directly by the authors, etc. Nevertheless, it seems reasonable to assume that the review copes a large proportion of existing works. From the practical point of view, it could serve as the basis for the risks and opportunities overview. On the other hand, the contribution to the academia reflects in the possibility for the paper to be a starting point to the new entrants in the knowledge pool. It is the first article which elucidates the terms ‘neuromarketing’ and ‘consumer neuroscience’, as some authors equalize them, while others make a certain distinction. Those definitions are exposed and additionally, a definition conceptual table is presented. Furthermore, the results and discussions highlight methods, tools, techniques, which are being used to cope with ‘neuromarketing’ and ‘consumer neuroscience’, including the advantages and potential risks. In conclusion, the paper contributes to shaping the theoretical concepts of neuromarketing/consumer neuroscience research agenda, questions the difference between “neuromarketing” and “consumer neuroscience” and enhances the importance of ethics in neuromarketing.

Keywords: Neuromarketing, Consumer Neuroscience, Neuroscience, Neuromarketing Ethics, Literature review.

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CHARACTER OF EMOTIONAL WORK AS VARIABLE MODERATING RELATIONSHIP BETWEEN INDIVIDUAL PREDISPOSITIONS AND WORKER'S POSITIVE ATTITUDE

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Numerous theories and scientific studies indicate that it is not only the work environment but also individual variables that are significant in building up satisfaction and other positive attitudes of an employee. The conducted research emphasizes the significance of personality traits (Judge, Heller, & Mount, 2002; Zaidi, Wajid, Zaidi, & Zaidi, 2013) self-evaluation (Bono & Judge, 2003) emotional intelligence (Kafetsios & Zampetakis, 2008; Sy, Tram, & O'Hara, 2006) or the achievements goals (Baranik, Lau, Stanley, Barron, & Lance, 2013).
Therefore, the purpose of the following paper is to determine the relations between the mentioned above characteristics and the worker's positive attitude towards work. Additionally, the author will attempt to assess to what extent the character of performed emotional work will influence the strength of analysed interdependences. The study will focus on so called demands-abilities fit (Cable & DeRue, 2002; Edwards & Harrison, 1993), where the worker's resources are his or her internal characteristics, while the requirements result from the character of performed emotional work. Job demands-resources model by R Karasek will be used as the theoretical background for the conducted analysis. According to this model the worker functions best in the situation in which the demands which he or she needs to fulfil at work are in line with his or her internal resources (Karasek, 1979).
Emotional work requires direct and emotional contact with the client (Hochschild, 2009) and requires managing one's own emotions. (Grandey, 2000). Due to the increasing significance of the service sector and the implementation of service standards, this type of work is performed by growing numbers of people. Simultaneously, this kind of work is also connected with some negative consequences (Hülsheger & Schewe, 2011), which is why the identification of individual determinants of positive attitudes is of both cognitive and practical nature.
The empirical part of the paper is based on the own study conducted in 2016 on the sample of 309 workers, 170 of whom performed emotional work. In the study the following tools was uded: Polish adaptation of NEO-FFI for the diagnosis of Big Five personality traits, (Zawadzki, Strelau, Szczepaniak, & Śliwińska, 2010); core self-evaluation scale (Bono & Judge, 2003), INTE questionnaire for assessing the level of emotional intelligence (Jaworowska & Matczak, 2008), achievements goals questionnaire (Wojdyło & Retowski, 2012) and an own tool for the measurement of the worker's positive attitudes towards work.

HOW ARCHITECTURE COULD IMPROVE URBAN HEALTH

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Architecture in general manages the relationship between the construction and the human health. Throughout this article we will address the issue of tangible and intangible value of the urban space, like a delicate balance between art and science. When someone observes the city in general or a street in particular, will live an emotive experience between atmospheres and emotions. Art meaning is not a conscious perception, but addresses the intuitive apprehension. We could say that perception leads to the expression and the expression is essential for the perception. One “sees” and “interprets”, the other “represents”.

The immaterial value of the street is a visual experience that subconsciously affects individual’s functions and emotions, we are talking about shape, colour, light, and shadow. For some people the colour assumes a prominent role, balancing, signal, interpretive emotion associated to the shape and texture. For others it takes on the role of exaggeration, excess, so its absence or colour uniformity are assumed as principal as the form and that is the immaterial role of the street. It is the way how we feel happy or sad. But at the same time buildings can improve our health and mood.

The use of green design, and the correct use of architectural shapes, with efficiency, will improve our daily lives, at one side, increasing for example the ventilation, and creating new atmospheres. With this methodology we believe that it will be reduced illness among people who live inside of those buildings and among people who walk in the streets. On the other side, it will improve higher worker productivity.

Architectonic Barriers are other design issues, that will improve or not health care, about all people who walk on a street or inside of a building. There are some techniques to encourage mobility, and with that, people will be healthier and happier. According Claudia Carol, in her article at Gensler on Cities website, by the year 2050, a staggering 70 percent of the planet’s population will live in urban areas. Nowadays a strong relationship exists between the design of the built urban environment and public well-being. As a result we may say that a good urban built environment will improve mental health and work productivity.

A well-designed urban space can have a positive influence on people’s wellbeing, in general people inside of the city; they feel lonely all day, even when they are surrounded by millions of people. Architecture shapes, colours, textures and techniques of construction plays a huge role into the mental health.
We can refer to Vitruvius and his tripartite model of the three elements required for a well-designed building: “firmitas” or firmness (health), “utilitas” or commodity (comfort), “venustas” or delight (happiness)
As a conclusion we intent to show how the inclusion of some of these elements can lead to better design, more effective policy and better outcomes.

Keywords: Health, Architecture, Street, Mood.

THE IMPORTANCE OF TOURISM FOR THE MEMORY OF THE PLACE

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A building can be a piece of art on the same level as pictures. This notion is argued by many scholars, yet a building designed in a way that can both satisfy practical needs and cause aesthetical pleasure is equal to a painting. The actual situation of the architectural culture, its incongruities and the quantity of architectural production which increases day by day, leads us according to Manfredo Tafuri in his book Theory and History of Architecture (Eco, 1989,00-33), to be facing an unconscious effort. This effort on one hand dictates the death of Architecture and on the other hand the discovery of a new dimension and conception of the architectural application in real life. As referred by Umberto Eco there must be a dialog between the subject and the object. (Eco, 1989) Tourism could give a push into the maintenance of architecture quality, and preserving of architectonic historical zones. So what is the purpose of the tourism realm in the 21st century? While global tourism has grown steadily at 7% per year over the last 5 years, recent growth has been limited by the financial crisis. The UN World Tourism Organization (UNWTO) reports that it "expects 2009 international tourism [growth] to be in the range of 0 percent to a 2 percent decline." However, the UNWTO also reports that the niche markets of adventure and cultural tourism are two of the strongest segments of the tourism industry and that culture has become a component in almost 40% of all international trips. In 2010, according to data from the World Tourism Organization (WTO), the international tourist arrivals totaled 940 million worldwide, 58 million more than in the previous year. The year 2010 reversed the downward trend of international tourist arrivals occurred in 2009, with a year-on-year growth of 6.6%, the highest recorded since 2005. In 2010, tourism activity showed global positive results on the supply side, which started a reversal of the downward trend of the tourism activity after the negative results of 2009, linked to the international economic crisis. It means that tourism it will be one of the most important industries in the future, and architecture releases impulses to examine the regional identity as well as life style. With this paper we intent to explain why Tourism, could help to preserve the local architectonic culture.

Session 4
Business, Management & Marketing / Motivation and Behavior / Teaching Methods

TRAVEL MOTIVATION AS A SOUVENIR PRODUCT OF SHOPPING AREA IN THALE NOI, PHATTHALUANG

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Shopping is a popular tourist activity, especially purchasing the souvenir in tourist attractions. While a person might not travel for the purpose of shopping, many tourists shop while traveling. This study aims to analyze what travel motivations influence the type of souvenirs tourists purchase, attributes of the souvenir, and attributes of the shopping area where the souvenir is purchased. Tourists' travel motivations were predicted to influence souvenir product choice, product attributes, and attributes of the shopping area environment where souvenirs are purchased. Data were collected from 400 domestic tourists who had traveled to Thale Noi, Phatthaluang using factor analysis dimensions of Likert-like scales. The researcher applied structured questioner in 5 levels rating scale. The data collecting consumed 6 months between March-August 2016. The data analyzed by descriptive statistics, Pearson's Product Moment Coefficients and Multiple Regression for analyze relationship between variables. Results indicated that travel motivations have an influence on souvenir products, product attributes, and shopping area attribute. Entrepreneurs within the souvenir trade should be cognizant of tourists' travel motivations and provide a souvenir mix that has appealing attributes in an appealing shopping area environment based on these motivations. In this way, entrepreneurs can provide a pleasurable and profitable selling environment benefiting the tourist and the economy of the tourist destination.

Keywords: Travel motivation, shopping area, souvenir product, Thailand.

A COMPARISON OF INFORMATION TECHNOLOGY USING BEHAVIORS OF DOMESTIC TOURISTS AND FOREIGN TOURISTS CASE STUDY: SONGKHLA PROVINCE

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TOURISM is one of the most important service industries for the development of Thailand in terms of economic development and social development. The number of tourists come to Thailand is increasing dramatically in every year, which is the good sign for country development and help to generate more income to the country. This research is a survey research, purposed to compare the information technology using behavior of domestic tourists and foreign tourists who traveled in Songkhla province. The researcher divided information technology using into four parts as type of information, text of information, source of information and problem of information users. This study applied structured questioner using 5 levels rating scale. The samples was selected by convenience sampling and calculated by Yamane formula (1973) as 400 samples and level of significance is 0.05. The data collecting was gathered in natural tourist attractions in Songkhla and consumed 6 months between July-December 2014. The result of this study found that there are 2 parts that the domestic tourists and foreign tourists have different information technology using behaviors at statistical significance as 0.01. The study represented that the foreign tourists prefer to use text of information more than the domestic tourists while more domestic tourists faced with problem of information users than the foreign tourists. Furthermore, this research found that information technology using behavior of domestic tourists and foreign tourists in type of information and source of information are not different.

Keywords: Behavior, Information technology, Domestic tourists, Foreign tourists.

FEASIBILITY STUDY ON TEA KLOE INTO THE OTOP FOR BANG KLAM DISTRICT, SONGKHLA PROVINCE

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This study aims to Feasibility study on Tea making to One Tambon One Product (OTOP). Bang Klam District, Songkhla Province, Thailand. To study the problems and would like of the Kloe community to make tea. Kloe is the name of the tea leaves (Scientific name: Plucheaindica) a lot of plaice in Bang klam District, Songkhla Province by nature in the mangrove forest. And the possibility of making tea business Kloe community some communities have seen the value of the tea in Bang Klam District, Songkhla Province. The respondents were 50 villagers and Bang Klam District, Songkhla Province.1 semester of academic year 2559 and questionnaires were used to collect the data and then analyze the data statistically. Data were collected by using questionnaires. The data were analyzed by descriptive statistics. The results of the evaluation were at a moderate level, with a mean of 3.25 points. The respondents were 40 males. Of the 10 respondents, 19 respondents by age 41 and over were 19 persons, classified by status. Married/living together most of the 39 people, 11 were classified by level of education. Most lower secondary school number 36 by the average revenue/month more. 10,001-20,000 Baht for 38 people, and by as/associated with the project. Most consumers 41 households, a total of 9 people.The study results from the questionnaire satisfaction of the respondents to the feasibility study on tea making to OTOP at Bang Klam District, Songkhla Province were at a medium level. On the other hand, it was found that the respondents were most satisfied with the products, followed by the distribution channels (Place), followed by the promotion and the lowest price.

Keywords: Tea Kloe (Scientificname: Plucheaindica). Bang Klam District, Songkhla Province, Thailand.

NON-FINANCIAL INFORMATION AND INTEGRATED REPORTING IN THE HOSPITALITY INDUSTRY: CASE STUDY CROATIA

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Subsequent to the Directive 2014/95/EU (EUDNFI) and Croatian Accounting Act (CAA), available non-financial information disclosed by Croatian hotel companies in non-financial (sustainability) reports were analyzed for their breadth and quality. Quality principles (accuracy, balance, clarity, comparability, reliability, timeliness), areas of reporting (environment, society), and the overall quality of the reports by combining the previous two, were assessed through the content analysis. Results reveal the quality principle with the highest score to be timeliness, areas with the highest scores to be environment, labor practice, and community/society, and an overall score to be 7,67 (out of 30). The lowest scores of quality principles were reliability and comparability, and areas referring to product, and human rights. The results show a need for establishing a framework for disclosing non-financial information in reports to make them useful to internal and external users. The minimum of the CAA requirements for disclosing non-financial information intended for external users are associated with the business policy, brief description of the business model, presenting specifics of the activities and impacts on environment, relevant business relationships and market risks, and non-financial key performance indicators, significant in the hospitality industry. Therefore, relevant opinions of experts, bodies and associations will be considered in creating a model, such as CSR Europe, International Integrated Reporting Council, GRI's Corporate Leadership Group, with a particular emphasis on the sustainability accounting standards provided by the Sustainability Accounting Standard Board, with the aim of finding the most efficient and effective way for implementing EUDNFI.

Keywords: Directive 2014/95/EU, non-financial information, sustainability, integrated reporting, hospitality industry, Croatia**.**

RELEVANT SKILLS AND COMPETENCES DEVELOPMENT DELIVERING STUDY COURSE ENGLISH FOR DENTISTRY

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In modern world characterized by a fast pace of change students are willing to be sure that skills and competences developed doing a study course match skills and competences demanded in their future career. This presents a new challenge for universities to ensure that courses being delivered meet professional needs of students. What is competence? That is "...when students are capable of functioning independently with a degree of contingency solving in realistic practice" (Chambers & Gerrow, 1994).

Aim. To study:

- if throughout the delivery of study course English for Dentistry to students of Faculty of Dentistry at RSU they acquire skills and competences demanded by employer;
- whether assessment matches learning objectives;
- student satisfaction level with the study course being delivered.

Materials and methods. Data were collected during academic years 2015/16 and 2016/17 from RSU Faculty of Dentistry 1-st year students taking part in a cross-sectional study.

Results. Study course English for Dentistry focuses on building professional competences essential for dental practice:

- capability to communicate in English with a patient, his family and relatives as well as with other professionals involved in dental patient treatment;
- capability to delver orally and in written form information and professional knowledge to a dental patient as well as to other professionals;
- capability to enhance professional competence studying recent publications;
- capability to conduct scientific research.

Skills development reflected in learning outcomes:

- to deliver information to a dental patient on oral cavity hygiene procedures;
- to explain the importance of balanced diet for oral health;
- to educate a dental patient on oral disease etiology and prophylaxes;
- to inform about harmful habits that endanger oral health;
- to use professional terminology.

Assessment tasks must match the course objectives, which in turn must be reflected in the course content. Video coverage of dentist–patient dialogues performed by students in the professional environment of a preclinical room proved to be evidence-based summative assessment testing communication skills of students in professional setting. Student research skills were developed with studying recent publications, research questionnaire design and data collection.

Conclusions. Defining learning outcomes it is necessary to relate them to the standard of profession where skills and competences demanded in the job market are listed. Study course evaluation questionnaire survey provides a constructive feedback on student satisfaction level with the study course. There is no doubt that alignment with the standard of profession throughout course delivery contributes to the professional development of students and enhances overall competitiveness of the university.

EFFECTIVE PEDAGOGICAL MANAGEMENT & LEADERSHIP AS A ROAD TO SUCCESSFUL INTERNATIONAL TEACHING

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We will analyse similar effective management and leadership in successful business can be applied in successful pedagogy. In addition, we will discuss the problems and mistakes that cause problems in ineffective management and leadership that causes menace in the learning process and damages the learning atmosphere. Furthermore, we will discuss the creativity in effective pedagogical leadership that improves the learning atmosphere in the classroom and beyond the classroom; similar to effective management that creates a rewarding and successful business atmosphere. Moreover, how learn from your own mistakes, mistakes of your competitors and how to stay ahead of your competitors.

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MECHANISMS OF ORGANIZATIONAL CONFLICT RESOLUTION IN GEORGIA

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Humans' behavior is rational. But frequently, identify the reasons of their behavior is quite difficult. Rules, norms, personality defines employees' behaviors. About private life it is invisible, because people have close relations with others who is similar to them. But, while speaking about workplace, the differences become very clear. As the workplace is not their choice. Employees often react differently on the same stimulus. Accordingly, conflicts of different type and strength arise. Conflict is the inevitable in organizational development. The results of it can be constructive as well as destructive. So, it's essential to take effective measures. Organizational conflicts are very important for Organizational Development. The main issue during conflict studies is to define employees' behavior. The behavior itself is defined by the personal characteristics of the employees. Thus, prediction of the employee behavior during conflict is too difficult. The behavior is the caused by the following factors such as perception, attitude, skills, values, family, age, gender, experience, environment, situations. All the mentioned factors influence on the conflict management style. Employees, who have different personality, have different attitude towards organizational conflicts. As a result they have different behavior during conflicts. For the employees both the personality and the situational factors are essential. But there are people who are inflexible in organizational conflicts. It's important to respect and consider the motives of their behavior in order to control them during conflict process. In the paper there is short theoretical review of organizational conflict studies. We conducted survey in Georgia about organizational conflict and on the conflict resolving style. The main attention was paid on the following personal characteristics: gender, age, education, working sphere, working position, family status, controlling emotions in Georgia. In the paper there are given: attitudes of employees' and the reality about organizational conflicts in Georgia; Results of this survey and accordingly there are conclusions, recommendations. As a results showed in Georgia there is very rare conflict management trainings; the most frequent conflict resolving style is cooperation. It is quite difficult to control emotions in conflict process. But many employees in Georgia manage to control themselves and who could not, they are trying. Also, online-management and using control stimulation strategy is rare practice. In the paper there are widen findings and recommendations.

Keywords: Organizational conflicts, conflict resolution, conflict.

Session 5
Management & Leadership / Teaching Methods

THE WORLD'S MOST POWERFUL PEOPLE'S BIOGRAPHIES ANALYSIS FOR MODERN LEADERS' IDENTITY CONSTRUCTION

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The modern society's development study reveals the necessity of the wider use of biography analysis methodology in anthropological and sociological researches. The method of biography analysis operates with data on a man's objective events and personal experiences. In the common world's context a man is considered as a part of his/her lifetime, and his/her life "culmination" and "finish" depend on its "start' and "distance" running quality. In the article the factors which influenced the world's most powerful people's biographies have been analyzed taking into consideration life's main features such as tendencies and risks of society's development, economy, globalization, politics, a material life model and a social and cultural environment. A man's biography reconstruction has been created in the process of anthropological research. A retrospective point of view shows that the basic platform for the leader's self-development is a desire for self-perfection, an opportunity of the choice of environment with successful people and the creation of strong contacts with them, a possibility to change his/her thinking approach and to create innovative work products on the basis of it. Analyzing the life experience of many leaders the authors of the article have declared that, despite the leaders' individual self-development strategy, attitude, behavior and motivation specific character, it is possible to verify essential common features which make leaders special and unique. In the process of research the generalization of the world's most powerful people's life experiences is outlined as the tool of challenge for a modern leader's identity construction.

Keywords: leaders, leaders' identity, self-perfection, self-development, self-realization, biography analysis.

HARMONIZATION OF ORGANIZATIONAL CULTURE VALUES AND PERSONAL VALUES IN PUBLIC SECTOR

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The role of values in managing organizations through values is viewed in the article. Personal values and organizational culture values in public administration organizations are analysed and studied there. Empiric study about personal and organizational culture values is based on R. Barrett`s “Seven Levels of Consciousness” model. The results of the research carried out in public administration organizations are analysed in this article. In total, 626 respondents` surveys results are collected and analysed here. The aim of the study is to evaluate public administration organizations by providing a notion about harmonization between organizational and personal values.
The positive aspect of R. Barrett`s “Seven Levels of Consciousness” model is that the model provides an opportunity to assess current distribution of organizational values as well as possibility to identify desirable organizational culture values. Correlations, conformities and differences between personal values and organizational values are analysed in this study, based on the model developed by R. Barrett. The analysis of before mentioned correlations and conformities allows us to determine whether the way of development chosen by organization receives sufficient support from employees` side, as well as allows to assess the organization`s readiness for changes. While differences and inconsistencies warn the organization about the need for changes in organizational structure, or, sometimes, they can indicate the need to revise goals, priorities, and values of organization. R. Barrett`s “Seven Levels of Consciousness” model has gained recognition and is widely used in organizational culture researches throughout the world.

Keywords: personal values, organizational values, value-driven organization.

COMBINATION OF TEACHING METHODS AS A MOTIVATIONAL FACTOR FOR A STUDENT

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Preparing the study tasks, lecturers pay much attention to how to involve students into a learning process as much as possible to reach the better results. Combined learning is a teaching method where modern information technologies and traditional teaching methods are applied. Usage of technologies makes learning process easier; students are engaged, more interested and motivated. Thus, lecturers save time, energy and resources necessary for a preparing for a high quality study process. Working as a team, lecturers inspire, facilitate each other and provide resource sharing. Not only are the lecturers the consumers of digital content but also its creators.
The aim of the research: to create a digital learning tool, realizing study courses "Economics of Entrepreneurship" and "Professional English" in the study program "Accounting and Finance" in the first study-year.
The following learning tool covers combined tasks created and adapted in the study years 2015/2016 and 2016/2017. These tasks ensure high results, because knowledge and skills acquired by the students while doing creative practical tasks improve, enhance and diversify traditional classes. Students prepare educational products which are personally significant for them; they are involved in specific learning activities: cognitive, creative, organizational and communicative.
Combined learning improves language acquisition process and helps understand economic issues, sharing knowledge and information, communicating efficiently, and building cross-curricular link.

Keywords: a digital learning tool, entrepreneurship, economics, professional English, combined learning, sharing of resources, a creative educational product.

MANAGING SERVICE DEVELOPMENT IN LATVIA

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The paper introduce to the elements of designing and developing services, and specifically to how these are managed. The object of the present research paper is marketing management. The subject of the research paper is management of service development. The objective of research paper is to study the process of managing service development in Latvia.
The tasks advanced in order to reach the objective: 1) to identify the elements of designing and developing services; 2) to carry out analysis of the factors influencing the process of managing service development in Latvia; 3) to study the variety of industries in Latvia and its experience in management of service development. Theoretical study methods are reported analysis of marketing, management, business environment; study of correlation between business environment factors and management of service development. Empirical pilot methods are observation for the purpose of studying mutual influence between business environment factors and management of service development; study of document regulating managing service in Latvia; economic experiment; study of public and non-governmental institutions data in Latvia about managing service development.

Keywords: Marketing, management, service, development, process, business environment

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THE WORKING PENSIONERS IN LATVIAN LABOR MARKET DURING THE COMING DECADES

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This work has been devoted to forecast the skilled pensioners provide their work force in Latvian labor market during the next 10 -15 years.
Author had created a mathematical model of population and age structure forecasting in next years. The information of previous 25 year statistics had used for calculating population. These data have been used for calculation of demographic pyramid and tendencies of changes the workforce in different age groups.
The number of people in post-pension age with good skills in their areas was calculated using the developed mathematical model. It is possible to estimate from these data the number of pensioners which can provide their work force in different industries.
In the author's calculations pensioners involvement will increase the reserves of labor by more than 20%.

Keywords: population, population age structure, demographic age pyramid, pensioners, forecasts.

CONTRIBUTION OF PRIVATE FUND MANAGERS TO THE ACCUMULATION OF PENSION CAPITAL OF THE SECOND TIER OF LATVIAN PENSION SYSTEM IN 2012-2016

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Fourteen years passed since the resources of the second tier- Mandatory State Funded Pension Scheme- were transferred from Latvian State Treasury to private fund managers. Rates of return of private fund managers in 2003-2016 were very different. The previous research of the authors showed, that in 2003-2013 an average performance of the second tier was lower, than the rates of inflation and average growth of salary. As far as crisis years were included in previous study, the aim of this paper is to assess the contribution of private fund managers to the accumulation of pension capital in post-crisis period.
For the analysis of profitability 20 pension plans were divided into different groups. Then the authors analyzed the following indicators: performance of 20 pension plans in 2012-2016; profitability depending on the declared risk of pension plan; dynamics of private fund managers' fees and population opinion on Latvian pension system. Latvian indicators were compared with Lithuania and Estonia.
The conclusions about the results of the analysis were drawn. On the basis of conclusions the authors estimated the contribution of the private fund managers to the accumulation of pension capital of the second tier of Latvian pension system. In the concluding remarks of the paper the authors made proposals for increasing the contribution of private fund managers to the accumulation of capital in the Mandatory State Funded Pension Scheme. One of the main proposals is to continue the digitalization of the system. As far as Latvian system is a model for many other countries all over the world, the authors' proposals may be actual also in other countries.

Keywords: mandatory state funded pension scheme, performance of private fund managers, fund manager fee.

SOCIAL MEDIA AND MARKETING OF HIGHER EDUCATIONAL SERVICES

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Rapid development of new technologies has posed new challenges for modern day marketers. Therefore, it is important to understand and effectively use such technologies for promotion of products and services. The proliferation of Internet and the popularity of social media are two important aspects of new technologies. In a highly competitive market, effective use of social media is critical for market success. This also applies to the providers of higher education services like universities. Recent years have seen increasing spending by universities to promote their brand and services through social media.

Social Media Marketing (SMM) uses marketing tools and practices through social media platforms to provide information and promote brands, products and services to potential consumers (Social Media Marketing). While leading international universities have been using social media to promote their services for quite some time now, there is little evidence of such marketing by domestic universities so far. At the same time, promotion of educational services through the use of social platforms is the most promising direction to communicate to young student population.

In this regard, the objective of this research is to explore the following issues: 1) ways by which social media platforms provide unique advantages for higher education marketing and 2) the prospects and potential of social networks as a digital marketing tool for promoting the educational services.

The research methodology will use general scientific methods and techniques for comparative analysis. Data will be collected from marketing practices of leading international universities and analysed for their impact on marketing. Relevance of such marketing practices for domestic universities will be discussed.

The contribution of this research is to highlight how domestic universities could gain from successful and innovative adoption of social media marketing to increase the reach and impact of their educational services as an Internet marketing tool and to determine the opportunities for promoting the universities educational services.

Understanding of the opportunities offered by social networks to promote educational services, as well as the knowledge of valuable foreign experience, has a great practical importance for the domestic universities. It will ensure the reasonable and an effective use of social networks as one of the leading and promising Internet marketing tools.

Keywords: higher education, promotion, integrated marketing communications, university marketing communications, digital and Internet marketing, social networks.

Session 6
Economics and Human Capital / Business & Marketing

LABOR MARKET ORIENTED PROFESSIONAL EDUCATION SYSTEM – THE SIGNIFICANT FACTOR FOR HUMAN CAPITAL DEVELOPMENT AND THE INCLUSIVE ECONOMIC GROWTH IN GEORGIA

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Ekaterine Kvirkvelia
Iakob Gogebashvili
Ivane Javakhishvili Tbilisi State University

In the work we have considered the role of professional education and its significance concerning the human capital development and the inclusive economic growth under the modern globalization conditions. We have underlined the role of education in general and the processional education in particular, having the special social-cultural phenomenon's role. The main problems and challenges existing in the field in Georgia are also enlightened. We have documented that in the modern "century of education" right at the level of professional education system functioning, orientation towards the quality, labor market demands it depends on the human capital development, qualitative perfection of the working potential, use prospective and finally, the society's development, perfection of the working life, improvement of living standards, economic and social progress.

Keywords: professional education, knowledge, human capital, economic growth, development.

EFFECTIVE EMPLOYMENT AS AN IMPORTANT FACTOR FOR INCREASING INCLUSIVE ECONOMIC GROWTH AND LIVING STANDARDS

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The paper discusses the role and importance of effective employment in increasing inclusive economic growth and living standards of the population. The main problems and challenges of employment in Georgia are studied. In particular, factors contributing to the effective employment are identified and the factors hindering effective employment and formation of innovative employment structure in general are studied.

The paper provides arguments to prove that employment and especially effective employment is the main factor for promoting inclusive economic growth, which should significantly reduce poverty and inequality, ensure welfare of the population and their maximum participation in the activities useful for the society. Therefore, economic development of the country, creation of jobs and overcoming of poverty will significantly depend on the implementation of active state policy in the field of employment, which primarily refers to the development of labor market infrastructure, reduction of chronic unemployment, achieving balance between demand and supply of the workforce, and development of vocational education system oriented on labor market demand.

Keywords: effective employment, inclusive economic growth, living standards, poverty, inequality, economic growth.

MACROPRUDENTIAL MECHANISMS FOR ECONOMIC STABILITY

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The article discusses the economic functions of a state during an unstable development. It analyses some governmental strategies of crisis prevention, such as adopting macroprudential regulations. The article investigates different economic mechanisms of country's control system, the role of society in the process of development and its' mental transformations during the economic liberalisation. It also discusses the influence of state's antirecessionary policy on the process of social-economic functioning, the role of a state in the process of forecasting and achieving the stable economic and political environment. The article argues that solving the crisis by the mitigation of risks of financial systems as a whole is the solution for successful macroprudential policies, which is the guarantee of an economic stability as it also created strong bases for economic evolution. Last, it proposes a strategy for successful implementation of macroprudential policy.

Keywords: State regulation, Anti-crisis management, Macroprudential regulations, Antirecessionary policy, Political and economic system, Rationalization of the government's behaviour, Effective state management, economic stability.

METHODOLOGICAL ISSUES OF EVALUATION OF TOURISM FIELD EFFICIENCY IN THE REGION

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Preface and goal: Today, tourism is one of the most growing field of economics of developed as well as developing countries. It's confirmed by the fact that its total turnover is 3.500 billion dollars; its contribution in global service exports is 35% and makes 10% of the world's gross product. The profitability of the tourist product in all countries exceeds the average level of profitability of national or regional economy; in last 40 years the average annual growth rate of tourism sector was 7%, almost three times higher than the average annual growth rate of the world economy. The majority of national and regional markets in the world, despite globalization trends, have a complete independent organizational structure of the market. So, it is remained again a quite profitable and attractive field for business. Business-attractiveness of tourism industry requires proper management in this field.

As a rule, on the basis of parameters of economic efficiency the state has several versions of investment which means restrictions having influence on selecting economic policy direction. In this situation, management with direct effect taken from investment n as a result of specific managerial decision isn't sufficient. It's essential to calculate and evaluate indirect and generally, joint effect.

Methodology of research: In scientific literature there are approved economic and statistic methods which gives ability of choosing correct direction. They are: method of assessment of multiplier and multiplying effect, interdisciplinary balance and satellite accounts.

Results and use: The modern state of tourism statistics and accounting in Georgia, especially according to its specific regions, does not allow us to use the exact methods of multiplier and multiplication effectiveness of tourism industry.

The more difficult it is to use the interdisciplinary balance. Use of the method "Expenditure-issue" considers interdisciplinary data in accordance with economics of discussing region which is not defined today.

Today, it is impossible to introduce tourism satellite accounts in Georgia due to lack of information. Only a few weak assessments can be made according to tourism flows by help of indicators. In addition, these reports are advisable to be used to assess the contribution of tourism in the macroeconomic showings of the country.

In this situation it is advisable to use simplified approaches to solving this issue, in particular simplified model of calculation of gross income.

Definition of direct and indirect incomes from tourism allows us to compare each sector contribution in the development of the region's economy which will later be

used as an important tool for developing the right economic policy in the field of tourism.
Conclusion: The effectiveness of the tourism industry at the regional level can be evaluated as a result of the statistical study of the indicators given in the simplified formula for calculation of gross income.

Keywords: economic efficiency, gross income, satellite accounts, interdisciplinary balance, multiplication efficiency.

DIGITAL DRIVERS OF THE ADVERTISING MARKET: THE RUSSIAN REALIA

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The research studies digital drivers of the advertising market. In the present context the former are analyzed as a transformative factor which affects the state of the market in its passing from one state to another, especially during qualitative and structural transformations. Competition in the digital sphere and new informational technologies are interpreted as drivers of evolution of Internet communications. The presented material explores their turning into a system-forming tool for media-resources and media-content development which changes the role of the consumer in the system of marketing communications.

A number of factors are regarded in the research as drivers of market growth. These include, firstly, the modification of the advertising information consumption model by means of mobile gadgets; the mobile marketing development as the main inducer of the growth. Secondly, they imply the possibility of monitoring the efficiency of digital communications; amplified possibilities for analyzing the applied instruments (rising conversions due to more precise target instruments) and the formation of advertisers' requirements regarding expenses control and operative budget management enabling them to pay for the result. Thirdly, these factors include increased consumers' activity, when the consumers deem it expedient to initiate contact with the advertiser which stimulates the search for complex approaches to SMM promotion. Other important factors are the development of "niche", sphere-specific and visual (Instagram) social nets which generate new possibilities of focusing on the chosen target audiences, as well as increased attention to the quality of digital content and ways of its optimization; the development of cloud technologies of its storage.

On the one hand, digital drivers intensify the development of the Internet communications market as a part of the media-advertising sphere. In Russia, in the conditions of uncertainty and sagging of most commodity markets in 2014-2015, the growth of the Internet segment, though considerably stunted, still continued. Last year's results reveal unprecedented growth rate of the Internet advertising segment running hot on the heels of television- the current advertising leader. The research shows that such results became possible due to intense development of contextual and video advertising, continued global "mobilization", development of mobile advertising networks, emerging "complimented reality" advertising campaigns, mobile loyalty programs, popular geolocation services growth and geo-targeted advertising.

Today, the growth rate and investment amount leader - contextual advertising - cannot effectively develop without the automatization instruments of SEM Tools, complex Performance marketing sales and conceptual Native Ad application. Apart from that, the research reveals the importance of Programmatic technology for advertisers' budgets optimization.

On the other hand, the author argues that digital drivers generate competitive surroundings and affect the classical media promoting the latter's infiltrating the Internet and making use of digital inventory. Structural changes in the advertising pie occur under the influence of the market's digital drivers. To be able to compete with the Internet, the traditional players have to implement new, transparent technologies, attractive for the advertisers.

In the modern stage of evolvement, absence or deficiency of media-dimensions becomes a stifling factor for new segments - in the classical as well as Internet media. The dimensions render new developments clear for the advertisers and attract budgets into them. When the market learns to produce dimensions of all accessible screens of content consumption (desktop, mobile gadgets, Smart TV, TV) and combine their results, the advertising will make an evolutionary leap. The author concludes that in this situation of an integrated media-mix the advertising market drivers will acquire new working intensity.

Keywords: digital drivers, marketing communications, crisis, digital technologies, media, advertising market

THE LABOR MARKET OF A SMALL OPEN ECONOMY AND INVESTIGATION OF INTERNAL MIGRATION FLOWS (EXAMPLE GEORGIA)

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Observation of migration process has always been important issue for countries and the region, determination of cause and effect relations and future prospects. Under modern conditions, the following factors have a significant impact on labor market and migration processes: political, economic, social, psychological, demographic, territorial, gender, age factors, natural and climatic condition and so on. It is impossible to complete the process of labor market formation without migration flows. It is important to determine the necessary amount of labor resources for country and region, also to implement economic incentive mechanism for regulation of migration flows, besides, economic and national security issues should be considered as well. Investigation of labor market became quite impossible without foreseeing the internal migration flow. Factors affecting on them are numerous and diverse. Internal and external migrations have reasons in common, as well as have different causes. The main focus is given to internal migration, which is mostly discussed according the example of Georgia. The work mainly uses the correlation and regression methods of analysis and based on the official data, analyzes the flows of internal migration depending on sex, age and regions. For example, a correlation analysis of the matrices of internal migration demonstrated that the correlation coefficients are quite high (within the limits of 0,7-0,99). In order to achieve quantitative and qualitative optimization of the labor market, formation of equilibrium and balanced labor market and maximal realization of the economic possibilities, it is recommended to reduce unemployed category, than to use the inner and finally the external migration resources. Each small open economy is characterized by specific features in this regard and sharing experience should be more or less interesting and helpful for other countries. As for the identified negative factors, the work tries to give the ways to mitigate their impacts.

Keywords: Labor market, Small open economy, Migration factors, Internal migration.

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FORMATION PROCESS OF GEORGIAN LABOR MARKET

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The problems we are facing on the Georgian labor market are quite serious and have substantial impact on both employers and employees. These problems have arisen as a result of a specific hiring process on the market.
In order to evaluate the process of labor market formation and its future forecasting it is necessary to analyze the demographic development of the country. Economic development in Georgia as well as the change in labor factors has had a substantial impact on the formation of the population and labor resources of the country, as well as its separate regions. On the other hand, the demographic growth has had significant influence on economic development of the whole country and on its separate regions. Number and the structure of the population that are on the labor market depends on the quantitative and qualitative characteristics of the population. In addition, optimal gender, age and professional structure of population and labor resources is an important factor in satisfying labor demand and in the development of production.
The amount of workforce in the labor market, which defines the number and composition of people who have the ability to work and who are willing to work, depends on the number of working population and the direction of its changes. Based on this information we can state that the factors affecting labor supply also have an impact on the formation process of the labor market.

Keywords: labor market, labor supply-demand, demographic development, natural movement of population.

HUMANISTIC AND ECONOMIC MANAGEMENT - THE CASE OF THE COOPERATIVES OF THE DISABLED IN POLAND

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In the recent past, the available literature did not provide many thoughts and reflections on the fields of management and humanities and their possible connections. Management have been understood primarily as economic, aiming at achieving the greatest financial gain possible. In the current years, researchers, both in Poland and abroad, are increasingly turning to this subject by analyzing it from a theoretical point of view and taking up relevant empirical studies. The reason for a greater interest in the humanistic aspect of management can be traced to a significant growth in the number of questions and problems related to humanities research area which include the subject of human destiny in organizations. The economic side of management does not take such matters into consideration. This article is devoted to correlations between the economic and humanistic aspects in sustainable management. In the article, it was assumed that diversity in different types of management comes from the fundamentally different questions posed by managers. The economic management answers the question of how to run a business, whereas the humanistic management explains why does one do it. Sustainable human resources management is an approach combining both management models answering both questions at the same time.

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MOST SPECIFIC INCONSISTENCIES OF LABOUR SAFETY MANAGEMENT SYSTEM IN CONSTRUCTION INDUSTRY ENTERPRISES

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Pētījumā tiek analizēta darba drošības pārvaldības sistēmu nozīme būvniecības nozarē strādājošajiem uzņēmumiem. Pētījumā tiek identificētas problēmas un tās ietekmējošie faktori, kas saistīti ar sistēmu ieviešanu un uzturēšanu. Darbā tiek analizētas darba drošības kultūras teorētiskie aspekti, tās attīstība un organizāciju darba drošības kultūras izvēles iespējas. Tiek apskatītas darba drošības likumdošanas prasības Eiropas Savienībā un kā šīs prasības ir integrētas Latvijas normatīvajos aktos, un konkrēti pētāmās nozares uzņēmumos. Darba drošības pārvaldības sistēmas raksturīgākās neatbilstības būvniecības uzņēmumiem tiek identificētas un apkopotas no trešās puses auditu atskaitēm. Darba drošības pārvaldības sistēmu raksturīgāko neatbilstību risināšanai tiek izstrādāta nepieciešamā rīcība un darbības, kas nodrošina neatbilstību novēršanu, vai samazina to sekas un dod arī ekonomisko ieguvumu uzņēmumam, kas ir arī pētījuma mērķis. Latvijai iestājoties Eiropas Savienībā, būvniecības nozare kļuva par vienu no nozīmīgākajām Latvijas tautsaimniecības nozarēm. Būvniecības nozare ir viena no bīstamajām nozarēm, kuras nodarbinātie relatīvi bieži cieš nelaimes gadījumos. Nozares attīstības straujie kāpumi un kritumi, nelabvēlīgi ietekmē nozarē strādājošos - gan darba drošības, gan sociālās labklājības jomā. Šī nestabilitāte ir pārbaudījums arī darba devējiem būvniecības nozarē, kuru lielākais izaicinājums nodrošināt darba vietas recesijas laikos, un straujas attīstības rezultātā atrast darba spēku, kurš recesijas laikā ir pametis valsti, vai strādāt ar to, kam nav atbilstošas kompetences. Līdz ar to darba devējam ir jābūt gatavam, ātrai darba spēka apmācībai. Tas savukārt nozīmē, ka ir jāveido sistēmas apmācībai, informētībai un izpratnes veicināšanai par darbu, par drošām darba metodēm. Darba vietās ir jāstrādā pie darba drošības kultūras izveides un attīstības, kas paaugstinātu darbinieku drošu uzvedību un nopietnu attieksmi pret iespējamo risku mazināšanu. Pētījuma autores viedoklis par darba drošības nozīmi būvniecībā ir tāds, ka Latvijā tas vēl joprojām nav pats primārais, tomēr atsevišķi jautājumi pamazām tiek sakārtoti un kopumā šo pasākumu kopuma tendence ir pozitīva. Lielu darbu veic Valsts darba inspekcija un citas organizācijas nozarē, veidojot informatīvos materiālus, un tehnoloģiski viegli izmantojamus rīkus, ko darba devēji var pielietot savu darbinieku zināšanu un ieinteresētības paaugstināšanai. Lai nopietni domātu par darba drošības kultūras attīstību uzņēmumā, uzņēmuma vadībai ir jābūt pietiekamai izpratnei par to nozīmi un ietekmi arī uz uzņēmuma sniegtā darba kvalitāti, prestižu, klientu uzticību.

Arvien vairāk pasaulē tiek pievērsta uzmanība sociālajai atbildībai. Ņemot vērā situāciju nozarē, uzņēmējiem ir nopietni jādomā par savu pakalpojumu piedāvāšanu ārpus Latvijas tirgum, kas nozīmē, ka drošu darba metožu izmantošana uzņēmumos kļūs arvien svarīgāks jautājums. Kā viens no uzņēmuma vadītāja palīginstrumentiem ir Arodveselības un darba drošuma pārvaldības sistēmas (Turpmāk - OHSAS) izstrāde un ieviešana uzņēmumā atbilstoši standartam LVS OHSAS 18001:2007, īstenojot politiku un mērķus, ievērojot likumdošanas prasības un informāciju par darba vides riskiem. "Tas paredzēts izmantošanai visa veida lieluma organizācijās un pielāgošanai atšķirīgos ģeogrāfiskos, kultūras un sociālos apstākļos. Sistēmas panākumi ir atkarīgi no organizācijas visu līmeņu un funkciju, un it īpaši no augstākās vadības, iesaistīšanās. Visaptverošais mērķis ir atbalstīt, veicināt labas darba drošības un arodveselības prakses, lai tās būtu līdzsvarā ar sociāli - ekonomiskajām vajadzībām. Jāatzīmē, ka daudzas no šīm prasībām var risināt vienlaicīgi vai pie tām jebkurā laikā var atgriezties" (LVS OHSAS 18001:2007). Latvijā relatīvi maz ir uzņēmumi, kas izvēlas OHSAS sistēmu sertificēt. Pētījuma gaitā tiek noskaidrots, kādu vietu un nozīmi ieņem OHSAS sistēma uzņēmumu vidū, vai tas ir tikai uzņēmuma iespējai piedalīties valsts nozīmes konkursos, vai arī šī sistēma tiek izmantota kā instruments savas darba drošības kultūras attīstībai. Lai to noskaidrotu, tiek analizētas OHSAS sistēmā biežāk sastopamās neatbilstības.