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List of papers presented on the Conference

Name	Surname	Affiliation	Paper	Track
Anna	Abramova	MGIMO University, Russia	Russian energy and ICT MNEs in global value chains: shift of location advantages under the sanctions	Internationalization of Emerging Market Firms
Gocha	Abutidze	Georgian Technical University, Georgia	The Microfinance Institutions in Financial System of Georgia	Strategic Finance and Corporate Governance
Ekaterina	Aleksandrova	Higher School of Economics, Russia	Effects of CEO change under conditions of complexity	Complexity and Strategy
Olga	Alkanova	Graduate School of Management St.Petersburg State University, Russia	Determinants of Customer Satisfaction in M-Commerce: Investigation of Chinese and Russian Customers	Marketing Strategy, Branding and Consumer Behavior
			Loyalty programs in digital era: classification, challenges, future	Marketing Strategy, Branding and Consumer Behavior
Artem	Alsufyev	Graduate School of Management, St. Petersburg University, Russia	Managing people in the new digital economy	Digital Economy and Digital Business
Ekaterina	Andreeva	St.Petersburg State University, Russia	Speaking Culturally as a Key to Effective Communication	Language and Communication for Cross-Disciplinary Integration
Viktor	Anisimov	Neurotrend, Russia	Neuromarketing tools to predict the level of perceiving and understanding texts in commercials	Marketing Strategy, Branding and Consumer Behavior
Svetlana	Apenko	Dostoevsky Omsk State University, Russia	Motives of Nascent and Mature Social Entrepreneurs in the Omsk Region of Russia	Entrepreneurship and Innovation
Yulia	Aray	Graduate School of Management St.	Social Entrepreneurship in	Business in Society

		Petersburg State University, Russia	Russia: Current Trends and Opportunities for Development	
			A comparative analysis between UK and Russian MBA students of strategy teaching. Challenges and lessons	Complexity and Strategy
			Building sustainable supply chains in emerging market context: SIBUR's experience on Russian market	Supply Chain Management and Operations
Victor	Arshavskiy	BEROC, Belarus	Traders in the Food Distribution Chain Estimating Trade Costs and Markups from Price Data	Supply Chain Management and Operations
Maxim	Arzumanyan	Graduate School of Management St. Petersburg State University, Russia	Platform markets research within the Russian National Technology Initiative (NTI)	Digital Economy and Digital Business
Muhammad Razzaq	Athar	Univerisy Institute of Management Sciences, Pir Mehar Ali Shah Arid Agriculture University Rawalpindi, Pakistan	Impact of Brand Experience on Brand Loyalty (Trust as Mediator)	Marketing Strategy, Branding and Consumer Behavior
Yuliya	Averyanova	National Research University Higher School of Economics at St. Petersburg, Russia	How Import Affects Firm's Competitiveness in Export Markets	Internationalization of Emerging Market Firms
Inessa	Ayrapetyan	National Research University Higher School of Economics, Russia	Transformation of Russian Electricity Market Model after the Implementation of Blockchain Technology	Digital Economy and Digital Business
Ekaterina	Baeva	St.Petersburg State University, Russia	Integrating Russian Culture and Language Learning: Beyond Vodka, Matryoshka and Balalayka	Language and Communication for Cross-Disciplinary Integration
Olesya	Bandaljuk	Graduate School of Management, St. Petersburg University, Russia	Interdisciplinary Laboratory. Language and communication for business education. In search of	Language and Communication for Cross-Disciplinary Integration

			interdisciplinary competence.	
Chinmoy	Bandyopadhyay	Xavier Institute of Management, Xavier University, India	Social Entrepreneurship: Exploring the Role of Value Creation through Relationship Marketing	Business in Society
Andres	Barrios	Universidad de Los Andes, Colombia, USA	An Evolving Humanitarian Business Model for Emerging Markets and Refugees: New Conceptualizations and Data from the Field	Marketing Strategy, Branding and Consumer Behavior
Yulia	Bausova	Ural State University of Economics, Russia	Influence of Stakeholders on a Scientific Economic Journal's Strategy: A Russian Case	Complexity and Strategy
Alena	Begler	Graduate School of Management, St. Petersburg University, Russia	Influence of knowledge sharing barriers on knowledge sharing performance in Russian higher educational institutions' administrative subdivisions	Information and Knowledge Management
			A method for collaborative visual creation of a knowledge graph	Information and Knowledge Management
Svetlana	Bekareva	Novosibirsk State University, Russia	Influence of Commercial Banks' Financial Management and Monetary Policy on Banking Sector Profitability. Evidence from Russia	Strategic Finance and Corporate Governance
Tatiana	Beliaeva	Graduate School of Management St. Petersburg State University, Russia	SMEs' Crisis Response in Emerging Markets: Market vs Non-Market Strategies	Entrepreneurship and Innovation
Elena	Belyaeva	St.Petersburg State University, Russia	Language Education for Business: From Language Learning Towards Language Management	Language and Communication for Cross-Disciplinary Integration
Zhanna	Belyaeva	Ural Federal University, Russia	Smart and sustainable responsibility:	Business in Society

			teaching, perception and dissemination in national environments	
Irina	Berezinets	Graduate School of Management, St. Petersburg University, Russia	Is there the best Scoring Rule for the emerging countries?	Governance and Management in the Public Sector
			Intellectual capital of women on board of directors: Evidence from Russian companies	Strategic Finance and Corporate Governance
Svetlana	Berezka	Lomonosov Moscow State, Russia	Neuromarketing tools to predict the level of perceiving and understanding texts in commercials	Marketing Strategy, Branding and Consumer Behavior
Maria	Bernstein	Russian Presidential Academy of National Economy and Public Administration, Russia	Innovative Internationalization Strategy - How To Gain Advantageous Skills And Knowledge To Succeed In The Global World	Internationalization of Emerging Market Firms
Elena	Bessmeltseva	St.Petersburg State University, Russia	The role of the communication mistakes in the foreign language professional communicative competence formation (on the example of teaching German as the second foreign language)	Language and Communication for Cross-Disciplinary Integration
Yury	Blagov	Graduate School of Management St. Petersburg State University, Russia	Approaches to integrating the UN Sustainable Development Goals into corporate strategy : evidence from the leading Russian companies	Business in Society
Evgeny	Blagov	Graduate School of Management St. Petersburg State University, Russia	Platform markets research within the Russian National Technology Initiative (NTI)	Digital Economy and Digital Business
			Influence of knowledge sharing barriers on knowledge sharing performance in	Information and Knowledge Management

			Russian higher educational institutions' administrative subdivisions	
Sofia	Bolshakova	Graduate School of Management, St. Petersburg University, Russia	Is there the best Scoring Rule for the emerging countries?	Governance and Management in the Public Sector
Lyubov	Boyko	Neurotrend, Russia	Neuromarketing tools to predict the level of perceiving and understanding texts in commercials	Marketing Strategy, Branding and Consumer Behavior
Elena	Bugreeva	St.Petersburg State University, Russia	Mock conference as an approach to cross-disciplinary integration in ESP	Language and Communication for Cross-Disciplinary Integration
Olivier	Butzbach	University of Campania "Luigi Vanvitelli", United Kingdom	Explaining Institutional Work by State-Owned Enterprises: A Theoretical Framework	Strategic Finance and Corporate Governance
Daniela	Carlucci	University of Basilicata, Italy	The management of strategic partnerships with universities in innovation ecosystems: a conceptual model	Entrepreneurship and Innovation
Luca	Castellanza	University of Mannheim Institut fur Mittelstandforschung, Germany	Passivity, Replication, and Creation. The Pathway from Subsistence Entrepreneurship to Community Well-Being	Business in Society
Medea	Chelidze	Georgian Technical University, Georgia	The Microfinance Institutions in Financial System of Georgia	Strategic Finance and Corporate Governance
Ekaterina	Chelombitko	National Research University Higher School of Economics at St. Petersburg, Russia	The measurement of IPOs influence on competitive environment within industries	Strategic Finance and Corporate Governance
Vitaly	Cherenkov	Saint-Petersburg State University, Russia	Incoterms 2010 as a Tool of Risk Management in International Logistics: Items of Didactics and Practice	Supply Chain Management and Operations

Maria	Chernotalova	National Research University Higher School of Economics, Russia	The impact of currency risk on firm's value in Emerging Countries	Strategic Finance and Corporate Governance
Ioannis	Christodoulou	Westminster Business School, United Kingdom	A comparative analysis between UK and Russian MBA students of strategy teaching. Challenges and lessons	Complexity and Strategy
Iya	Churakova	Graduate School of Management St. Petersburg State University, Russia	Estimating the Impact of sharing economy on small and medium hotel business in Russia	Digital Economy and Digital Business
Ligia Maura	Costa	FGV-EAESP, Brazil	Dynamics in International Business Negotiations: A Comparison of Brazil, Russia, Indian and China (BRIC) on Negotiation Outcomes	Language and Communication for Cross-Disciplinary Integration
Rui Augusto	Costa	University of Aveiro, GOVCOPP, Portugal	Evaluation of tourism public policies for the definition of funding strategies of tourism enterprises: The way forward...	Governance and Management in the Public Sector
Carlos Manuel Martins	Costa	University of Aveiro, GOVCOPP, Portugal	Evaluation of tourism public policies for the definition of funding strategies of tourism enterprises: The way forward...	Governance and Management in the Public Sector
M. Deniz	Dalman	Graduate School of Management St.Petersburg State University, Russia	Consumer Support for International Non-Profits in Emerging Markets: The Role of Cosmopolitanism and Anthropomorphism	Marketing Strategy, Branding and Consumer Behavior
Natalia	Davidson	Ural Federal University, Russia	Location of Firms in Russia: Evidence from Firm Level Data	Governance and Management in the Public Sector (Regional policy)
Anna	Daviy	National Research University Higher School of Economics, Russia	The role of trust in consumer behavior in the Russian e-commerce market	Marketing Strategy, Branding and Consumer Behavior
Nebojsa	Dimic	University of Vaasa, Finland	Internationalization and firm valuation: New evidence from	Strategic Finance and Corporate Governance

			first offshore bond issuances of US firms	
Vladislav	Dominiak	Graduate School of Management, Saint-Petersburg State University, Russia	Managing people in the new digital economy	Digital Economy and Digital Business
Yury	Dranev	National Research University Higher School of Economics, Russia	The impact of currency risk on firm's value in Emerging Countries	Strategic Finance and Corporate Governance
Linda	Edelman	Bentley University, USA	SMEs' Crisis Response in Emerging Markets: Market vs Non-Market Strategies	Entrepreneurship and Innovation
Tatiana	Ershova	School of Economics and Management Far Eastern Federal University, Russia	Institutional Barriers and Ecopreneurship in Russia: The Longitudinal Case of the Recycling Industrial Park	Entrepreneurship and Innovation
Ayesha	Farooq	Aligarh Muslim University, India	A Study of Disruptions in the Indian Telecommunications	Digital Economy and Digital Business
Yuri	Fedotov	Graduate School of Management, Saint-Petersburg State University, Russia	Performance assessment of the Saint Petersburg maternity clinics: construction of the performance indices and empirical findings	Governance and Management in the Public Sector (Healthcare)
Anna	Fedyunina	National Research University Higher School of Economics at St. Petersburg, Russia	How Import Affects Firm's Competitiveness in Export Markets	Internationalization of Emerging Market Firms
Maxim	Fokeev	Ural Federal University, Russia	International labor migration of Russian pilots	Global Human Resource and Talent Management
Yulia	Fomina	Dostoevsky Omsk State University, Russia	Motives of Nascent and Mature Social Entrepreneurs in the Omsk Region of Russia	Entrepreneurship and Innovation
Joan	Freixanet	Graduate School of Management St. Petersburg State University, Russia	Learning-by-exporting in family firms in terms of product vs process innovation	Entrepreneurship and Innovation
Johanna	Froesen	Graduate School of Management St.Petersburg State University, Russia	Customer Lifetime Value Management in the Russian telecommunications	Marketing Strategy, Branding and Consumer Behavior

Douglas	Fuller	Zhejiang University, China	Explaining Institutional Work by State-Owned Enterprises: A Theoretical Framework	Strategic Finance and Corporate Governance
Elena	Gafforova	School of Economics and Management Far Eastern Federal University, Russia	Institutional Barriers and Ecopreneurship in Russia: The Longitudinal Case of the Recycling Industrial Park	Entrepreneurship and Innovation
Olga	Garanina	Graduate School of Management, St. Petersburg University, Russia	Russian energy and ICT MNEs in global value chains: shift of location advantages under the sanctions	Internationalization of Emerging Market Firms
Tatiana	Garanina	Graduate School of Management St.Petersburg State University, Russia	Intellectual capital of women on board of directors: Evidence from Russian companies	Strategic Finance and Corporate Governance
Maria	Garmash	National Research University Higher School of Economics, St. Petersburg, Russia	Knowledge externalities and unification of innovative production networks	Information and Knowledge Management
Ilya	Garmashov	National Research University Higher School of Economics, St. Petersburg, Russia	Knowledge externalities and unification of innovative production networks	Information and Knowledge Management
Tatiana	Gavrilova	Graduate School of Management, St. Petersburg University, Russia	A method for collaborative visual creation of a knowledge graph	Information and Knowledge Management
Goga	Gelitashvili	Georgian Technical University, Georgia	The Microfinance Institutions in Financial System of Georgia	Strategic Finance and Corporate Governance
Evgenii	Gilenko	Graduate School of Management, St. Petersburg University, Russia	The Role of Social Effects in Transportation Infrastructure Projects	Governance and Management in the Public Sector
Ksenia	Golovacheva	Graduate School of Management St.Petersburg State University, Russia	Facets of Persuasion Knowledge: How Marketing Literacy and Skepticism Affect Consumer Behavior	Marketing Strategy, Branding and Consumer Behavior
			Loyalty programs in digital era: classification.	Marketing Strategy, Branding and Consumer Behavior

			challenges, future	
Elena	Goosen	Federal Research Center for Coal and Coal Chemistry, Siberian Branch of the Russian Academy of Sciences, Kemerovo, Russia	Are Russian Resource Regions Ready to Shift on Principles of the Circular Economy (Shift-Share Analysis)	Governance and Management in the Public Sector (Regional policy)
			Will public private partnership become a real mechanism for development of the fuel and energy sector in Russia?	Governance and Management in the Public Sector
			Backward Linkages in the Mining Sector Value Chain in the Russian Resource-Type Regions (Case Kusbass)	Supply Chain Management and Operations
Inna	Gordeikhina	Lomonosov Moscow State University, Russia, Research Executive, KANTAR TNS, Russia	The development of customer value proposition for restaurants of different price segments	Marketing Strategy, Branding and Consumer Behavior
Vladimir	Gorovoy	Graduate School of Management St. Petersburg State University, Russia	Platform markets research within the Russian National Technology Initiative (NTI)	Digital Economy and Digital Business
Aleksandr	Gostilovich	Lomonosov Moscow State University, Russia	Business Model Canvas for Emerging Business of Sharing Market Strategies	Entrepreneurship and Innovation
Elvira	Grinberg	Graduate School of Management, St. Petersburg University, Russia	Three roles of knowledge managers in Russia	Information and Knowledge Management
Anna	Grosman	Loughborough University, United Kingdom	Effects of CEO change under conditions of complexity	Complexity and Strategy
Natalia	Guseva	National Research University Higher School of Economics, Russia	Management Practices of Domestic and Global Companies in Russia: Empirical Study of the 2016-2017 Post-Crisis Period	Internationalization of Emerging Market Firms
Kazimir	Iablonskii	St. Petersburg City Administration, Committee for Health Care, Russia	Performance assessment of the Saint Petersburg maternity clinics: construction of	Governance and Management in the Public Sector (Healthcare)

			the performance indices and empirical findings	
Muhammad Shahzad	Ijaz	Univerisy Institute of Management Sciences, Pir Mehar Ali Shah Arid Agriculture University Rawalpindi, Pakistan	Impact of Brand Experience on Brand Loyalty (Trust as Mediator)	Marketing Strategy, Branding and Consumer Behavior
Muhammad Fahad	Ikram	University Institute of Management Sciences, PMAS Arid Agriculture University Rawalpindi, Pakistan	Impact of Brand Experience on Brand Loyalty (Trust as Mediator)	Marketing Strategy, Branding and Consumer Behavior
Yulia	Ilina	Graduate School of Management St.Petersburg State University, Russia	Intellectual capital of women on board of directors: Evidence from Russian companies	Strategic Finance and Corporate Governance
Munir	Irfan Ullah	School of Economics and Finance, Xian Jiaotong University, China	Impact of Brand Experience on Brand Loyalty (Trust as Mediator)	Marketing Strategy, Branding and Consumer Behavior
Andrew	Isaak	Mannheim University, Germany	Trust and Civic Engagement in Technology Transfer in Russia and Ukraine	Entrepreneurship and Innovation
Anastasiia	Ivakina	Graduate School of Management, St. Petersburg University, Russia	The impact of crisis shocks of 2008 and 2014 on internationalization patterns of Russian companies: host country characteristics and investment risks	Internationalization of Emerging Market Firms
			Benefits of Supply Chain Finance: Case of Russian Retail Chain	Supply Chain Management and Operations
Filip	Ivanov	Mannheim University, Germany	Trust and Civic Engagement in Technology Transfer in Russia and Ukraine	Entrepreneurship and Innovation
Andrei	Ivanov	Graduate School of Management, St. Petersburg University, Russia	Is there the best Scoring Rule for the emerging countries?	Governance and Management in the Public Sector
			The Universities' Contribution to Efficiency, Effectiveness and Equity of Regional Health Care System	Governance and Management in the Public Sector (Healthcare)

Maja	Ivanovic-Djukic	University of Nis, Faculty of Economics, Serbia	The influence of entrepreneurship on economic growth in emerging countries	Entrepreneurship and Innovation
Irina	Ivashkovskaya	National Research University Higher School of Economics, Russia	Do cultural differences affect performance of cross-border mergers and acquisitions? Evidence from Chinese and Indian high-tech firms	Strategic Finance and Corporate Governance
Lala	Jafarli	Ural Federal University, Russia	Digital transport as a driver of urban development	Digital Economy and Digital Business
Huber	Jayet	University of Science and Technology in Lille 1, France	Location of Firms in Russia: Evidence from Firm Level Data	Governance and Management in the Public Sector (Regional policy)
Ahmad	Jusoh	Universiti Teknologi Malaysia, Malaysia	Determining the role of Quality Management Practices on Organizational Performance using Balanced Scorecard Approach with the moderating effects of Culture in the Beverages Industry of Pakistan	Global Human Resource and Talent Management
Elena	Kagan	Federal Research Center for Coal and Coal Chemistry, Siberian Branch of the Russian Academy of Sciences, Kemerovo, Russia	Backward Linkages in the Mining Sector Value Chain in the Russian Resource-Type Regions (Case Kusbass)	Supply Chain Management and Operations
			Are Russian Resource Regions Ready to Shift on Principles of the Circular Economy (Shift-Share Analysis)	Governance and Management in the Public Sector (Regional policy)
Elena	Kalabina	USUE, Russia	State policy in the field of provision of vital and important medicinal products of the population(on the example of the Sverdlovsk region)	Governance and Management in the Public Sector (Healthcare)

Sunaina	Kanojia	Delhi School of Economics, University of Delhi, India	Corporate governance failure: a study of Kingfisher Airlines	Strategic Finance and Corporate Governance
Valeria	Kashtanova	Dostoevsky Omsk State University, Russia	Managing digital content: generational theory perspective	Digital Economy and Digital Business
Irina	Katunina	Dostoevsky Omsk State University, Russia	Managing digital content: generational theory perspective	Digital Economy and Digital Business
Polina	Kazmina	Saint Petersburg National Research University of Information Technologies, Mechanics and Optics (ITMO University), Saint Petersburg, Russia	3D Virtual reality software in manufacturing process simulation: Perspective in Russian Context	Digital Economy and Digital Business
Polina	Khmeleva	National Research University Higher School of Economics, Russia	Family ties and involvement impact on innovation process in high-tech firms	Entrepreneurship and Innovation
Olga	Khon	National Research University Higher School of Economics at St. Petersburg, Russia	Collateral Determinants in Bank Loans: The Conductor of Credit Risks' Polyphony	Strategic Finance and Corporate Governance
Muddasar Ghani	Khwaja	Shaheed Zulfikar Ali Bhutto Institute of Science and Technology, Pakistan	Determining the role of Quality Management Practices on Organizational Performance using Balanced Scorecard Approach with the moderating effects of Culture in the Beverages Industry of Pakistan	Global Human Resource and Talent Management
Namwoon	Kim	The Hong Kong Polytechnic University, Hong Kong	CSR Drivers for Primary vs. Secondary Stakeholders: Evidence from Hong Kong	Business in Society
Dmitry	Kislitsyn	Federal Research Center of Coal and Coal Chemistry of Siberian Branch of RAS, Russia	Impact of Resource-Dependency of the Russian Regions on the Innovative Activity: Evidence from Panel Data	Entrepreneurship and Innovation
Sergei	Kladko	International Association for Dialogue Analysis, Russia	Communication Traps in Cross-Cultural Management: Challenges and	Language and Communication for Cross-Disciplinary Integration

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Tatiana	Klemina	Graduate School of Management St. Petersburg State University, Russia	A comparative analysis between UK and Russian MBA students of strategy teaching. Challenges and lessons	Complexity and Strategy
Dmitry	Knatko	Graduate School of Management St.Petersburg State University, Russia	Building sustainable supply chains in emerging market context: SIBUR's experience on Russian market	Supply Chain Management and Operations
Daria	Kolmychenko	National Research University Higher School of Economics, Russia	Transformation of Russian Electricity Market Model after the Implementation of Blockchain Technology	Digital Economy and Digital Business
Marina	Kolosnitsyna	National Research University Higher School of Economics, Russia	Child Benefits' Impact on Poverty: Multivariate Probit Estimates	Governance and Management in the Public Sector (Healthcare)
Elena	Kondyukova	Higher school of Economics and management, Russia Russian Presidential Academy of National Economy and Public Administration (RANEPA), Ural Branch, Russia, Ural federal University, Russia	Digital format for participative budget	Digital Economy and Digital Business
Olga	Konnikova	Saint-Petersburg State University of Economics, Russia	Evaluation of sustainable consumption: developing and testing a conceptual model	Marketing Strategy, Branding and Consumer Behavior
Olga	Kopyrina	National Research University Higher School of Economics, Russia	Influence of Ownership Structure and Board Independence on the Cost of Debt in BRIC	Strategic Finance and Corporate Governance
Alexei	Korolev	National Research University Higher School of Economics, St. Petersburg, Russia	Knowledge externalities and unification of innovative production networks	Information and Knowledge Management

Kristina	Kostina	Graduate School of Management St.Petersburg State University, Russia	Customer Lifetime Value Management in the Russian telecommunications	Marketing Strategy, Branding and Consumer Behavior
Evgeniy	Kozlovskiy	National Research University Higher School of Economics, Russia	Do cultural differences affect performance of cross-border mergers and acquisitions? Evidence from Chinese and Indian high-tech firms	Strategic Finance and Corporate Governance
Alexander	Krasnikov	Loyola Univ. Chicago, USA	An Evolving Humanitarian Business Model for Emerging Markets and Refugees: New Conceptualizations and Data from the Field	Marketing Strategy, Branding and Consumer Behavior
Natalya	Kravchenko	Novosibirsk State University, Institute of Economics and Industrial Engineering SB RAS, Russia	Factors and Perspectives of High Tech Companies' Growth: Case of Russian Pharmaceutical Sector	Entrepreneurship and Innovation
Bojan	Krstic	University of Nis, Faculty of Economics, Serbia	The influence of entrepreneurship on economic growth in emerging countries	Entrepreneurship and Innovation
Mohamad Alaa	Ktait	Far-Eastern Federal University, School of Economics and Management, Russia	The Features of Reviews and Websites Influencing Hotels' Booking Intentions	Marketing Strategy, Branding and Consumer Behavior
Miroslav	Kubelskiy	Graduate School of Management, St. Petersburg University, Russia	Three roles of knowledge managers in Russia	Information and Knowledge Management
			A method for collaborative visual creation of a knowledge graph	Information and Knowledge Management
Dmitry	Kucherov	Graduate School of Management, St. Petersburg University, Russia	Employers and young specialists: Does the employer brand make sense?	Global Human Resource and Talent Management
Ilia	Kuchin	National Research University Higher School of Economics, Russia	The impact of currency risk on firm's value in Emerging Countries	Strategic Finance and Corporate Governance
Dmitry	Kudryavtsev	Graduate School of Management, St. Petersburg University, Russia	A method for collaborative visual creation of a knowledge graph	Information and Knowledge Management

Natalia	Kudryavtseva	Graduate School of Management St.Petersburg State University, Russia	The role of the intercultural approach in the structure of the Crash-course Russian as a foreign language	Language and Communication for Cross-Disciplinary Integration
Anna	Kupriyanova	Ural Federal University, Russia	Digital transport as a driver of urban development	Digital Economy and Digital Business
Timur	Kurbanov	Higher School of Economics, postgraduate school of economics, Russia	National funds supporting basic research: are there universal standards?	Governance and Management in the Public Sector (Education and research)
Maria	Kurganskaya	The Herzen State Pedagogical University of Russia, Russia	Implementation of the National Action Strategy for Women for 2017-2022 (Phase I)	Complexity and Strategy
Malik Muhammad Faisal	Kuria	PMAS Arid Agriculture University Rawalpindi, Pakistan	Impact of self-efficacy on team effectiveness: mediated by personal learning in teams	Global Human Resource and Talent Management
Anastasia	Kushnir	Neurotrend, Russia	Neuromarketing tools to predict the level of perceiving and understanding texts in commercials	Marketing Strategy, Branding and Consumer Behavior
Olga	Kusraeva	National Research University "Higher School of Economics", Russia	Relationship management specifics caused by food embargo	Marketing Strategy, Branding and Consumer Behavior
Igor	Laine	Lappeenranta University of Technology, Finland	Strategic Adaptation to Institutional Uncertainty in Large Russian Companies	Complexity and Strategy
Olga	Lankina	St.Petersburg State University, Russia	News project: a way to develop managerial skills in facilitating intellectual group work	Language and Communication for Cross-Disciplinary Integration
Georgy	Laptev	Lomonosov Moscow State University, Russia	Business Model Canvas for Emerging Business of Sharing Market Strategies	Entrepreneurship and Innovation
Daria	Lapteva	Higher school of Economics and management, Russia Russian Presidential Academy of National Economy and Public Administration (RANEPA), Ural	Digital format for participative budget	Digital Economy and Digital Business

		Branch, Russia, Ural federal University, Russia		
Anastasiia	Laskovaia	Graduate School of Management, St. Petersburg University, Russia	The impact of decision-making logic on firm performance variability in economic crisis	Entrepreneurship and Innovation
Marina	Latukha	Graduate School of Management, St. Petersburg University, Russia	From expatriation to global migration. The role of talent management practices in talent mobility to Ghana	Global Human Resource and Talent Management
			Investigating the role of talent management in talent migration in emerging markets: From brain drain to brain gain	Global Human Resource and Talent Management
Irina	Leshcheva	Graduate School of Management, St. Petersburg University, Russia	A method for collaborative visual creation of a knowledge graph	Information and Knowledge Management
Maxim	Levchuk	Mars Inc., Russia	Corporate Negotiation Agility as an Organizational Capability: a Multilevel Framework	Complexity and Strategy
Antonina	Lisovskaya	Graduate School of Management, Saint-Petersburg State University	Managing people in the new digital economy	Digital Economy and Digital Business
Carlos Wing-Hung	Lo	Department of Government and Public Administration, The Chinese University of Hong Kong, Hong Kong	CSR Drivers for Primary vs. Secondary Stakeholders: Evidence from Hong Kong	Business in Society
Anna	Logacheva	Graduate School of Management St.Petersburg State University, Russia	Building sustainable supply chains in emerging market context: SIBUR's experience on Russian market	Supply Chain Management and Operations
			Supply chain management system types and 6 innovation models	Supply Chain Management and Operations
Miklós	Losoncz	Budapest Business School, Hungary	Further directions for international	Entrepreneurship and Innovation

			entrepreneurship: an analysis based on review articles	
Anna	Loukianova	Graduate School of Management St.Petersburg State University, Russia	Financial contagion indicator in the company's inventories management adaptation to the digital economy	Strategic Finance and Corporate Governance
Saqib	Mahmood	Shaheed Zulfikar Ali Bhutto Institute of Science and Technology, Malaysia	Determining the role of Quality Management Practices on Organizational Performance using Balanced Scorecard Approach with the moderating effects of Culture in the Beverages Industry of Pakistan	Global Human Resource and Talent Management
Dilshod	Makhmadshoev	University of Strathclyde Business School, United Kingdom	Exploring the nexus between institutions and entrepreneurial behavior in peripheral transition economy contexts	Entrepreneurship and Innovation
Tatiana	Manolova	Bentley University, USA	SMEs' Crisis Response in Emerging Markets: Market vs Non-Market Strategies	Entrepreneurship and Innovation
Oleg	Mariev	Ural Federal University, Russia	Location of Firms in Russia: Evidence from Firm Level Data	Governance and Management in the Public Sector (Regional policy)
Marin	Marinov	Aalborg University, Denmark	Value Creation and Value Capture in SME Internationalization	Marketing Strategy, Branding and Consumer Behavior
Svetla	Marinova	Aalborg University, Denmark	Value Creation and Value Capture in SME Internationalization	Marketing Strategy, Branding and Consumer Behavior
Tatiana	Markova	Ural State University of Economics, Russia	Using WebQuest for CLIL purposes	Language and Communication for Cross-Disciplinary Integration
Tatyana	Martynova	St.Petersburg State University, Russia	Interdisciplinary Laboratory. Language and communication for business education. In search of interdisciplinary competence.	Language and Communication for Cross-Disciplinary Integration

Imai	Masakazu	Senshu University, Japan	Japan-Russia Economic Relations and International Business (IB) Research Agenda	Internationalization of Emerging Market Firms
Hossein Mahdavi	Mazdeh	Haskayne School of Business, University of Calgary, Canada	The impact of decision-making logic on firm performance variability in economic crisis	Entrepreneurship and Innovation
Ekaterina	Meltenisova	Novosibirsk State University, Russia	Influence of Commercial Banks' Financial Management and Monetary Policy on Banking Sector Profitability. Evidence from Russia	Strategic Finance and Corporate Governance
Natalya	Merkushova	St. Petersburg University of Technology Management and Economics, Russia	Female Entrepreneurship: Status Research Perspectives	Entrepreneurship and Innovation
Sam	Min	California State University, Long Beach, USA	CSR Drivers for Primary vs. Secondary Stakeholders: Evidence from Hong Kong	Business in Society
Maria	Mina	Edinburgh Napier University, United Kingdom	Ownership concentration, firm performance in Emerging markets and the challenges of global governance.	Strategic Finance and Corporate Governance
Ulyana	Minaeva	Graduate School of Management St.Petersburg State University, Russia	Behavioral factors in supply chain management	Supply Chain Management and Operations
Pankaj	Mishra	IBM, India	A Study of Disruptions in the Indian Telecommunications	Digital Economy and Digital Business
Joaquin	Montreal	University of Murcia, Spain	Learning-by-exporting in family firms in terms of product vs process innovation	Entrepreneurship and Innovation
Snezhana	Muravskaia	Graduate School of Management St.Petersburg State University, Russia	Loyalty programs in digital era: classification, challenges, future	Marketing Strategy, Branding and Consumer Behavior
Daniil	Muravskii	Graduate School of Management St.Petersburg State University, Russia	Studying the impact of the number of brand allies on consumer perception	Marketing Strategy, Branding and Consumer Behavior

			Loyalty programs in digital era: classification, challenges, future	Marketing Strategy, Branding and Consumer Behavior
Anzhelika	Muryshkina	Graduate School of Management, St. Petersburg University, Russia	The Role of Social Effects in Transportation Infrastructure Projects	Governance and Management in the Public Sector
Anastasiia	Napalkova	Far Eastern Federal University, Russia	The influence of consumer ethical behavior and moral identity on the attitude towards the brands	Marketing Strategy, Branding and Consumer Behavior
Muhammad	Naveed	University of Lahore, Pakistan	Impact of Bank Competition on Bank Liquidity Creation: Empirical Evidence from GCC and ASEAN Region	Strategic Finance and Corporate Governance
Konstantin	Nefedov	Graduate School of Management, St. Petersburg University, Russia	The impact of crisis shocks of 2008 and 2014 on internationalization patterns of Russian companies: host country characteristics and investment risks	Internationalization of Emerging Market Firms
Julija	Neumann	St.Petersburg State University, Russia	The role of the communication mistakes in the foreign language professional communicative competence formation (on the example of teaching German as the second foreign language)	Language and Communication for Cross-Disciplinary Integration
Sergey	Nikitenko	Federal Research Center for Coal and Coal Chemistry, Siberian Branch of the Russian Academy of Sciences, Kemerovo, Russia	Will public private partnership become a real mechanism for development of the fuel and energy sector in Russia?	Governance and Management in the Public Sector
Natalia	Nikolchenko	Graduate School of Management St.Petersburg State University, Russia	Supply Chain Coordination with Sales Rebate Contracts	Supply Chain Management and Operations
Egor	Nikulin	Graduate School of Management St.Petersburg State University, Russia	Companies' earnings management around initial public offerings: a case of Russia	Strategic Finance and Corporate Governance

Joseph	Nintuona Soyiri	Graduate School of Management, St. Petersburg University, Russia	From expatriation to global migration. The role of talent management practices in talent mobility to Ghana	Global Human Resource and Talent Management
Khalil MD	Nor	Universiti Teknologi Malaysia, Malaysia	Determining the role of Quality Management Practices on Organizational Performance using Balanced Scorecard Approach with the moderating effects of Culture in the Beverages Industry of Pakistan	Global Human Resource and Talent Management
Victor	Nos	Saint-Petersburg State University of Economics, Russia	Incoterms 2010 as a Tool of Risk Management in International Logistics: Items of Didactics and Practice	Supply Chain Management and Operations
Elena	Noskova	Far Eastern Federal University, Russia	The influence of consumer ethical behavior and moral identity on the attitude towards the brands	Marketing Strategy, Branding and Consumer Behavior
Igor	Novikov	Far Eastern Federal University, Russia	The impact of the psychic distance distortion on the SME's decision to internationalize: Evidence from the Pacific Russia	Entrepreneurship and Innovation
Yaw	Nyarko	New York University, United Arab Emirates	Traders in the Food Distribution Chain Estimating Trade Costs and Markups from Price Data	Supply Chain Management and Operations
Nina	Oding	Leontief Centre, Russia	Increase or Redistribution: Taxes in Russian Regional Budgets	Governance and Management in the Public Sector (Regional policy)
Svetlana	Orekhova	Ural State University of Economics, Russia	Influence of Stakeholders on a Scientific Economic Journal's Strategy: A Russian Case	Complexity and Strategy
Vitaly	Orlov	University of St Gallen, Switzerland	Internationalization and firm valuation:	Strategic Finance and Corporate

			New evidence from first offshore bond issuances of US firms	Governance
Elena	Orlova	St.Petersburg State University, Russia	Interdisciplinary Laboratory. Language and communication for business education. In search of interdisciplinary competence.	Language and Communication for Cross-Disciplinary Integration
Inna	Orlova	School of International Relations SPbU, Russia	Party autonomy in PPP dispute resolution	Governance and Management in the Public Sector
Elisa	Ortlieb	Aalborg University, Denmark	Value Creation and Value Capture in SME Internationalization	Marketing Strategy, Branding and Consumer Behavior
Oleksiy	Osiyevskyy	University of Calgary, Canada	The impact of decision-making logic on firm performance variability in economic crisis	Entrepreneurship and Innovation
Natalia	Pavlova	St.Petersburg State University, Russia	The role of the communication mistakes in the foreign language professional communicative competence formation (on the example of teaching German as the second foreign language)	Language and Communication for Cross-Disciplinary Integration
			The role of the intercultural approach in the structure of the Crash-course Russian as a foreign language	Language and Communication for Cross-Disciplinary Integration
Heitor	Pellegrina	New York University Abu Dhabi, United Arab Emirates	Traders in the Food Distribution Chain Estimating Trade Costs and Markups from Price Data	Supply Chain Management and Operations
Áron	Perényi	Swinburne University of Technology, Australia; Budapest Business School, Hungary	Further directions for international entrepreneurship: an analysis based on review articles	Entrepreneurship and Innovation
Maria	Pertaya	The Herzen State Pedagogical University of Russia, Russia	Implementation of the National Action Strategy for Women for 2017-2022 (Phase I)	Complexity and Strategy

Irina	Pervukhina	Ural State University of Economics, Russia	Using WebQuest for CLIL purposes	Language and Communication for Cross-Disciplinary Integration
Anna	Petrova	Graduate School of Management St.Petersburg State University, Russia	Success factors of Russian crowdfunding projects: an empirical study of Boomstarter.ru platform	Strategic Finance and Corporate Governance
Anastasia	Petrova-Savchenko	Graduate School of Management St. Petersburg State University, Russia	Social Entrepreneurship in Russia: Current Trends and Opportunities for Development	Business in Society
			Approaches to integrating the UN Sustainable Development Goals into corporate strategy : evidence from the leading Russian companies	Business in Society
Anna	Philippova	National Research University Higher School of Economics, Russia	Child Benefits' Impact on Poverty: Multivariate Probit Estimates	Governance and Management in the Public Sector (Healthcare)
Anastasiia	Pleshkova	Graduate School of Management, St. Petersburg University, Russia	Three roles of knowledge managers in Russia	Information and Knowledge Management
			Influence of knowledge sharing barriers on knowledge sharing performance in Russian higher educational institutions' administrative subdivisions	Information and Knowledge Management
Galina	Polinskaya	Lomonosov Moscow State University, Russia, Research Executive, KANTAR TNS, Russia	The development of customer value proposition for restaurants of different price segments	Marketing Strategy, Branding and Consumer Behavior
Andrey	Pushkarev	Ural Federal University, Russia	Location of Firms in Russia: Evidence from Firm Level Data	Governance and Management in the Public Sector (Regional policy)
Tamara	Radjenovic	University of Nis, Faculty of Economics, Serbia	The influence of entrepreneurship on economic growth in	Entrepreneurship and Innovation

			emerging countries	
Subhasis	Ray	Xavier Institute of Management, Xavier University, India	Social Entrepreneurship: Exploring the Role of Value Creation through Relationship Marketing	Business in Society
			Consumer Support for International Non-Profits in Emerging Markets: The Role of Cosmopolitanism and Anthropomorphism	Marketing Strategy, Branding and Consumer Behavior
Vera	Rebiazina	National Research University Higher School of Economics, Russia	The role of trust in consumer behavior in the Russian e-commerce market	Marketing Strategy, Branding and Consumer Behavior
			Relationship management specifics caused by food embargo	Marketing Strategy, Branding and Consumer Behavior
Tatiana	Repina	St.Petersburg State University, Russia	Integrating language teaching and subject-specific professional lexis in mastering business communication	Language and Communication for Cross-Disciplinary Integration
Natalia	Ribberink	Hamburg University of Applied Sciences, Germany	Adaptation of Shareconomy Business Models to Institutional Settings of Emerging and Advanced Economies	Supply Chain Management and Operations
Elena	Rogova	National Research University Higher School of Economics at St. Petersburg, Russia	The measurement of IPOs influence on competitive environment within industries	Strategic Finance and Corporate Governance
Boleslaw	Rok	Kozminski University, Poland	Innovative business models in sustainable entrepreneurship – the new role of small business in society	Business in Society
Ekaterina	Romanova	Ural Federal University, Russia	Digital transport as a driver of urban development	Digital Economy and Digital Business
Irina	Romanova	Far Eastern Federal University, Russia	The influence of consumer ethical behavior and moral identity on the attitude	Marketing Strategy, Branding and Consumer Behavior

			towards the brands	
Svetlana	Rubtsova	St.Petersburg State University, Russia	Language Education for Business: From Language Learning Towards Language Management	Language and Communication for Cross-Disciplinary Integration
Niclas	Rueffer	Mannheim University, Germany	Trust and Civic Engagement in Technology Transfer in Russia and Ukraine	Entrepreneurship and Innovation
Liudmila	Ruzhanskaya	Ural Federal University, Russia	International labor migration of Russian pilots	Global Human Resource and Talent Management
Kirill	Sablin	Federal Research Center of Coal and Coal Chemistry of Siberian Branch of RAS, Russia	Impact of Resource-Dependency of the Russian Regions on the Innovative Activity: Evidence from Panel Data	Entrepreneurship and Innovation
Svetlana	Samusenko	Siberian Federal University, Russia	Trust and Civic Engagement in Technology Transfer in Russia and Ukraine	Entrepreneurship and Innovation
Gregorio	Sanchez-Marin	University of Murcia, Spain	Learning-by-exporting in family firms in terms of product vs process innovation	Entrepreneurship and Innovation
Francesco	Santarsiero	University of Basilicata, Italy	The management of strategic partnerships with universities in innovation ecosystems: a conceptual model	Entrepreneurship and Innovation
Lev	Savulkin	Leontief Centre, Russia	Increase or Redistribution: Taxes in Russian Regional Budgets	Governance and Management in the Public Sector (Regional policy)
Giovanni	Schiuma	University of Basilicata, Italy	The management of strategic partnerships with universities in innovation ecosystems: a conceptual model	Entrepreneurship and Innovation
Gerhard	Schnyder	Loughborough University London, United Kingdom	Explaining Institutional Work by State-Owned Enterprises: A Theoretical Framework	Strategic Finance and Corporate Governance
Louisa	Selivanovskikh	Graduate School of Management, St. Petersburg	Investigating the role of talent management in talent migration in emerging markets:	Global Human Resource and Talent Management

			From brain drain to brain gain	
			What makes employees leave Russian companies: Application of text mining techniques in the analysis of online job reviews	Global Human Resource and Talent Management
Elena	Serova	National Research University Higher School of Economics, Russia	Transformation of Russian Electricity Market Model after the Implementation of Blockchain Technology	Digital Economy and Digital Business
Liudmila	Serova	Graduate School of Management St. Petersburg State University, Russia	Estimating the Impact of sharing economy on small and medium hotel business in Russia	Digital Economy and Digital Business
Elena	Shadrina	National Research University Higher School of Economics, Russia	Collaboration in Public-Private Partnerships	Governance and Management in the Public Sector
Pavel	Sharakhin	Economics Faculty St.Petersburg State University, Russia	Supply chain management system types and 6 innovation models	Supply Chain Management and Operations
Olga	Sharko	Graduate School of Management St.Petersburg State University, Russia	Determinants of Customer Satisfaction in M-Commerce: Investigation of Chinese and Russian Customers	Marketing Strategy, Branding and Consumer Behavior
Jai Prakash	Sharma	Delhi School of Economics, University of Delhi, India	Corporate governance failure: a study of Kingfisher Airlines	Strategic Finance and Corporate Governance
Nishant	Sharma	Delhi School of Economics, University of Delhi, India	Corporate governance failure: a study of Kingfisher Airlines	Strategic Finance and Corporate Governance
Andrey	Shastitko	Lomonosov Moscow State University, Russia	Electronic document interchange in the contractual relationship	Digital Economy and Digital Business
Marina	Sheresheva	Lomonosov Moscow State, Russia	Neuromarketing tools to predict the level of perceiving and understanding texts in commercials	Marketing Strategy, Branding and Consumer Behavior
Elena	Shershneva	Ural Federal University, Russia	Digital transport as a driver of urban development	Digital Economy and Digital Business

Galina	Shirokova	Graduate School of Management St. Petersburg State University, Russia	SMEs' Crisis Response in Emerging Markets: Market vs Non-Market Strategies	Entrepreneurship and Innovation
			The impact of decision-making logic on firm performance variability in economic crisis	Entrepreneurship and Innovation
Olga	Shirshova	Saint-Petersburg State University of Economics, Russia	Evaluation of sustainable consumption: developing and testing a conceptual model	Marketing Strategy, Branding and Consumer Behavior
Iuliia	Shkrabaliuk	National University of Kiev, Ukraine	Trust and Civic Engagement in Technology Transfer in Russia and Ukraine	Entrepreneurship and Innovation
Anastasia	Shpakova	Lomonosov Moscow State University, Russia	Electronic document interchange in the contractual relationship	Digital Economy and Digital Business
Clifford	Shultz	Loyola Univ. Chicago, USA	An Evolving Humanitarian Business Model for Emerging Markets and Refugees: New Conceptualizations and Data from the Field	Marketing Strategy, Branding and Consumer Behavior
Tatiana	Shulzhenko	Saint-Petersburg State University of Economics, Russia	Cognitive Methods of Logistic System Management	Supply Chain Management and Operations
Netra Pal	Singh	MDI Gurgaon, India	A Study of Disruptions in the Indian Telecommunications	Digital Economy and Digital Business
			Information Technology at Emirate Group- Case of Mercator	Information and Knowledge Management
Kristina	Siritka	Graduate School of Management, St. Petersburg University, Russia	Copolyments in the Russian Health Care System: To Be or Not to Be	Governance and Management in the Public Sector (Healthcare)
Tatyana	Sklyar	Graduate School of Management, St. Petersburg University, Russia	Copolyments in the Russian Health Care System: To Be or Not to Be	Governance and Management in the Public Sector (Healthcare)
Irina	Skvortsova	National Research University "Higher School of Economics"	Do cultural differences affect performance of cross-border mergers and acquisitions? Evidence from Chinese	Strategic Finance and Corporate Governance

			and Indian high-tech firms	
Irina	Skvortsova	Ural State University of Economics, Russia	Using the Right Language to Make Students' Surveys Effective	Language and Communication for Cross-Disciplinary Integration
Maria	Smirnova	Graduate School of Management St.Petersburg State University, Russia	Loyalty programs in digital era: classification, challenges, future	Marketing Strategy, Branding and Consumer Behavior
			Facets of Persuasion Knowledge: How Marketing Literacy and Skepticism Affect Consumer Behavior	Marketing Strategy, Branding and Consumer Behavior
			Studying the impact of the number of brand allies on consumer perception	Marketing Strategy, Branding and Consumer Behavior
Ekaterina	Smirnova	Institute for Problems of Regional Economics of the Russian Academy of Sciences, Russia	Financial contagion indicator in the company's inventories management adaptation to the digital economy	Strategic Finance and Corporate Governance
Dmitry	Sokolov	Graduate School of Management, Saint-Petersburg State University	Managing people in the new digital economy	Digital Economy and Digital Business
			What makes employees leave Russian companies: Application of text mining techniques in the analysis of online job reviews	Global Human Resource and Talent Management
Emil	Soldatkin	Graduate School of Management, St. Petersburg University, Russia	Influence of knowledge sharing barriers on knowledge sharing performance in Russian higher educational institutions' administrative subdivisions	Information and Knowledge Management
Yulia	Solovjova	Saint-Petersburg State University of Economics, Russia	Evaluation of sustainable consumption: developing and testing a conceptual model	Marketing Strategy, Branding and Consumer Behavior

Anastasia	Stepanova	National Research University Higher School of Economics, Russia	Family ties and involvement impact on innovation process in high-tech firms	Entrepreneurship and Innovation
			Influence of Ownership Structure and Board Independence on the Cost of Debt in BRIC	Strategic Finance and Corporate Governance
Elvira	Strakhovich	Graduate School of Management, St. Petersburg University, Russia	The Design Thinking Method in Studying Project Requirement Gathering	Information and Knowledge Management
Andrei	Sviridov	Graduate School of Management St.Petersburg State University, Russia	Companies' earnings management around initial public offerings: a case of Russia	Strategic Finance and Corporate Governance
Luda	Svystunova	Loughborough University London, United Kingdom	Explaining Institutional Work by State-Owned Enterprises: A Theoretical Framework	Strategic Finance and Corporate Governance
Alexander	Tanichev	Baltic State Technical University "Voenmeh" D.F.Ustinov, Russia	Incoterms 2010 as a Tool of Risk Management in International Logistics: Items of Didactics and Practice	Supply Chain Management and Operations
Olga	Tishchenko	National Research University Higher School of Economics, Russia	Management Practices of Domestic and Global Companies in Russia: Empirical Study of the 2016-2017 Post-Crisis Period	Internationalization of Emerging Market Firms
Marina	Tretyakova	Graduate School of Management, Saint-Petersburg State University, Russia	Performance assessment of the Saint Petersburg maternity clinics: construction of the performance indices and empirical findings	Governance and Management in the Public Sector (Healthcare)
Anastasiya	Trotsenko	Far Eastern Federal University, Russia	Determination perspective directions of university's social infrastructure development as competitiveness factor	Governance and Management in the Public Sector (Education and research)
Dmitrii	Trubnikov	Immanuel Kant Baltic Federal University, Institute of Economics	The interplay of corruption and innovation in emerging	Entrepreneurship and Innovation

		and Management, Russia; Tilburg Institute for Law, Technology, and Society (TILT), Tilburg University, Netherlands	economies	
Ekaterina	Trubnikova	Immanuel Kant Baltic Federal University, Russia	The interplay of corruption and innovation in emerging economies	Entrepreneurship and Innovation
Elena	Tselishcheva	Higher school of Economics and management, Russia Russian Presidential Academy of National Economy and Public Administration (RANEPA), Ural Branch, Russia, Ural federal University, Russia	Digital format for participative budget	Digital Economy and Digital Business
Victoria	Tsybova	Graduate School of Management, St. Petersburg University, Russia	Employers and young specialists: Does the employer brand make sense?	Global Human Resource and Talent Management
Natalya	Turkina	University of Melbourne, Australia	Managerial ignorance as a systemic national institutional void: environmental (ir)responsibility of a Russian oil company	Business in Society
Olga	Tushkanova	InfoWings, Russia	A method for collaborative visual creation of a knowledge graph	Information and Knowledge Management
Svetlana	Vasileva	Moscow State University, Russia	Customer loyalty determinants in retail banking	Marketing Strategy, Branding and Consumer Behavior
Joshua	Veldboe	Aalborg University, Denmark	Value Creation and Value Capture in SME Internationalization	Marketing Strategy, Branding and Consumer Behavior
Olga	Verkhovskaya	Graduate School of Management St. Petersburg State University, Russia	A comparative analysis between UK and Russian MBA students of strategy teaching. Challenges and lessons	Complexity and Strategy
Anna	Veselova	Graduate School of Management St. Petersburg State University, Russia	Strategic Adaptation to Institutional Uncertainty in Large Russian Companies	Complexity and Strategy

			Corporate Negotiation Agility as an Organizational Capability: a Multilevel Framework	Complexity and Strategy
			Adaptation of Shareconomy Business Models to Institutional Settings of Emerging and Advanced Economies	Supply Chain Management and Operations
			Building sustainable supply chains in emerging market context: SIBUR's experience on Russian market	Supply Chain Management and Operations
Sofia	Villo	Higher School of Economics St-Petersburg, Russia	Managerial ignorance as a systemic national institutional void: environmental (ir)responsibility of a Russian oil company	Business in Society
Dmitri	Vinogradov	University of Glasgow, UK	Collaboration in Public-Private Partnerships	Governance and Management in the Public Sector
Sergey	Yablonsky	Graduate School of Management St. Petersburg State University, Russia	Platform markets research within the Russian National Technology Initiative (NTI)	Digital Economy and Digital Business
Shen	Yue	School of Economics and Finance, Xian Jiaotong University, China	Impact of Brand Experience on Brand Loyalty (Trust as Mediator)	Marketing Strategy, Branding and Consumer Behavior
Oxana	Yuldasheva	Saint-Petersburg State University of Economics, Russia	Evaluation of sustainable consumption: developing and testing a conceptual model	Marketing Strategy, Branding and Consumer Behavior
Andrey	Yushkov	Leontief Centre, Russia	Increase or Redistribution: Taxes in Russian Regional Budgets	Governance and Management in the Public Sector (Regional policy)
Almira	Yusupova	Novosibirsk State University, Institute of Economics and Industrial Engineering SB RAS, Russia	Factors and Perspectives of High Tech Companies' Growth: Case of Russian Pharmaceutical Sector	Entrepreneurship and Innovation

Andrey	Zamulin	Graduate School of Management, Saint-Petersburg State University, Russia	Managing people in the new digital economy	Digital Economy and Digital Business
			Employers and young specialists: Does the employer brand make sense?	Global Human Resource and Talent Management
Elena	Zavyalova	Graduate School of Management, Saint-Petersburg State University, Russia	Managing people in the new digital economy	Digital Economy and Digital Business
Elena	Zelenskaya	Higher School of Economics, Russia	Russian Theatre Industry: Key Characteristics and Implications for Performance Measurement	Governance and Management in the Public Sector (Education and research)
Nikolay	Zenkevich	Graduate School of Management St.Petersburg State University, Russia	Benefits of Supply Chain Finance: Case of Russian Retail Chain	Supply Chain Management and Operations
			Supply Chain Coordination with Sales Rebate Contracts	Supply Chain Management and Operations
Sergei	Zhiliuk	St.Petersburg State University, Russia	Learning language - studying management. How to make a language course attractive?	Language and Communication for Cross-Disciplinary Integration
Tatiana	Zhelninova	St.Petersburg State University, Russia	The Universities' Contribution to Efficiency, Effectiveness and Equity of Regional Health Care System	Governance and Management in the Public Sector (Healthcare)
Andrey	Zyatchin	Graduate School of Management St.Petersburg State University, Russia	Behavioral factors in supply chain management	Supply Chain Management and Operations

Russian energy and ICT MNEs in global value chains: shift of location advantages under the sanctions

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Abstract:

The paper is focused on detailed analysis of the expansion challenges of Russian MNEs under the sanctions. The present research aims to understand how the shifts in global governance affect Russian multinationals (MNEs) inclusion into GVCs. We focus on energy and ICT industries. The research is based on multiple case study. Cases from energy and ICT sectors are examined in order to demonstrate the challenges for Russian MNEs inclusion in GVCs in context of sanctions and opportunities connected to the emergence of new governance institutions supporting Russian MNEs expansion towards Asia. Expected results are the following: a structured overview of external policy constraints and opportunities for Russian MNCs inclusion into GVCs; analysis of possible options for expansion of Russian MNEs in GVCs in Europe and in Asia.

Keywords: *global value chains, MNEs, energy sector, ICT sector, Russia, sanctions, location advantages.*

It took a long way to expand local production networks into regional and global ones. The emergence of global value chains (GVCs) paved the way for a new paradigm shaping global economic development (Gereffi, Humphrey & Sturgeon 2005; OECD 2013; UNCTAD 2013; Gereffi 2014). International competitiveness of the national economy, traditionally perceived through foreign trade performance indicators (Balassa 1965) is nowadays getting more dependent on the contribution of national business to global production chains and on its ability to influence sectoral and geographical configuration of GVCs. This brings new challenges in the field of regulating foreign investments, trade flows and also technology transfer (WEF 2013; OECD 2013, WTO 2017).

Increasing role of GVCs leads to acknowledge the transformation of economic relations between states. Therefore, questions arise on whether and how national economic policies affects companies' inclusion to regional or global value chains. Present research is devoted to the analysis of Russian MNEs strategies through the lenses of GVCs.

Russian MNEs are traditionally known mainly for their role in global raw materials markets (Kalotay 2008; Kuznetsov 2013). With regard to GVCs this is reflecting bottom stages of inclusion into the value chain (UNCTAD 2013). Russian MNEs are flexible to respond to global economy shifts including fourth industrial revolution. This means graduate upgrading within established GVCs, expansion into other value chains or even creating new ones. As for geographical distribution of operations, Russian MNEs were enjoying opportunities for expansion both from developed and developing world (Eurasian Development Bank 2012; Kuznetsov 2016). Recent expansion of Russian MNEs activities towards China responds to global economic shifts, and it has also been catalysed by the economic sanctions (Abramova, Garanina 2016). Also, emerging economies have become very perspective markets for further enlargement of collaboration especially being supported through BRICS and G20 initiatives.

The present research aims to understand how the shifts in global governance affect Russian multinationals (MNEs) inclusion to GVCs. In particular, we intend to answer the following research questions:

- (i) What are the main challenges for Russian MNEs inclusion in GVCs in context of sanctions?
- (ii) What are the constraints imposed on Russian MNCs operations in Europe in context of sanctions?
- (iii) How new governance institutions (G20 and Brics) support Russian MNEs expansion towards Asia?

Methodology

The research is based on qualitative approach. The first section of the paper builds analytical framework grounding on literature review. Our major objective is to provide conceptual framework on external policy impacts for country's inclusion into GVCs. Next section will analyse Russian MNCs' role in GVCs and discern the strategic challenges. It will be followed by an assessment of constraints with regards to sanctions regime imposed by the European Union and US. Further on we will consider the opportunities offered by new governance institutions (in particular, G20 and BRICs) to see to what extent they could provide institutional support for Russian MNCs expansion towards emerging Asia. The analysis is based on the case method approach. In this regard we are examining the cases from energy and ICT sectors.

Expected results

Expected results are the following:

- (i) a structured overview of external policy constraints and opportunities for Russian MNCs inclusion into GVCs;
- (ii) analysis of possible options for expansion of Russian MNEs in GVCs in Europe and in Asia.

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The Microfinance Institutions in Financial System of Georgia

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Abstract:

This paper showed that development of various financial instruments and distribution of capital, the enhancement of the efficiency of quality of financial intermediation and the entire financial system will make capital more accessible to the population and, thus, contribute to economic development. Exactly microfinance sector and its users should become the main politic beneficiary of inclusive economic development.

The purpose of our research is to demonstrate the role and modern condition of microfinance institutions in the financial system of Georgia. Paper also investigates the importance of microfinance institutions proper regulation to promote the stable functioning of the financial system.

Results show that it is important to take more active steps from the state and supervisory organizations for development of microfinance institutions, in order not to reduce their role and importance, because of domination of commercial banks in the country. It should be noted that the National Bank of Georgia continues to work on the legislative framework aimed at improving the regulatory base in terms of accountability of microfinance institutions and interests of their customers.

Keywords: *non-banking financial sector, microfinance institution, regulation and supervision of microfinance institutions, registered financial company, microcredit*

1. Introduction

The main task of microfinance institutions is to reduce poverty by promoting the development of small and medium businesses, and the purpose of the supervision of microfinance institutions is to promote the stable functioning of microfinance institutions and the entire financial system.

The National Bank of Georgia (NBG) registers microfinance institutions, establishes distinct standards to the candidate companies, their founders and directors. Microfinance institutions regularly report to NBG, and the supervisory framework is directed to the customers' right protection, prevention of illegal income legalization and terrorism financing. NBG does not regulate microfinance institutions deeply, that is the case of commercial banks. This is dictated by the public interest, so that the deposits of the significant parts of society are placed in the financially healthy institutions. According to the practitioners of the microfinance sector, NBG has a regular and arranged communication with the association of development and support of microfinance institutions and the reforms announced with regard to the customers' right protection.

2. Current condition of microfinance institutions

For January 16, 2018, 74 microfinance institutions were registered in Georgia, for July 12, 2017 – 83. Majority of the institutions with microfinance institution status, registered at NBG, are consumer finance companies with their content. Their work is absolutely legitimate, however, the issuance of the loans are based not on the customer's finance analysis, but the evaluation of a subject or property, presented for the loan insurance, and the funds are not directed to finance the business, but for the customer's needs. In this model of loaning, the economic work analysis of the customer is ignored, which may become the reason for excessive credit cargo creation. Therefore, it is wrong to believe that every microfinance institution is also a microfinance institution with its concept. It is desirable, for the active status to be changed and the

similar companies to be called their own name, for example – “Registered Finance Company” and only the small part of them to be granted with microfinance institution status.

Due to the clients of microfinance institutions are citizens with low-income and their social conditions do not provide capacity to be well-informed, therefore, bearing in mind such givens, in accordance with the interests of clients, the law sets the terms of the loan issuance and the rights and liabilities of the borrower and the lender. In the Law of Georgia on the Microfinance Institutions it is defined that the total maximum sum of the micro-credit on one debtor shall not exceed 50 000 GEL. The amount of interest rate, commission fee and service fee is established by microfinance institution.

Interestingly, the microfinance sector has been the most significant financier of the Agriculture in Georgia for years. With the data of NBG, microfinance institutions led in the loans, issued for the agriculture within the last years. This tendency changed since the Government started to subsidize the cheap agro-credit program by the commercial banks.

In accordance with the reports, submitted by microfinance institutions, with the data of III quarter of 2017, 4571 people were employed in the microfinance sector, in the similar period of 2016 – 5460 people. The total amount of the assets of the sector with regard to the similar period of previous year, was decreased with 14.5% and amounted to 1,470 bn. GEL. The decrease was made at the expense of obligations and capital, which accordingly amounted to 1,076 bn. GEL (decrease 18.1%) and was 394 ml. GEL (decrease 2.5%). The borrowed funds of microfinance institutions were 810 ml. GEL. They have lend 1,071 bn. GEL in total, which compiles of 1 009 321 in quantity.

The share of the funds attracted from natural persons in the structure of liabilities of microfinance institutions declined on the basis of the significant increase in institutional funding in 2014-2017, and due to the targeted activities carried out by NBG with regards to the retail investors. Microfinance institutions that attracted resources from less-informed retail investors were required to submit an action plan that would reduce the amount of funds attracted from individuals and implied the gradual exit from the retail segment. Those microfinance institutions halted the advertising campaigns that attracted funds from natural persons and began replacing the retail creditors with qualified investors. The issue was particularly relevant, since the interest rates on the foreign currency dominated bank deposits have significantly decreased, which increased risks of flowing resourcing into non-banking channels.

It is important that in order to reduce possible risks associated with management of the savings, on January 15, 2017, the amendment was added to the Civil Code of Georgia, according to which an entrepreneur or a group of interconnected entrepreneurs are restricted from attracting funds, if more than twenty individuals are attracted and each contribution is amounted to less than 100 000 GEL. At the same time, NBG continues to work on the legislative base aimed at improving the regulatory framework in terms of the supervision of microfinance institutions and protecting the interests of their clients.

3. Results and discussion

As we can see, microfinance institutions have hold important position in the Georgian financial industry, and for this reason, their regulation is an essential issue, which should continue at least in the same manner. It is problematic that currently many financial companies, pawnshops, internet-lenders or private individuals that are left beyond regulations. There is no guarantee the customers’ rights will be protected when the work of the financial intermediaries are not regulated. Such circumstances create a threat to the spread of predatory lending practices in the market, of which the victim becomes the unaware customer. It is noteworthy that a significant number of consumers, media and decision-makers in Georgia do not distinguish microfinance institutions from other non-bank credit organizations.

4. Conclusion

We made sure that microfinance institutions have a big role in the Georgian financial system and as for the non-banking financial sector, this area has the potential to promote serious growth and financial enhancement. Financial enhancement means development of diverse financial instruments and improving capital distribution, financial intermediation quality and efficiency of the overall financial system. All

these will make the capital more accessible to the people, which, ultimately, will contribute to the growth of the country's economy.

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Effects of CEO Change Under Conditions of Complexity

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Abstract:

We apply Penrosean theory to explain how complexity acts as important boundary condition under which CEO change affects short-term growth. We posit that as an overarching heuristic concept, complexity is a major constrain on growth when CEO changes. New CEOs facing different dimensions of complexity will require time to learn before they can adjust and implement growth strategies effectively. Based on this framework, we derive and test the moderating effect of three types of complexity: organizational, relational and environmental complexity utilizing a large sample of Russian companies. We find negative short-run effects of the CEO change in companies that have complex features, such as larger in size, being part of business groups, having state or foreign ownership links, as well as operating in high-tech industries and engaging in international trading.

Keywords: *CEO change, complexity, growth, Penrose, Russia*

1. Introduction

CEO change is one of the most important topics in the management literature (Shen and Cannella, 2002; Beatty and Zajac, 1987). The literature is inconclusive: CEO change is considered either as bad for financial performance according to disruption theory (Ballinger and Marcel, 2010), or as good based on adaptation theory; in the latter case CEO change is seen as likely to bring an opportunity for improved realignment of the firm strategy with the external environment (Zhang and Rajagopalan, 2010).

We consider three types of complexity which are related to a firm's internal features, such as size, to the firm's relationships with the external providers of resources, namely ownership, and to the industries and markets in which the firm operates. We propose that applying the lens of complexity requires focusing simultaneously on firm attributes, operations, and its environment. This is because examining a firm's operations cannot be separated from its environment. In that regard, we see two environmental and operational dimensions as the most relevant: how the firm acquires the resources it needs, in which industry it operates and with whom it trades selling and buying products.

2. Theoretical Background and Hypotheses

To understand why complexity acts as a constraint on the short term positive impact of CEO change on growth, consistent with Penrosean perspective we stress that to implement growth strategies the managers need to learn about the versatility of the resources at their disposal (Penrose, 1959/2009). Penrose's idea of managerial challenges facing firm growth links well with the recent stream of literature on managerial cognition which has been researched in terms of information processing, such as simplified mental models of reality or causal maps (Gary and Wood, 2011). These cognitive tools help managers to perceive and categorize the information either about their organization or about the competitive environment (Hodgkinson and Johnson, 1994; Jackson and Dutton, 1988; Porac et al, 1995; Porac et al, 1989; Reger and Huff, 1993), and on strategic choices (Gary and Wood, 2011). The cognitive tools may be associated with selective perception of managers using them, since they are unable to fully evaluate all inputs

relevant to a decision. Yet, without such cognitive frames, managers would become overwhelmed by the need to analyze extensive and ambiguous data. The simplified mental models help managers to cope with complexities their firms are subject to (Calori et al., 1994).

We test the following hypotheses: the impact of CEO change on firm growth is (H1) negatively moderated by organizational complexity; (H2) is negatively moderated by relational complexity; (H3) negatively moderated by environmental complexity.

3. Data Description and Methodology

Data comes from Orbis, which is a commercial database offered by Bureau Van Dijk. Based on it, we checked accounting and directorship data of Russian manufacturing firms for the period 2005–2015. Focusing on the equation where growth was explained by CEO change and controls we first considered OLS, and next random effects.

4. Results

Consistent with Hypothesis 1 on organizational complexity, these negative moderating effects relate to larger firms even though quantitatively the effect is small and the overall effect is positive. With respect to Hypothesis 2, for government-controlled firms the effect of CEO change is negative or CEO change hurts growth. Likewise, the effect is negative for foreign-owned firms in the short term. Consistent with Hypothesis 3, complex operations, which may be associated with high-tech industries, result in a negative effect as well, albeit marginally significant. And finally export or import oriented firms suffer from CEO change in a short run.

5. Conclusions

We posit that ‘complexity’ is a useful heuristic device, which helps us to understand and systematize the effects of management change. Refocusing on short term growth effects of CEO change, we combine apparently disjoint aspects of firm attributes, relational characteristics and operational (environmental) conditions and demonstrate that the more complex they are, the more time it will take for new managers to have a positive effect on performance. In complex companies, disruption is a serious short-term cost of managerial change. More generally, we reach beyond principal-agent framework in corporate governance literature and come back to most fundamental issues related to the organizational outcomes of CEO change, growth, by systematically taking account of complexity and cognitive constraints.

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Determinants of Customer Satisfaction in M-Commerce: Investigation of Chinese and Russian Customers

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Abstract:

This paper investigates determinants of customer satisfaction in m-commerce for Russian and Chinese customers. Authors develop a model that incorporates factors specific to m-commerce and parameters of technology acceptance, trust and culture and empirically test it on two samples from Russia and China. Preliminary results show that technology acceptance has an effect on trust to m-vendor, whereas cultural specifics mediate its effect on customer satisfaction. This is a work in progress.

Keywords: *consumer behavior, customer satisfaction, m-commerce, Russia, China, cultural dimensions, trust, technology acceptance*

1. Introduction

Customer satisfaction (further – CS) has long been considered as one of the crucial issues for both researchers and marketers. However, with the development of the B2C markets (including new technologies appearance, globalization and generation changes) factors affecting CS as well as their impact are changing. This paper aims at investigating CS model for mobile commerce (or m-commerce) as one of the newest marketplaces and a specific part of e-commerce. Taking into account the global cross-border nature of online trade we also study the effects of cultural differences on CS through research on Russian and Chinese consumers (this choice is additionally motivated by the fact of significant penetration of Chinese m-commerce into the Russian market).

2. M-commerce CS model

2.1. CS determinants in e-commerce

In marketing research CS is used as one of the key predictors of repeated purchases. With the changes in consumer behavior brought in by technology development and adoption of smartphones and tablets for shopping CS determinants evolve and change. There are few studies focusing specifically in m-commerce, however on-line shopping behavior is widely researched. In the e-commerce studies, CS is formed by web-site design (we understand it as mobile application design as factors for e-commerce and m-commerce are slightly similar especially in the context of visualization and user-friendliness), security and privacy (e.g., Bai, Law, & Wen, 2008). In e-commerce, previous research also claims that CS is also dependent on trust (e.g., Nguyen, Takahashi, & Tuan, 2014), logistics issues (e.g., Ghoumrassi & Tigu, 2017) and previous experience (e.g., Chunli, Jian, & Yuankun, 2017).

However, CS in e-commerce has been proved to be a more complicated issue. Ma & Liu (2004) identified that traditional TAM components are related with the CS. Further studies identified that there is a connection between cultural dimensions and CS in e-commerce, e.g. the degree of individualism affects customer satisfaction in online shopping as well as the perceived service quality (Sabiote, Frias, & Castaneda, 2012), whereas collectivism negatively affects the relationship between purchase intention in the online environment and service quality (Ganguly, 2010).

2.2. Research model

As culture, technology acceptance and trust were identified as weaker researched factors in CS studies in e-commerce markets, we redeveloped the model by (Nguyen, Takahashi, & Tuan, 2014) adapting it to the m-commerce specifics and adding the three new components (see Figure below).

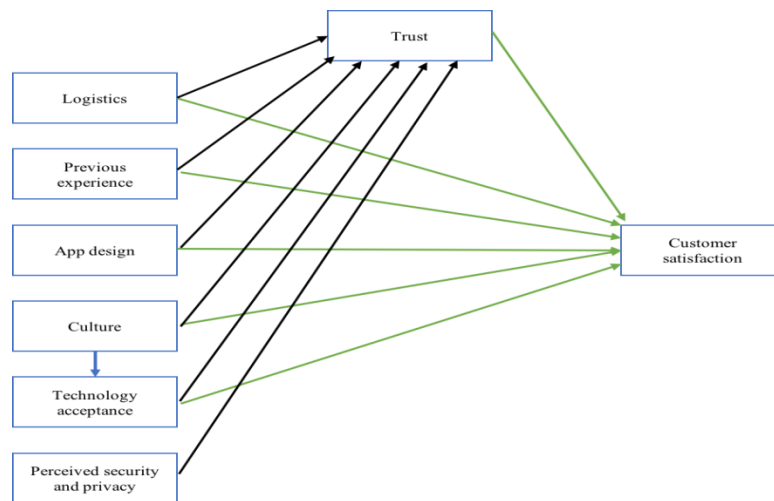


Figure. Theoretical framework

3. Organization of the study

3.1. Questionnaire development

Questionnaire was developed based on scales adopted from extant studies, and 5-point Likert scale was selected for the measure. Cultural parameters were introduced through Hofstede's scales. Further on the questionnaire was translated into Russian and Chinese. Translations were checked by a sample of native speakers. After linguistic corrections a pilot testing was done with 20 respondents from each of the country samples, as a result some ambiguous expressions were modified.

3.2. Data collection and sampling

Data was collected in April 2018. Respondents who had not have an experience of m-commerce shopping in the last 6 months were filtered out from the survey. As a result we received 296 valid respondents from Russia and 304 from China.

4. Empirical results and conclusions

Cronbach's alpha for all factors in the model was greater than 0.8. Results of Mann-Whitney test demonstrated that Chinese customers have higher level of technology acceptance, higher trust in m-commerce shopping, higher level of perceived security and privacy compared to the Russian customers which confirms the results of prior research on cultural effects in on-line shopping. Linear regression modeling was used to empirically test the model, and for both countries the effects on trust and customer satisfaction are confirmed (with R² exceeding 0.85 for all cases), and in case of CS determinants all model factors except logistics for China, proved to be significant as well.

Preliminarily we may conclude that although both countries are considered developing markets with relatively weak infrastructure, there is the higher trust of Chinese to m-commerce (the relation of technology acceptance and trust factors) and, consequently, higher effect to the customer satisfaction than in Russia which may be a result of faster development of the industry and better technology acceptance due to cultural specifics (which fits the prior research assumptions). Further estimations and deeper analysis of the obtained data will allow for better understanding of the effects. Managerial implications of the findings may be addressed to m-commerce businesses in both countries.

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Loyalty programs in digital era: classification, challenges, future

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Abstract:

Increasing number of opportunities to work with consumer not only bring certain challenges in timely placement and modification but change the core understanding of some general concepts in marketing – customer loyalty management is one them. Loyalty programs are still the most commonly used tool for attracting and retaining customer. It is no longer possible to manage programs through channels that company chose and ignore other which might be used by customer to gain information. Delivering the information about value became more challenging. The analytical research provides with the overview of existing approaches to loyalty management with focus on loyalty programs. It provides with the idea of reaching customers with the help of motivation based approaches and gives relevant examples.

Keywords: *loyalty, loyalty programs, motivations, customer benefits*

Introduction

Loyalty is a very broad and well-known concept in business studies. Loyalty is a part of strategy and philosophy of business. It has a crucial effect on every constituency and aspect of a business system (Reichheld, 2001). Why is that so?

The main objective of any business is a value creation for their customers (Best, 2017). It helps to build a reputation, enhance competitive advantages and make the business successful and sustainable. Loyalty is a major indicator of a proper developed and delivered value proposition. There are three main aspects of loyalty in business: customer loyalty, employees loyalty, investors (partners loyalty).

There are several definitions of customer loyalty and even more dimensions to measure and approaches to study. Most of definitions are close to statement that customer loyalty is the result of consistently positive emotional experience, physical attribute-based satisfaction and perceived value of an experience, which includes the product or services (Shaw & Hamilton, 2016). It is viewed as strength of relationship between an attitude customer has and repeat patronage (Dick & Basu, 1994).

The key reason for misinterpretation lies in understanding the very term of loyalty and its evolution in the theory of marketing. There are lots of factors which can cause change in the consumer loyal behavior and additional loyalty to the seller or even incentives program. That is why scholars nowadays pay special attention to motives which people have for repeating their purchase. These motives are extensively studied in the area of marketing known as loyalty marketing.

Additional issue that both scholars and practitioners have is about the existence of loyalty programs in highly digitalized world. The management of information flows is not anymore held by online or offline only action, but the mixed ones. It allows to cover greater number of customers and potential participants but makes it difficult to predict the efficiency and differentiate the loyalty program offer from competitors.

The aim of the paper is to introduce existing classifications of loyalty programs, highlight major challenges and suggest the ways to overcome basing on specificities of digital context.

Customer loyalty classifications: theoretical background

The classification suggested by Dick and Basu (1994) relied on conceptual framework, which introduced loyalty as a “relationship between the relative attitude toward an entity/brand/store and patronage behavior”. It is obvious that their attempt was to combine attitudinal and behavioral approach and come up with the more general approach and counterbalance or even bridge the habitual and relationship-focused explanations of customer loyalty

After giving a definition and dimensionality to relative attribute authors came back to the link between that and repeat patronage. Final matrix allowed to categorize loyalty by combination of high and low relative attitude from one hand and repeat patronage from another. Each quadrant of the represented matrix has contained a certain type of loyalty:

1. High relative attitude, high repeat patronage: loyalty
2. High relative attitude, low repeat patronage: latent loyalty
3. Low relative attitude, high repeat patronage: spurious loyalty
4. Low relative attitude, low repeat patronage: no loyalty

Among loyalty guides for practitioners the work of Roger Best is the most influential. Consumer loyalty is determined by the five main components according to his definition. The components are represented as a customer loyalty index (Best, 2017):

$$\text{Consumer Loyalty Index} = (\text{Customer History} + \text{Purchase Amount} + \text{Wish to re-purchase} + \text{Product preference} + \text{Readiness recommend}) / 5.$$

Obviously, the aim of his definition to track actions regardless the motives that underneath. The real interest of his work is in the loyalty classification. This time he classifies not the loyalty as concept/phenomenon/force, but he pays attention to customers. According to the classification (see below) they are main determinants of any loyalty categorization.

1. Loyal customers
2. Permanent customer
3. “Captive” customer
4. New customer
5. Non-profitable customer

All these types are defined in accordance with customer loyalty index, the motives are ignored again by apparent reasons – the guide is practical and should allow to measure loyalty. However, the presence of measurement without ability to manage it quite useless strictly speaking.

Theories of motivation: theoretical background for customer loyalty programs

One of the most notable work in the area of motivations analysis as a background for loyalty programs functioning and loyalty appearance itself belongs to the group of researchers: Conor Henderson, Joshua Beck, Robert Palmatier. It was published in the Journal of Consumer Psychology in 2011.

The main goal authors persuaded was to create more holistic research perspective which will allow to account for the simultaneous effects across three major theoretical domains for loyalty programs studies they singled out. Three categories they suggested as drivers for customer perception of loyalty programs are: status-driven, habitual and relationship-based.

The suggested categorization is very useful if is already known what motivations are forming certain customer decision-making process. Unfortunately, authors did not provide with clear linkage between suggested groups and motives they assume are in the base. However, their analytical tables give certain hint. Therefore, after careful comparison it became possible to present the adapted version of theories analyzed. The main change introduced involves addition of aligned motivation and value customer supposedly has in each represented situation.

To provide the analysis following steps were taken:

1. All suggested articles in the paper were searched for signs and references to certain motivation theories.
2. Two central approaches of connecting motivations theory, values and loyalty were identified.
3. Analytical tables were adopted

The analysis showed that main basis for classification of loyalty programs is motivations and benefits analysis. In other words, the position of customer is the central one. Nowadays people have more sources of information than it was ever. Average person proceeds 5 times more information flows today than several decades before (Gilbert, 2015). So, now it is more important to adjust the information about your product, service or loyalty program to the customer's undisclosed passion towards different aspects. First point of previous statement is directly connected to the information source choice. Second point – how to deliver information or how to make customer be arranged with company, products, services, brands – characteristics of actual delivery. Gamification is the tool which allow to make promotion campaigns and loyalty programs more effective by influencing motivation (Seaborn, 2015) and behavioral outcomes (Kim & Ahn, 2017). It the one of existing examples of overcoming issues connected with loyalty programs management.

Theories of motivations themselves varies on the industry, discipline and other contexts. To provide any sense for comparing theories in the table were those mentioned more often in article dedicated to loyalty assessment.

1. Intrinsic/Extrinsic motivation: Ryan & Deci, 2000c; Kim & Ahn, 2017, Deci et al. 1994, etc.
2. Hedonic/Utilitarian/Symbolic values: Kreis & Mafael, 2014; Bateson et al. 2006; Anderson et al., 2001, etc.

The classification appointed above is necessary to understand main direction for future loyalty programs development. Issue with information will be just more intensive with technology development and number of contact points increases. The trust for companies marketing activities will be challenged and tools which work with motivation and deliver desired benefits become successful.

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Managing People in the New Digital Economy

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Abstract:

This paper reviews which human resource management techniques can be applied to agile companies in order to increase their performance. The work is of an interdisciplinary nature, combining the knowledge of economic and social psychology, human resource management, project management with the needs of contemporary organization in the new digital world. The work is based on the analysis of expert's interviews, reflecting the positive and negative experience of companies in introducing flexible management technologies. As study shows, traditional HRM techniques should be transformed into agile HRM.

Keywords: *agile frameworks, Agile manifesto, the New digital economy, human resource management, agile human resource management, teamwork*

Introduction

The relevance of the formation of the national digital economy is confirmed by the presence of global trends of digitalization of the international society. The study by PWC (2011) confirmed several trends of the new economy:

- 1 The global digital economy comes of age.
- 2 Industries undergo digital transformation.
- 3 The digital divide reverses.
- 4 The emerging-market customer takes center stage.
- 5 Business shifts into hyper drive.
- 6 Firms reorganize to embrace the digital economy.

To operate on the global digital field, companies are moving away from traditional management toward new approaches. Companies decentralize power distribution, move towards product-oriented and client-oriented organizations and form dynamic networks of teams. These networks have vast amount of responsibilities and use it to share data and knowledge and coordinate activities in unique and effective ways. There is agile project management methodology created that allow to efficiently allocate resources and achieve high performance due to teamwork. While companies become agile, new approaches to business require new approach to managing people in the organizations.

Purpose of this paper is twofold: to examine challenges in implementation of agile methodologies and find solutions suggested to these challenges with the help of human resource management.

Agile vs Traditional management

The basic principles of Agile are formulated in the works of D K. Rigby, J. Sutherland and H. Takeuchi. The basic principles of Agile Management related to managing employees are formulated in the corresponding manifesto (2001):

1. the most important are people, not things
2. documentation (which no one reads) should not prevent anyone from working
3. cooperate, not re-read the contract.
4. live, breathe, change - as quickly as possible

There is a broad range of software development frameworks, that are based on these principles, including XP, FDD, Lean SD, Scrum and Kanban. The last two methodologies went beyond software development and project management.

All agile (flexible) technologies are based on horizontal management structures and require the introduction of methods that are different from traditional management.

The key differences between agile management, defined by the basic principles, are presented in table 1.

Table 1. Key differences between agile and traditional management systems

No	Management Characteristics	Agile Management	Traditional Management
1	Terms of decision-making	Uncertainty	Rigid regulation
2	The mechanism of organization	The team network	Hierarchy
3	Methods of organization	Self-organization	Hard control
4	Motivation	Reliance on internal motives	Advantage of external stimulation
5	Thinking	System Thinking	Local Thinking
6	System-forming factor	Goal	values
7	The role of the leader	Leader-servant	Administrative manager
8	Functional unit	Role	Position
9	Business Unit	Team	Individual
10	Communications	Horizontal, negotiations	Vertical, documents

According to experts' opinion, out of 10 attempts to implement Agile system, only one ends in success. Despite the existence of common guidelines for the introduction of Agile technologies, the results of implementation are very different in practice.

Implementing agile: main problems

Laanti et al (2011) examined an organization-wide adoption of agile practices at Nokia, and confirmed that employees admitted the benefits of agile usage, including higher satisfaction and effectiveness, increased quality and transparency, and earlier detection of faults and that 60% would prefer to stay with the methods than return to their previous ways of working.

At the behavioral level, the following typical implementation problems were noted (M. Yakubovich, 2017):

1. Employees who perform the roles of product owners and SCRUM-masters do not understand their goals and functions, and thus continue to play the role of traditional managers.
2. Employees do not understand the essence of the management system, the role of processes and documents. Document management (product log file) is formal.
3. Team members do not want to take the initiative and be responsible for the results.
4. The lack of team members' skills in assessing the scope of work.
5. Narrow professional specialization of team members.
6. Subjective assessment by team members of reducing their level of authority, limiting ambitions.

Data and sample

The work is based on the analysis of expert's interviews: agile coaches, managers, teams in several companies where agile management has been implemented.

It is qualitative study to explore the experiences of professionals participating in agile process.

Results and conclusions

There are three main problems that can decrease performance of agile organization and impede successful implementation of agile.

1. Problems of top management. These include:

- a. lack of understanding of the objectives of implementation (Agile management becomes a goal, not a means of solving problems);
- b. lack of skills to involve employees;
- c. orientation to quick results, loss of interest due to lack of knowledge regarding the psychological factors of the introduction of Agile technologies.

2. Employees problems. These include:

- a. low ability of individuals and groups to self-organization and self-management;
- b. poor communication;
- c. discrepancy between role and personal characteristics of team members;
- d. inability of the team for sustainable development;
- e. ineffective leadership styles.

3. Problems of micromanagement, including the practice of human resource management.

The problems of the first two levels can be based on dispositional characteristics (individual personal qualities) of employees. According to experts implemented Agile, 25-30% of employees cannot function in this new management system. The experience gained by employees in their previous job positions in traditional management systems is important to take into consideration since it includes learned stereotypes and skills. However, they can be adjusted with the help of HRM (in the process of learning and development).

It is necessary to thoroughly study and theoretically comprehend these problems since this will allow solving personnel management tasks more purposefully and effectively. This can contribute to the following HRM system adjustments in agile:

1. Development of criteria for the selection of personnel capable of working in teams;
2. Development of reward systems combining both financial and non-financial incentives, individual and group incentive methods;
3. Implementation of measures that increase individual and group responsibility and initiative in decision-making;
4. Building a system of training, oriented not only to the solution of professional problems, but also to the formation of new communicative and cognitive skills in problem-solving.

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Speaking Culturally as a Key to Effective Communication

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Abstract:

Second language learning is often misleadingly seen as learning the vocabulary and grammar of a foreign language. However, this approach to learning languages is flawed by severe language interference resulting in communication failure. Solution to this can be seen in teaching languages culturally, through the lens of culture, focusing on specific ways of shaping the reality, showing another way of thinking about things. The most difficult problem lies in differences between speech etiquettes of the languages in contact (honorifics), ethnically shaped humour rules, etc. Without understanding these cultural aspects, to build a solid bridge of professional communication and to have an effective negotiation process is next to impossible.

The situation is even more troubling if we consider languages of Asia and Africa in the Russian setting. The patterns of the native language are applied to the linguistic material of Asian or African languages leading to even deeper misunderstanding. The 'cultural' approach to teaching any foreign language can help students avoid misconceptions about a second language, giving them a key to successful communication in life and professional activity.

Key words: *Second language acquisition, culture, speech etiquette, language interference, hierarchy of mistakes*

The aim of the paper is to demonstrate that an approach to teaching foreign languages through cultures can help to avoid failures in communication. The main method used is contrastive analysis of language structures and ways to shape linguistic picture of the world.

Second language learning is often misleadingly seen as learning the vocabulary and grammar of a foreign language. However, this approach to learning languages is seriously flawed by severe language interference resulting in mistakes and inaccuracies and, finally, leading to communication failure.

Solution to this can be seen in teaching foreign languages culturally, through the lens of culture and language, that is, focusing on specific ways languages shape the reality, demonstrating and emphasizing these particular differences between any contacting languages (two or even more) and, thus, showing students another way of thinking about things.

An approach to teach the grammar and vocabulary of another language constantly referring to its cultural aspects is nothing new (see, for example, "Culturally Speaking" by Rhona B. Genzel and Martha Graves Cummings), however, it doesn't seem to be consistently resorted to when teaching English for Specific Purposes (ESP).

The first step is to build a "hierarchy" of the most pervasive mistakes in the English speech of Russians, since this can help to clearly demonstrate principal 'culturally' weak points in the grammar and vocabulary of the contacting languages and draw students' attention to the aspects of the second language which, unluckily, tend to be neglected.

The principal mistakes which appear to be very hard to avoid concern the following: 1) expressing agreement with negative statements; 2) using modal verbs with mental verbs and verbs of sensual perception; 3) possessive adjectives and possessive pronouns with parts of the body and terms of kinship; 4) prepositions of time and space; 5) word order; 6) words which are differently connoted in Russian and English.

If the wrong use of prepositions and word order only makes communication “bumpy” and not smooth, a speaker's inability to agree or disagree with their interlocutor in a proper way as well as words with wrongly used connotations can seriously damage communication.

These are the problems which refer to all spheres of language usage, though they might become a serious hinder in business negotiations and from this point view they are especially important in ESP.

Another problem arises when a speaker transposes his native ideas and patterns of structuring the reality (reflected in their native language) onto their foreign speech, as this leads to even more severe misunderstandings. Classical examples of this are the way speakers of different languages “divide” the day, though dictionaries misleadingly give them definite pairs of equivalents (e.g., morning for English speakers begins right after midnight, while for Russian speakers it starts at the moment a person opens his/her eyes after a night sleep). No less known is the distribution between 'lunch’, “dinner”, on the one hand, and 'обед', on the other. Here again a misused word may block understanding between communicants.

The most difficult problem lies in differences between speech etiquettes of the languages in contact including specific ways of using honorifics, ethnically shaped humour rules and understatement which is a mark of 'Englishness' (Kate Fox). Without understanding these cultural aspects of a second language it is practically impossible to build a solid bridge of communication, especially in business or another professional sphere, or to lead a negotiation process effectively.

The same troubling situation occurs when we turn to languages of Asia and Africa taught in the Russian setting. The patterns of the native, in our case - Russian, language are applied to the linguistic material of Asian or African languages. In this case clashes between the first language culture and the second one can bring about even deeper misunderstandings.

All of these types of mistakes obviously result from negative language interference, when a Russian form or structure is mistakenly transposed onto English which happens if the Russian way thinking is applied while combining English words into sentences. It turns out to be even worse when the English language of a native Russian is applied to the professional sphere of Asian and African studies, neglecting cultural peculiarities of both English culture and that of an African (Asian) country.

The approach that shows culture through language can contribute to an effective teaching of any foreign language, which will help students avoid misconceptions about a second language, thus giving them a key to successful communication in life and professional activity.

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Neuromarketing tools to predict the level of perceiving and understanding texts in commercials

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Abstract:

The research aims to develop a valid method for objective indicators recording in real time for assessing the degree of text comprehension in commercials. Neuromarketing approach is used, since there is now broad understanding that objective psychophysiological indicators could be useful for the estimation of consumers' attention in reading and watching commercials.

Keywords: *consumer behavior, neuromarketing, advertising effect*

1. Introduction

Neurophysiological methods successfully complement traditional methods of consumer behavior study (Cosic, 2016; Schwarzkopf, 2015). However, there are still gaps in the knowledge of how the human brain processes marketing incentives (Kenning et al., 2007); further development of the methodology is needed (Daugherty et al., 2018; Singh & Jain, 2018).

2. Background of the study

Nowadays, growing amount of academic literature is focused on the consumer perception of advertising (Bartholmé & Melewar, 2011; Phillips et al., 2014). Most papers discuss consumer perception of visuals and assess emotional reactions of consumers (Falk et al., 2013; Suomala, 2018; Telpaz et al., 2015; Weber et al., 2015), while modern commercials contain a lot of information in text form (Karagevrekis, 2012). Therefore, it is important to propose indicators of perceiving and understanding texts in commercials, and to estimate predictive ability of such indicators.

3. Data and sample

We studied the relationship between multimodal psychophysiological parameters and the process of text comprehension using eyetracking for visual attention estimation, electroencephalography (EEG) to assess cognitive load and polygraphic indicators (skin-galvanic reaction (SGR), photoplethysmogram) that reflect respondent's emotional state during text reading.

- 17 respondents participated in the study (9 males, 8 females, 25-35 years old (standard dev. +3.1).
- Respondents executed psychological tests (as Luriya memory test and reading rate test).
- Respondents viewed different stimuli on a projector screen that locates on distance 5 meters from respondents' eyes (diagonal of the screen 2,8 meters). Images were presented in HD quality.
- 86 slides with different kind of commercial texts and test questions were presented in the experiment.
- Different features of text and background were studied.

Apparatus:

- ABM X24 256 Hz EEG;
- Polygraph Energy 256 Hz;

- Eye tracker SMI RED 250 Hz with Ogama software for proper event detection.

We estimated background features (as color and signal-noise ratio), text difficulty (estimated based on Flesch-Kinkaid Readability Test, Coleman-Lian Readability Test, SMOG and other tests of text readability).

$$0.39 \left(\frac{\text{total words}}{\text{total sentences}} \right) + 11.8 \left(\frac{\text{total syllables}}{\text{total words}} \right) - 15.59 \quad (1)$$

Example of equation (1) for text difficulty estimation (Flesch-Kinkaid Readability Test). The final score calculated as a mean of several similar tests.

Marked key information perceiving was tested. Negative polarity for commercial texts was applied in several test slides.

4. Results and discussion

Dependence EEG, eye-tracking parameters and polygraph indices from text features were revealed. For different colors texts were unified by formula (1).

1. Eye tracking parameters correlate with a background color. Fixation number significantly depends on color (Fig. 1).

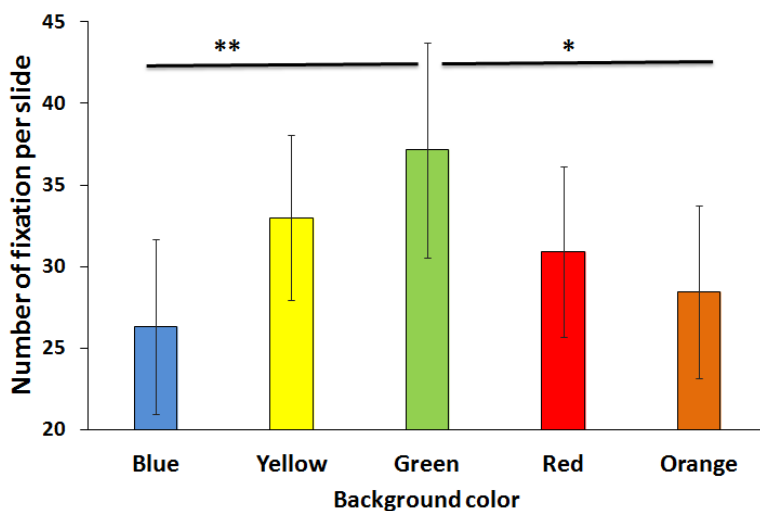


Fig. 1. Number of fixation during reading commercial texts on a background color. ** p<0.05, * p<0.01.

2. EEG parameters also depend on background color that is relevant to eye tracking data.

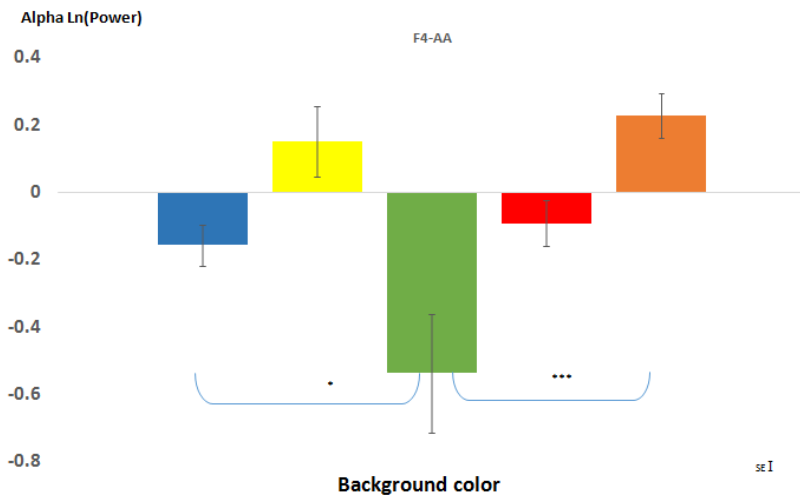


Fig. 2. Alpha band power in F4 channel during reading commercial texts on different background colors. * $p < 0.01$, * $p < 0.001$.**

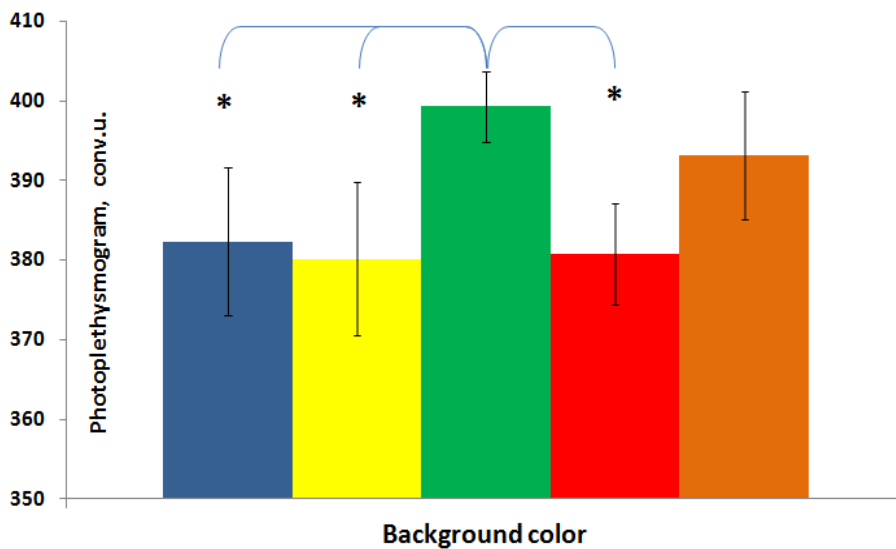


Fig. 3. PPG signal recorded synchronously with gaze tracks and EEG showed similar dynamics and revealed significant difference for the green color of the background.

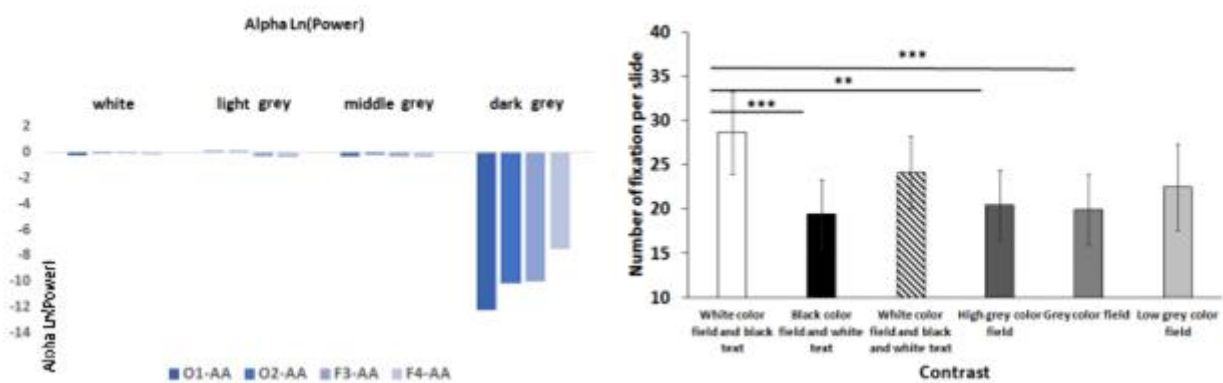


Fig. 4. Difference in EEG parameters (in alpha band) and gaze fixations in reading text with several levels of contrast.

Fig. 1-4 show high sensitive of complex biometrics methods in testing commercials (in particular in reading texts in commercials). Synchronous changing of EEG, polygraphics and eye tracking parameters gets the assuming of its workability in estimation perceiving audiovisual content on billboards, TV and the Internet.

5. Conclusion

Dependence reading quality of positive/negative polarity, noise ratio and background color was supported for commercial texts in the experiment. Innovative synchronous recording of EEG, eye tracks and polygraph indices was used for estimation of reading texts in commercials. High level of the interrelation between metrics was obtained. The advantage of the approach is the possibility of building stable predictive metrics based on real-time indicators. Further, the unique predictive model will be developed based on the integrated use of neuropsychological indicators.

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Motives of Nascent and Mature Social Entrepreneurs in the Omsk Region of Russia

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Abstract

The phenomenon of social entrepreneurship has been discussed widely, however, the similarities and differences in the motives of nascent and mature social entrepreneurs are not studied deeply enough. The aim of our research is to explore the motives (reasons) of nascent and mature social entrepreneurs in the Omsk region, Russia.

Our research is based on the qualitative research method. To conduct the survey, we used such methods of data collection as randomly face-to-face interviews with social entrepreneurs and an online questionnaire.

Our findings show that the motives are different between nascent and mature entrepreneurial groups. Nascent entrepreneurs are looking for networking, enjoyment and to get experience. Mature entrepreneurs are led by their passion and need for professional fulfillment (to apply their experience).

Keywords: *motives, social entrepreneurship, social project, nascent and mature social entrepreneurs, sustainable development*

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1. Introduction

Social entrepreneurs are entrepreneurs, whose primary purpose is to tackle social, economic and environmental challenges, to ensure sustainable development of society. What motivates them? Do nascent and mature entrepreneurs have similar motives to participate in social projects?

The aim of research is to explore the motives (reasons) of nascent and mature social entrepreneurs in the Omsk region, Russia. To answer our research questions, we use the qualitative approach, namely the phenomenological approach. Our semi-structured survey combines methods of face-to-face interview and online questionnaire. We conducted our survey in the Omsk region, Russia. Our data contains answers from 58 respondents.

2. Theoretical Background

Social entrepreneurship is innovative activity that pursues a social mission. We would consider social entrepreneurship as a key part of the concept of sustainable development as it aims the development of social and economic system in harmony with the planet (Moldan & Dahl, 2007).

Social entrepreneurship was considered as an intersection of two cultures: the satisfactions of giving (i.e. culture of charity) and problem solving (i.e. culture of entrepreneurial problem solving) (Dees, 2012) and as an intersection of motives for commercial entrepreneurship (the need for achievement) and public-social sector work (a commitment to public interest and compassion) (Germak & Robinson, 2014).

Germak & Robinson (2014, p. 13) explored the motivation of nascent social entrepreneurs and found “the following themes related to social entrepreneurship motivation: (1) personal fulfillment, (2) helping society, (3) nonmonetary focus, (4) achievement orientation, and (5) closeness to social problem.”

Dufays & Huybrechts (2014, p. 216) considered links between social networks and the emergence of social entrepreneurship and noted that “social networking is a critical skill” and “creating social networks” may be an objective or an outcome of social entrepreneurs.

The Russian scientists studied the social entrepreneurship in the Russian Federation: its business models, trends and main features (Moskovskaya, 2011; Aray et. al., 2014; Zhokhova, 2015), however the motives for social entrepreneurship in Russia have not been studied deeply enough.

3. Research questions and methods

Many authors notice that there is a paucity of empirical works in social entrepreneurship literature (Roy et al., 2014; Nicholls, 2010). “Future research should compare the motivation of different types of social entrepreneurs (nascent versus mature, trained versus untrained, etc.) to more comprehensively understand the proposed social entrepreneurship motivational framework and its impact on the social entrepreneurship outcomes” (Germak & Robinson, 2014, p. 19).

It leads us to the following research questions:

- What are the main motives of social entrepreneurs to participate in social projects across the Omsk region?
- What are the differences in social entrepreneurial motives among nascent and mature social entrepreneurs?

We followed a qualitative approach (Patton, 2002; Germak & Robinson, 2014; Shaw & Carter, 2007) to address our particular questions regarding social entrepreneurial motives. We conducted a semi-structured survey with social entrepreneurs to understand the phenomenon of social entrepreneurial motives.

4. Analysis and discussion

For the aim of research, we divided our respondents into 2 groups: the nascent entrepreneurs who have less than three years entrepreneurial experience and mature entrepreneurs. We asked our respondents to answer the questions “Why did you participate in the social project or did the volunteer work? What were your main motives and incentives?” Our findings are presented below.

4.1. Motives of nascent social entrepreneurs in the Omsk region (31 respondents)

All the projects described were implemented. The actual age of nascent social entrepreneurs was between 19 and 24. Nascent entrepreneurs in the Omsk region have the following motives to participate in social projects:

- Connections were mentioned in most of the interviews: 21 of 31 (67.7 %).
- Passion and enjoyment was the second most popular answer among the nascent entrepreneurs: 16 of 31 (51.6 %).
- Experience: 10 of 31 (32.3 %).
- Trend or anti-trend: 7 of 31 (22.6 %).

4.2. Motives of mature social entrepreneurs in the Omsk region (27 respondents)

The actual age of mature social entrepreneurs was between 28 and 47 years. Our findings show the following motives of mature entrepreneurs in the Omsk region to participate in social projects:

- Experience: 23 of 27 (85.2%).
- Trend: 14 of 27 (51.9%).
- Passion and enjoyment: 12 of 27 (44.4%).

5. Conclusion

This study analyzes the motives of nascent and mature social entrepreneurs in Russia (the Omsk region). We found that social entrepreneurs across the Omsk region have the following motives: 1) getting or applying experience; 2) passion and enjoyment to do the project; 3) using and building personal connections and contacts; 4) to be in a trend.

As we can see from our findings, networking through personal connections was the most favorite motive among nascent social entrepreneurs in the Omsk region. Mature entrepreneurs did not mention connections at all.

Nascent social entrepreneurs in Omsk want to enjoy what they are doing. The mature entrepreneurs want to change the world, implement their idea in practice, to help society and nature; they are more concerned about the project idea, more passionate about their project.

The differences in the motives between the two groups of respondents can be summarized as follows: nascent entrepreneurs want to expand their social networks, get enjoyment and experience, while mature entrepreneurs have a passion to reach the social mission of the project and want to apply the experience they have.

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Social Entrepreneurship in Russia: Current Trends and Opportunities for Development

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Abstract:

The study examines the current trends of social entrepreneurship activity in Russian Federation as well as opportunities and obstacles for social entrepreneurship development. The research methodology is based on semi-structured interviews of acting social entrepreneurs and questionnaires that were fulfilled by social entrepreneurs and those people who have developed related business plans. The conclusions are made considering the reasoning of Russian social entrepreneurs' activity, the social problems they choose, the social effects that are desired and achieved, as well as the obstacles that are faced by social entrepreneurs.

Keywords: *social entrepreneurship, social effects, institutional theory*

1. Purpose. The purpose of this paper is to examine the current trends of social entrepreneurship activity in Russian Federation as well as opportunities and obstacles for social entrepreneurship development. Russian social entrepreneurship has evolved relatively recently. It has much in common with North American and European social entrepreneurship experience but at the same time there are some peculiarities influenced by national external environment. Institutional role of social entrepreneurship is just being formed in Russia. As such enterprises consist of potentially conflicting institutional logics (Grenier, 2006, Tracey et al., 2011), they need to be legitimated in the society from the perspective of different stakeholders. In the paper the authors look at the social entrepreneurship development in Russia through the prism of institutional theory – applying different types of legitimization (pragmatic, moral, and cognitive legitimacy) in accordance with (Suchman (1995)).

2. Methodology. The research is based on semi-structured interviews of acting social entrepreneurs and questionnaires that were fulfilled by social entrepreneurs and those people who have developed related business plans. Questionnaires included closed and open questions considering the field of social entrepreneurs' activity (selected social problem), the reasoning for involvement into social entrepreneurship, their organizational form and geographical presence, the social effects that are expected and achieved, traits of character and types of resources needed by social entrepreneurs, as well as main obstacles that they face. The interviews have been conducted with social entrepreneurs who have achieved measurable success in their activities and exist for relatively long period of time.

3. Findings. The interviews and questionnaires data analysis led the authors to the following preliminary conclusions:

1. Social entrepreneurs usually start their activities due to their own private motivation often correlated to their past experience with some social problems. Choosing social entrepreneurship as an optional career path is not common. It turned out that Russian people do not even know about social entrepreneurship until they face the necessity to resolve social problems somehow connected to their own experience.
2. Most social entrepreneurs choose a form or evolve from noncommercial organization which identifies dominating encumbrance mindset. Transformation from business to social entrepreneurship is very rare.
3. Most social entrepreneurs are very competent in the field of related social problem but usually lack business knowledge and skills. It leads to a major problem of finding balance between social and commercial aspect of an enterprise as well as inability to fully transfer from non-commercial

organization heavily dependent on donations and subsidies. Thus, financial resources are found to be hard to accumulate through commercial activity. At the same time commercial activity can be hardly organized while reporting on usage of donations and subsidies.

4. Major obstacles for social entrepreneurship activities include absence of investors or their low interest, fear to borrow financial resources and their high price, difficulties in winning grants, weak management team. Social entrepreneurs assume that there is a low level of societal trust to private initiatives in resolving social problems. At the same time absence of institutionalization of social entrepreneurship in Russia leads to inability to correctly position yourself in external environment.

The paper authors also discuss the changes needed in internal and external environment in order to facilitate the development and successful activity of social entrepreneurs.

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A comparative analysis between UK and Russian MBA students of strategy teaching. Challenges and lessons

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Abstract:

The paper focuses on a contemporary problem, that many business schools all over the world face. It is about the necessity to include concepts and instruments of strategic management that are most valuable for the managers into the syllabus of the courses. Although, it might sound originally simplistic there is no clear and easy answer to it. In order to solve this problem it is necessary to define the requirements and expectations of the managers studying in business schools. Understanding the complexity of the particular challenge, the purpose of this paper is to determine the existing conformity of strategic management course syllabus and the difference between UK and Russian managers' perception of competitive advantage, its sources and the overall process of strategic management. We conducted an empirical study surveying the participants of the Executive MBA program in one of the leading business schools in Russia and the UK. The aim of it is to reveal the expectations towards syllabus of "Strategic management" course, understand their needs relating to the syllabus and their perceptions when it comes to the application of Strategic Management theory.

Keywords: *"Strategic Management" course, business school, education for managers, teaching methods*

1. Introduction

Business schools were criticized by various stakeholders even at the earliest development stages of business education, changing over time. Whereas in the 1950s, the American business education system was undoubtedly the world's most advanced, it was primarily criticized for the lack of a serious scientific base; closer to the end of the 20th century, other aspects of business school performance bore the brunt of significant comments. The focus was on the fragmented courses and research due to the rise in the level of specialization of the tasks and positions in the economy and the development of a greater number of specialized courses with a clearly insufficient coordination level. The focus in the business school studies more on theory and concept development than on solving practical management problems was noted repeatedly (see, e.g.: [Mintzberg, 2010; Pfeffer, Fong, 2002; Gurau, 2015; Harrington, Short, Hynes, 2015]).

Under globalization of factors affecting the business school educational performance (globalization of business and competition, rapid development of informational technologies, intensified business environment turbulence, etc.), the problem of greater correspondence of the syllabus and teaching methods of management courses with practical managerial demands is acute for developed as well as for emerging markets.

2. Research aim

The purpose of this paper is to identify the compatibility of the strategic management course syllabus and the Russian and UK managers' perception of the competitive management sources. This would permit an understanding of the need for changes in the relevant syllabus courses and their teaching methods.

3. Methodology

We conducted an empirical study surveying the participants of the Executive MBA program in one of the leading business schools in Russia and the UK. The questionnaire included several blocks of questions: first block was devoted to the characteristics of the respondents including their position, description of the sizes of the company, experience of taking strategic decisions and previous experience in studying

concepts of strategic management; second block was related to the evaluation of the importance by the respondents of different elements of strategic process and sources of competitive advantages; third block included questions about the strategic management formalization process and the possibility of different concepts' usage.

4. Results and Discussions

The original results of the analysis indicate some very interesting results. It seems that UK vs Russian MBA students link similarly the sources of competitive advantage with better position of the company in the external environment. Although this finding indeed confirms existing theory, looking deeper into it is important since it clearly suggests a greater interest in learning strategic tools that relate to a more holistic approach when it comes to teaching and applying strategic positioning. However, when it comes to perceived usefulness of the strategic management tools most managers from both countries seem to find SWOT and Benchmarking mostly useful to our surprise. This creates a large puzzle since these are very simplistic tools not taught extensively in an MBA programme compared to more advanced ones. We draw certain arguments on why these findings raise serious challenges for strategic management teaching and put into question the usefulness of proactive development of competences in strategic management education. Furthermore, when comparing the two samples we found out that compared to Russian MBAers, UK ones seem to have learned major strategic management concepts from previous studies (e.g. bachelors or masters and from best seller books). This could explain the fact that Russian managers are based more on intuition and everyday experience compared to UK ones following a more constructed process of strategic management. We conclude arguing that Strategic Management teaching and application needs revisiting in order to prepare properly the future generations of managers since in both groups we found out that many important strategic management tools do not seem to be perceived as very useful to everyday practice. The implications are important for scholars that designed such tools, academics that teach them, and for practitioners that are called to put them in action.

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Building sustainable supply chains in emerging market context: SIBUR's experience on Russian market

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Abstract:

The importance of transition of the Russian economy to a model of more reasonable consumption and resources usage is evident for the majority of stakeholders. Representatives of government authorities realize the importance of these aspects and develop systems of measures to stimulate introduction of the circular economy principles. Integration of state and business efforts in this area will make the progress much more visible and significant. The paper explores the state, specificity and perspectives of circular economy in the Russian context applying a case-study approach. SIBUR case is used as an empirical evidence and background for further articulation of suggested propositions. Through the analysis of the case it was concluded that for further development of circular economy principles both in SIBUR, and in other Russian companies, there is a necessity of relevant normative and regulative changes in this area, as well as, educational work at the individual, industry and country level.

Keywords: *circular economy, closed loop, SIBUR, supply chain, sustainability*

1. Introduction.

Despite the fact that the term "circular economy" is still perceived more as a theoretical approach, the number of companies which are trying to introduce the basic principles of the circular economy is constantly growing. The circular economy is an economy focused on the renewal of the resources used and designed in such a way as to facilitate the extraction of profit from the secondary use of resources. In the circular economy, products are designed so that they can be relatively easily re-used, disassembled and recycled, because according to this approach, obtaining resources from products with a completed life cycle, unlike the extraction of primary resources, is the basis for sustainable economic growth.

The circular economy involves a more meaningful use of resources aimed at applying the principles of the "green" economy and is characterized by application of new business models and approaches, as well as innovative business ideas (Ellen Mac Arthur Foundation, 2013). In addition, one of the main objectives of the circular economy is to improve the well-being of different sectors of society and to achieve their equal access to the required resources.

The importance of transition of the Russian economy to a model of more reasonable consumption and resources usage is evident for the majority of participants in production process. Representatives of government authorities also realize the importance of these aspects and develop systems of measures to stimulate introduction of the circular economy principles.

2. Research aim

The paper aims to identify the specificity of sustainable supply chains management in emerging market context, in particular, it seeks to depict and analyze the factors that stimulate firms to implement sustainable practices in their supply chain and also to explore the sources of challenges they face within the context of Russia.

3. Methodology

The paper uses a single case study approach to bring about new insights on the relevant and comparably new topic of sustainable development in the emerging market context.

4. Data

Having Russian gas processing and petrochemical company SIBUR as a focus company, we combined primary and secondary sources of data and applied triangulation procedure to obtain reliable results that address the questions formulated above. The primary data were collected through face-to-face interview with company representatives. The secondary data were obtained from open sources (i.e. mass media, data bases, company's official website, etc.).

5. Results and Discussion

The SIBUR's business model is focused on two segments: fuel and raw materials which come directly from the fuel and raw materials segment, and petrochemical products derived from byproducts of the fuel and raw material segment, the production of which requires significant additional efforts from the Company, but at the same time it allows to provide consumers with high added value products.

The SIBUR business model is structured in such a way that the company applies principles of sustainable development in its activities and stimulates a circular economy development in at least two areas. Firstly, through APG utilization projects development, the company encourages oil companies to increase rationality in resources exploitation, reduce a carbon footprint and refuse to APG flaring; thereby developing the circular economy principles in the context of oil production. Secondly, due to the fact that SIBUR is involved in production of chemical products and new types of plastics, it encourages replacement of many traditional materials produced from non-renewable resources with a high carbon footprint with new types of materials with a longer operational life cycle and possible reuse, reduced energy consumption for production and subsequent re-processing.

Through implementation of the circular economy principles in utilizing APG SIBUR covers just one stage of its supply chain. After consumption, the petrochemical product enters the landfill, from where it does not return to the consumption cycle. In order to close the loop, not only the appropriate supporting infrastructure is needed, but also company's readiness for changes and radical innovative solutions. Underdevelopment of the institutional environment in Russia (from cultural aspects to technological ones) is a retarding factor in the introduction of mechanisms for processing used plastic. Recently, the problem associated with unselected fractions of plastics has started to be addressed through the development of technology for the production of highcalorific fuel from RDF/SRF wastes, including through the formation of a sustainable industrial demand for these fuels (cement industry, heat and energy production). At the same time, it should be noted that in terms of restrictions on the use of wastes with a high content of plastics, in addition to burning RDF/SRF fuel, very promising initiatives are connected with the production of diesel from RDF waste, which can provide an even longer cycle of oil-refined products use and others.

Further development of circular economy principles in SIBUR can be stimulated by the lobbying of relevant normative and regulative changes in this area, as well as, educational work at the individual, industry and country level. In this respect, SIBUR has already initiated activities which make complex influence on the whole supply chain supporting promising practices of responsible oil resources usage and polymer products recycling. Through these activities SIBUR contributes to improvement of regulatory environment of waste management and gradual implementation of circular economy principle along the whole supply chain.

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Traders in the Food Distribution Chain: Estimating Trade Costs and Markups from Price Data

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Abstract:

In developing countries, there are wide gaps between the price of food paid by consumers and the one obtained by farmers. These gaps are typically attributed to two factors: the high costs of trading goods and the lack of competition between traders, which allows them to put high markups on their services. Measuring these causes is important since each of them tends to be addressed with different policies. For example, investments in transportation infrastructure tend to reduce the costs of trading goods, whereas the establishment of electronic platforms for agricultural trade minimize the search costs of farmers and the markups of traders. However, separately measuring the contribution of trade costs and markups is challenging and we still have limited knowledge of the relative importance of each of these factors. This paper proposes a new method that explores price gaps within the distribution chain of a good to recover trade costs and markups from price data.

Key words: *supply chain, oligopolistic competition, markups, transportation cost, development economics, price gaps*

Introduction

Out of a wide gap between price of commodity paid by final consumers and the one obtained by farmers some part is attributed to cost of transportation, and the remaining is the markup that traders keep for themselves. It is crucial for policymakers to measure these parts separately as they are addressed by completely different policies. However, separating them is extremely hard, and we still have a very limited knowledge about the importance of each part.

The reason why it is challenging to estimate trade costs and markups separately is that researchers do not observe all the components driving each of these factors. For example, even if a researcher has data on the price paid for the fuel used in the transportation of a good, he may not have information on the insurance paid by the transportation company or the loss in quantity due to mugging or depreciation. Similarly, researchers do not observe all the components driving the formation of markups. As such, the current methods can explain part of the price difference between the origin and the destination of a good using the observed components of a market, but they still leave an unexplained part of the gap open to being driven by either the trade costs or the markups.

To overcome this problem, our paper proposes a new method, which allows us to estimate trade costs and markups separately using only price data. The method explores the idea that the markups along the distribution chain of a good are shaped by the same final demand, and, therefore, respond similarly to a reduction in the price of a good at the initial point of the chain. Atkin and Donaldson (2015) show that variation in prices between origin and destination contain information on passthrough ratios, which is the reaction of the final price to a price reduction at the origin. We extend this result by showing that price variation within the distribution chain of a good contains information on the markup ratio at distinct stages of the chain. Our contribution, comparing to Atkin and Donaldson, is that we can fully identify the trade costs and the markups using only price data for two markets (and for several commodities).

Model description

To illustrate our point, consider the case of a distribution chain with two segments, a downstream and an upstream market, which is what we use in our model. In the upstream stage, wholesale traders pay a price P_o for goods at an origin wholesale market and move them to a destination wholesale market to sell them for P_w . In the downstream stage, retail traders pay P_w and sell goods to the final consumer by P_r . There is an exogenous demand from final customers for retail product, and the demand for the wholesael traders is formed by retail traders.

Each group of traders is involved in the oligopolistic competition in quantities and the resulting price is the Cournot equilibrium of this game. We, as researchers, can observe only the final prices that appear on the wholesale market, P_w , and the retail market, P_r , as well as the price at the origin, P_o , which we treat as exogenous, and for our purpose it is a part of the marginal cost. We show that with some modelling assumptions the dynamics of these prices contain all information that necessary to estimate the trade costs and the markups.

Our analysis proceeds at stages. First, we explicitly express the price difference at each stage as the sum of the trade cost and the markup.

$$P_r - P_w = \tau_r + \mu_r \quad (1)$$

$$P_w - P_o = \tau_w + \mu_w \quad (2)$$

Second, we derive equilibrium prices P_r and P_w as functions of P_o and show that the pass-through rates, that is how much of a 1-dollar decrease in origin price P_o is transmitted to the wholesale and retail markets respectfully, do not depend on price dynamics. In fact, both $\rho_r \equiv \frac{dP_r}{dP_o}$ and $\rho_w \equiv \frac{dP_w}{dP_o}$ stay constant as long as the competition levels and the demand do not change. Third, we show that both ρ_r and ρ_w can be estimated from price dynamics. Fourth, we show that the mark-up ratio, $\alpha \equiv \frac{\mu_w}{\mu_r}$ can be easily expressed via the pass-through rates, ρ_w and ρ_r .

$$\alpha = \frac{1 - \rho_w}{\rho_w - \rho_r}.$$

Therefore, and estimate for α is available from the price data as well.

Fifth, armed with the knowledge of α , we show how we can derive transportation costs from price data for two commodities. At this stage we assume that we have price data for at least two commodities (indexed 1 and 2). We also assume that transportation costs, that is τ_r and τ_w , are the same for all commodities. For each commodity we can write down equations (1) and (2), adding corresponding index for each commodity. Then we multiply the first equation by α , and subtract it from the second equation. As a result, markups μ_r and μ_w disappear from the equations and we have the following equality for each commodity

$$P_w^1 - P_o^1 - \alpha^1(P_r^1 - P_w^1) = \tau_w - \alpha^1\tau_r$$

$$P_w^2 - P_o^2 - \alpha^2(P_r^2 - P_w^2) = \tau_w - \alpha^2\tau_r$$

Finally, if α^1 and α^2 , significantly differ from each other, we can find τ_r and τ_w from the equations above.

Simulation tests

Before applying the method to the actual price data from a developing country we can test the behavior of our estimators in ‘ideal’ settings. To do so we conducted Monte-Carlo simulation with known parameters of the trade cost and markup and got the following results

- The estimator is biased in the final sample, however we were unable to track the source of the bias
- The bias decreases if we increase the sample size, i.e., the length of the time series of prices
- The variance of the estimator is also decrease if we increase the sample size
- The estimator behaves worse (the bias is bogger) if α_1 is close to α_2
- The estimator behaves worse either α_1 or α_2 is very big (which happens when the passthrough rates are close to each other)
- Adding another (third) commodity may decrease or increase the bias, so more data is not necessary better in our case

Overall, we conclude that our estimator behaves the best if there is a significant variability in competition structure across commodities (α 's are different from each other), and there is a significant degree of monopolization for both retail traders and wholesale traders.

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Platform markets research within the Russian National Technology Initiative (NTI)

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Abstract:

The paper presents the results of analyzing multi-sided platform business models within the nine markets of the Russian National Technology Initiative (NTI). The described study includes consecutive qualitative and quantitative stages. The results of the qualitative stage including in-depth semi-structured interviews with the respective markets industry experts allowed developing the extended taxonomy of platform-based business models. The developed taxonomy has provided the basis for the questionnaire, invitations to answer which have been given to 400 Russian companies belonging to the nine NTI markets. Interpretation of the survey results has allowed figuring out peculiarities of platform business models of the NTI markets companies, showing the predictors of including platform elements (of being either a platform owner or a platform side) in the business models of such companies, and developing recommendations for the companies as well as other NTI markets development stakeholders.

Keywords: *National Technology Initiative, multi-sided platforms, multi-sided platform business models*

1. Introduction

Russian National Technology Initiative (NTI) is a long-term complex program oriented on establishing conditions for ensuring Russian companies' leadership on the new high technology markets that would be shaping the world economy structure within the nearest 15-20 years (NTI website). Nine markets are chosen to be the focus of the NTI's attention: EnergyNet, HealthNet, NeuroNet, SafeNet, FinNet, AeroNet, AutoNet, MariNet, FoodNet.

Platform logic of markets and business model formation seems considerably actual for developing these markets and the sustainable competitive advantages of Russian players on these markets on an international scale.

Thus, specificity of platform business models on these markets and prerequisites of implementing such business models by the companies working on these markets become theoretically interesting and practically important research objects.

2. Theoretical basis of the research

Recently a new type of markets, named two-sided or multi-sided, began to be distinguished in the industrial organization theory. Common traits have been figured out in the business models of organizations working on such markets, receiving the name "multi-sided platforms" (MPs). The platform markets seem to be the most successful in the world nowadays: 16 of the 25 most valuable brands in the world (as for the year 2017) are functioning as platforms (Yablonsky, 2018).

The platform markets idea has originally been included into the NTI development concept. However, contemporary literature does lack empirical research in the field of platform markets or business models in Russian companies; thus, it becomes actual to figure out the specificity of such markets and models, eliciting basic patterns of platform business models formation.

3. Research methods and sample

The research methodology, leaning on (Spender, 1989; Nickerson, Varshney, Muntermann, 2013; Moyer, 2016) includes consecutive qualitative and quantitative stages.

Firstly, qualitative data have been collected via semi-structured expert interviews with NTI markets' companies' representatives.

One interview per each NTI market has been conducted; for further data reliability and internal validity improvement, the interview outcomes have been triangulated with a range of secondary data consisting of publicly available documents, e.g., the companies' white papers and annual reports. For sub-dimensions and instantiations identification the ventures have been screened for differences and commonalities, creating multilayered platform business models taxonomy.

On this taxonomy basis, an online quantitative research survey has been developed. The invitations to answer the survey have been sent to 400 Russian companies of the NTI markets taken from the crunchbase.com database. Out of the 400 contacted companies, 50 fully filled out surveys have been received.

4. Results and discussion.

The answers to the questionnaire have been analyzed with Watson Predictive Analytics software, educing the relationships between the respondent companies' business model parameters. The analysis results are showing some specifics of the Russian NTI markets companies' platform business models.

Particularly, the platform elements development level in the respondents' business models, whether the respondent being a platform owner or one of the platform sides, can be significantly predicted by such business model parameters as:

- competition level on the respective market (driving the respondent companies to including platform elements, especially to creating an own platform);
- pricing strategy (with cost-based pricing driving toward creating own platforms and value-based pricing driving toward collaboration with existing platforms);
- type of interaction with clients (where platform elements usage is driven by using such types as collaborative value creation or creation of consumer communities);
- key value creation activities (with R&D activities driving toward creating own platforms, while becoming an existing platform side is driven by perceiving interaction with a platform as a value creation activity);
- revenue model (with selling and lending driving toward creating a platform and intermediation driving toward becoming a platform side).

On the basis of the educed relationships, recommendations can be developed for various NTI markets development stakeholder categories. Specifically, recommendations can be given to the NTI markets' companies regarding the propriety of implementing platform elements into the business model under various circumstances, and the appropriate methods of implementing such models. Recommendations to the state institutions responsible for developing innovative industries and markets can be also given, considering appropriate methods of supporting the companies introducing platform business models; particularly, such recommendations can be used by the NTI administration.

5. Conclusions.

The conducted research allows educing peculiarities of the NTI markets' companies' platform business models. In particular, dependence of platform business model introduction from competition level on the respective market, pricing strategy, type of interaction with clients, key value creation activities and revenue model has been shown. The results allow developing recommendations for the NTI markets' companies regarding developing their business models as well as for the NTI administration and the state institutions regarding support of innovative industries development.

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How Import Affects Firm's Competitiveness in Export Markets

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Abstract:

This paper examines how import affects the complexity of exported goods at the firm level. We believe that either import of components or import of machinery and equipment used in production affect export because in both cases the firm may have a technological advantage that will result in higher quality of the final product. The results of the study not only highlights the importance of involvement into global value chains but also stress the importance of a policy of selective import substitution.

The main question of this study is does the import of the components and equipment used in production leads to an increase in export of technologically advanced goods. To test the hypothesis, we employ the data of survey of manufacturing firms in Russia. As a measure for import of materials we employ variables that reflect if the firm imports raw materials, standardized materials and high-tech materials. As a measure for import of machinery and equipment we employ the share of investments into imported equipment in capital. We control for the firm size, age, productivity, industry and location.

The findings show beneficial effects of import on quality of export. Import of components and import of machinery and equipment in the past allow firm to export more advanced goods in future periods. The effect of imported components is sensitive to their complexity. Only import of technologically advanced components affect quality of export.

Keywords: *export, import, competitiveness of firms, Russian economy*

1. Introduction

Explaining the behavior of firms is a very relevant and common topic. One of the important aspects of the behavior of firms is export activity. What forms export activity of firms? What factors affect it? What stimulates enterprises to enter the markets?

In this paper, we are trying to empirically assess the role of imports in the export activity of firms in the Russian manufacturing industry. We consider both the import of components, and the import of machinery and equipment. On the example of the Russian economy, we determine the positive impact of both imports of components and imports of machinery and equipment on the competitiveness of the firm's exports. This conclusion determines important implications for import substitution policies.

2. Literature Review

There are several empirical works that explore this issue. Initially, the research focused on explaining the reasons why firms exported goods and identified several characteristics: for example, firm size, innovation and quality explain the likelihood of exports (Gorodnichenko, Svejnar, Terrell, 2009; Wagner, 2001). However, in the conditions of globalization and world trade, there are also external market factors that determine export activity. The question, relatively recently raised in the studies, is there any relationship between the import and export of the firm? In several empirical works of foreign authors, it was shown that imported components are an important factor determining the export activity of the firm (Aristei, Castellani, Franco, 2013). The relationship between imports and exports is explained by the fact that imports allow firms to access a larger set of intermediate resources, which allows them to increase efficiency, modernize technology and introduce product innovations [Goldberg et al., 2010] and, ultimately, exports (Bustos, 2011).

3. Methodology

To evaluate the variables of the model, we use probit-regression.

As dependent, we used two variables that take discrete values of 0-1: the share of export earnings of more than 5% and exports of high-tech products. Due to the fact that the variables take the values 0-1, it seems reasonable to use probit regression.

We expect that the signs of explanatory variables reflecting the import of high-tech components and the percentage of costs for the import of machinery and equipment will be positive. Also, it seems that the

availability of quality certificates (including foreign ones) positively affects the "quality" of exports. In addition, the presence of websites in Russian and foreign languages and trading platforms is also supposed to have a positive impact on exports as it can be one of the key ways to enter the market for small companies. As control variables, variables were used reflecting the number of employees in the enterprise, the period of the company's establishment.

4. Robustness check

To test for robustness, we used several model specifications. In the first specification, we use all the main explanatory variables: a variable that reflects the share of costs for imported machines and equipment and dummy variables that reflect the import of raw materials, the import of low-tech components and the import of high-tech components. In the second specification, we use only an explanatory variable that reflects the share of costs for imported machinery and equipment. In the third model specification, we use explanatory dummy variables that reflect the import of raw materials, the import of low-tech components and the import of high-tech components. The main explanatory variables in all regressions turned out to be significant. Moreover, the model includes additional, control variables to exclude heteroscedasticity. In addition, standard errors were clustered according to economic activity sphere-region code.

5. Conclusions

With the use of data on Russian manufacturing enterprises, the positive impact of imports of machinery and equipment and the import of high-tech components on the competitiveness of firms in foreign markets was revealed.

There is evidence that the "quality" of exports contributes to economic growth both in emerging economies and in advanced economies (Cuaresma, Worz, 2005).

The results of the work allow us to draw important conclusions about the "quality" of exports. Conclusions show that the import of high-tech components has an important effect on the "quality" exports, which is consistent with the findings of the study of Italian firms (Aristei, Castellani, Franco, 2013). The import of high-tech components positively affects "high-quality" exports, and, therefore, contributes to economic growth.

In addition, the study shows that the transition to the production of components and machines inside the country does not contribute to the development of export activity, while the import of machinery, equipment and components from abroad (capital) makes firms more competitive.

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Transformation of Russian Electricity Market Model after the Implementation of Blockchain Technology

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Abstract

The study focuses on the theoretical implementation of blockchain technology in Russian electricity market. The authors attempt to model Russian electricity market schemes before and after the implementation of blockchain along with its evaluation. The key findings of the research are the decrease in the number of market participants and the reduction of electricity price in the blockchain-based market model, which, in turn, is estimated to be more efficient than the traditional one. The efficiency calculations are made through the Fuzzy Inference System based on fuzzy logic.

Keywords: *Russian electricity market, blockchain technology, transformation of the market model, fuzzy logic*

1. Introduction

The application of blockchain technology has spread far beyond the borders of financial sphere, going into the other industries. One of the most promising is energy sector. However, in Russia, the applied studies of the blockchain in this field do not find significant support among researchers. Besides, most of these papers lacks the evaluation of the efficiency of the technology implementation (Risius & Spohrer, 2017). Accordingly, the purpose of the research paper is to examine the efficiency of the application of blockchain technology in Russian electricity market. Specifically, we try to answer the following research questions: how Russian electricity market model will be transformed and how efficient this transformation might be after the implementation of blockchain technology.

2. Contribution

This paper focuses on the modelling of traditional and blockchain-based Russian electricity market schemes and the evaluation of their efficiency that has not been done before. Recent reviews of papers on blockchain in energy sector show that scholarly work has primarily focused on the implementation, risks, opportunities and limitations of the technology. Yli-Huumo et al. (2016) reveal the challenges of blockchain from the technical perspective connected with energy trading. Mengelkamp et al. (2018b) provide a comprehensive simulation of a decentralised blockchain-based market platform for trading local energy without intermediaries. Mengelkamp et al. (2018a) focus on blockchain-based microgrid market with its evaluation on the example of Brooklyn Microgrid. Sioshansi (2017) argues that the application of blockchain is expected to revolutionize many industries, including peer-to-peer electricity trading. Sikorski et al. (2017) explore the blockchain technology implementation on the example of a machine-to-machine (M2M) electricity market with the rationale of significant potential of the technology for further research. PwC report (Hasse et al., 2016) provides a number of opportunities which the technology makes available for energy consumers and producers.

3. Methodology

The research design is divided into three main stages: modelling, logical-mathematical argumentation and running the Fuzzy Inference System (FIS).

The research sample is wholesale day-ahead market participants because of the more competitive nature in terms of the relationship between participants and a larger number of decision-making regarding transactions and pricing. The data on the price of electricity was provided by the Company X including the consumption volumes, its guaranteeing supplier and the value of markup.

Modelling is used to depict the structure of Russian wholesale electricity market before and after the blockchain implementation as was done in the papers by Hasse et al. (2016, p.18, fig.12) and Merz (2016, p.13, fig. 2).

Logical-mathematical argumentation method is applied to make calculations for proving that the implementation of blockchain technology will lead to the disintermediation, that, in turn, reflects in the decrease of price on electricity due to the absence of interest and surcharge intermediaries receive for their service (Hasse et al., 2016; Merz, 2016).

The fuzzy logic method is widely applied by the researchers when decision-making process is complicated due to the conditions of uncertainty. Thus, to estimate the efficiency of Russian electricity market model transformation, where the blockchain implementation is not practically tested, Fuzzy Inference System (FIS) simulation based on fuzzy logic is used and performed with the software package MatLab 9.4.0.

Empirical results and conclusions

The results of the research provided in Fig.1, 3-4 demonstrate that the number of market participants has decreased from 9 to 7 along with the final electricity price reduction from 5 413 857 rubles to 4 837 316 rubles in the traditional market and the blockchain-based one, respectively. The output of the FIS (Fig. 5) proved that the efficiency level of blockchain-based market is higher than the traditional one (0.848 compared to 0.5, respectively).

The transformation of the market models was studied for the current situation in the Russian market. In case of radical changes in the market structure or the legislation, created traditional market model will become irrelevant. It will require modifications that, in turn, will change the blockchain-based market scheme. Besides, the research is still theoretical as created market models were not tested practically. Thus, the consequences and risks related to the practical implementation of the blockchain technology cannot be evaluated.

Despite all the limitations stated above, the primary goal of the research was to depict the transformation of the market structure after the blockchain implementation that has not been done before.

Figure 1. Final Price calculations

	Traditional Scheme	Blockchain-Based
Volumes of month consumption of electricity, kW/month	1 346 424,00	1 346 424,00
Capacity by the hour of actual max consumption, kW	2 977,61	2 977,61
Max capacity in the peak hours, kW	3 064	3 064,22
Cost spent on electricity itself, rub	1 809 941,08	1 809 941,08
Cost spent on capacity, rub	1 282 644,61	1 282 644,61
Infrastructural payments, rub	3 877,70	3 683,82
Markups, rub/kW*month	484 712,64	0,00
Cost of electricity transmission by electricity grids, rub/MW*month	1 832 680,60	1 741 046,57
TOTAL PRICE (Traditional model)	5 413 856,63	4 837 316,07
	5,41E+06	4,84E+06

Figure 2. Borders calculations

	Trad. (top)	Block. (bottom)	
Volumes of month consumption of electricity, kW/month	1 346 424,00	1 346 424,00	Company X "Act of Turnover"
Capacity by the hour of actual max consumption, kW	2 977,61	2 977,61	
Max capacity in the peak hours, kW	3 064,22	3 064,22	
Cost spent on electricity itself, rub	1 809 941,08	1 809 941,08	
Cost spent on capacity, rub	1 282 644,61	1 282 644,61	= Rate of capacity*Capacity by the hour /1000
Infrastructural payments, rub	3 877,70	0,00	Trad. = infrastructural payments * vol. of month consumption; Block. = 0, no Market Council, ATS, CFC are in ideal model
Markups, rub/kW*month	511 641,12	0,00	Trad. = Markup*Volumes of month; Block. = 0 as no energy supply companies
Cost of electricity transmission by electricity grids, rub/MW*month	2 420 375,95	1 741 046,57	Trad. = rate for the transmission *max capacity; Block. = same as in 2016 as should be kept minimal
TOTAL PRICE	6 028 480,46	4 833 632,26	

Figure 3. Traditional Russian electricity market model

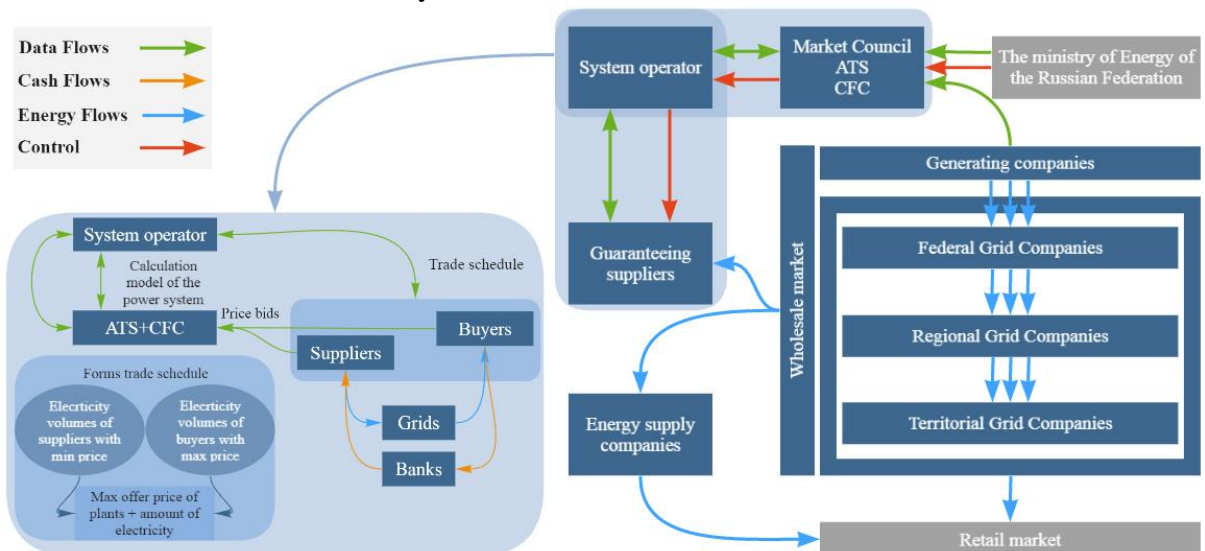


Figure 4. Blockchain-based Russian electricity market model

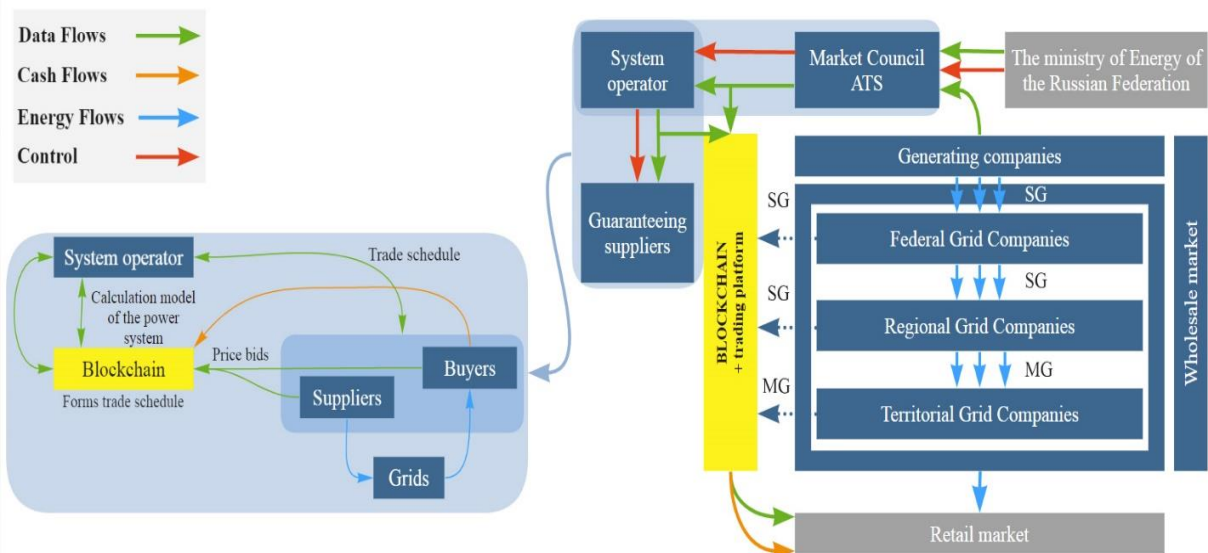
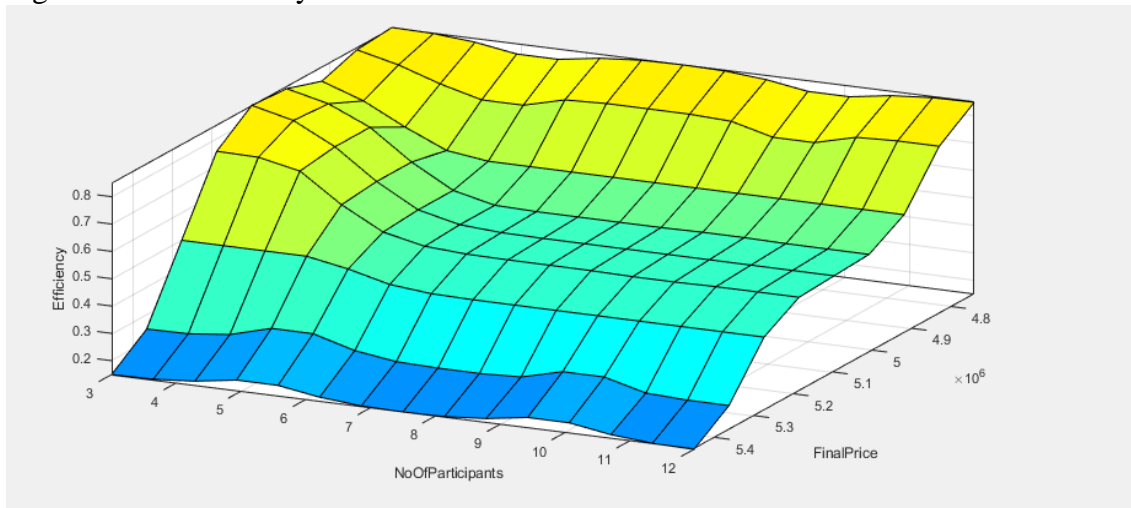


Figure 5. FIS efficiency estimation



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Integrating Russian Culture and Language Learning: Beyond Vodka, Matryoshka and Balalayka

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Abstract:

Growing awareness of the global language and multicultural cities, workplaces, and classrooms has made certain that greater importance is assigned to integrating culture studies in any foreign language course or curriculum. The investigation deals with cultural awareness and intercultural communication while learning Russian as a second language (RSL). The target category of learners in this research is the students who major in non-linguistic and non-literary studies. The aims of any foreign language teaching are to ensure successful communication, to create understanding and tolerance – and to expose stereotypes and misconceptions about a language in question. The author highlights some key cultural, sociological and psychological issues to be addressed while teaching RSL and draws examples from recent empirical evidence collected in St. Petersburg.

Keywords: *cultural awareness, intercultural competence, foreign language education, learning Russian, Russian as a second language, cross-cultural communication*

1. Introduction

While it has been widely acknowledged that all foreign language learning at university level should to be based on the principles of LSP (languages for specific purposes) teaching, some researchers also claim that culture learning should be an integral component of language modules for non-specialist learners, who are increasingly likely to need culture skills in the university and the workplace (Dlaska, 2000). However, until very recently language teaching had been operating on a relatively limited idea of both language and culture. More often than not, language used to be taught as a fixed system of formal structures and universal speech functions, a neutral conduit for the transmission of cultural knowledge. Culture was incorporated only to the extent that it reinforced and enriched, and in practice, most teachers would teach language and culture, or culture in language, but not language as culture (Kramsch, 1995).

2. Integrated approach to learning a second language

In the past twenty years, with growing awareness of the global language and multicultural cities, workplaces, and classrooms, greater importance has been assigned to integrating culture studies in any foreign language course or curriculum. The review in (Johnstone Young, Sachdev & Seedhouse, 2009) presents a growing body of literature exploring culture as a context for and background influence on English language teaching and learning. Nevertheless, when they address the issue of teaching English, the most widespread medium of intercultural interaction, the authors find comparatively little research literature that explores the actual „learning of and about culture“ on English language programmes worldwide. Based on some empirical evidence, they argue that culture is not often approached in the classroom in a principled, active and engaged manner, and that this lack of engagement may have a detrimental effect on learning. On the other hand, when culture is approached actively, there are indications that a critical, mediating, „intercultural“ approach may have a positive effect on learning. Vast research has also found that cultural background plays an essential role in EFL learning process (e.g. Leshem & Trafford, 2006).

Much emphasis has been put on researching and developing intercultural skills and competencies. Among others, M. Byram (1997) suggested a multidimensional model of intercultural competence comprising five factors (attitudes to another culture, knowledge of self and the other“s culture, skills of interpreting and relating, skills of discovery and critical cultural awareness). This model has largely been successful when implemented in teaching language. For example, another study undertaken in Israel shows that in a classroom where the teacher encouraged engagement and negotiation processes between students of

diverse cultural backgrounds, both intercultural competence and the students' English skills flourished (Hellerstein-Yehezkel, 2017).

3. Learning Russian as a foreign language: context and objectives

When we talk about cultural awareness for language learners and cross-cultural interactions, we refer primarily to situations when individuals travel to a foreign country for business, industry or education purposes and need to temporarily assimilate in that country, to a certain extent. For instance, every year a variety of international students majoring in different disciplines choose to study Russian as a second language in St Petersburg as a short-term course. More often than not, those students would be on a beginner or pre-intermediate level. However, they all have certain preconceptions about the Russian language and culture; moreover, they are strongly convinced that they should know about cultural topics before attempting to converse or read about them, be it in English (as lingua franca) or Russian (also supported by research, e.g. Saito, Garza & Horwitz, 1999). This is why a language instructor must realize that a foreign language is a learner's basis for successful co-operation and co-existence. Consequently, a major aim of foreign language teaching is to create understanding and tolerance – and to expose stereotypes and misconceptions about a language in question.

4. Empirical results and conclusion:

Based on the experience of teaching individual and group crash courses of Russian as a foreign language, we have come up to a list of topics and themes that have proved to be of importance to learners. In the recent years, the interest towards learning Russian has boosted among Europeans and Americans, but so has the wariness about Russian society and traditions. There are many unexpected questions learners might ask, especially if the classroom atmosphere is welcoming enough to encourage most unusual queries and concerns. Therefore, we feel that essential subjects to be covered in the classroom should comprise (this section includes authentic example questions asked by students):

1) Sociopolitical contexts:

“Is it okay for me to be outside after dark?”

“Do Russians hate Americans?”

“Do I have to hide that I am gay?”

2) Psychological issues:

“Why do Russian people smile so rarely?”

“How is it that lots of people always jump the queue?”

3) Culture and entertainment:

“What is a must-see sight in St Petersburg?”

“Where can I go and see Russian ballet?”

“Where do I find recommendations about best places to eat?”

4) Etiquette (may include most common superstitions):

“I bought some flowers to my Russian host as a gesture of appreciation and she was scandalized to find 4 carnations in the vase”

“How do I tell people that I won't be coming to a party?”

“How do I ask where the bathroom is?”

5) Language:

“Does Russian have many dialects?”

“Is there any difference between the idioms of Moscow and St Petersburg?”

“Russian cursive is killing me”

To sum up, it seems obvious that multidisciplinary approach must be an integral part of any Russian language teaching, however short it may be, and even when working with non-linguistic students who might not have any previous knowledge of Russian society, history, and national identity.

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Interdisciplinary Laboratory. Language and communication for business education. In search of interdisciplinary competence.

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Abstract:

Business education is one of the most fast changing sectors of university education. The skills agenda of the present turns into the skills agenda of the past with tremendous speed. Traditional business education is experiencing ongoing existential challenge. Today's educational practices often follow the best choices, but they are still the best from the perspective of the past. The paper investigates interdisciplinary approach for business education. Incorporation of language and communication courses into a business school curriculum has great potential and is mutually beneficial for both language and business school faculty professional developments. The main focus of interdisciplinary laboratory is the integration of language, communication and business knowledge that can contribute to both language and subject learning.

Key words: Interdisciplinary laboratory, language and communication courses at business schools, interdisciplinary integration, business education, ESP

Introduction

Recent trends in business education have heightened the need for new approaches to both language and communication and subject specific learning and teaching. One of the drivers for changes within business education can become language and communication departments in business schools (Ph. Lecomte 2017).

A greatest challenge on this way is re-conceptualization of the role and functions of language for the emerging needs of business education, designing and implementing new interdisciplinary courses. Questions have been raised about difficulties of creating and putting interdisciplinary courses in practice since they imply new forms of collaboration among content-area faculty, language teachers and students (Locker 1994, Cyphert 2002, Golding 2009).

We argue that an interdisciplinary laboratory is an academic community that offers workable solutions to manage growing changes in education. It offers new forms of collaboration for researchers, faculty members, students, business school administrators, and academic and corporate business school partners. This paper will present the interdisciplinary laboratory approach for developing language and communication programs for students of the Graduate School of Management (GSOM), St. Petersburg University (SPU) conducted by the Languages for Academic and Business Communication department (LABCD).

Research Methods

For the last five years the LABCD has been re-thinking and developing language and communication courses in response to new emerging challenges.

This new contextualization of the program is identified as a need through the feedback from three main groups of stakeholders – GSOM students, the language faculty, and GSOM corporate partners.

GSOM students: 142 undergraduate (years 3 and 4) and graduate students with international academic experience gained at business schools—partners of GSOM.

60 % of GSOM students evaluated their preparedness for international studies and specified language and communication skill gaps which prevented them from effective learning at university abroad. Half of the respondents pointed out the necessity of the following academic skills:

- Academic writing (term paper, research article, report, essay, and literature review).
- Analytical reading integrated with writing. Texts for reading should cover business and management themes.
- Speaking and presenting on business-related topics for academic audience.

GSOM corporate partners: 37 executives and line managers from 16 international companies. The survey identified language and communication skills required to enhance the employability of business school graduates. The responses demonstrated that business school graduates need complex or integrated skills of problem-solving, team working and communication skills.

The faculty members of the LABCD: 16 full-time language teachers. They provided the program designers with professional expertise on the content of the language and communication program implementation. The content was to respond to the needs in academic genres and subject-specific approach. The language faculty emphasized the importance of keeping the right balance of language and communication constituents of the course.

Results

The existing practices and approaches to language learning and teaching revealed the need in a new form of collaboration between researchers, faculty, practitioners, non-academic professionals and experts to share insights and promote a better understanding of current language and communication issues, trends and solutions to the challenges in international business education.

We have realized that we need to evolve the language and communication program using the principles of embedding, mapping and a new form of academic collaboration further called interdisciplinary laboratory.

1. We have chosen the “Business planning project” for year 2 bachelor students because it can benefit most from interdisciplinary collaboration.
2. The effective mapping and embedding aim to help students complete the language course and simultaneously work on the ‘Business planning project’. This interdisciplinary approach gives the students new analysis perspectives: communication skills will contribute to better research and analysis for business planning project. Language and communication skills will develop in a new context.
3. Language department is a part of AACBS accreditation. When discussing the learning goals (effective communication, business knowledge, critical thinking, etc.) and objectives we have noticed the potential of language and communication course to enhance the competence development through the interdisciplinary approach.

Implications

We put to test the new “Interdisciplinary laboratory” course design approach which is initiated after the analysis of the demands and limitations of the modern education process we have been experiencing at business school so far. Inviting experts with different expertise - linguists, philologists, business subject teachers, business practitioners, etc. – to contribute to students’ progress is one of the essential responses to the needs of the business education.

We have redesigned our course and have specified the following points to be validated in the course of its implementation:

1. Integration of language and communication course with a subject-specific course contributes to both language and subject learning. The proper balance can be obtained;
2. Narrowing the content focus, but introducing broader range of expertise makes skills development multidimensional and thus facilitates their acquisition;
3. Collaboration on language teaching and subject teaching methods can be mutually beneficial;
4. Fuller engagement of various interested groups leads to better insight into the learning goals outcomes;
5. Actualization of the language course value through the course content redesign should serve both short-term effects that motivate students here and now as well as long-term outcomes that educators are focused at.

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Social Entrepreneurship: Exploring the Role of Value Creation through Relationship Marketing

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Abstract:

This paper intends to understand the role of relationship approach to marketing in the acceptability of a social venture and the innovative solution that it is offering. The paper is an exploratory study using the single case study method. Participant observation, semi-structured interviews and focus group discussions were used. The findings are compared with ongoing discussion in existing literature. We suggest that if social enterprises are successful in building a relationship with their consumers, they can offer more value not only through their products/services but also through lesser resistance to and increasing adoptions of useful social innovations. We are of the view that relationship marketing principles and practices can be used for better value creation by social enterprises. Such value creation includes sharing information about the social enterprise, answering consumer queries and handholding throughout the adoption cycle. The problems social enterprises face and how relationship marketing based approach can solve them is illustrated through a case study of a community-based fishery project in India. The present paper looks into the issue of value creation by social enterprises from the perspective of collaboration and building relationship. The findings from the study will contribute to the increasing debates and discussion on the role and relevance of relationship and networking for an organization

Keywords: *Social Innovation, Social Enterprise, Relationship Marketing, Value Creation, Customer Engagement, Marketing Orientation*

Introduction:

Social enterprises (SE) are built to solve social problems through a business model. They bring social innovation to market and creates value for their target groups. The success of social enterprises depends on how well they market their product or services to their potential consumers. The purpose of social innovation is to devise a solution to a social problem. Many social problems are localized and heterogeneous, so they are not of the scale for a government level intervention. Non-profit organizations work in this space to create social solutions, but the requirements of the donors often influence their operational design and decisions. Thus, the task that is expected of the government and nonprofit organization remain unfinished – creating problems for potential consumers or beneficiaries in the community. For example, non-availability of water creates distress among community members, and if no government or NGO support is available, a social enterprise can fulfil that need through a viable business model. “SEs often reach areas not serviced by government and NGOs, delivering services in a ‘more responsive, personalized and joined-up way’” (Leadbeater, 2007, p.3). By bridging market gaps and bringing innovative solutions for community development, social enterprises are thus focused on creating social value and not just focused on making money (Dees, 2003). However, many social entrepreneurs fail in carrying out their mission of solving community problem through a viable business model. To understand the reasons for such failure we looked at the literature on relationship marketing, value concept, social innovation and social enterprise published in leading management journals. We propose that relationship marketing, which has not received enough attention in SE literature, can address some of the problems faced by SEs in convincing customers to adopt social innovation.

For social enterprises to succeed, communities need to have a positive perception of the value created by such SEs. That can be achieved by empowering and educating the target community about the proposed business model (Allan, 2005). Throughout the paper, we argue that social enterprises often fail

because they are unable to market their value creation schema. Taking the example above, having a viable business model for supplying water to poor rural communities may fail, if the community members are not convinced about the credibility and credentials of the SE or they are unable to understand why they should pay for water which they are supposed to get free from the government. The task is further complicated as social value creation involves participation from all stakeholders like community members, government, NGOs, established businesses and policymakers. We illustrate our proposition with the case study of a community fishery project in India and discuss how relationship marketing approach can help social enterprises successfully take their projects to disadvantaged communities and scale them up.

Objectives of the study:

In this paper, we attempt to link relationship marketing (RM) with the value creation process of social enterprises (SEs). The implication of value concept and relationship marketing in social enterprises is discussed from different theoretical lenses. First, we discuss the need of marketing of social innovation and social enterprises through a review of relevant literature. Second, they present a case study of a community-based fishery project in India to put forward the relevance of relationship marketing and value creation in the diffusion of social innovation. We end by proposing how RM can be useful in marketing the products and services of SEs. In the next section, we discuss the marketing practices in SEs. Some bottlenecks and leverage points related to the marketing of social innovation is highlighted.

Research Method:

The nature of the study was exploratory as there are lack of studies and understanding in the area. The research was conducted during a series of field visits in January 2016. Participant observation and informal interactions were conducted to understand the concepts related to marketing and value creation. The participants in this study were the S.H.G. group leaders/members and the implementing agency personnel (project executive). Though the case study covered only two villages of a block, still it represents the case of the region, as the majority of the villages have similar dynamics.

The literature on marketing, social innovation, social entrepreneurship and value creation published in leading journals like- The Journal of Marketing, Harvard business review, European journal of marketing, Social Enterprise Journal etc. has been selected and reviewed to have a theoretical background.

Data analysis and results:

This paper focuses on how social entrepreneurship can gain by adopting relationship marketing as part of their value creation process. Social entrepreneurs do well in uncovering needs and providing innovative solutions to solve social problems. Yet, many of them falter or fail. We see a big role that marketing can play in enhancing the value creation effort of social entrepreneurs. We argue, by reviewing existing literature and our firsthand experience, that this may not be due to any inherent fault with the new product or services. Rather, it may arise because social entrepreneurs do not pay enough attention to know, understand and relate to their target segments. Business organizations use marketing principles and practices for better understanding of consumer behavior and delivery of superior customer experiences. SEs could also benefit from such a perspective. Consumers often adopt a new way of living because of the relationship they perceive with a brand or an organization. SEs will do well to focus on relationship marketing with their potential consumers. This will mean helping communities ease into a new product, service or behavior; answering their initial apprehension; and solving teething problems. In the process co-creation of value and customization of offering can happen. We look at a social innovation that involved enhancing the income of marginalized groups through promotion of inland fisheries in West Bengal, India and discuss what hindered long-term success of such projects. “What we need is an entrepreneurial society in which innovation and entrepreneurship are normal, steady and continuous” (Drucker, 2014). Social enterprises must take the lead in ensuring better adoption and applicability of

social innovation for the creation of sustained social value. The process of engagement of the community in co-creation of using social innovation must be studied thoroughly to have a theoretical understanding in this arena. Social enterprises play the critical role of bridging gaps in delivery of social and public goods and services. An improvement in their performance can lead to a better quality of life for world citizens. Relationship marketing may hold the key for such an outcome.

The implication of the Study:

This study on the influence of marketing on social innovation and social enterprises is expected to contribute to the present practices of project/program implementation by the SEs, NPOs and govt. agencies. The study is meaningful in the Indian context, given the increasing number of interventions in rural and low-income areas to solve social problems. From a practitioner's point of view, the study offers some important insights into individualized value creation through interaction and co-production. Further, the study also highlights the importance of relationship marketing in minimizing the perceived loss and resistance from the target community.

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An Evolving Humanitarian Business Model for Emerging Markets and Refugees: New Conceptualizations and Data from the Field

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Abstract:

This research presents a consumer-oriented approach to the global refugee crisis and offers a Humanitarian Business Model to transform the well-being of refugees and other forcibly displaced persons (FDP) victimized by war. FDP are uniquely vulnerable consumers on a dynamic Refugees' Pathway precipitated by trigger-events resulting in dangerous journeys to temporary or permanent settlement. The size, scope, needs and consumption patterns of this population reveal that it is literally an emerging market. It also is disproportionately comprised by people originating from more traditionally conceptualized "emerging markets" and developing or devastated economies. Business models and interrelationships reveal opportunities to provide transformative solutions along the Refugees' Pathway. Colombia and Syria are introduced to contextualize challenges and opportunities; deeper immersion into Syria's crisis shows how governments, NGOs and businesses can collaborate to provide resources along the Refugees' Pathway, to reduce consumer vulnerabilities and suffering, enhance survival, and enable FDP to flourish when resettled. This research provides overview of the Humanitarian Business Model and offers a framework for possible interdisciplinary research-opportunities to facilitate further understanding; ultimately to transform well-being of refugees and other FDP.

Keywords: *Refugees, Business Model, Forcibly Displaced Persons, Emerging Market, Humanitarian Crisis, Consumer Behavior*

At the time of this writing, there are 65.6 million refugees and other forcibly displaced persons (FDP) scattered around the globe, largely due to violence, conflict/war, persecution or human-rights violations (UNHCR, 2017a, 2017b); indeed, one of every 113 people on the planet has been forcibly displaced (Edmonds, 2017). To compound these shocking statistics, the number of "climate change refugees" could reach 150-200 million people by the year 2050 (UNHCR, 2017a).

The size, scope, needs and consumption patterns of this population reveal that it is literally an emerging market. It also is disproportionately comprised by people originating from more traditionally conceptualized "emerging markets"– i.e., countries that manifest some indicators of developed markets, while still not meeting the standards of developed markets on other indicators – and developing or devastated economies. This expanding humanitarian tragedy extracts costs from virtually everyone and every system, pressuring and disrupting people, governments, NGOs and businesses. FDP moreover are an especially vulnerable population with special needs, over time and in various spaces and contexts (Bolton, 2016; Shultz and Holbrook, 2009). Forced migration also affects people and places left behind (e.g., World Bank, 2017b).

1. Refugee Crisis

The refugee crisis is complex and confounding. It calls for cooperation, resources, interdisciplinary approaches and fresh thinking (Shultz, 2016). Resolutions are most visibly implemented by governments and non-governmental organizations (NGOs). The private sector however must constructively engage, to use various models, methods and applications familiar to business, marketing, management, logistics scholars and practitioners. An elegant model to frame the crisis and thus to facilitate when and how best to offer appropriate business solutions is needed.

2. Humanitarian Business Model

We share updates to a Humanitarian Business Model, including new, business and consumer-oriented approaches to study the global FDP crisis, and to offer systemic and ideally sustainable solutions for multiple stakeholders. The term “humanitarian business” is used to emphasize the model addresses a particular context – e.g., human suffering in the form of the global refugee crisis – and transcends the traditional discussion of business models, purposes and solutions. That is, instead of focusing on a specific corporation and conventional measures of success (e.g., sales, profits), a humanitarian business model systematically addresses multiple actors, their collaboration(s) and alliances, and ultimately the well-being of the most vulnerable of those collaborators/stakeholders, over time and space. Principal among those stakeholders are, of course, the refugees and IDP.

3. Findings

We draw upon cases and data in especially compelling regions ravaged by war; we share some strategies being developed to help FDP integrate into legal and prosocial economies, to promote peace and thus to render policies, economies and business practices more viable and sustainable; we direct attention to factors that marketing-related activities integrate – e.g., geographic, political, economic, social forces, and marketing and consumer forces – and thus help to produce mutually beneficial outcomes for consumers, businesses, and societies, locally, domestically and regionally.

Figure 1

Humanitarian Business Model and Refugee Pathway

	Trigger	Displacement	Journey	Temporary Settlement	Permanent Settlement
<i>General Needs</i>		Safety Transport	Very basic Food Shelter	Camp / Streets / Other	Same as regular citizen
<i>Connectedness</i>	Destroyed	Rudimentary	New ties	Restored / New ties	
<i>Economic Model</i>	Basic / Standard	Applied across different stages			
<i>Close-Loop</i>	Shared Assets	Redeployable	Multiple Functions	Multiple Functions	Diverse Owners / Users

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Influence of Stakeholders on a Scientific Economic Journal's Strategy: A Russian Case

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Abstract:

The paper investigates the choice of a scientific journal's development strategy depending on the influence of stakeholders. A scientific journal's business model is a two-sided platform of a specific type. The platform's core is multilevel; in some cases, the model's target efficiency is not associated with the journal's financial performance; commercial efficiency of the model is dependable on the quality of scientometric management.

Based on resource dependence theory and the stakeholder approach, we proved that the key stakeholder of a journal is its owner (matchmaker 1). We analyzed scientometric data, metadata and data on publication fees for 100 Russian and foreign economic journals. On this basis, we conducted a cluster analysis and distinguished between four strategies for journals development, three of which are currently being performed by Russian journals. We also found that the specific tasks of Russian economic journals' stakeholders could negatively affect their target efficiency.

Keywords: *two-sided platform, scientific economic journal, stakeholders, strategy, Russian science*

1. Introduction

The system of higher education in Russia is undergoing transformations. The effectiveness of these processes is being widely discussed in national studies (see, for example, (Polterovich, 2011; Muraviev, 2011; Balatskiy & Ekimova, 2015; Tretyakova, 2016)).

Our study aims to justify the choice of a development strategy for a scientific economic journal depending on the influence of its stakeholders. We have to perform the following tasks: to determine the specificity of a journal's business model, identify the stakeholders and establish the core indicators that allow assessing its target efficiency. This enables us to perform a cluster analysis and establish the type of a strategy for a scientific journal.

2. Business model of a scientific economic journal

The business model of a scientific journal is a two-sided platform in which readers and authors are connected by a network through the core, i.e. the journal itself. Nowadays, a growing number of scholars (Evans, 2016; Parker, Van Alstyne & Choudary, 2017) are studying platforms which were first described by (Gawer & Cusumano, 2002). However, there are significant differences between a scientific journal and a commercial platform (see Figure).

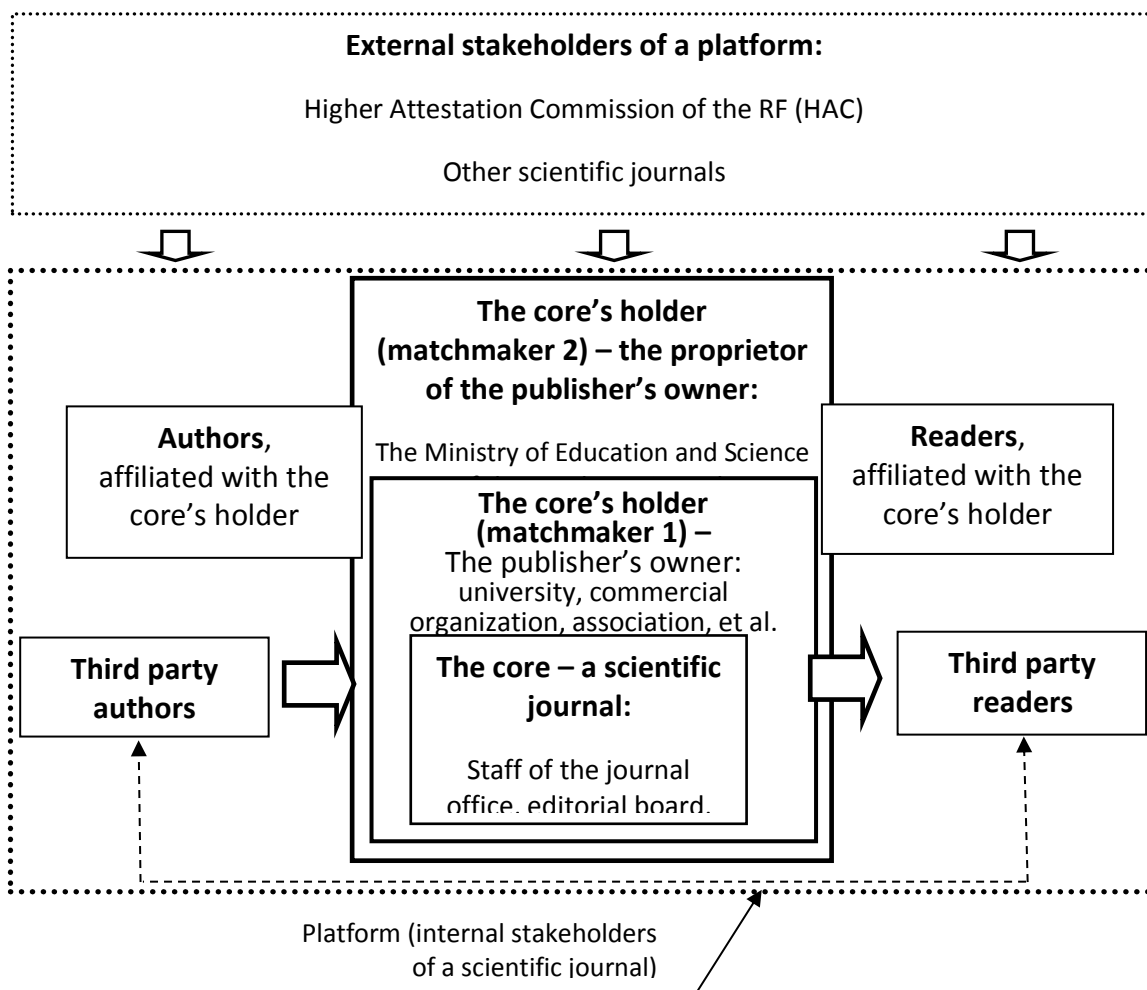


Figure. The structure of stakeholders of a scientific journal's two-sided platform

The first, and the main, difference is that the platform's core is multilevel, and, therefore, there is a need for balancing its participants' interests. The second peculiarity is that a number of consumers of a journal's services can be directly related to the platform's core.

The third peculiarity is that the target efficiency of a journal will be determined not by the quality of publishing services, but the journal's scientometric and reputational characteristics.

The methodological basis is resource dependence theory (Pfeffer & Salancik, 1978). The development of networks gave an added impetus for discussion in this field (Cascario & Piscorski, 2005; Chiambaretto, 2015; Cui, 2013). The most important conclusion is that due to the resource dependence the object cannot make a free strategic choice. Changes in resources and consequently in behavior of one group of participants inevitably change other groups' strategy. Hence, the target efficiency of a network consists of the sum of its participants' target efficiencies.

3. Data and sample

The empirical part of the study embraces about 100 economic journals indexed in abstract and citation databases (Scopus, Web of Science) and included in the HAC List of Scientific Journals.

We analyzed the size and importance of each stakeholder's resources and the volume of their requirements for a journal. Analysis of 20 indicators allowed us to conduct a static (analysis for 2017) and dynamic (for 3 years) cluster analysis.

4. Empirical results and conclusions

Primary results of the analysis of indicators of scientific economic journals target efficiency allow us to identify four clusters describing different strategies¹ (see Table).

Table. Strategies for scientific economic journals

Type of platform	Strategy	Value	Target efficiency
Closed ²	Reputational	Quality of studies	Creating reputational capital as an end in itself
Semi-open	Scientific and educational	Opportunity to have a “home” journal for the university’s needs	Meeting the requirements of the Ministry of Education and Science of the RF
Open	Commercial	Publication is fast and affordable	Monetization
Closed	Sustainable development	A “closed club” model	Forging reputation as a way to monetize the journal

We can conclude that the target efficiency of Russian scientific journals weakly combines reputational assets with commercial efficiency. Russian journals do not employ the fourth development strategy. Strategic development of journals is seriously impeded by the constant transformation of stakeholders’ goals, big institutional influence of the “external” level of stakeholders, and weak inter-platform relationships between authors and readers of a journal. Moreover, the best Russian studies are usually printed abroad. This further aggravates inequality in the market for economic research in developed and developing countries.

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¹ There are journals not included in the existing clusters, but their number is insignificant.

² The degree of closeness and openness is relative.

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Influence of knowledge sharing barriers on knowledge sharing performance in Russian higher educational institutions' administrative subdivisions

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Abstract:

This paper investigates the influence of a set of 12 knowledge sharing barriers on the speed and quality of knowledge sharing in the administrative subdivisions of the Russian higher educational institutions. A sample of 97 employees of 6 institutions answered to the questionnaire, analyzing the perceived strength of the barriers by the respondent as the knowledge requester and knowledge holder. On the basis of the obtained results, further research directions are outlined.

Keywords: *knowledge sharing, knowledge sharing barriers, higher education*

1. Introduction

In the studies of knowledge sharing as such, as well as knowledge sharing barriers in particular, higher education is a rather popular research object. However, most of this research is focused on knowledge sharing between the academic staff and/or the students; the administrative employees are a considerably unpopular research object. The research project, one of the quantitative stages of which is presented in the current paper, tries to fill this research gap, figuring out the knowledge sharing barriers in the higher educational institutions' academic subdivisions and analyzing their influence on the knowledge sharing performance.

2. Theoretical and methodological background

The current paper continues the research described in (Blagov et al., 2017), that has figured out the factors perceived by the administrative employees involved in managing one of the SPBU's educational programs as knowledge sharing barriers. These factors are the following:

- 1) Low compatibility of document management systems used by a respondent and colleagues;
- 2) Insufficiencies of these systems;
- 3) Complexity of learning to use these systems;
- 4) Insufficient level of decision making authority delegation given by the senior management to the respondent and colleagues;
- 5) Insufficient clarity of instructions given by the senior management to the respondent and colleagues;
- 6) Too strict job duties regimentation of the respondent and colleagues;
- 7) Insufficiently strict job duties regimentation of the respondent and her colleagues;
- 8) Lack of material remuneration for knowledge sharing;
- 9) Lack of immaterial remuneration for knowledge sharing;
- 10) Requested knowledge importance for its holder;
- 11) Personal enmity;
- 12) Time deficit to share knowledge due to work overload.

The current paper describes the results of the quantitative research of the influence of these barriers on the knowledge sharing speed and quality.

3. Data and sample

Employees of the administrative subdivisions of 6 Russian universities have been included into the sample, with a questionnaire sent via e-mail; 97 respondents have answered all the questions.

The respondents answered totally four sets of questions, asking about:

- 1) Barriers' influence on the speed of knowledge obtaining by request (Model 11);
- 2) Barriers' influence on the quality of knowledge obtained by them by request (Model 12);

- 3) Barriers' influence on the speed of knowledge sharing by the respondents by the colleagues' request (Model 21);
- 4) Barriers' influence on the quality of knowledge shared by the respondents by the colleagues' request (Model 22).

The results have been tested via the IBM SPSS Statistics 22 statistical package as linear regression equations.

4. Empirical results and conclusions.

The table demonstrates the linear regression equations testing results.

The dependent variables are marked with the index depicting the respective model. Independent variable indexes begin with the model number, continued by the barrier number in the respective list.

	<i>DV₁₁</i>		<i>DV₁₂</i>		<i>DV₂₁</i>		<i>DV₂₂</i>	
	p-value	IV coefficient	p-value	IV coefficient	p-value	IV coefficient	p-value	IV coefficient
<i>IV₁₁₁</i>	0,0009	-0,5347						
<i>IV₁₁₂</i>	0,3233	0,1454						
<i>IV₁₁₃</i>	0,3414	-0,1072						
<i>IV₁₁₄</i>	0,8285	0,02976						
<i>IV₁₁₅</i>	0,0263	-0,2154						
<i>IV₁₁₆</i>	0,8024	-0,0222						
<i>IV₁₁₇</i>	0,1204	-0,1226						
<i>IV₁₁₈</i>	0,8969	0,01500						
<i>IV₁₁₉</i>	0,7435	0,02868						
<i>IV₁₁₁₀</i>	0,6539	0,04543						
<i>IV₁₁₁₁</i>	0,3366	0,08667						
<i>IV₁₁₁₂</i>	0,1415	-0,1740						
<i>IV₁₂₁</i>			0,5902	-0,0815				
<i>IV₁₂₂</i>			0,5038	-0,1100				
<i>IV₁₂₃</i>			0,5059	-0,0935				
<i>IV₁₂₄</i>			0,9507	0,0091				
<i>IV₁₂₅</i>			0,1181	-0,1864				
<i>IV₁₂₆</i>			0,7358	0,0281				

IV_{127}	0,1489	-0,1236		
IV_{128}	0,1248	-0,1771		
IV_{129}	0,1813	0,1225		
IV_{1210}	0,0331	0,2234		
IV_{1211}	0,3269	-0,0738		
IV_{1212}	0,0014	-0,3553		
IV_{211}			0,2477	0,1764
IV_{212}			0,9228	-0,0186
IV_{213}			0,0209	-0,4110
IV_{214}			0,4046	-0,1304
IV_{215}			0,0237	-0,3289
IV_{216}			0,4077	0,0758
IV_{217}			0,0860	-0,1439
IV_{218}			0,7380	0,0440
IV_{219}			0,8568	0,0184
IV_{2110}			0,2958	0,0912
IV_{2111}			0,3404	-0,1013
IV_{2112}			0,8680	-0,0211
IV_{221}				0,2021
IV_{222}				-0,2026
IV_{223}				0,9059
IV_{224}				0,02144
IV_{225}				0,2458
IV_{226}				-0,1987
IV_{227}				0,9584
IV_{228}				0,0093
IV_{229}				0,0338
IV_{220}				-0,2327
IV_{221}				0,2007
IV_{222}				-0,1509
IV_{223}				0,8310
IV_{224}				0,0195
IV_{225}				0,5307
IV_{226}				-0,0895
IV_{227}				0,4217
IV_{228}				0,0955

IV_{2210}	0,8567	-0,0175
IV_{2211}	0,5382	-0,0743
IV_{2212}	0,4786	-0,0724

The independent variable coefficients having p-values less than 0,05, making them statistically significant at the 99,5% significance level, are marked in bold.

The most interesting result from these is the highest frequency of the “insufficient clarity of instructions” variable coefficients, significant in both knowledge sharing speed models and one knowledge sharing quality model (Model 22). This frequency confirms the suggestions of (Riege, 2005) that the organizational nature knowledge sharing barriers are primary to the technical nature barriers; this statement is also supported by the fact that in the knowledge sharing speed models other statistically significant coefficients are the technical barrier ones.

Regarding the variable nature itself, its significance appears to be considerably counterintuitive, as organizational culture and procedures in the higher educational institutions’ administrative subdivisions usually have high formalization and centralization levels, usually resulting in highly detailed job instructions (Blagov et al., 2017). Thus, it can be suggested, that the job instructions in the institutions under scrutiny, nevertheless, lack adequate descriptions of a significant share of situations faced by the administrative personnel, including, among all, knowledge sharing; this contradiction needs specific further investigation, having both potential theoretical and practical importance.

Another important result is the significance of technical independent variable coefficients (namely, IV_{111} and IV_{213}) significance in the knowledge sharing speed models. higher influence of technical barriers on knowledge sharing speed, shown here, is considerably obvious, while the comparative significance between the knowledge requester and holder models requires further research, as technology acceptance studies usually show that respondents underestimate the learning complexity factor as significant for themselves in comparison to the others.

IV_{1212} significance is also rather counterintuitive and requiring further research, as it is logical to suggest that this barrier should be more influential for the knowledge sharing speed, than the knowledge sharing quality.

Finally, the positive sign of the IV_{1210} coefficient also requires further research, refuting the suggestion that the requested importance makes the holder reluctant to share knowledge.

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A method for collaborative visual creation of a knowledge graph

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Abstract: The paper proposes a method for creating a knowledge graph, with an emphasis on visualization and group work. A knowledge graph is a set of typed entities (with attributes) that are related to each other by relationships. Entity, attribute and relationship types are defined by a scheme called ontology. The proposed method was created within the project with an automotive company, in which there was a need for systematization and re-use of knowledge about the assembly units of various cars within the company. The created knowledge graph has a complex structure of properties that are associated with one class and its subclasses, and the number of ontology classes is small. The scope of the method is also determined by the need for active involvement of experts in the creation of the knowledge graph, since they and their colleagues are future users (internal customers) of the system. The proposed method helped to create a pilot knowledge graph, which includes more than 50 assembly units and about 400 types of properties.

Keywords: *knowledge graph; ontology; ontology engineering*

Introduction

The task of creating and formulating the method for visual collective creation of the ontological knowledge graph arose in connection with the production need to develop such graph for an automotive company. Elements of the knowledge graph are assembly units (AUs) of various cars (mainly electric trucks) produced in the company. The knowledge graph serves as the basis for the created information system in which users (engineer, purchasing manager, economist, etc.) will be able to find the AU that they need and information about it. The system is supposed to have both information about those AUs that are already used in the company, and about those that are on the market in the suppliers' catalogs. In the future, the knowledge graph can be used in robotic production, which also develops in the company. The customer of the method and the knowledge graph is an IT department that performs digitalization of all business processes of the enterprise. For the pilot pilot version of the knowledge graph about 50 AUs are taken.

1. Knowledge graphs, ontologies and methods of their development

A knowledge graph is a set of typed entities (with attributes) which relate to one another by typed relationships. The types of entities and relationships are defined in schemas that are called ontologies (Villazon-Terrazas et al., 2017).

Understanding the term "ontology" depends on the context and the purposes of its use. In general, an ontology, or a conceptual model of a domain, consists of a hierarchy of concepts of the subject domain, links between them and laws that operate within the framework of this model. Ontology is constructed as a network consisting of concepts and connections between them. Connections can be of various types (for example, "is a", "consists of", "is executor of", etc.). The main task of ontology is to serve as a bridge or a basis for understanding and communication among all participants (people and programs) in the modelled processes of production or other kinds of processes of the subject domain. To fulfill the role of such a common language, the ontology includes a dictionary describing the subject domain and a set of explicit intensional definitions defining meaning of the dictionary elements in the logical theory language. The links between the dictionary (signs) and semantics limit the set of possible interpretations of signs (Gavrilova et al., 2016). Ontologies have been widely used in knowledge management systems during the last 10 years.

Recently, an ability of design and development methods to support teamwork plays an increasingly important role (Simperl and Luczak-Rösch, 2014). The most developed and complex is the NeOn

methodology (www.neon-project.org), which integrates the achievements of previous methodologies (Suárez-Figueroa et al., 2012).

Unlike ontologies, the central element of the knowledge graphs is an instance. Hence, putting them in an ontology is an important part of the process of developing knowledge graphs (Villazon-Terrazas et al., 2017). The ontology can be filled manually or automatically mode. The technique considered in this work is oriented to manual mode.

2. VITON method

The VITON (VISual collecTive development of the ONTontological knowledge graph) method is oriented towards solving the task of assembly units (AU) description for complex high-tech production associated with the formation of the knowledge graph of large extensiveness (thousands of AUs, ontology instances). The peculiarity of the created knowledge graph lies in the diversity and complex structure of AU properties, while the number of ontology classes is insignificant. The task was divided into two stages:

1) Stage of the pilot project for the formation of a demo-graph (about 50 units)

2) Stage of further filling of the knowledge graph by employees of the enterprise.

The pilot project involved a group of analysts led by a knowledge engineer. The group consists of 7 members:

1) a subgroup of analysts - developers of mind-maps (2 people);

2) a subgroup of ontologists who create the knowledge graph using mind maps in RDF with the help of ontology editors (2 people);

3) a subgroup of domain experts (2 people);

4) Technical writer-methodologist for the description of internal procedures (1 person).

2.1. General framework of the method

The core of the collective work method is a visual approach to creating a knowledge graph, allowing to concentrate on understanding the structure, functionality and behavior of AU. Mind maps are chosen (Buzan and Buzan, 1993) as a language of description.

The three-step creation of the knowledge graph (see Figure 1) is fundamentally new:

□ STEP A - a visual generalized structural mockup of ontology is created in the form of mind map by the group of analysts during a few iterations and discussion with the customers;

□ STEP B - mind maps are created for all AUs (description of ontology instances) on the basis of the mockup, which are consistently discussed and finalized in the expert group, the ontology is filled simultaneously with the revision of the mockup (if necessary);

□ STEP C - the mind maps are transformed into a formalized knowledge graph in RDF using the ontology editor (for example, WEB PROTÉGÉ) by the ontologist group. A table with a hierarchy of all properties found in the mind maps can be used as an intermediate step.

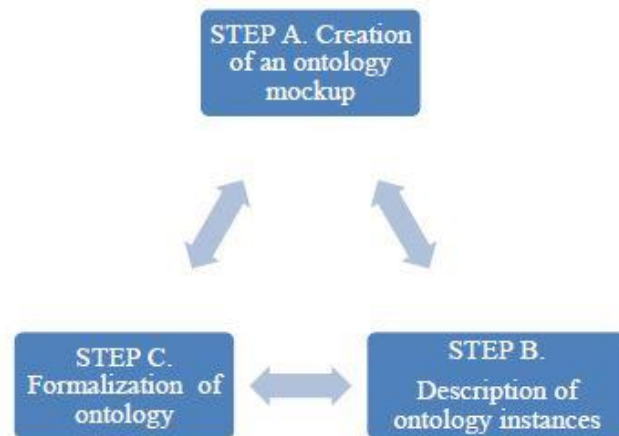


Fig. 1. Three-step creation of the knowledge graph.

Three phases can be distinguished for the group of analysts within the framework at the step A (see Fig. 2).

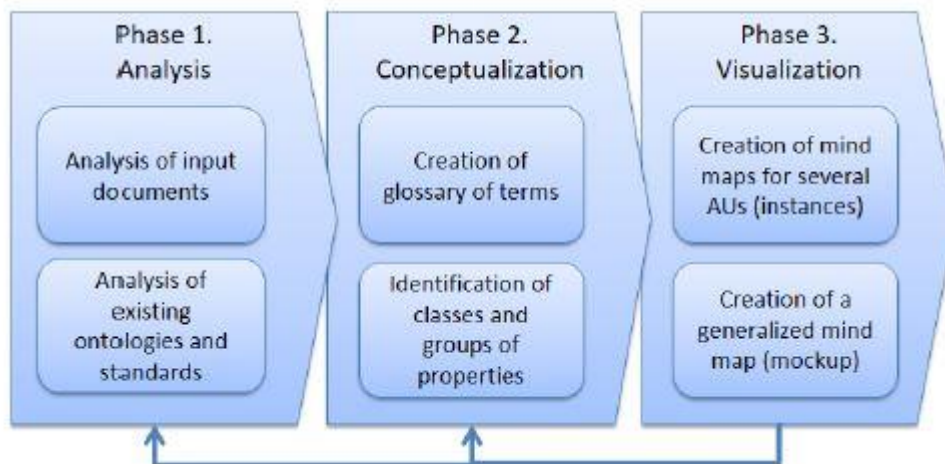


Fig. 2. Phases of STEP A of VITON method

The ontology instances (specific AU) are described using the mockup at STEP B. The generated mind maps passed through an analysis of experts at the same step.

Then mind maps come to the group of ontologists for formalization (STEP C).

The process, of course, is iterative.

2.2. *Ontology mockup – a central element of methodology*

Ontology mockup in the form of mind map enabled to identify main properties of a central class (Artifact, a super class for Assembly units) and was the main tool for describing instances (specific assembly units). The initial structure proposed by the customer, as well as the Core Product Model (CPM) (Fenves et al., 2008) and also the product information domains identified in the PLM systems were used as a basis for developing the ontology mockup in the form of an mind map (Rachuri et al., 2008). Figure 3 shows the current version of the ontology mockup.

2.3. *On the technology of work of analysts*

The work of analysts within step B is documented in 7 documents, divided into three groups.

1) Input documents:

- a) D1: Table with AUs list with links to manufacturers' websites;
- b) D1.1: Additional links to external sources of information;
- c) D2: Mockup of ontology in the format of a mind map.

2) Intermediate documents:

a) D3: Table of mind maps versions control with the description of the current status, questions and comments;

b) D4: Wiki descriptions and links.

3) Output documents:

a) D5: Ready-made mind maps of AUs;

b) D6: Definitions and rules;

c) D7: Property hierarchy table.

Conclusion

The paper describes a new method for the creation of an enterprise knowledge graph. Although the method has been tested on assembly units of cars, it can be widely used in other areas (for example, the creation of online stores, medicine, design, management, etc.), where the knowledge graph has a complex property structure that is associated with one class and its subclasses, and the number of ontology classes is small. During the development of enterprise knowledge graph there is often a need for group development and discussion. Then the visualization of the graph allows faster and more effective understanding in the team of developers. One of the main problems is the lack of information (or it is not always clear what is important), so it becomes necessary to discuss some fragments of knowledge graph with domain experts. The visual description helps to focus the expert's attention on the questionable areas and makes it easier to find a common language. The proposed methodology helped to create a pilot knowledge graph that includes more than 50 assembly units and describes about 400 types of properties.

Acknowledgement: Research has been conducted with financial support from Russian Foundation for Basic Research grant (project No. 17-07-00228).

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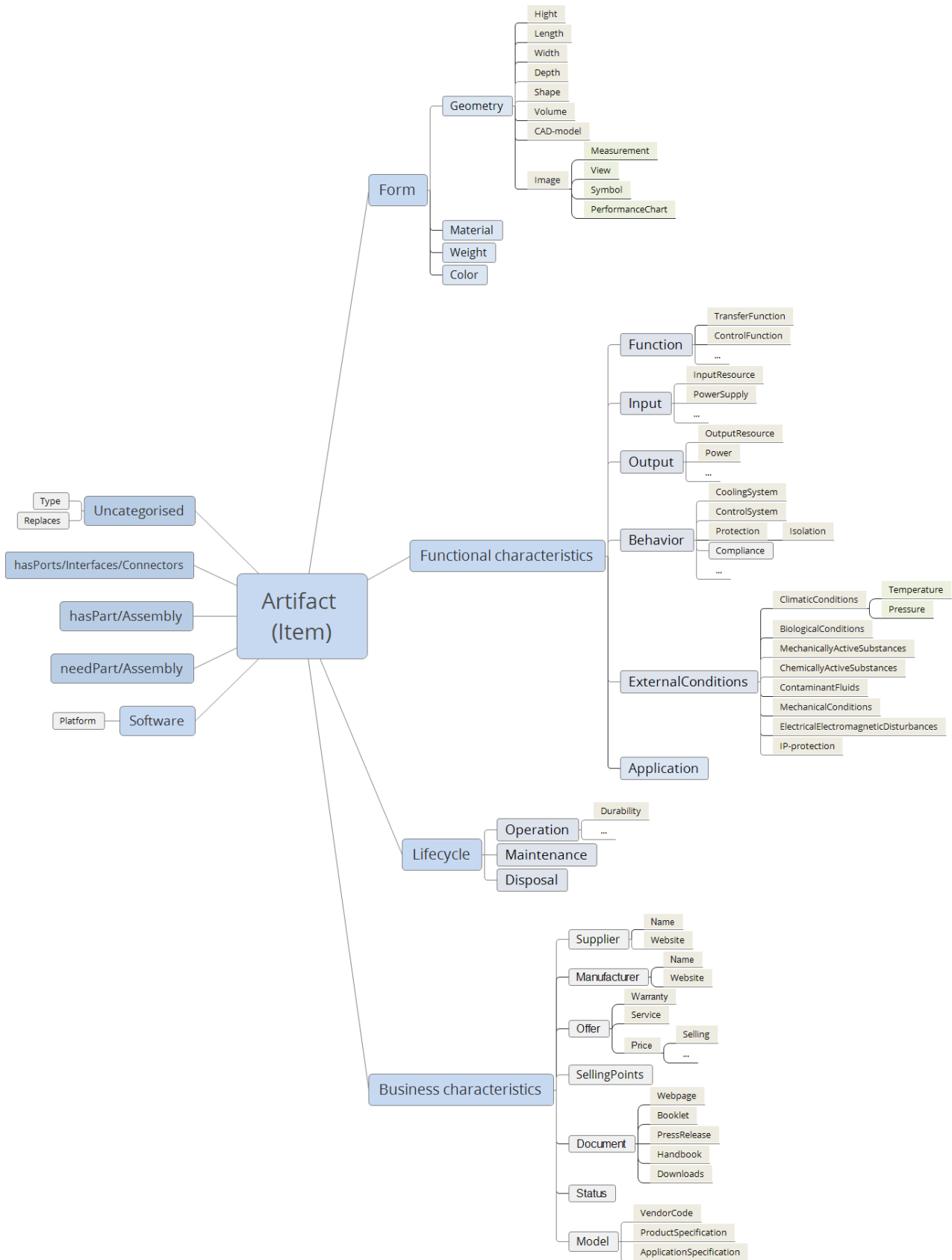


Fig.3 Current version of the mockup.

Influence of Commercial Banks' Financial Management and Monetary Policy on Banking Sector Profitability. Evidence from Russia

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Abstract:

This paper investigates the Russian banking sector profitability in 2013 – 2017. This is the period of turbulence in the national banking sector due to some political and economic reasons. Our research pays attention to the factors of bank profitability such as shares of different types of income in a total operational income of commercial banks that reflect the financial management results, and key rate of a central bank that is the main monetary policy instrument of inflation targeting. We used panel data analysis to estimate significance of the factors mentioned. We concluded that monetary policy of the Bank of Russia influences the national banking sector profitability, but more important drivers of it are determined by the banks' financial management.

Keywords: *commercial banks, financial management, central bank's monetary policy, profitability*

1. Introduction

From 2013 the Russian banking sector has been facing to many changes that determined its development. Bank of Russia became a super regulator; free floating exchange rate arrangement was adopted; inflation targeting as monetary policy framework was announced, and key rate became the main instruments of monetary policy. Last five years the Russian banking sector has suffered from turbulence in political and economic environment. As a result it got sharp decreasing in profitability of capital and assets to zero in October 2015 [Banking Supervision Report, p. 32].

The goal of our investigation is to estimate significance of some internal and external factors that can influence banking sector profitability.

2. Factors of bank profitability

In the scientific literature different drivers of bank profitability are described. In case of Latvia and Lithuania the authors proved that the main ones are bank size, developed infrastructure, and e-banking service which influence bank profitability positively, but operational efficiency affects negatively [Titko et al., 2015]. M.M. Ahamed (2017) pointed out that in India non-interest income provides higher profits. According to K. Djalilov and J. Piesse (2016) the determinants of the bank profitability in the transition economies of CEE are credit risk, bank capitalization, government spending, and monetary freedom. The factors such as management efficiency and capital adequacy were determined as significant for the banks of some CCE countries [Capraru & Ihnatov, 2014]. Many authors proved that not only internal factors influence bank profitability but some macroeconomic indices and a national central bank's monetary policy [Aydemir & Ovenc, 2016; Belousova & Kozyr, 2016; Bolt et al., 2012; Chen et al., 2017; Mamatzakis & Bermpei, 2016; Orzechowski, 2017].

We point out two parameters which play important role in bank's financial result. They are as follows: bank profitability management as an internal factor and central bank monetary policy as an external factor.

3. Data and sample

Statistics in our investigation include data of the Russian banking sector operational income structure for 2013 – 2017, yearly. The number of the objects under investigation is 876 banks; some of them became

bankrupts to the end of the period. The total number of observations is 4380. Data sources of our investigation are Bloomberg and Bank of Russia.

The panel data analysis was implemented. The equation estimated is as follows:

$$RAROA_t = \beta_0 + \beta_1 NIM_{j,t} + \beta_2 NII_{j,t} + \beta_3 NCI_{j,t} + \beta_4 NTI_{j,t} + \beta_5 NFI_{j,t} + \beta_6 NOI_{j,t} + KR_t + \varepsilon_{j,t} \quad (1)$$

where:

$RAROA_t$ – return on equity divided by standard deviation of return in banking system;

$NIM_{j,t}$ – net interest margin, percent;

$NII_{j,t}$, $NCI_{j,t}$, $NTI_{j,t}$, $NFI_{j,t}$, $NOI_{j,t}$ – shares of net interest, commission, security trade, foreign currency trade, and other income in total operational income, percent;

KR_t – key rate of Bank of Russia, weighted average annual;

$\varepsilon_{j,t}$ – error term;

β_i – the variable coefficients.

Dependent variable in the equation (1) reflects relative bank profitability in banking system. Explanatory variables represent shares of interest and noninterest bank income for the national banking sector and key interest rate of Bank of Russia as the main instrument of inflation targeting.

4. Empirical results and conclusions

Table 1 comprises the estimation results for bank profitability factors which appeared to be significant. Based on the results we can prove that both sides, bank financial management efficiency and central bank monetary policy, are significant for bank profitability.

The most significant are NIM and NOI variables with lag of one period; the former reflects negative influence of a big difference between deposit and loan interest rates on profit, the later can be connected with inefficiency of financial management of some banks that have government support.

Monetary policy influence the banking sector financial results but with less significance level.

Table 1. Estimation results for bank profitability factors

Variable	Coefficient	T-value
NIM (lag of one period)	-0.08*	-17.05
NII (lag of one period)	0.06**	2.16
NCI (lag of one period)	-0.04***	-1.97
NFI (lag of one period)	0.058**	2.77
NOI (lag of one period)	-0.051*	-4.57
KR	-0.0075**	-2.12
constant	1.325*	30.15

*, **, *** - significance at the level of 1%, 5%, and 10% respectively.

Hausmann test (meaning of 0.217) showed necessity of using a model with the random effects; null hypothesis (H0) consists that difference in coefficient is not systematic. Heteroscedastisity test by Huber and White was used.

Based on the estimation results we can conclude that managing bank profit it is necessary to pay attention to financial management issues to determine the most effective and profitable banking services, and be ready to face to the monetary regulator's actions.

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SMEs' Crisis Response in Emerging Markets: Market vs Non-Market Strategies

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Abstract:

Emerging market SMEs typically operate in penurious, resource-thin environments, further aggravated by frequent exogenous shocks, such as economic or political crises. How do emerging market SMEs weather economic crises? In this study, we explore the complex interplay between market and non-market crisis response strategies and their effect on SME crisis performance. Based on a rare national random sample of 656 Russian SMEs collected during the recent economic crisis (2015-2016), we find that both a proactive crisis response strategy and effective utilization of managerial networks are positively associated with crisis performance. Interestingly, results also show a negative combined effect of these strategies, suggesting that in an emerging market context market and non-market crisis response strategies appear to substitute, rather than complement each other.

Keywords: *market and non-market strategies, proactive strategy, networking, economic crisis, SMEs, Russia*

1. Goal of the Research

The fragile institutional and market systems in many emerging markets are highly susceptible to economic crises, defined as periods of greatly reduced environmental munificence that threatens firm survival (Latham, 2009). Small and medium-sized enterprises (SMEs) are particularly vulnerable, because they lack the resource cushion or market power to absorb exogenous shocks (Doern et al., 2016). Paradoxically, the “creative destruction” brought along by an economic crisis can generate sizeable entrepreneurial opportunities (Grewal & Tansuhaj, 2001). Thus, there is a strategic tension between pursuing a purely defensive crisis response focused on reducing costs and minimizing risk, and adopting a more proactive approach focused on product or market opportunities (Bao et al., 2011). In addition, emerging market SMEs can resort to non-market strategies, such as intense personal networking, to help them weather the crisis. Our study addresses the complex interplay between market and non-market crisis response strategies and their effect on SME crisis performance. More specifically, we ask the following research questions: *How does a proactive crisis response affect SME crisis performance? How does extensive utilization of managers' personal ties affect SME crisis performance? What is the interactive effect of proactive crisis response and utilization of managers' personal ties on SME crisis performance?*

2. Methodology

The research questions are addressed using survey data from a comprehensive, nationally randomized sample of Russian SMEs with data collected during the 2015-2016 economic crisis. Following the economic sanctions and the 60% drop in oil prices, in 2015 the Russian economy contracted by 2.8%, the national currency lost over 50% of its value and inflation approached 13%, leading to a significant rise in bankruptcies among Russian SMEs (Federal State Statistics Service, 2017). This economic downturn provides a unique natural experiment setting to assess which strategic approaches enhance SME performance during an economic crisis. We used the Main State Registration Number (OGRN) and the SPARK database for sampling, and online questionnaires supported by telephone interviews for data collection. Companies with more than 500 employees as of 2015, micro enterprises (companies with fewer than 3 employees as of 2015), governmental organizations and companies operating in the agricultural sector supported by the government were excluded from the list.

Overall, we obtained responses from 656 firms representing all eight federal districts, for a response rate of 25.4%. The survey was complemented with secondary data on sales, asset base, and net income/loss, collected from the SPARK database.

We relied on established scales to measure the study constructs. Crisis performance was measured by a four-item, 7-point Likert-type scale, which captures the respondents' assessment of the extent to which the economic crisis affected their key performance metrics: sales revenue, profitability, pricing, and average deal size (Latham, 2005). Proactive crisis response was measured by a single item, 7-point Likert-type scale, and captures the extent to which the firm takes advantage of the crisis to make investments and aggressively expand. Personal networks (managerial and governmental) were measured by six-item, 7-point Likert-type scale (Peng & Luo, 2000). Firm, industry, and location effects were controlled for. After checking for common method bias and multicollinearity, we tested the study hypotheses, by specifying a moderated OLS regression.

3. Results

Results show that a proactive crisis response strategy is significantly and positively associated with crisis performance, in support of first hypothesis. The effective utilization of managerial networks is also positively associated with crisis performance, in support of second hypothesis. However, the combined effect of proactive market strategies and personal networking was negative, contrary to third hypothesis. Among the control variables, firm size, leadership by the company founder, and prior performance were also positively associated with crisis performance, whereas business age and the perceived hostility of the industry and institutional environment were negatively associated with crisis performance. As a robustness check, we reran the estimation using 2015 return on assets (ROA) as the dependent variable, with substantively the same results.

4. Contribution

We anchor our argument in theories of competitive action (Ndofor et al., 2011), coupled with a social network perspective (Stuart & Sorenson, 2007). Our study opens an important research conversation on the typology of crisis response strategies and their association with SME performance. SMEs provide more than 80% of private sector output, and are the backbone of job creation and community vitality in emerging markets, where many industrial sectors are still heavily fragmented and markets are localized. Uncovering strategic patterns that allow small players to weather economic storms is of great relevance to both practicing entrepreneurs and to policy-makers who are seeking to develop an entrepreneurial and resilient SME sector.

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Language Education for Business: From Language Learning Towards Language Management

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Abstract

Language and communication training, as part of business education, should make a significant contribution to educating and growing 21st century managers, highly competitive on the job market. An investigation of the multinational corporations' (MNCs) business communication problems which have a direct impact on business development and may lead to a number of negative consequences has been made.

A critical overview of a wide range of various strategies and solutions frequently employed by MNCs is presented and the advantages and disadvantages of those strategies are briefly discussed. The main objective of this discussion is to identify what has been overlooked in the language and communication programs of business schools and schools of management. The missing key competencies have been identified and suggested for consideration and further discussion feeding back and contributing to the overall process of language and communication syllabus design and program development in the context of business education.

Key words: *business education; business communication across languages and cultures; commercial communication barriers; linguistic auditing; English as a lingua franca; course design, needs analysis, language management, syllabus design, program development*

1. Introduction

Pre-service business education has been actively revisiting the language training aims and objectives, content focus, approaches to teaching and assessment criteria. Graduate School of Management (GSOM) of St Petersburg State University team of language specialists has recently been revising the language programs' effectiveness and impact (Orlova and Martynova 2017), implementing recent trends and cutting edge technology into business education and ultimately growing into a skills-based customer and client oriented innovative teaching practice. We intend to suggest some directions in the language training programs for business education.

2. A closer look at MNCs' strategies and solutions to overcome the language barriers

MNCs have developed a wide-range of different to ensure effective business performance on the global market. Some MNCs have been demonstrating such an informed and principled approach to identifying the most efficient solutions to their problems that it became possible to effectively discuss MNCs' language policies and language management.

The main aim of an MNC should be to discover the best combination of the existing strategies and solutions to effectively overcome problems in business communication in the most efficient and cost-effective way, rather than to introduce every single solution available.

The most exhaustive list of the most frequently employed by MNCs language management strategies is offered by Grzeszczyk (Grzeszczyk 2015:145), which have their strengths and weaknesses which will be extensively analysed and discussed.

3. Suggesting new directions in language training for business

On the basis of the MNCs' strategies investigation the authors make a case for the following competencies to be integrated into the current language training programs in business education:

translation and interpretation, intercultural competence, digital competence, linguistic auditing and language management.

Despite the fact that translation and interpretation skills have been actively promoted and offered as a separate qualification all over the higher education, business language education and training should not exclude translation/interpretation out of their language programs making them a truly skills-oriented and developing all the five language skills in a fundamental way.

Intercultural competence hardly needs an advocacy as its significance is evident for any MNC as a workplace with both internal and external communication occurring across language and cultures.

Digital era has opened up a huge number of linguistically exciting possibilities ranging from language learning to translation. What we mean by digital competence for language learning and language problem solving consists of three important components: the knowledge of what is available on the market, the ability to effectively use the available products and services and the ability to evaluate the expected outcomes and measure the impact of their implementation and use.

Cutting edge language training should educate and grow a competent and efficient language manager who is perfectly capable to make informed decisions and competent suggestions. School of Management graduate students should ideally be able to competently explore and investigate the overall language needs of the future workplace using competently the linguistic auditing technology or language check-up.

Linguistic auditing is searching for an answer to the following question: can the company deal effectively with its foreign language requirements, now and in the future? And if not, what should be done about it? According to Coster, the two main purposes of linguistic auditing are to help a company develop and implement a foreign language policy and to collect data which enables to develop a highly customized and focused language training for the company employees (Coster 2004).

Language management will increase the value of any skills-oriented language training program and will expand the list of competencies to be developed on such a program. In line with every other area of management, language management will add value and make a significant contribution to an overall business education of the 21st century manager.

Conclusions

The above presented discussion brings us to the most important message of this paper: global business of the 21st century needs an efficient language manager. The ultimate aim of the language training and education offered to future managers at pre-service stage should seriously be expanded in the direction of language management. There is a clear need to move from educating a proficient foreign languages speaker towards an efficient language problem solver and then to go beyond toward the effective language manager capable of strengthening any multinational corporation with their linguistic, digital, communicative, intercultural and managerial competencies.

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Smart and sustainable responsibility: teaching, perception and dissemination in national environments

Abstract

While in most of the advanced economies, CSR seems to be fully integrated in the business schools curriculum and equips the future managers with sustainable knowledge, little has been followed on the effects of transforming economic mindset towards more sustainable smart living at a large scope. The balance between the education and business motivation to imply CSR (both reactive and proactive) seems to be non-linear and dependent on personal characteristics rather than institutional and systemic. To fill in this gap the paper aims to classify drivers, mediators and moderation effects of CSR in various countries as per business-initiated (bottom-up approach) and learning-directed initiative (top-down approach). The paper also pinpoints and categorizes the priorities and perception of youth to find the systemic gaps in the implementation of strategic corporate social responsibility at various national environments.

Key words: *CSR, Smart People, mediation and communication, management development, management education*

State of art

The diverse approach to teaching CSR adds up to longstanding debate of what is the role of University in creating a sustainable mindset. It is well approved already that University Social Responsibility is not only about mentoring students, but also about role modeling the socially adjusted organizational strategy and management tycoons (Belyaeva and Shams, 2017). CSR is still external element in most business strategies in Russia and it arguably lacks mediation and communication between the businesses and education agents. Yet there is always a challenge to teach economics students to think beyond ROI towards SROI. So the present paper addresses methodology of CSR and Business values estimation through inclusive responsible strategy and social values generation as a part of instrumental tactics of different types of organization. CSR communications focusing on reputation related to social responsibility and legitimacy (Czinkota et al, 2014) are linking businesses, governments and students in understanding the signals to further co-develop in a sustainable way. This kind of communication embraces a variety of cross-functional and multidisciplinary concepts aiming to advance both internal and external multi-stakeholder dialogue. The state creates a platform for sustainable development and developing the rules of corporate citizenship, business introducing technological, managerial and social innovation, creates value for shareholders, serving customers and society criticizes / ignores superficial social responsibility program, creates conditions for the realization of the rights of local communities and forms of corporate responsibility criteria behavior (Bredgaard, 2004). CSR strategy ultimately embraces all communication and image factors. Undoubtedly corporate image is a mediator of the impact of CSR on the loyalty of stakeholders, that is, the brand formed with the help of CSR communications is an intermediary between the company and its stakeholders, and the awareness in CSR is the effect of manager education depth. The paper presents an attempt to study these effects and to categorise the spiral smart country development via management education development using CSR mediation effect.

Methodology and scope

It has been previously studied by international scholars that there are different models (Albareda et al, 2008; Fox et al, 2002, Visser, 2010) and perception of CSR in various countries. This research is conceptual and investigates the systems and processes involved in developing and implementing CSR in various institutional, business, historical and cross-cultural environments. The empirical analysis has been elaborated in a two-tier approach. Some preliminary results observed during 2015-2018 years in website analysis utilizing contextual analysis of Western and Eastern European business schools allow structuring the best teaching, promising motivation and draws unnecessary CSR aspects in the curriculum.

Secondly the students of business school in Italy, Germany, France and Russia were surveyed in terms of their perception of ten international companies from four different industries, although the empirical base is relatively low up to date, some preliminary findings are quite interesting. The sample is limited and maybe be studied as a pilot study. The data used for this analysis was collected through online survey and allowed to see leveled CSR awareness students' perception of well-known international CSR cases, and then compare with the trends of corporate strategies development. Obtained data was statistically tested and integrated as scaled CSR communication intensity into the econometric model based on (Li et al, 2010). Also PLS-SEM structural analysis was used to measure the mediating effect of the image of an international company formed from such indicators as corporate identity, awareness and trust, with the impact of the assessment of the company's CSR activities on the loyalty of key stakeholders (customers, employees, investors).

Preliminary findings

The internationalization of education standards, often now seen as an imperative (Guillotin and Mangematin, 2015), follows globalization and calls for conformity in programs throughout the world. However, the interrelationship between personal values, education values and the future role of business at the global level has remained a little understood issue in previous research.

The effects of cultural and educative values of students (as stakeholders) on future strategic decisions motivate the comparative character study of this paper. It is understood that universities care for their personnel, their communities, and their economic and social image. What exactly is more important for the key stakeholders and how students help shaping different types of CSR facets: institutional, ethical, formal, cultural and curriculum based. While the results of study confirm mediation effect of the company's image; at the same time, the assessment of CSR of an international company forms about 30% of the company's image, and explains about 57% of the variations in the loyalty of stakeholders. The moderation effects of the industry component and personal beliefs about CSR were confirmed, while the moderation effect of the cultural component was not confirmed. Moreover, public bodies, governments and standard setters need to shape and improve their regulating activity and could be interested in knowing the bottom line and real outcome of CSR awareness at the business school level.

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Is there the best Scoring Rule for the emerging countries?

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Abstract

The paper examines the applying of some scoring rules, which have been used in the international practice for a long time without serious trouble, in the institutional environment, which is typical for the emerging economies. The paper defines some adjustments of Highest bid – Lowest bid scoring rule and the Linear scoring rule that are necessary to apply them for awarding contracts in the condition of the low competition in the tenders. The paper assesses the influence of introduction of the Lowest (Highest) bid scoring rule on the efficiency and effectiveness of St. Petersburg public hospitals procurement.

Keywords: *Scoring Auctions; Scoring Rules; Public procurement; Public-private partnership; Regulatory impact assessment; Agency model; Russia*

1. Introduction

Public procurement and public-private partnership contracts are awarded according to results of bids comparing on one or more criteria. In the second case, the case of scoring auctions, the contracting authority (public buyer) has to assign scores to suppliers' bids on each criterion. In the international practice, there are many assignment rules, which have been applied for a long time without serious trouble.

In the scoring auction, a procedure commonly used to buy differentiated products, suppliers submit offers on different dimensions of the good (price, level of nonmonetary attributes to which we refer as to the qualitative characteristics of a bid), and these are evaluated using a scoring rule (Asker and Cantillon, 2008). Dini, Pacini, and Valetti have written about five types of scoring rules (Dini et al., 2006, 293-321). Scores are assigned to supplier's bids by a bid evaluation formula that takes as inputs price and qualitative characteristics, and their respective weights. Stilger, Siderius and van Raaij have listed 38 different bid evaluation formulas (Stilger et al., 2017, 119-124). In the paper, we will consider three scoring rules (and corresponding bid evaluation formulas), which have been used in Russian tenders: Linear scoring, Highest bid – Lowest bid scoring and Lowest (Highest) scoring (Dini et al., 2006, 305-309).

Against the international experience, the experience of the Russian Federation has revealed that in the institutional environment, which is typical for the emerging economies, the applying of the Highest bid – Lowest bid scoring rule and the Linear scoring rule can jeopardize the efficiency and even effectiveness of procurement. On the other hand, for the last three years it has been accumulated some statistics on applying in Russian Federation the Highest (Lowest) bid scoring rule, which had substituted in Public procurement tenders the Linear scoring rule.

Thus, paper examines two research questions:

defines some adjustments of Highest bid – Lowest bid scoring rule and the Linear scoring rule that are necessary to apply them for awarding contracts in the condition of the low competition in the tenders,

assesses the effect of substitution of the Linear scoring rule by the Lowest Bid scoring rule for the procurement of healthcare organizations subordinated to St. Petersburg City Hall.

2. Significance of the research

The objects of the research are the tenders for public procurement and public-private partnership contracts. The proposed research treats the performance of the tenders in the assumptions of their low

competitiveness due to the corruption, on the one hand, and inappropriate regulation due to the lack of experience in the public procurement or PPP, on the other hand.

3. The research question(s) and method

The research questions of the paper are connected with the regulatory impact assessment (RIA) of the above mentioned scoring rules in the institutional environment of Russian Federation or, to some extent, countries with emerging economies. The research method is applying the agency model, adjusted for the public sector needs, for the RIA. To identify the bidder's strategy under the conditions of discussed regulation the survey of the St. Petersburg healthcare organizations procurement in 2013-2017 has been performed.

4. The theoretical/conceptual foundations for the research

The paper promotes the model of the extended RIA, which has been developed for the modelling of the corrupt behavior under the different regulatory regimes. The model uses regulation rules to describe principal's preference order and compare it with the "ideal" society's preference order, which has to be modelled too.

5. The results to be reported

The paper proves that in the condition of the low competition in the tenders and some additional assumptions, the applying the Highest bid – Lowest bid scoring rule and the Linear scoring rule without threshold, generally speaking, cannot give to the public buyer (partner) to award the contract to the best for the society bid. Besides this, the necessary adjustments of Highest bid – Lowest bid scoring rule and the Linear scoring rule to be applied in the restriction of competition in tenders are defined. Finally, the paper presents the results of testing hypotheses on the efficiency and effectiveness of the introduction of Lowest bid scoring rule for the procurement of St. Petersburg healthcare organizations.

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Intellectual capital of women on board of directors: Evidence from Russian companies

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Abstract:

Board of directors is one of the main sources of intellectual capital creation in a company. The structure of board of directors, their knowledge, experience and networks help to increase company's efficiency and lead to value creation. Gender diversity of board of directors becomes a crucial topic in theory and practice of corporate governance. In this research we focus on defining the role of intellectual capital of women on board of directors in Russian companies and try to answer the question whether intellectual capital of women on boards is related to financial performance indicators of Russian companies based on data from 570 companies for the period from 2002 to 2009.

Keywords: *gender issue, women on board, intellectual capital, human capital, social capital*

1. Introduction

The research studies reflect that since the 2000s, only 6–30% of company value is related to tangible assets and the remainder is generated by intellectual capital (IC) (Fuller, 2002). People, their knowledge and expertise, innovative capacities, stakeholder relations and organizational culture have become the most significant resources for development of modern companies.

This research paper is focused on analysis of intellectual capital creation in a company from the point of view of not only internal but also external stakeholders. One of such stakeholders and main governing bodies is the Board of Directors (BDs). Members of BDs use their knowledge, experience, and networking opportunities to build intellectual capital of a company (Berezinets et al., 2016). While IC of BDs can be considered from perspective of different sources of its creation in this paper we focus on intellectual capital of women on BDs. The results of previous studies on the topic are diversified. Some authors identify a direct relationship between women on corporate boards and financial performance results of companies (Adams, Ferreira, 2009; Campbell, Minguez-Vera, 2008). At the same time other researchers claim that this relationship is indirect (Boehren, Stroem 2010) or even does not exist at all (Miller, Triana 2009).

To our opinion that is due to the fact that the focus was made on a quantitative aspect of the issue, but not a qualitative one. The results obtained by the authors of this paper are going to fulfill the gaps in theory and practice devoted to the role of IC of women on board of directors in Russian companies.

2. Intellectual capital of women on board of directors

A number of studies is devoted to women directors' human and social capital (Bennouri et al., 2018; Dang et al., 2014; Gull et al., 2017; Hillman et al., 2002; Johnson et al., 2013; McDonald, Westphal, 2013; Nguyen, 2015; Val Singh et al., 2008 etc.), considering different elements of their IC. In their paper (Dang et al., 2014) the authors analyze the difference in IC of men and women directors and highlight that women members of BDs less often have managerial experience in comparison to their men counterparts. At the same time they quite often have international experience and are well educated having degrees from leading business schools. Similar results were obtained by authors in (Val Singh et al., 2008), who found that men are more frequently appointed to BDs in large public companies and more often have top-management experience as CEOs. While women are invited to board members positions mainly in small and medium sized companies. Val Singh et al. (2008) following Hillman et al. (2002) make a conclusion that women directors are usually more well educated in business than their man counterparties. Hillman et al. (2002) also found that women more often have a status of independent directors in the board, as they are better in monitoring function. While considering social capital of women on board and multiple directorships in particular many authors have emphasized that women less frequently occupy additional directors positions in other companies (Adams, Ferreira, 2009; Dang et al., 2014; McDonald, Westphal, 2013; Singh et al, 2015). According to (Adams, Ferreira, 2009) women less often have experience of working as a member of BDs due to some prejudice that exists in business world. But, what is more important women themselves could be reluctant to take more

positions on board as they are very responsible in their duties, more often attend board meeting and participate in board committees (Adams, Ferreira, 2009). That is why they could feel uncomfortable about their overcommitment and busyness.

Given the findings of previous studies on the contribution of human and social capital of women on BDs we could make a conclusion that there is a potential for investigating their IC as the key factors in creating a competitive advantage of a company.

3. Data and sample

For the empirical part of our research we collect data for 570 Russian publicly listed companies for the period 2002 – 2009. The companies are taken from the information transparency research conducted by department of Corporate Governance rankings of Standard & Poor's. We collect the data from quarterly and annual reports of companies from SKRIN and SPARK databases. From the second quarter report we gather information about members of board of directors that brings us to 5 914 observations.

4. Empirical results

In the paper we provide a deep descriptive analysis on structural issues of women on board of directors, their human and social capital.

Analysis of data for the period 2002-2009 reveals that the average share of women on board is about 6.7%. There are more non-executive women on board of directors (84%) in comparison to executive ones (16%). We investigate that 35% of women members of board of directors have at least one executive position in another company. Women on BDs of Russian companies are well-educated: 81% of women members on board have at least one university degree, 18% - two degrees and 1% - three university degrees. 23% of women in the sample have a Ph.D. and 8% - EMBA.

The average amount of years on the position of a member of BDs is equal to 1.87. Only 8.77% of women have experience of working as government representatives. 45% of women on BDs have at least one more position of a member of BDs in another company so they can be considered as having multiple directorships. It is interesting to mention that 6.63% of women have more than 6 other directorship positions.

The empirical analysis is devoted to studying the relationship between social capital of women on BD and accounting financial performance indicator - return on assets (ROA). The analysis reveals that it is important for women on BDs to gain and enhance their knowledge and networks of working as members of BDs in more than one company during several years. This experience is then positively related to ROA. If women are newly appointed to several BDs their intellectual capital does not enhance ROA.

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Innovative internationalization strategy: how to gain advantageous skills and knowledge to succeed in the global world

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Abstract:

The paper focuses on the importance of educational programs aimed at the formation of the unique specialists who are ready to exploit market knowledge to develop competitive advantages while operating both in emerging markets and globally.

The experience of IBS-Moscow RANEPА within the implementation of MSc. "International Management" Program, taught fully in English, shows that the educational program can become a platform for accelerating the process of Russian and foreign firms' internationalization, as well as the grounds of international teams' appearance prepared to implement joint projects on emerging and developed markets.

Keywords: *internationalization strategy, emerging markets, educational program, international management*

Introduction

Emerging markets like China, Russia or India are becoming more and more important to the overall global economy showing unprecedented economic growth, increased spending power of consumers and raising demand for skilled workers.

Companies that want to penetrate these markets have realized that well worked out strategy can bring tremendous rewards. However, it has become harder during the past decade to identify the appropriate internationalization strategies and to choose which countries to do business with as emerging economies pose special challenges for managers and there can be great risk in doing business in emerging markets. Multinational corporations normally follow traditionally deployed strategies, which emphasize standardized approaches to new markets sometimes with a few local twists, and as a result struggle to develop successful strategies. That is why businesses need professionals with real expertise of such countries to help them navigate these unfamiliar and evolving markets.

No wonder, that according to the international consulting company QS, in the next five years, 60% of graduates from Chinese business schools will be recruited by transnational corporations directly from the class.

Furthermore, companies of developing countries are confidently asserting themselves in the world market and are ready to participate in global competition. The ascendancy of emerging-market firms is evident in rankings such as the Fortune Global 500 and they want to make profit out of advanced markets. That is the reason why for example, Russian companies continue to give preference to applicants with a master's or MBA degree from Western universities.

Thus, the main question arises what kind of education is most in demand nowadays and where to gain the required skills and knowledge.

Main problems of business education market

The analysis of the market for business education revealed the existence of a certain universality format of educating managers based mainly on practices and standards of Western companies.

Undoubtedly, the basic models and fundamental knowledge that are given in international business schools are applicable worldwide. In addition, education in Western business schools is an opportunity to

consolidate business English, develop intercultural communication skills, adopt best practices of doing business and establish contacts with representatives of global companies.

However, this approach is increasingly being questioned, as experience shows that the acquired Western practical skills are not completely suitable for working in the Russian market, as well as in other emerging markets. Practically, graduates of foreign programs have to adapt to the realities of the "domestic" market.

Another fact is noteworthy. According to the research done by McKinsey Global Institute often intense competitive dynamics that can be found in the best performing emerging economies—a competitive mindset that has spawned a new generation of productive and battle-hardened companies, appear to be the reason that aspire to be global champions. And again the question of employment the top management with definite awareness of the appropriate competitive strategy becomes one of the crucial issues of success.

Thus, modern companies require expertise and specialists who are familiar with Western practices and who have experience working abroad, who are familiar with modern technologies and methods of transforming business processes, as well as having knowledge of the realities of business in emerging markets and the experience of successfully implementing strategies on domestic markets.

Research Design

The study is a theoretical paper that employs the analysis of the experience of IBS-Moscow RANEPA program implementation and views the situation of business education through newspaper review, magazines and other repositories.

Results and Conclusions

In response to the above-mentioned challenges, as well as under the impact of globalization and the emerging multipolarity of the world economy, leading business schools need to revise the structure and content of their programs. It is not enough nowadays to introduce case studies and the success stories of companies from emerging markets into the program. There is a need for a deeper understanding of the features that can be achieved by innovative joint programs, including the students' education and living in both European and developing countries in order to get acquainted with the local business environment.

MSc. "International Management" program of IBS-Moscow RANEPA is created in accordance with the requirements of the Russian Federal Educational Standards and the Bologna standards for master program, it has organically combined the international and Russian tracks. For 14 years of implementation based on the requests of the educational market, representatives of the real business sphere and the feedbacks of programs' graduates, the program succeeded to work out modules that help to create specialist' ability to work both in the European market and any emerging one.

On the one hand, the course modules that are provided within the program help students develop their knowledge of emerging markets through the study of concepts like economic growth strategies for emerging economies, new business models for emerging markets, the management of international project portfolios, financing new projects, the management of creative and innovative designs, mass media and its global impact, the international business context, marketing for emerging markets, and the varying issues for the development of emerging markets. It is important that students get firsthand experience of life in an emerging economy, gaining specialized knowledge of the Russian business environment and making valuable professional connections in the country. The course is taught by international team of professors and lecturers from the world's top universities, consultancies, and multinational companies. IBS also offers a number of elective modules which focus on specific sectors in BRICS countries, including agriculture, energy, sales and distribution management, and the automobile industry.

What is important is that the management principles and techniques students learn during the degree can be applied to any emerging market.

The international track of the program which reveals the approaches of doing business in advanced markets is implemented within the cooperation of business schools of International Business Schools Alliance (IBSA), in which IBS-Moscow is the only representative of the Russian Federation. The successful experience in cooperation with business schools in Europe and the United States, the worldwide recognition of the high quality of the Master in International Management program (the program has been included in the TOP-10 of the international rating of the European agency Eduniversal since 2013) has given the basis for further expanding the number of IBS-Moscow RANEPA partners. In the frames of the Double Degree programs, which are implemented on the basis of the International Management program, the number of business schools – partners has increased from 5 to 8, and 20 business schools have been attracted to cooperation under the exchange programs. In addition to this, the list of specializations (individual development tracks), which are now offered under our program, includes 5 areas – Management in Emerging Markets is one of the most popular.

The transition to the English language format of teaching the program has allowed IBS-Moscow RANEPA not only to increase the number of foreign students within double degree and exchange programs, but also to open a recruitment of Foreign students for the Russian part of the program.

As a result, the skills that Russian and foreign students of MSc. “International Management” acquire could promote the graduates almost everywhere, assisting to find new and exciting opportunities in a range of interesting and profitable locations throughout their careers. Graduates of the program could find themselves helping to establish international offices for their organization, bringing new products to specific markets, or even building entire new business operations from the ground up in developing and developed countries.

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The role of communication mistakes in the foreign language professional communicative competence formation (on the example of teaching German as a second foreign language)

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Abstract:

The aim of this article is to examine the role of communication mistakes in the foreign language professional communicative competence formation on the example of the business language course, oriented to the levels A2-B2 achievement. The research takes into account an innovative method of teaching students to perform the correct communication by demonstrating them the results of breaking the communication norms. The article covers mainly the aspects of the second foreign language teaching, however, the same pattern can be applied to teaching the first foreign language as well.

Keywords: *communication mistake, CLIL, CLILig, business communication, communicative failure, students' creativity enhancement, German communicative culture, innovative methods of teaching, behavioral characteristics of future professionals*

1. Introduction

Nowadays we are facing a great change in the approaches towards the foreign language learning. The language is being seen as the main instrument for the qualitative knowledge acquisition, that will suit the high international demands. One of such approaches is Content and Language Integrated Learning (CLIL). For the German language there exists a special abbreviation - CLILig, that can be translated as Content and Language Integrated Learning in German, respectively [2].

With regard to this, the goals of the foreign language teacher are also starting to widen, the main role in the learning activity is given to the foreign language professional competencies formation. One of the important components here, apart from the lingvoprofessional competence formation, is also the formation of the inter-cultural communication skills and of the behavioral characteristics of future professionals.

If earlier the main attention was given to the language and speech mistakes correction, now the main object of the learning process (and of the relevant communicative training) is the correction of mistakes in communication, that can be called among the main factors of communication failures [3].

What is meant by the communicative mistake is a mistake in communication, leading to communicative break-downs or failures, destruction of the primary intention of the message, in other words damaging the aim that the speaker wants to achieve. This is especially important when we are talking about the foreign language professional communicative competence formation.

In this article we would like to examine the role of communication mistakes in the foreign language professional communicative competence formation on the example of the business language course, oriented to the levels A2-B2.

2. The importance of communication mistakes

The language of business communication, owing to its different situational variations, is split into a number of discourse levels with different dominating functions, among which we pay special attention to:

1) formal conversations, having the aim to set relations and create the formal meeting atmosphere, 2) business correspondence, 3) presentations, 4) agreements, 5) contracts, 6) negotiations. Negotiations, in their turn, are divided into a range of stages and can be seen as one of the discourse levels subtype.

Business communication in the majority of cases is situationally and normatively determined. The link to the communicative norm can be on the same level of importance as to the linguistic norm. And mistakes, appearing in the process of communication as a result of neglecting the norms and behavioral rules, can at the end turn out to be not smaller a problem, than mistakes in the language. In some situations they can lead to a communicative failure. If we ignore communicative mistakes, thinking that the main goal of the teacher is to teach a foreign language, and communication mistakes are beyond the scope of the language system, these mistakes will inevitably stick in the mind of the student. In the future this can lead to the fact that some students shall not receive a chance to go on the probational training-period in a German company. For the GSOM-faculty students such a problem is of crucial importance, because many of them, while receiving their education at the bachelors and the masters programs, apply for training/probational programme on a contest basis in different companies of Germany, Austria and Switzerland.

That is why we think this is important to analyze possible communication mistakes on the basis of the situations, reconstructing situations of real professional communication, (e.g. motivation letter, CV, job-interview, management of mistakes, small talk).

Additional factors, needed to be taken into consideration, can be extra- and socio- (interculturally-) linguistic (e.g. distance from the interlocutor, choosing the correct greetings and farewells, choosing between the 2-nd and the 3-rd person of pronoun "you" ("du" and "Sie" in German, respectively), avoiding taboo-topics during small talks).

3. Learning from mistakes

There are different opinions on the problem of how to introduce this material about the possible mistakes to the classroom. Different teachers have come up with their own solutions: round-table discussions, additional reading or listening with later discussion, direct correction (finding mistakes in the students speech), problem-based learning, a case method [1].

The main methodological difficulty is in the fact that there is no common solution for each specific business communication situation and you need to take into account pragmatically-determined function every time.

To the innovative methods of teaching belongs an attempt to teach students to perform the correct communication by demonstrating the results of not following the communication norms. The main idea of this method is that the student is given an opportunity to be an expert himself and to correct the existing mistakes in the already existing patterns/clichés, recreating real business communication.

Traditional learning offers us to practice consecutive development of skills, but in reality communicative and linguistic parts are interdependent, existing in the discourse as a complex unit. Therefore, holistic approach to the conversation analysis, when students learn by analyzing ready-made patterns of speech, seems to be quite suitable for the correct communicative behaviour formation.

For example, while studying the written formats, needed for a successful job-application, such as CV and motivational letter, we can offer our students for the correction examples with the missing or excessive information, with the mixed sentences structure, unsuitable photo or e-mail-address. Situation of a job-interview can also be very illustrative. Unfortunately, not all the candidates possess correct self-presentation skills. We need to take into account that the western culture offers us more opportunities for the self-advertisement, than the Russian one. However, the adequate description of communicative behavior is possible only using the principle of comparing and contrasting. Students can be asked to listen to several dialogues, imitating the situation of the real job-interview, and are offered to forecast, which

candidate has more chances to receive the position and who is likely to fail, justifying their choice with the examples of what was said.

The advantages of this method are in the enhancement of students' creativity, research and analytical skills stimulation, in breaking psychological barriers and in psychological climate improvement [4]. Apart from this, German communicative culture is strictly determined and there is always a lot of information in the German course books, devoted to the rules that need to be followed, are not recommended to break, should under no circumstances be broken.

What is more, it needs to be mentioned that in this case learning from mistakes:

- helps to introduce the learning material in more details and, as a result, helps students to grasp it faster;

- enhances students' creativity;

- develops a non-standard, creative way of thinking;

- helps to polish lexical and grammatical knowledge and students' speaking abilities;

- helps to alternate the receptive and the productive types of activity during the lesson.

However, it is important to underline as well, that the specific character of communication mistakes in the context of intercultural communication (this is the context, which is one of the main within the margins of which the business language learning takes place) lies in the fact that the reason for appearance of such mistakes is usually the lack of knowledge/information about the communication act itself and about the rules of its implementation within the sphere of another, foreign language culture, concerning business language as well. That is why, communicative mistake can be seen as a phenomenon, going beyond the scope of the language and can affect communication even in a more serious way than the simple language system breaking. In the sphere of business communication a communicative mistake may cost a good workplace, career, signing a contract, business reputation, a fortune, etc.

It is important that learning from mistakes also promotes a tolerant attitude to other peoples' mistakes, that is an important factor, contributing into the useful solutions to the conflicts in the business sphere.

After trying this method we have conducted a survey among the students, having the level A2+ of the German language. 87% of students find such a method of learning more exiting than the usual one, however 13% rely on the traditional methods. In this case statistics shows that the motivational component has risen without the damage to traditional education, as soon as the both methods can be combined.

4. Conclusions

Later correction and assessment of the results of the work is left to the teacher. That is why we consider this method to be interesting, but owing to its innovative character, it needs to be shaped closer to our particular needs. According to our point of view, several corrections are needed to be done. For instance:

- a) teachers can't start directly with examples, containing mistakes, at first students need to work well on the materials of the learning module;

- b) communicative or professional part should not precede the linguistic part or dominate over it, instead of it, it should be accompanying the knowledge-to-practice transition, plotting the professional vector to the communication, simultaneously being a trigger, a source of enhancement.

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Approaches to integrating the UN Sustainable Development Goals into corporate strategy: evidence from the leading Russian companies

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Abstract:

The study examines the modelling approaches to integrating UN SDGs into corporate strategies of Russian companies tending to be the national CSR leaders. The research is based on semi-structured interviews and on the empirical data from three ongoing nation-wide research projects in the fields of CSR and sustainability. The conclusions are made considering four modelling approaches based on the companies' corporate social performance "path dependency".

Keywords: *sustainability development goals, corporate social performance, creating shared value, Russian business*

1. Purpose. The purpose of this paper is to investigate and classify the modelling approaches to integrating UN SDGs into corporate strategies of Russian companies tending to be the national CSR leaders.

The coming of Anthropocene epoch has brought the interrelated issues of sustainability and corporate sustainability to a new level [Berkhout, 2014]. Rather than simply connect their performance with the triple bottom line following the general logic of GRI standards, companies meet the complexity of UN Sustainable Development Goals directly connected with the civilization survival. Companies have to realize the necessity for incorporating the SDGs into corporate social performance through sequential integrating UN SDGs into corporate strategies [SDG Compass, 2015]. In new reality the companies should not only search for creating shared value through "win-win" solutions, but only be ready for avoiding "lose-win" situation on the basis of in- and cross-industry/sectoral integration (Porter, Kramer, 2011; de los Reyes Jr. G., Scholz M., Smith N. C. 2017). Nevertheless, the real involvement of the Russian companies into reaching SDGs is just started to be analyzed [Russian business, 2018].

2. Methodology. The research continues the preliminary study of SDGs incorporating into corporate social performance of Russian companies mainly based on content analysis of non-financial reports [Blagov, Petrova-Savchenko, 2017]. The analysis of approaches to integrating UN SDGs into corporate strategies is based on semi-structured interviews with CSR managers of four focused companies selected during the preliminary study. The empirical evidence is also supported by the data from two continuing nation-wide research projects in the field of CSR — "Report on Social Investments in Russia 2018" and the "Corporate Philanthropy Leaders 2018" as well as new research project on "UN Global Compact in Russia 2018".

3. Findings. The interviews and supporting data analysis has been leading to the particular conclusions:

1. The approach to integrating UN SDGs into corporate strategy strongly depends on the companies' previous experiences in CSR activities. These "path dependencies" are mainly based on (1) "nationality" (ownership, registration, territories of business operations), (2) content of corporate social performance "portfolio" (charity vs. sustainability integration and/or innovation), (3) level of CSR/sustainability managers in hierarchy, and (4) involvement into demanding national international and international CSR/sustainability in- and cross-industry/sectoral initiatives (Global compact, etc.), (5) level of real and expected impact of company's activity on local/national economy and subsequent expectations of local communities and governments.

2. The typical modelling approaches can be resulted as:

a. "Russian company – 1" (by ownership and territory of operations) with sustainability-oriented CSR strategy, growing responsibility of CSR managers on the level of cross-functional committees, and deep involvement into global sustainability initiatives.

b. "Russian company – 2" (by ownership and territory of operations) with initially charity-oriented CSR strategy, growing responsibility of CSR managers up to the level of cross-functional committees, weak involvement into global sustainability initiatives.

c. "Russian company – 3" (by ownership but with the global operations) with sustainability-oriented CSR strategy, C-level of CSR managers' responsibility, medium involvement into global sustainability initiatives.

d. “Foreign branch” with sustainability-oriented global CSR strategy, growing responsibility of CSR managers up to the level of cross-functional committees, deep involvement into global sustainability initiatives.

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Mock conference as an approach to cross-disciplinary integration in ESP

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Abstract:

This paper investigates mock conference as an approach that could be used for cross-disciplinary integration in teaching and learning English for special purposes. It highlights the main advantages of the approach. The opportunity to use various teaching techniques including learner-centered teaching is regarded as one of them. The paper claims the customization scope of mock conference for different disciplines as well as great variety of soft skills. An efficient extension of cross-disciplinary integration within the mock conference approach is outlined. It is applicable for any specialty due to the focus on universal communicative competence. The mock conference case study is offered for teaching and learning English for journalism and PR.

Keywords: *mock conference, ESP, professional communication, learner-centered techniques, cross-disciplinary integration*

1. Introduction

Nowadays, foreign languages skills are especially important for specialists in different spheres. Undoubtedly, it is one of the basic conditions for successful professional communication. However, it may be insufficient. Other conditions are interdisciplinary education and strong soft skills. A mock conference as an approach could contribute to these within thorough instructional design.

2. Mock conference: customization scope and advantages

Generally, a mock conference is a simulation in which students act as delegates. What are the advantages and benefits of a mock conference? Regardless of the model, a mock conference involves substantial research, public speaking skills, writing skills, critical thinking, debating, teamwork, and leadership capabilities. In terms of teaching, this approach allows the variety of forms and techniques; among them, the learner-centered teaching techniques: project work, participatory design, case study, gamification, portfolio, autonomous learning. This approach stimulates students' cognitive activity and motivates them. Of significance, in ESP, the mock conference approach implies dealing with authentic documents, professional terminology, and contemporary issues in the specific field. It makes learning closer to real challenges that await future professionals. In addition, mock conference can be used as a tool for assessment and evaluation. Ultimately, the mock conference approach may determine the instructional design of entire discipline.

Mock conference model can be customized to suit the needs of various disciplines and levels of graduate and undergraduate programs. The customization scope of mock conference approach is immense: from the sophisticated Model United Nations to the versions similar to role play.

Model United Nations (MUN) is "an extra-curricular activity in which students typically role-play delegates to the United Nations and simulate UN committees" (What is Model United Nations?). Model United Nations is aimed at providing students an opportunity to practice diplomatic relations through simulated meetings of the UN and its agencies. The instructional design of MUN preparation is specified in many guidelines. A comprehensive example is *Model UN Preparation* published by the United Nations Association of the USA.

Mock conference is widely used in teaching different specialties. As an example, such conferences are held at Middlebury Institute of International Studies for interpreters' training. "Findings indicate that skills concerning professionalism, psychological competence, strategic competence and many other non-linguistic dimensions may be better acquired at mock conferences than in traditional interpreting classes" (Li, 2015).

3. Cross-disciplinary integration at a mock conference

My English classes at the High School of Journalism and Mass Communication often turn into a mini mock conference. The procedure is more or less similar to that previously mentioned. The topic and

mission depends on the specialty. The assessment criteria and samples are given in advance. I also offer students to develop many related skills through mocking other activities. Mock conference organization may involve more than research and presentation skills. It may start from a sufficient pre-conference stage associating students within a common project.

The pre-conference stage could embrace the overall skills involved in organizing a conference: insight into initial development of purpose (mission) and content of a conference; the task of engaging speakers; how to build a conference organizing team; how to manage conference logistics (Adkinson).

It may include even establishing a conference budget that needs to contain a list of major expenses and calculate with an estimated number of speakers and participants: designing and printing a conference brochure; distribution of promotional materials; catering and accommodation for participants; costs of main meeting and additional workshop venues; transportation of the participants; expenses for entertainment (music, city tours); office and administration overheads (telephone, printer, paperwork) (Adkinson). Besides certain practical knowledge, it gives a great diversity of English speaking practice.

The next stage involves the conference promotion issues. Students interested in design work on the conference brochure and those engaged in advertisement develop the promotion campaign including all possible advertising methods: teasers, posters, SMM and so forth.

On the conference day, students can try many different roles: moderators, speakers, journalists, PR specialists, interpreters. Speakers give presentations and take part in disputes answering questions. Moderators, chair people lead the sessions. Students translate all the materials for the conference and interpret the presentations and Q-and-A sessions. Journalists hold press-conferences and briefings, do surveys and write articles about the event. TV correspondents film the conference and make short reports. Photographers take pictures for exhibitions and reviews.

Post-conference activities imply all sorts of reporting and feedbacking: statistics, surveys, budget and expenses, publicity, blogging and vlogging, long-read, and so forth.

4. Conclusions

A mock conference is a demanding but rewarding approach. It needs much knowledge, skills and patience from teachers and determination from students. However, once developed and described (your own) procedure and guidelines will become a helpful tool for motivating students and make assessment and evaluation equal and understandable.

The mock conference approach could become the key tool in ESP teaching and learning. It provides high-profile involvement and customization regardless the scale and model taken. It could be a prologue for a real (online) conference embracing many disciplines and related practical knowledge and skills.

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Explaining Institutional Work by State-Owned Enterprises: A Theoretical Framework

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Abstract:

This paper seeks to examine the role of state-owned enterprises (SOEs) in institutional change in emerging and developed markets. Drawing on examples from periods of institutional upheaval in Western Europe, Eastern Europe and Asia, we develop a typology of SOEs that enables us to distinguish between change inhibitors, supporters and mavericks.

Keywords: *state-owned enterprises, institutional change, institutional work*

Introduction

The return of the state as an important economic actor in many emerging markets and developing countries has led to a renewed scholarly interest in state-owned enterprises (SOEs). Much has been written about their strategies, performance and internationalisation patterns (Child and Rodrigues, 2005; Rodrigues and Dieleman, 2018; Clegg, Voss and Tardios, 2018). One particular characteristic of SOEs is the fact that they often follow the dual objective of economic profitability and political strategy. This tension has been central to claims of inferior performance of SOEs compared to privately owned companies (Inoue, Lazzarini and Musaccio, 2013; Musacchio, Lazzarini and Aguilera, 2015; Okhmatovskiy, 2010; Goldeng, Grunberg and Benito, 2008). However, one neglected aspect is that the nature of SOEs as both economic and political actors not only influences their market strategies and performance, but also their non-market strategies. In particular, SOEs can be expected to be important actors in the political arena.

Theoretical background

The corporate political activities (Oliver & Holzinger, 2008; Hillman & Hitt, 1999; Blumentritt and Nigh, 2002) and the institutional work literatures (Lawrence and Suddaby, 2006; Lawrence, Suddaby and Leca, 2011) have both shown that commercial enterprises actively intervene to shape the institutional rules under which they operate. The CPA literature identifies pro-active and re-active, compliance and influence strategies (DeVillia et al., 2018). Political activity by SOEs, however, may differ from private firms (Yan et al., 2018). It follows that SOE CPA will tend to be supportive of government policies and hence be a conservative force and pursue conservative strategies of institutional order *maintenance* (Micelotta and Washington, 2013).

However, this view may be too crude as it assumes that all SOEs are characterised by a similar, close relationship with the government. This stems, in part, from the limited empirical focus of prior work. Yet, SOEs vary in various respects, including the governance arrangements they are embedded in and the extent of direct state control over their decisions (Aguilera and Jackson, 2010). Some SOEs may hence have leeway and incentives to pursue *reformist* (or “rebellious”) rather than strategies of institutional maintenance. We therefore surmise that the extent to which SOEs are a roadblock to or a force for institutional change in a given country will depend on the precise characteristics of the SOE in question. However, while companies may affect the institutional framework they operate under through institutional work, their key features are themselves partly shaped by institutional pressures. As such, we

examine a two-way relationship between SOEs and their institutional environment. We therefore attempt to answer the following research question: *Under what conditions are SOEs a force for change or a road block to reform?*

Empirical illustration and contribution

We develop a framework that distinguishes SOEs along several dimensions, including their governance structure, the managerial appointment procedure, incentives structures, underpinning institutional logics and the sector of activity. We argue that those SOEs that are directly state controlled, operating in strategic sectors, with political appointments will constitute a force for institutional maintenance. Others, may be more interested in institutional change or reform towards a more rule-based system.

We draw on empirical examples from two different periods of institutional upheaval, or “transition” (Peng, 2003; Roth and Kostova, 2003) – the post-Fordist shift in Western Europe from 1970s onwards, and the post-socialist transition in Eastern Europe and Asia – to develop a comparative framework to explain the role SOEs play in processes of institutional change. The two transition periods differ in terms of the geographical area and time period concerned, allowing us to examine the boundary conditions of our theorizing.

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The management of strategic partnerships with universities in innovation ecosystems: a conceptual model

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Abstract

Despite the acknowledgment of the significant role of universities for the development of innovation ecosystems, the understanding of how to establish and run strategic partnerships between universities and companies as well as how to manage and assess initiatives to foster companies' entrepreneurial and innovative development capacity are still open challenges. For this reason, this research aims to address the following leading research question: How can strategic partnerships with universities be established and managed in innovation ecosystems in order to develop companies' entrepreneurial and innovation capacity?

Drawing on a literature review and adopting the fundamental assumption that the development of an innovation ecosystem is strongly affected by the strategic partnerships of universities with companies, this research proposes a conceptual framework that highlights some key questions to address in order to get a better understanding of how successful partnerships with universities can be strategically designed and managed in innovation ecosystems.

Keywords: *strategic partnerships, universities, innovation ecosystems, companies' entrepreneurial and innovative development capacity*

1. Introduction

Despite the increasing relevance of universities as catalysers of the development of innovation ecosystems, the understanding of how to establish and run university-company strategic partnerships as well as how to manage and assess initiatives to foster companies' entrepreneurial and innovative development capacity are still open challenges (Barnett, 2017; Frolund et al., 2018; O'Connor et al, 2018). Even acknowledging that in a successful innovation ecosystem all its different actors play an important role, in this study the focus is on universities and companies and their partnerships, as they represent fundamental catalysers explaining the development of innovation ecosystems.

The study takes into account and analyses the major research contributions, to date, about university-company partnerships in innovation ecosystems with the aim to obtain a comprehensive understanding of the topic and to identify key issues requiring further investigation.

2. Managing university-company partnerships in innovation ecosystems: a conceptual framework

Drawing on the results of a literature review, this research proposes a conceptual framework that organises and proposes a set of questions relevant to the advancement of scientific knowledge about how to develop and manage university-company partnerships in an innovation ecosystem.

The framework suggests four key dimensions of investigation, closely interrelated, concerning how universities and companies, can effectively establish, manage, and evaluate collaborative relationships to develop entrepreneurial and innovative capabilities (see Figure 1).

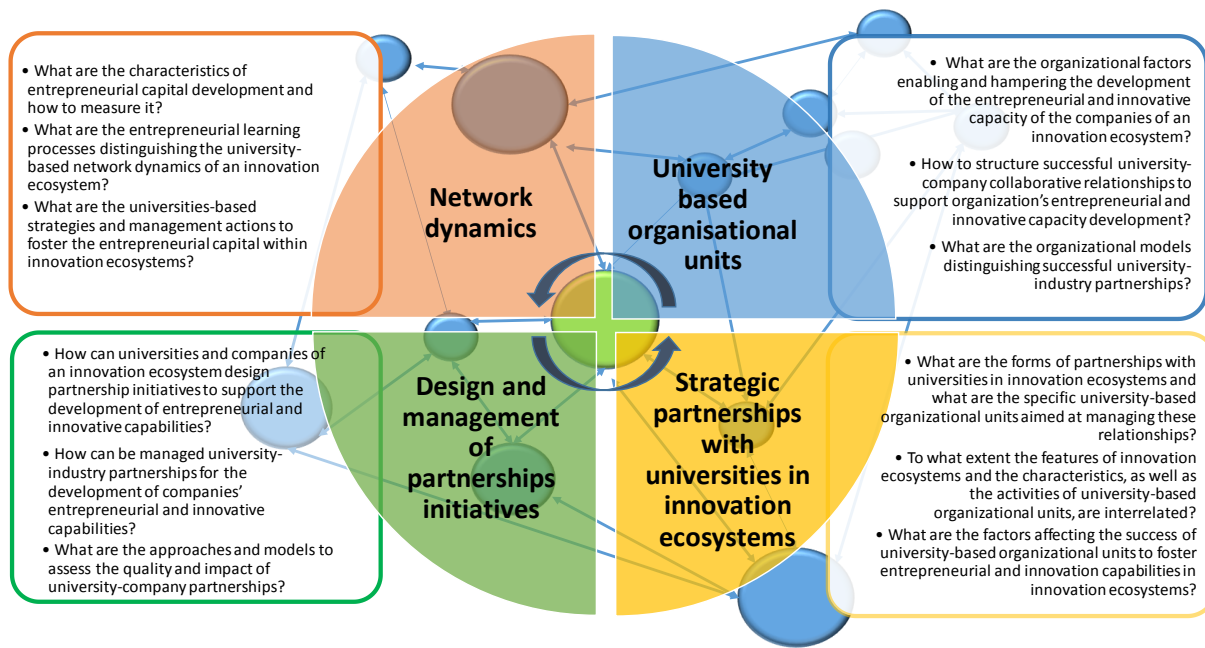


Figure 1. The conceptual framework

1 Network dynamics dimension - To date the understanding of the learning network dynamics characterizing the entrepreneurial capital development of university-based innovation ecosystems is still under investigated (Bischoff et. al, 2018; Perkmann and Salter, 2012). Knowing more about these dynamics entails a deep analysis of several questions as shown in the framework. Answering these questions would shed more light on the main characteristics of the entrepreneurial capital development of university-based innovation ecosystems and on the different typologies of entrepreneurial learning dynamics of university-based innovation ecosystem's networks.

2 University-based organizational units - The management of strategic partnerships with universities in innovation ecosystems needs a clear identification of characteristics and working models of the university-based organizational units aimed at fostering entrepreneurial and innovative ecosystems. This identification calls for a detailed consideration of several questions, as shown in the framework. The analysis of these questions can help to achieve a better understanding of the activities and key strategic programs managed by university-based organisational units to foster the development of entrepreneurial and innovative capabilities and to enrich knowledge about the collaboration formats in relation to targeted goals of university-company collaboration.

3 Strategic partnerships with universities - The foci are organizational models and factors affecting a company's capacity of establishing successful partnerships with universities for the development of entrepreneurial and innovative capabilities. This capacity builds on some features that need to be studied in depth, as shown in the framework. Analysing these features would shed more light on the organizational models and factors enabling companies to establish successful partnerships with universities as well as on identification of key characteristics of the entrepreneurial and innovative development of companies in innovation ecosystems.

4 Design and management of partnerships initiatives – This dimension regards the design, management, and evaluation of partnership initiatives for the development of entrepreneurial and innovative capabilities. In this regard there are several questions to further explore as shown in the framework. Answering these questions means to acquire insights for developing a performance measurement system and a set of indicators useful for assessing universities' activities for the innovation ecosystem development. These insights could also inform the design of a model to manage university-based initiatives for entrepreneurial and innovative development of the companies of an innovation ecosystem.

3. Final remarks

The proposed framework sheds lights on a set of open questions that, properly investigated, can offer significant insights and management implications about:

- a) how to devise better policies to support partnerships with universities that can be effectively translated into impacts for local development;
- b) how to establish and manage successful university-companies partnerships that can drive the growth of entrepreneurial and innovative ecosystems, taking into account the characteristics of the local context in which they are embedded;
- c) how universities can develop new governance bodies and organisational units to support entrepreneurship and innovation development;
- d) how to enforce and diffuse an entrepreneurial and innovative culture and behaviours that enhance employability;
- e) how to use approaches and tools to inform the design of initiatives to foster the development of companies' entrepreneurial and innovative capabilities.

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Passivity, Replication and Creation. The Pathway from Subsistence Entrepreneurship to Community Well-Being

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Abstract:

Notwithstanding the widespread practice of agriculture in low-income countries and the increasing amount of foreign aid to support agricultural development, management scholars have long been biased in favor of industrial and urban entrepreneurship. However, development studies have shown the key role of agriculture in building the bases for transitioning to an industrial economy and generating pro-poor economic growth that reduces inequality.

Our research contributes to the debate by providing qualitative evidence of how agricultural and industrial entrepreneurship differ in their potential to empower poor and disadvantaged minorities. We conduct 200 interviews among farmers in Buea (Cameroon) involved in an entrepreneurial training program with a local NGO to build a conceptual framework.

To the Authors' knowledge, our framework is a first attempt to conceptualize the effect of entrepreneurial programs on economic and social empowerment. We bridge the theories of social capital and institutional entrepreneurship by exploring how institution-builders leverage networks and resources to shape societal beliefs.

Keywords: *Agriculture, Entrepreneurship, Empowerment, Development, Africa, Case Study, Social Capital, Institutional Theory* 1

1. INTRODUCTION

Entrepreneurship has been proven to provide a way out of social and economic discrimination for disadvantaged minority groups. The mechanisms for this are twofold. On the one hand, by engaging in entrepreneurial activities, disadvantaged individuals break free of cultural boundaries that relegate them to submissive and servile roles (Zhao & Wry, 2016). On the other hand, entrepreneurship programs are often run by development agents who, themselves, hold views and values contrasting to the dominant community beliefs (Battilana, Leca, & Boxenbaum, 2009). However, entrepreneurship scholars have been chiefly interested in a single type of entrepreneurship, the high-growth enterprises and industrial ventures deemed to be better apt to generate economic growth due to western biases (Bezemer & Headey, 2008). Scholars have largely ignored that agriculture is the main employment sector of 70% of individuals living in rural Africa and 90% of African households own an agricultural enterprise (Dethier & Effenberger, 2012). The empowerment process of agricultural entrepreneurship differs from that of industrial entrepreneurship in important ways. First, entrepreneurs in the agricultural sector are less vulnerable to risk and business failure (Bezemer & Headey, 2008). Second, farm entrepreneurship is traditionally associated with physical hard work, masculine attributes and high status within the community. Therefore, we expect that agricultural entrepreneurship will be well-suited for achieving economic empowerment but less so for social empowerment.

2. RURAL ENTREPRENEURSHIP

We build on extant research on rural industrial entrepreneurship and investigate the particularities of agricultural entrepreneurship in the empowerment process. First, rural entrepreneurs are tangibly embedded in their social structures of operations. Since social norms are not codified inherited from generation to generation by oral tradition, being a community insider enables one to understand the hidden meaning connected to entrepreneurial actions and the boundary between permissible and unacceptable practices (Granovetter, 1985).

Second, entrepreneurship can aid communities build a sustainable resource base and take charge of their own growth while retaining a distinctive sense of identity and uniqueness. Entrepreneurs can overcome

poverty traps, the mechanisms through which the Poor are at an economic disadvantage and have to pay more to obtain the same quality of life, access to services and fulfillment of basic needs than the more economically empowered (Dethier & Effenberger, 2012).

Finally, entrepreneurship programs can enable the most disadvantaged individuals in a community to gather valuable resources and gain personal economic power. Via economic transactions, individuals can achieve legitimacy and increase their base of social contacts (Gedajlovic, Honig, Moore, Payne, & Wright, 2013). By engaging in entrepreneurship, emarginated individuals can contravene to the dominant social norms that relegate them in a submissive domestic role (Zhao & Wry, 2016).

3. EMPIRICAL SETTING

We conduct 200 interviews with agricultural entrepreneurs in the summer of 2018 in the province of Buea, Cameroon. Farmers are contacted through a local NGO working on agricultural empowerment and providing them with seeds, training, and assistance on applying for credit and developing a business. The training program promoted by the NGO 2 ensures variability in the level of entrepreneurship among farmers and facilitates causal inferences (Eisenhardt & Graebner, 2007).

Interviews are conducted through a phenomenological protocol (Cope, 2005) that asks the participants to recall events and changes in their condition following the start of an entrepreneurial activity, the receipt of aid and training from the NGO and the diversification into industrial production, if any. The protocol of the interviews is semi-structured: while all the interviews follow an event-based logic and ask the participant to recall significant events and causal links in his past entrepreneurial activity, every case seeks specific factual evidence that may reduce recall and social desirability biases (Cope, 2005).

Interviewees are selected according to the criteria of theoretical sampling. Participants are selected based on findings from the previous interviews and their personal characteristics, granting both heterogeneity within the sample and generalizability of the theory across multiple cases (Eisenhardt & Graebner, 2007). Interviews are registered, transcribed and codified in the same or in the following day so that emerging themes can inform the selection of the subsequent farmers participating in the study.

4. CONTRIBUTION

We draw a conceptual model of the process of social and economic empowerment in agricultural entrepreneurship. To the Authors' knowledge, our study is the first providing a processual framework of entrepreneurship as agent of empowerment.

Insights from the study contribute to theory building in social capital and institutional theories. Studies of social capital have shown that individuals must balance between strong ties with friends and relatives and weak ties with outsiders to their close circle. Our research extends social capital theory beyond the endogenous community level and adds insights on the connection between bonding social capital within the community and bridging social capital with the NGOs (Gedajlovic et al., 2013).

Studies on social capital have often been detached from studies on institution-building. However, entrepreneurs shape institutions by exercising power within their social circles (Battilana et al., 2009). Thus, our research contributes also to the emerging stream of institutional entrepreneurship that seeks to explain the role of networks of agents in building institutions and creating legitimacy for marginalized minorities.

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Incoterms 2010 as a Tool of Risk Management in International Logistics: Items of Didactics and Practice

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Abstract:

The present paper presents the well-known for anybody who is more or less involved in international trade/transportation document – Incoterms 2010 (last version). However, this document is considered herein as a tool of risk management in logistics. The authors’ experience in academia and business shows that there are some gross blunders – both among students and managers – in applications of Incoterms 2010 until today. The retrospective approach is used to show the Incoterms as an adaptive tool that responds to changes in relevant dimensions of the global logistics environment. Typical errors in Incoterms 2010 usage are classified and corresponding risks are estimated and commented. Besides, the authors warn that the blind adherence to Internet resources concerning Incoterms 2010 – such as, logistics companies’ informational and promotional web-pages and so-called professional blogs – also leads to operational risks. Finally, some didactic instruments for teaching and training the Incoterms 2010 are proposed.

Key words: *ICC documents, Incoterms 2010, logistics risks, operational risk, risk management, teaching/training Incoterms 2010, teaching materials*

Introduction:

According authors’ teaching experiences has been acquired in their schools – their students said many times that they knew Incoterms 2010 rather well. However, when their knowledge in Incoterms 201 had been tested, many questions – such as “What are main dissimilarities between DAT and DAP?” or “Who has to pay for an insurance policy under DAT, seller or buyer, in accordance with Incoterms 2010 requirements?” – put them to a standstill. There was a majority of participants in graduate programs who knew or thought they know how the international trade was arranged. Senior undergraduate students (MBA or EMBA) were as a rule much more modest concerning their knowledge in details of Incoterms 2010 but the boldest ones of them could say there was nothing new therein for him or her. Nevertheless, Incoterms 2010 was the open document that, naturally, could not address every point of a comprehensive risk management system, but the elements of timely delivery, receipt of goods and risk transfer were certainly covered [Gardner, 2012, p.19].

Permanent updating Incoterms as mirroring changes in the global logistics environment

The principle of marketing ecobalance applied to logistics – in full compliance of applying the marketing approach – had demanded permanent monitoring the dimensions of global logistics environment. Both sellers and buyers may be not sufficiently aware of the existing dissimilarities in trade practices existing in different countries led to misunderstandings, disputes and sometimes even to litigations. The International Chamber of Commerce (ICC) revised Incoterms periodically and amendments were added (from 1953 to 2010). We intended to show how changes in the global logistics environment forced ICC officials and members of working groups charged with monitoring and analyzing international logistics operations to modify Incoterms and try to forecast the next step of this process – may be in the frame of so-called sustainability logistics concept.

Therefore, it should be clear that Incoterms 2010 were permanently in the focus of attention from international logistics managers, lawyers, and academics which made a lot of efforts to explain how to choose the right term from different viewpoints [Malfliet, 2011], that were finally concentrated on the

performance of the objective function of international logistics – understood as [Cherenkov, 2016, p.36] “minimizing logistics risks and transaction costs in international trade (business)”.

3. International logistics risks could be managed by Incoterms 2010

As it was mentioned [Ekwall & Torstensson, 2010] there were only two valid risk management strategies – from four convenient ones [Berg, 2010, p.86] – could cope with international logistics risks and obtain a satisfactory balance between profit and cost/risk/uncertainty performances; namely, mitigation and transfer. First and last options should be omitted in the case of estimating the Incoterms 2010 as a risk management tool, because inevitable risks are always retained and avoiding risk means to stop international logistics that was estimated as more risky by its nature. Relevant knowledge and applications of Incoterms 2010 rules could constitute an important basis for proactive (pre-contracting) risk management in international logistics. Such applications of Incoterms 2010 rules could be understood in details only after having been learned by logistics students (managers) with help of official ICC publications and/or specially prepared teaching materials supplied with graphic and table instruments (part of them is presented there, in the full body of this paper).

4. Conclusion: A Way from Didactics to Practice

It was a common place conserving its validity till now [Horn & Schmitthoff, 1982, p.139] that merchants often did not sufficiently analyze the possible effects of choosing one or another trade term but rather, without much reflection, continued to sell as they and their predecessors have done previously. The task of choosing a “right”, or quasi-optimal, Incoterms 2010 rule was a multifaceted one. Choosing the ‘right’ Incoterm required the parties to a sale contract to consider, amongst others, the following elements [Malfliet, 2011]:

- the *nature of the goods*: containerized, manufactured goods, bulk goods or commodities, etc.;
- the *means of transport*: maritime, non-maritime or multimodal;
- the *terms of payment*;
- the *documentary requirements* imposed by these *terms* mentioned above; and
- the *capabilities* of and the *efficiency* with which seller/buyer could perform the obligation to deliver the contracted goods.

Teaching Incoterms 2010 usage as a tool of logistics risk management should be in the focus of attention of instructors. To get to such aims of their teaching the authors of present paper were forced to search for more effective didactic approaches and materials. Some of these ones have been developed and tested by the authors in their academic practices (*to be shown and commented during a planned presentation*). It was quite sufficient to explain in details 4 rules only (EXW, CIF, DAT, and DDP) during lectures and consider others in the frame of workshops as a part of student team course projects. Students have been supplied with reasonable references (including relevant paper and web-resources tested thoroughly – e.g., “Encyclopedia on Supply Chain Management” – http://scm.gsom.spbu.ru/Main_Page) that were useful for their team projects. The pedagogical idea of such approach was forming a general methodological way to acceptable less risky solutions concerning the Incoterms 2010. To support the approach mentioned above some teaching materials and assessment tools have been designed. These advanced (and more or less innovative) teaching practices gave better outputs in comparison with previous ones and could be recommended for future applications and improvements. The general conclusion was made – Incoterms 2010 should be used as a logistics risk management tool. Besides, the subjective nature of many of logistics risks caused to classify them as operational risks [Principles, 2011; Черенков, 2016, с.413-426]. Therefore, it was necessary to complete teaching materials with corresponding ICC documents [e.g., Incoterms 2010..., 2010; Rumberg, 2011; Incoterms 2010 Q&A..., 2016] and be critical of such sources as web-sites managed by logistics companies and bloggers. And last but not least source to ameliorate Incoterms 2010 training in relation to logistics risk management was defined as permanent interaction with practicing logistics managers.

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The Impact of Currency Risk on Firm's Value in Emerging Countries

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Abstract:

This study is dedicated to estimating the impact of currency risk on the cost of equity in Brazil, Russia, India and South Africa. Changes in the value of exchange rate can impact cash flows of a firm and their riskiness, hence, the value of the company. In our research we will discuss the influence of exchange rate movements on the value of the firm through their impact on the cost of equity. Furthermore, in this study we take an attempt to estimate currency risk premia for exposure to appreciation and depreciation of currency separately and identify possible differences.

Results indicate that in Russia firms which report substantial currency losses pay a positive risk premium, while in Brazil, India and South Africa companies with significantly positive or negative currency gains pay a lower required return on equity than firms with almost zero currency gains.

Keywords. *exchange rate exposure, cost of equity, currency markets, stock returns, emerging markets*

Introduction

The impact of upward or downward exchange rate movements on stock market performance and vice versa has important implications in terms of risk management, trading and hedging strategies for international portfolios. Currency value changes influence stock prices since they alter cash flows of domestic companies and their competitiveness on international markets. Stock market also impacts exchange rate market due to the fact that changes in stock prices alter attractiveness of domestic assets and consequently leads to inflows or outflows of capital. For this reason it is extremely important to understand the relationship between stock prices and exchange rates for international investors, top management of companies and policy makers.

Problem statement

First question that arises in this regard is what kind of currency movements should be considered to be exchange rate risk. Adler and Dumas point out that substantial depreciation or appreciation of a currency does not necessarily represent a risk. Exchange rate risk is present only if currency changes are unexpected. The second question is how much exchange risk a firm bears, i.e. how exposed to currency risk a firm is. Companies with international operations are exposed because currency movements affect their cash flows. International firms are the least exposed companies due to the fact that they both produce and sell abroad. Consequently, they are operationally hedged (Bodnar, Martson, 2001). Moreover, companies which operate on domestic market only, are exposed to exchange rate risk too. Aggarwal and Harper point out that domestic firms indirectly compete with firms which work abroad. They also compete with international companies directly. Furthermore, changes in foreign currency value impact foreign demand for domestic goods. Therefore, domestic prices of these goods change (Aggarwal, Harper, 2010).

This study is dedicated to the question whether currency risk is priced in four emerging markets: Brazil, Russia, India and South Africa. Obtained results have important implications for top management of the companies which operate in these markets. They demonstrate whether currency risk should be taken into account in the risk management process and valuation of company's projects or the whole business.

Methodology

In this research, we extend Fama-French Three Factor Model (Fama, French, 1993) by adding currency-risk factor(s). To estimate resulting risk premia we use portfolio approach to reduce the impact of specific risks of each company on empirical results. Risk premia are estimated using two-step Fama-MacBeth procedure (Fama, MacBeth, 1973). Also we use weekly, not monthly returns due to shortness of the period which is available for the analysis.

The main question is how to construct currency risk factors that we incorporate in Fama-French Three Factor Model. Considering limitations of data on most of emerging markets, there are two ways to do it: using currency gain information from income statements and using the level of covariance between company's stock returns and currency returns. Using these two approaches, we estimate three models that extend Fama-French Three Factor Model by adding currency risk factor(s).

Data and sample

In this research, we use company level data on firms which are traded in capital markets of Brazil, Russia, India and South Africa. All the data is obtained from Thomson Reuters Datastream. Research covers period from July 2009 to June 2016. We do not use data until then because in Russia and Brazil prior to July 2008 there are not enough liquid nonfinancial companies with all information that we need. Period from July 2008 to June 2009 is excluded because market indices were falling sharply during this period, which might affect reliability of our results.

Yield-to-maturity for 3 month government bonds serves as a proxy for risk-free rate. Market indices are used as proxies for market portfolio. In case of Russia it is MICEX index, in Brazil it's BOVESPA index, in India it's NIFTY 50, in South Africa it's FTSE/JSE All Shares index.

Empirical Results

Comparing results which we obtained for different countries, firstly, it should be noted that when we proxy currency risk by currency gains-to-sales ratio, we obtain qualitatively different results for Russia and for three other countries. In Russia, if the company publishes substantially negative currency gains, it pays a higher return on equity. In Brazil, India and South Africa firms with highly positive or negative currency gains face negative currency risk premia. Such a difference can be explained by the fact that during recent years Russia faced the most substantial currency depreciation among countries analyzed in this research.

Conclusion

This paper is dedicated to estimation of currency risk premium in stock markets of BRICS countries, excluding China due to heavy market regulation there. Generally, there are two channels through which currency movements affect amount of cash flows of firms and, hence, their riskiness. The first one is business operations of firms (export, import, producing abroad), the second one is value of assets and liabilities of firms. Both firms with international business operations and completely domestic firms are exposed to currency risk.

We find consistent evidence in favor of the fact that currency risk is significant factor that influence cost of equity capital of a company. However, the exact impact of exchange rate risk on cost of equity can be substantially different in various cases. Complexity of relationship between currency risk and cost of equity is one of the arguments "for" exchange rate hedging of companies.

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Estimating the Impact of sharing economy on small and medium hotel business in Russia

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Abstract:

The accelerated economic development and continually changing consumption behaviour foster the fast growth of sharing economy in Russia. The sharing economy is labelled as a new economy and new business model in the current Internet age. Weak legal basis in this area, the uncertain status of peer-to-peer platforms in our country is combined with the great enthusiasm of customers, business owners and providers. Sharing resources gives certain advantages (effects) not only to large companies working on the principles of sharing economy but also to small businesses. The hotel business, according to the opinion of experts (PwC, OECD) is included in five critical areas in which the economy of joint consumption is developing. Authors have found several big international P2P agents working in Russia as well as one local accommodation platform. Therefore, the purpose of the study is to identify the effects that the small accommodation business receives.

Keywords: *SME, sharing economy, hotel business, business models, peer-to-peer platforms, empirical study, digital economy*

The business model in a traditional context is defined as a set of an abstract representation of business processes organised under specified conceptual basis. The model should have the same characteristics as a real management system has. Usually, the business model is designed and developed by an organisation presently, and in the future, in a conceptual, graphical or cooperation arrangements and further real processes could be created or changed in the same way. The model logically describes how it produces goods and distributes them to customers or how the service process goes; how the economic, consumer or social value is created during the production process.

The formation of a separate scientific direction devoted to business models, as well as the corresponding terminology, began relatively recently, in the 70-80s. During the last century, nevertheless, the theoretical foundations of modelling processes are well developed.

The critical role in the adaptation of business models to modern conditions belongs to information technology. It gave a name to the significant period of business models transformation, which is a Networking period, started at the mid-90s of the 20th century. The network has become both a standard data transmission tool and a mechanism for commercial activities of organisations. The net can be the most operational communication tool while managing business processes. This period is characterised by the development of the multisided platforms. In the literature, they are understood as organisations that own an infrastructure that allows uniting and coordinating the actions of participants, the process of creating value in which is directly related to the outcome of such interaction [Yablonsky, 2013; Hagi, 2004].

In 2011 Time included a new concept of sharing economy in the list of ten ideas that will change the world, revolutionising the consumption system. The term sharing economy has several meanings starting from the "economy of common ownership" to the "economy of joint consumption". It is based on collective use (rent or barter) rather than ownership of a resource: housing, office, car and parking, tools and equipment, technology, innovations, knowledge and skills. The very principle is not new but is coming to an entirely new level with the help of peer-to-peer or multisided platforms.

The development of platforms and social networks first allowed programmers to share code (Linux), then let people share their moments of life (Facebook and Instagram) and spread the result of their creativity (YouTube) among significant number of users. Finally, it's time to use the same technology in the real business world to share the assets that companies have. The opportunity to use something becomes more valuable than the ability to own it. Projects that began with the idea of C2C

(consumer to consumer) now play the same role as traditional enterprises. A comparison of the conventional model with the sharing economy model is shown on Fig. 1.

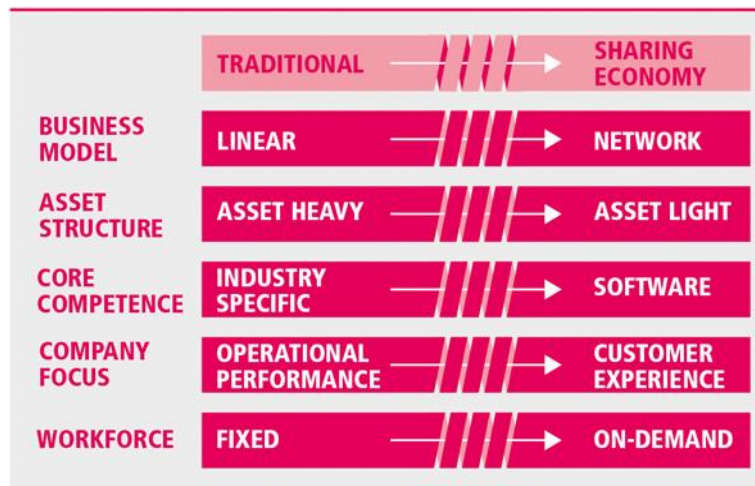


Figure 1. Traditional business model versus sharing economy model. Source: DHL Trend Research

Sharing economy providers are online platforms that allow people and companies to unite and share their resources with their peers. In this business model, resource owners turn to online sites to capitalise on the unused portion of their property, and consumers rent what they need from individuals more likely than from traditional companies. Sharing economy by the opinion of Tomio Geron (Forbes correspondent) "allows everyone to be both consumer and producer" and turns millions of people into small entrepreneurs. Traditional model represented by business with business (B2B) and business with people (B2C) communications now is extended by peer-to-peer communication (P2P). Sharing economy has reached significant economic results (the sharing economy will gain \$40.2 billion in 2022 [Juniper Research, 2017]) and social effect (platforms and P2P relationship provide a new type of consumer behaviour and social ties development [Frenken, Schor]). They both are challenging the traditional enterprises making them move towards new trends. For example, the Yard Club Company founded by Caterpillar leases a Caterpillar tractor for construction companies. Cohealo promotes the expensive medical equipment joint use by hospitals. In B2C sector we can name Zipcar and Rent the Runway, which uses their fleet of cars for sharing by their subscribers. Some platforms do not participate in the exchange process but only organise it (Airbnb, Task Rabbit, Indiegogo, Blablacar, etc.).

The sharing economy phenomena attract researchers to estimate the effect of peer-to-peer platforms use and decide whether it creates specific threats to all traditional sectors or not. PwC defines five essential areas of a sharing (collaborative) economy that facilitates consumption and profit generation, and peer-to-peer accommodation service is the first in the list [Vaughan, Daverio]. The Airbnb platform opened new facilities for thousands of small and medium accommodation businesses [Vaughan, Daverio; Zervas, Proserpio and Byers] and became an object for many research papers. In Russia, the sharing economy is developing fast, but our accommodation sector continues to lag behind its Western peers [Dorokhin, 2017]. Even the use of platforms in Russia is not studied very well. Weak legal basis in this area, the uncertain status of peer-to-peer platforms in our country is combined with the great enthusiasm of customers, business owners and providers. The goal of this research is to test several hypotheses related to the sharing economy development in an accommodation sector in Russia.

The hypotheses are:

H1. The shared economy has a measurable and quantifiable impact on customer satisfaction, profitability and price [Byers, 2016].

H2. P2P platforms offer a substitute for consumer service provided by traditional firms [Jin and Rysman].

H3. Russian P2P platforms offer a substitute for consumer service offered by international and global players.

To develop a model of the platforms' impact and study differences primary and secondary data sources are combined. The first source is presented by a pilot survey of small and medium hotels (and other accommodation units) to find the subjective estimate of platforms use effect. The second includes SPARK and SKRIN databases information. Our work contributes to the growing literature about sharing economy development in different countries. It empirically studies the effect of P2P platforms on SME's primary indicators in the hotel industry.

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Dynamics in International Business Negotiations: A Comparison of Brazil, Russia, Indian and China (BRIC) on Negotiation Outcomes

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Abstract:

Brazil, Russia, India and China (BRIC) became more important economies at the global level. As the success of international negotiations depends on reaching satisfactory agreements for all parts involved, many people have found difficulties in conducting international negotiations involving BRIC negotiators. What kinds of misunderstandings prevent successful cross-cultural negotiations among BRIC negotiators? Is it possible to settle a common path among BRIC negotiators based on an international business agreement negotiation? The results of this paper indicate some important outcomes that may be taken into consideration for a successful international negotiation involving negotiators from BRIC countries.

Keywords: *international negotiations, negotiating process, BRIC countries, BRIC negotiators*

1 Introduction

The success of a negotiation depends on reaching satisfactory agreements for all parts involved. Negotiators attempt to negotiate for an optimal result minimizing conflicts and maximizing gains in a win-win negotiation scenario (Fisher and Brown 1989, Fisher et al 1991). Differences among negotiators from different countries may be expected and even predicted in an international business agreement. BRIC countries emerged from radically different legal, economic, cultural, social and political backgrounds (Costa 2013). What kinds of misunderstandings prevent successful crosscultural negotiations among BRIC negotiators? How are BRIC negotiators able to overcome the challenges of the international environment while negotiating an international agreement? Is it possible to settle a common path among BRIC negotiators based on an international business agreement negotiation? The results of this study may explain the way of doing business in and with BRIC countries, through a comparative analysis of selected usual aspects of the negotiation process of an international agreement. This study might help companies in formulating entry strategies in these emerging and challenging markets.

2 Literature review

Negotiation is a dynamic process, involving a variety of factors that influence the negotiation outcomes (Fisher et al. 1991, Lax and Sebenius 1992, Bazerman and Carroll 1987, Raiffa 1982). An international business negotiation can be broadly described as the interaction of two or more individuals, originating from different countries, in order to settle a business matter through the execution or not of an agreement, in written or oral form. As per Salacuse (1991), international negotiations have some specific characteristics. These characteristics can be used as basis to differentiate international and domestic negotiations as follows: international environment, culture, ideology, diversity of legal systems and instability.

3 Assumptions

A.1. The kind of misunderstandings that prevent successful cross-cultural negotiations among BRIC negotiators.

A.2. The kind of challenges and obstacles that BRIC negotiators have to surmount while negotiating an international agreement.

4 Methodology

Quantitative data for this study was collected by E-mail and survey. In order to confirm the quantitative data collected by the survey, qualitative data was undertaken in each of the BRIC countries. Five personal interviews on each BRIC country were conducted.

5 Results

Results are divided into two sections: negotiators' profiles and outcomes of the negotiation.

5.1. Negotiators' profiles

This section presents the profile of BRIC countries negotiators respondents in this study.

5.2 Negotiation outcomes

This section consists of the perceived negotiation process factors associated with a previous negotiation of an international agreement.

5.2.1 Preparation for the negotiation

Over fifty percent of negotiators from BRIC countries spent around two weeks before the first meeting preparing for the negotiation of an international agreement.

5.2.2. Actual negotiation

The second stage of the negotiation process involves face-to-face interactions, virtual interactions, methods of persuasion and concessions and the use of negotiation tactics in order to increase the "negotiation pie" towards a win-win negotiation (Fisher et al 1991). The survey shows that eight-one percent of the negotiations were formal or extremely formal in BRIC countries. BRIC negotiators are much more group oriented which enlarges chances of increasing the negotiation pie and value creation. Face-to-face negotiations are commonplace among BRIC negotiators. Much of the communication breakdown in international negotiations can be attributed to language understanding. BRIC negotiators frequently use bargaining tactics. The role of relationship is recognized by eight-seven percent of recipients in the process of an international negotiation. The result shows that seventy-four percent of recipients concluded a formal and detailed written agreement.

5.5.3. Post negotiation

The post negotiation phase tackles the evaluation of the agreement and by consequence of the negotiation process performed during the two previous stages. Thirty-four percent of BRIC negotiators were very satisfied with the results of the agreement.

Conclusion

This study compares international contracts negotiations handled by negotiators from BRIC countries nationals. What can be learned from this study? First, BRIC negotiators may improve the preparation process in order to overcome misunderstandings and to improve outcomes of negotiating international agreements. Misunderstanding and miscommunication may contribute to failure in negotiating an international agreement. BRIC countries and their negotiators must realize that the negotiation of an international agreement may be the beginning of a long-term process and the frequently use of bargaining tactics might compromise the creation of a win-win negotiation process. Recurrent difficulties experience by BRIC nationals negotiating international agreements may limit the opportunities among them.

This study has limits. Respondents may have emphasized their perceptions instead of their experiences in answering the questionnaire. Also, there are several issues that have not being addressed in this paper that

deserve close examination. Gender aspects involving negotiation of international agreement by BRIC countries nationals may be further examined.

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Evaluation of tourism public policies for the definition of funding strategies of tourism enterprises: The way forward...

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Abstract:

The economic, social and political significance of the tourism sector is an unquestionable reality. Its expression and ability to induce economic development in terms of other sectors, is increasingly important.

Despite the dynamics shown, the tourism sector faces a number of structural problems to be solved. In recent years, tourism in Portugal has been growing in quantity, but sometimes without much quality. The economic performance of the sector should be properly examined, ranging from the analysis of visitor arrivals to the dimension of the revenues collected.

In addition, we could observe the existence of cases of excessive spatial concentration in certain areas of the territory considered and presenting different dynamics of tourism growth and development.

The aim of this research is to analyze how the investment dynamics of small and micro-sized enterprises in the tourism sector can contribute to the creation of a strong and dynamic business sector, that contributes to the qualification, diversification and improvement of destinations, and reduce the spatial concentration of the investment in main tourist destinations to areas where the tourism sector is not yet so developed.

This research allows to conclude that it is not enough for the tourism sector to create wealth in terms of investment, income and employment. It is crucial that the sector plays a central role in qualifying, diversifying and improving the quality of supply, so that economic gains are also conducive to improving the quality of life of local populations and local development in general.

Keywords: *Tourism public policies; Evaluation; Small and micro sized enterprises; Strategies*

1. Introduction

The tourism sector has been experiencing a big growth and development, establishing itself as one of the fastest growing 'industries' in the twentieth century. Recognizing this favorable environment, it is essential and urgent that governments, from developed and developing countries, attach greater importance and attention to this sector, considering the role that it can play in the economic development, namely in balancing the deficit of the balance of payments, in strengthening regional networks, and in generating an increased yield and dynamics in job creation, because of its multiplier effect.

2. Tourism Public Policies

Given the multidisciplinary and horizontal nature of the tourism sector, it is essential the participation of the public sector in the implementation of tourism policies that set clear guidelines to all stakeholders, directly and indirectly, involved in the industry. The established goals should reflect the 'needs' of the sector, and must be in accordance with the economic, social and environmental goals of the tourist destination, and in line with the national and regional interests of the country.

The definition of tourism policies is central given that the nonexistence of a strategic vision with these characteristics leads to a lack of direction and of a strong political-strategic organization, for both the public and private sectors (Costa, 2001). These elements are essential because they aim at mitigating structural bottlenecks in the sector, increasing of the average daily tourist expenditure and length of stay, and decreasing seasonality, through the growth of revenues, the improvement and diversification of the quality of tourism supply, and the attraction of new markets.

3. Importance of tourism private sector

In Portugal, according to statistical data provided by Statistics Portugal (INE), and considering the Code of Economic Activities that integrate the characteristic activities defined by the Tourism Satellite Account, 99.6% of the companies that comprise the business structure of the tourism sector are small or medium-sized firms, being 96.7% of them micro scale companies.

Despite their micro scale, the tourism private sector demonstrates a great vitality and dynamic, and plays a central role in tourism. These enterprises provide the majority of tourism services and activities, and perform most of the investment in the different subsectors that comprise the value chain of the sector. However, the tourism private sector is mainly constituted of small and micro sized enterprises, which, given their small size and family structure present a set of constraints which hinder their growth and development.

Many studies that have been conducted in this area highlights the main advantages of this type of enterprises in terms of job creation (Costa, 2012; Costa and Costa, 2013; Getz, Carlsen & Morrison, 2004; Wanhill, 2000); destination competitiveness (Jones & Haven-Tang, 2005; Novelli, Schmitz & Spencer, 2005; OECD, 2008); economic development (Andriotis, 2002; Armstrong & Taylor, 2000; Joo & Rosentraub, 2009; Milne & Ateljevic, 2001; Tinsley & Lynch, 2001); creation of business networks (Breda et al., 2005, 2006; Buhalis & Peters, 2006; Costa, 2005, 2012; Ozturk, 2009; Tremblay & Wegner, 2009); effectiveness and efficiency (Mouzas, 2006), and innovation and entrepreneurship (Buhalis, 2002; Jones & Tilley, 2003).

4. Methodology and Research Objectives

Over the past 25 years, public funding for the tourism sector in Portugal has been carried out on the basis of incentives provided by Community support frameworks. Despite the recognized economic importance of tourism, the growth that it has been experiencing in Portugal has been realized in a more quantitative perspective rather than a qualitative one. There have been some difficulties in achieving some objectives developed for the sector.

It is, thus, essential to understand the dynamics and the main characteristics of this type of enterprises in order to articulate and adapt the definition of policies and strategies for increasing and strengthening the tourism private sector (Costa, 2005, 2012; Costa and Costa, 2013; Graetz and Becton, 2001; Hall, 1995; Nilsson, Petersen and Wanhill, 2005; Phelps, 1996; Thomas, 1995; Thomas and Thomas, 2006), and it is also vital to carry out monitoring and evaluation actions for tourism policies and strategies set by the public sector over the last years.

This research aims to examine the discourse of public policies and strategies in Portugal, and intends to demonstrate the role and importance of all stakeholders, public and private, in the planning and definition of public policies to reconcile an investment policy in the tourism sector, focusing on small and micro-sized enterprises, with a strategy aimed at improving the quality and diversification of tourism supply.

5. Main Findings

In conclusion, it is important to evaluate the public policy and the investment in the tourism sector, to understand the philosophy and objectives that guide the entire system (strategic policy) and the territorial and sectorial dynamics of tourism enterprises. Therefore, the tourism sector should not only create wealth in terms of investment, income and employment, being also essential for the qualification, diversification and improvement of the quality of the supply, allowing economic gains that can induce the improvement of quality of life of the local people and local development in general.

Consumer Support for International Non-Profits in Emerging Markets: The Role of Cosmopolitanism and Anthropomorphism

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Abstract:

Emerging markets have seen tremendous growth in the non-profit sector and they offer excellent opportunities for international nonprofit organizations (NPO). However, international NPOs are not always welcomed in these countries and therefore, marketers need to understand how public perceptions are shaped. In this research, we show that cosmopolitanism impact the moral judgement of the (international) NPO positively. Moreover, results indicate that anthropomorphizing the NPO's message elevates the moral judgments among consumers who score low on cosmopolitanism.

Keywords: *Non-Profit Organizations, Cosmopolitanism, Anthropomorphism*

1. Introduction

Nonprofits (NPOs) play an important role in emerging markets (EMs) as they contribute to the economic growth and create shared values (Anheier & Salamon, 1998). However, when an international (intl.) NPO enters these markets, they might not find wide support within the society as their core values don't necessarily match society's (Michon & Tandon, 2012). Moreover, government support for NPOs in EMs has decreased in recent years (Kirk et al., 2016). Therefore, it is vital for intl. NPOs to use marketing tactics that would generate public support.

Consumer cosmopolitanism is the extent a person shows open-mindedness towards foreign countries (Riefler et al., 2012). Cosmopolitans consider themselves as "citizens of the world", have a sense of moral responsibility to humanity, and believe in egalitarianism more than others (Bayram, 2017). Therefore, we argue that cosmopolitan (vs. non) consumers will be more positive toward intl. NPOs. On the other hand, this transnational understanding is rooted mostly in US and European culture (Cleveland et al., 2009) and in EMs, they consist of the more "affluent" and "elite" segments of the consumers (Belk, 2000). Therefore, it would be important for nonprofits to persuade the (larger segment of) non-cosmopolitan consumers. We argue that one way is the anthropomorphic presentation of the messages.

Anthropomorphism refers to ascribing human characteristics to non-human objects (Epley et al., 2007). It enhances the personal value consumers believe they are receiving from the brand (Hart et al. 2013). This is especially important for nonprofits (Jeavons, 1992) and moral judgments (Weber, 1993). Anthropomorphism also has a more positive effect on NPOs than profit making ones because it enhances moral judgments (Cuddy et al., 2008). Based on this, we hypothesize that;

H1: When the message is not anthropomorphized, cosmopolitans will have a more positive judgement of the intl. NPO than non-cosmopolitans.

H2: When the message is anthropomorphized, non-cosmopolitans judgement of the intl. NPO will increase such that impact of cosmopolitanism is eliminated.

2. Study

We conducted a study with the participation of 70 graduate students from an Indian university (Anthropomorphized vs. Non-Anthropomorphized between subject design). We chose India because it is a major emerging market with NPOs doubling profit organizations (Anand, 2015) and there is an ongoing debate on intl. NPOs (e.g., Ranade, 2017). To anthropomorphize the message, we followed Puzakova et al. (2013).

Dependent variable is "moral judgments" (4-item, cronbach's $\alpha = .84$; Reidenbach & Robin, 1990). For cosmopolitanism, we used a 2-item scale (cronbach's $\alpha = .84$; Riefler et al. 2012).

We used four control variables. Younger (vs. older) consumers (Cleveland et al. 2009) and women (vs. men) (Robertson & Zill, 1997) tend to be more cosmopolitan. Depending on one's moral philosophy (idealism vs. relativism; Forsyth, 1992), judgements could be harsher (vs. lenient) (Sulsky et al. 2016).

Therefore, we controlled for gender, age, and moral relativism (1-item; Sparks & Hunt, 1998). Finally, we controlled for message comprehension (4-item, cronbach's $\alpha = .76$). All scales are on 7-point.

Participants were given a flyer (anthropomorphized or not) with Red Cross logo, message on Red Cross and the campaign in Africa.

2.1. Results

After manipulation check ($M_{\text{Anthro}} = 5.29$ vs. $M_{\text{Not}} = 4.55$, $t = 2.49$ $p < .05$), hypotheses were tested (Model 1; Hayes, 2013). Results indicated an insignificant main effect of cosmopolitanism [95% CI: $-.0617$ and $.4935$]. As expected, Cosmo. X Anthro. was significant [95% CI: -1.1778 and $-.1119$]. Comprehension [95% CI: $.1566$ and $.5762$] and moral relativism [95% CI: $.0408$ and $.3538$] were significant controls with higher comprehension and relativism leading to more positive judgment. We further looked at the impact of cosmopolitanism (i.e., one SD above and below the mean) at different levels of anthropomorphism to test the hypotheses. As H1 predicted, For the not anthropomorphized message, the ethical judgements of cosmopolitans were significantly higher than non-cosmopolitans (Effect = $.5668$, [95% CI: $.1665$ and $.9670$]). However, as H2 suggests, difference was not significant when message was anthropomorphized [95% CI: $-.4481$ and $.2919$].

3. Discussion

While EMs have seen tremendous growth in intl. NPOs, public has not always been supportive (Bansal, 2016). Government policies are impacted by the public's moral judgments (Orban, 2016). Therefore, it is important for marketers to understand the drivers of the public's moral judgements and identify the appropriate "marketing nudges" to gain support. Supporting an NPO involves moral judgments which are antecedents of consumers' behavioral intentions (Hunt & Vitell, 2006). We extend the extant research on NPOs first identifying cosmopolitanism, relevant for studying the public perception of intl. NPOs. Our results show that the higher the cosmopolitanism, the better is the moral judgements of the NPO. However, and next, we introduce a nudge, anthropomorphizing the message, to elevate the moral judgements of non-cosmopolitan consumers.

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Location of Firms in Russia: Evidence from Firm Level Data

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Abstract

This paper investigates location of firms in the Russian regions. While in USSR location choice was based on the government decisions, in Russia since the beginning of 1990ies firms can choose their locations, and decisions are more likely to be based on a set of conditions affecting potential profit. To estimate factors affecting location we employ counting models and firm-level database Ruslana of more than 76000 Russian firms, for the period from 2006 to 2015, expanded with Rosstat city and regional data and with investment potential and risk indices of the Analytical center ‘Expert’. Results show that population and market potential positively affect firms’ location, although with elasticity less than one. Locations, where business is risky and unemployment rate is high, host comparatively less firms. Elasticity with respect to the number of graduates per capita is positive as well as elasticity with respect to the number of students per capita. More differences are found to occur across industries than across generations, though differences across generations deserve attention too. Our research sheds light on entrepreneurs’ strategies, providing background for economic policy.

Keywords: enterprise location, agglomeration levels, home market potential, human capital, Russia, transition process

1. Introduction

While in USSR location choice was based on the government decisions, especially for the large manufacturing firms, in Russia since the beginning of 1990ies firms can choose locations, and decisions are based rather on a set of conditions affecting potential profit. Our aim is to assess the impact of the regional characteristics on location of the firms formed before and during the transition process, taking into account economic, social and institutional determinants. Analysis of location determinants sheds some light on entrepreneurs’ strategies in Russia and the role of market forces in location choices, providing background for economic policy decisions.

Numerous studies are devoted to location choice of enterprises, their formation in the regions and motivation of entrepreneurs (Renski, 2011; Krenz, 2016; Figueiredo et al. 2002; Carlton 1983; Crozet et al. 2004; Head et al. 1995; Pusterla and Resmini, 2007; Procher, 2011 and others). It is important to understand, how firms make location decisions, as new firm entry fosters innovation and economic development, enhances employment opportunities, and ensures more equitable income distribution (Delfmann and Koster, 2016; Aidis, Estrin and Mickiewicz, 2009).

In the Soviet Union, enterprises were located based mainly on social necessity and political factors (Mikhailova, 2011). Regions in eastern and western parts of Russia differ significantly in population density and the distances between cities (Demidova, 2015). There are high and growing differences between regions in economic activity (Bufetova, 2016). R&D-sector location pattern in Soviet era affected current location of professional services for engineering and architecture and for information technology and computer-related services (Ivanov, 2014). Political fluidity and democracy increase relative entry rates for small firms (Bruno, Bychkova, and Estrin, 2013).

2. Data and sample

We employ firm level data from database Ruslana covering more than 76000 firms working in manufacturing, agriculture and mining in all Russian regions, over the period from 2006 to 2015. Database is expanded with Rosstat data and with investment potential and risk indices of the Analytical center ‘Expert’. For more than 25.2% of firms, main activity is crop and animal production, hunting and related service activities. The share of manufacture of machinery and equipment n.e.c. is

9.5%, manufacture of food products accounts for 9.17%, manufacture of fabricated metal products, except machinery and equipment - 8.67%, manufacture of other non-metallic mineral products - 5.66% and manufacture of rubber and plastic products - 4.71%. Companies are concentrated in the western part of Russia, especially in its central part and Moscow, similar to the Rosstat reports.

3. Model

We employ a counting model, as it makes possible straightforward interpretation, allows avoiding a problem with zero values, and makes it possible to deal with endogeneity problems. Our empirical estimations rest upon a negative binomial model:

$$\Pr\{N_{i,j}\} = \frac{\Gamma(\alpha^{-1} + N_{i,j})}{\Gamma(\alpha^{-1})N_{i,j}!} \left(\frac{1}{1 + \alpha\lambda_{i,j}} \right)^{1/\alpha} \left(\frac{\alpha\lambda_{i,j}}{1 + \alpha\lambda_{i,j}} \right)^\alpha,$$

where $N_{i,j}$ is the dependent counting variable, which is the number of type i firms located in location j , $\lambda_{i,j}$ is a measure of the intensity of the counting process, and α is an over dispersion parameter.

The intensity of the counting process, $\lambda_{i,j}$, is a log-linear function of the predictors:

$$\ln \lambda_{i,j} = b + x_j\beta + D_i\gamma,$$

where x_j is a vector of independent variables characterizing the location j and D_i is a vector of dummies for the generation, the industry and the size of type i firms.

When $\alpha = 0$, the binomial negative reduces to the Poisson process:

$$\Pr\{N_{i,j}\} = e^{-\lambda_{i,j}} \lambda_{i,j}^{N_{i,j}} / N_{i,j}!$$

Dependent variable is the number of type i firms located in the territory j . Firms are categorized by their period of creation, industry group and size. Independent variables are regional characteristics and an urban dummy for 172 cities.

4. Empirical results and conclusions

The estimated value of the negative binomial parameter is close to unity, with a standard deviation of 0.018, which implies that there is a significant and high degree of overdispersion. The two size variables are highly significant. As for agglomeration effects, the elasticity of the number of firms with respect to population is estimated at 0.8. The elasticity of the number of firms with respect to market potential is also positive and highly significant. The coefficient of the risk index is significantly negative, and the elasticity of the number of firms with respect to unemployment is estimated at -.35.

Concerning the role of human capital, the elasticity with respect to the number of graduates per capita is significantly positive as well as the elasticity with respect to the number of students per capita. The estimated elasticities with respect to both the population and the market potential are quite similar across generations, with however a weak tendency to increase from the oldest to the youngest generation. More differences occur across industries than across generations, though differences across generations deserve attention too. Understanding determinants of firms' location is useful for economic policy.

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The role of trust in consumer behavior in the Russian e-commerce market

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Abstract:

While trust is a one of the factors that may influence consumer behavior in the e-commerce market, its role depends on the research context. This study examines the role of trust in the consumer behavior in the e-commerce market in Russia. Drawing on the Theory of Planned Behavior (TPB), this research considers the effect of trust on consumer intention to purchase online, on current online purchasing behavior and anticipated behavior. We propose that trust improve more online consumer behavior and repurchase intentions than consumer intention to buy online. Using structural equation modelling, the conceptual model will be tested with a sample of 1663 Russian Internet buyers. Additionally, influence of actual behavior on anticipated behavior will be calculated.

Keywords: *internet retailing, theory of planned behavior, emerging markets*

1. Introduction

Over the past twenty years the study of different aspects of trust in the electronic markets has attracted increasing attention of researchers of different subject areas (Gefen, Karahanna, & Straub, 2003; Kim, Ferrin, & Rao, 2008; Bente, Baptist, & Leuschner, 2012; Kim, & Peterson, 2017; Hallikainen, & Laukkanen, 2018). Since 2000-s a growing body of literature recognizes the importance of trust for online consumer behavior; however, little is known about the impact of trust on consumer intention to purchase online, actual consumer behavior and anticipated consumer behavior in the context of emerging markets.

E-commerce³ market is a relatively young segment of the retail market in Russia: in 2016 the e-commerce market accounted for only 4.4% of the total retail market (Euromonitor, 2017). Despite the small share, e-commerce showed a substantial growth for nearly 20 years: about 30-40% in the 2000s and nearly 25% after the crisis of 2014 (Euromonitor, 2017). At the same time while Russia takes the first place in Europe in terms of internet users (more than 84 million people) (GfK, 2016), only 34% of them buy online (Virin & Ovchinnikov, 2015). In developed countries this indicator is equal to 60% (UNCTAD, 2015). What's more notable, in Russia the proportion of internet users who make regular purchases and form the core of e-commerce is only 1%. The e-commerce market in Russia is far from achieving its potential due to reluctance of both internet users who are not shop online yet and who are already purchase via internet. While trust is considered as one of the limiting factors that impede consumer adoption of e-commerce (Yandex.Market, & GfK, 2015; Virin & Ovchinnikov, 2015), the particular role of trust and its influence on consumer intention to purchase online, actual consumer behavior and anticipated consumer behavior in Russia is not studied yet. Thus, understanding the role of the trust in the Russian e-commerce market is becoming crucial for the analysis of consumer behavior in this market.

2. Theoretical background

Theory of planned behavior (TPB) proposed by Ajzen (1991) is used as a theoretical framework of this study. TPB model includes three independent determinants of behavioral intention (attitude toward a behavior, subjective norm, and perceived behavioral control (PBC) that further perform the behavior. In that way the model explains the impact of personal determinants and social surroundings on the consumer intention to purchase online and then on its real behavior. This study extends the TBP model in some

³ In this research e-commerce is defined as any type of purchasing or selling of goods and services in large and small size firms via the internet (Solaymani et al., 2012, p.250).

aspects. Firstly, the PBC construct is conceptualized as a set of three variables: two variables are taken from technology acceptance model (TAM) - perceived usefulness and perceived ease of use, and the third variable is a perceived risk. Secondly, the anticipated future behavior is included as consequences of actual behavior. Thirdly, while some researches claim the pivotal role of trust in online consumer purchasing behavior (Gefen, 2002; Pavlou, 2002), the trust is included in TPB model as determinant of intention, actual behavior and anticipate behavior. Figure 1 depicts our proposed model.

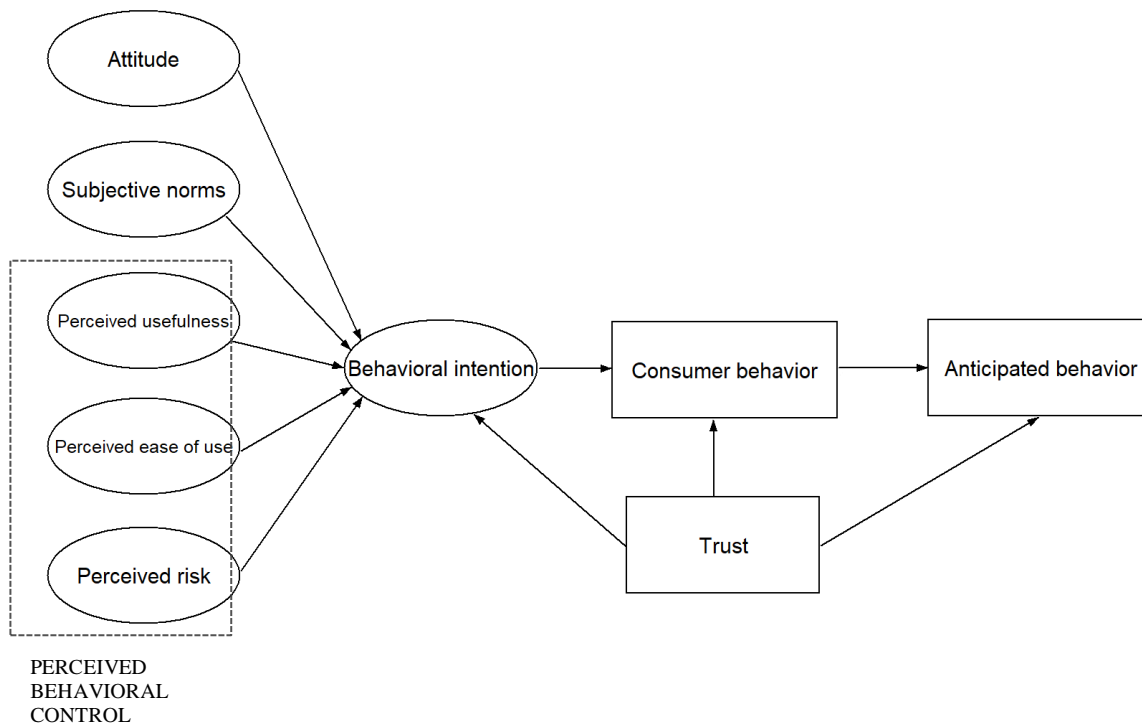


Fig.1. The proposed theoretical model

3. Data and sample

Data is collected using quantitative online survey. A total 1663 respondents have filled in the questionnaire from November 2016 to May 2017. The measures of the theory of planned behavior used in the study originate from Ajzen (1991). Perceived usefulness and perceived easy of use is operationalized by Devaraj, Fan & Kohli (2002). Perceived risk is employed from Kim, Ferrin & Rao (2009). Participation experience in internet retailing measures current consumer behavior and anticipated consumer behavior, and adapted from (Corbitt, Thanasankit & Yi, 2003). Trust in internet retailing is operationalized by Pavlou and Fygenson (2006). As a result, the questionnaire includes 21 questions on theory of planned behavior, and participation experience, and additional socio-demographic questions to describe and classify respondents. The present study measures all items on a seven-point Likert scale ranging from 1 = “completely disagree” to 7 = “completely agree.” While using the common scale is a potential source of bias, its effect is calculated in this study.

4. Expected results of the study

The paper presents the results of two-step analysis (Anderson, & Gerbing, 1988). During the first step a model will be estimated using CFA, then, SEM analysis will be applied to find the best-fitting model and to test causal relationships. Firstly, TPB model will be tested on the e-commerce market in Russia. Secondly, the analysis allows to determine, whether trust influence on consumer intention to purchase online, actual consumer behavior and anticipated behavior. Thirdly, the impact of actual behavior on anticipated behavior will be calculated.

The detailed results of the empirical analysis as well as key findings and discussion would be presented at the conference.

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Internationalization and firm valuation: New evidence from first offshore bond issuances of US firms

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Abstract:

Does internationalization affect firm valuation? To answer this question, literature mainly considers firms from around the world internationalizing by issuing equity in the USA, whereas the current study focuses on US firms that internationalize by issuing debt in overseas markets.

This paper provides evidence on theories of internationalization and capital structure, finding that overseas corporate debt offerings have a positive short-term effect on US firms' valuations. The effect varies in firm characteristics, timing, and the location of the issue. Additionally, firms with a strong need for external funds and growth prospects accelerate their offshore public debt market entry.

Keywords: *Internationalization; Debt Structure; Segmentation; Tobin's q*

1. Introduction

What are the causes and effects of internationalization? To answer this question, the available literature mainly focuses on firms from around the world internationalizing by issuing equity in the USA. At the same time, trends from recent decades indicate an increasing number of corporate debt offerings and a growth in the volume of capital raised by US firms worldwide. The current paper examines US firms that internationalize by issuing straight dollar denominated debt in overseas markets and the effects of such financial internationalization activities.

Recent evidence indicate that the competitiveness of the US equity and bond markets relative to overseas markets has weakened (see, Zingales, 2007). Over the last two decades, international corporate bond markets have been growing at a faster rate than the US bond market, commonly attributed to the financial development, liberalization, and disintermediation of overseas markets along with the adverse influence of the enactment of new regulations on the competitiveness of the US capital market. Studies by Marosi and Massoud, 2007 suggest that costs arising from SOX discourage firms from listing in the USA and cause US firms to raise capital on overseas exchanges. Peristiani and Santos, 2010 show that the choice of US firms to change the market of debt financing from the domestic to the foreign is driven by the decreased US bond market competitiveness.

First, this paper extends the literature on the link between initial public debt issues and the various consequences of debt structure change. Second, an initial public debt issue in a foreign market also offers exclusive opportunities to investigate the impact that financial internationalization has on firm value. Another contribution is that our paper provides new evidence on the determinants of a firm's decision to enter the public bond market. This is the first study to identify the characteristics that affect the timing of firms' decisions to undertake an initial public debt offering abroad.

2. Data, methodology

2.1. Data

We rely on three sources to identify our sample and to obtain the data for the empirical analysis. First, we identify the US firms' international activities by utilizing the data from the Thomson Reuters SDC Platinum database. The firm is included in our sample if it at least once raises debt capital offshore by issuing straight debt denominated in US dollars and has not previously issued any other securities abroad. The sample of US firms is then screened against the Compustat database for the data availability on valuation and other firm-level traits. Finally, we use CRSP to control for name changes and mergers or acquisitions that occurred over the time span of this study. Our final dataset provides annual observations of 168 US firms that internationalized by raising debt capital abroad for the first time over the past three decades.

2.2. Methodology

First, we investigate the possible impact of the set of explanatory variables on the timing of the initial international bond issues. In other words, we study how various firm characteristics affect the timing of a firm's decision to issue bonds offshore during its lifetime. We focus on the timing of the event of interest and conduct a survival analysis. The second objective of the paper is to evaluate the impact on a firm's valuation of an internationalization conducted by issuing bond IPOs abroad. In order to address this objective, we estimate unbalanced panel regressions and report standard errors clustered at the firm level.

3. Valuation effects

First, we illustrate the dynamics of valuation around the offshore bond IPO dates and provide a direct test of Tobin's q before, during, and after the first internationalization activity of US firms.

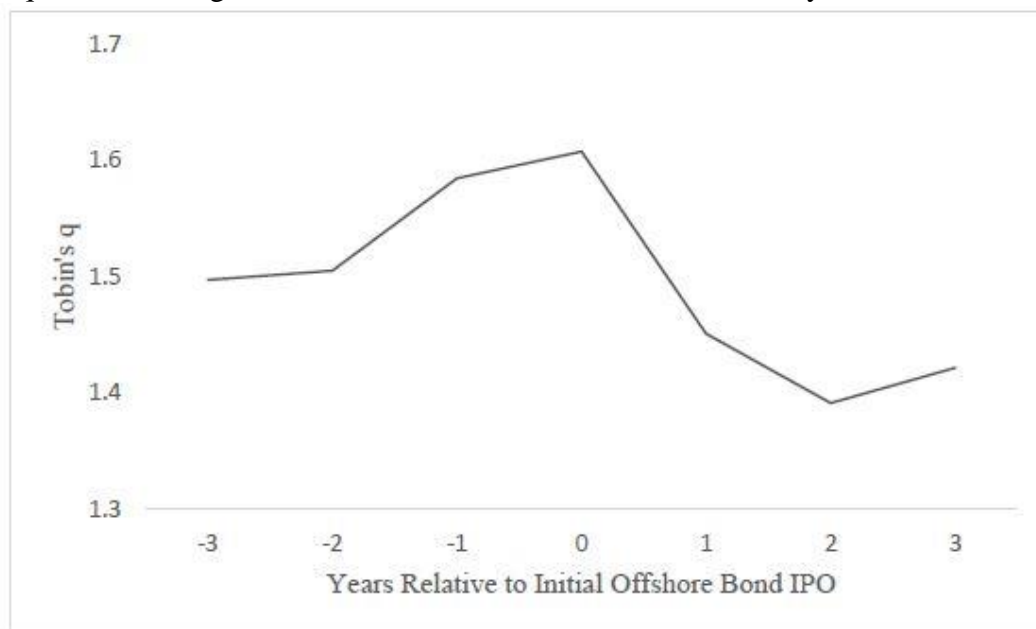


Figure 1. Dynamics of average Tobin's q . Graph plots the dynamic of average Tobin's q of the firms that undertake their first offshore bond IPO (date zero)

Tobin's q tends to rise before the initial offshore bond IPO, reaching its maximum in the year of actual issuance, before declining to around the pre-internationalization level. The following table presents the results of more formal statistical tests confirming that US firms' internationalization leads to a temporary increase in Tobin's q .

Table 1. Internationalization and firm valuation

	Dependent Variable: Tobin's q					
	(1)	(2)	(3)	(4)	(5)	(6)
Anticipatory	0.079 (1.450)				0.108* (1.814)	0.117* (1.904)
Impact		0.040** (2.035)			0.078*** (2.701)	0.093*** (2.843)
Intermediate			-0.012 (-0.317)			0.036 (0.906)
Permanent				0.050 (0.900)		
Size (Log of Total Assets)	-1.423*** (-4.116)	-1.431*** (-4.134)	-1.427*** (-4.126)	-1.435*** (-4.104)	-1.427*** (-4.118)	-1.429*** (-4.119)
Log of (Sales Growth)	0.278** (2.092)	0.285** (2.127)	0.286** (2.119)	0.303** (2.158)	0.268** (1.990)	0.271** (2.006)
Leverage	-0.002 (-0.629)	-0.003 (-0.882)	-0.003 (-0.794)	-0.003 (-0.829)	-0.003 (-0.780)	-0.003 (-0.805)
Firm Dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year Dummies	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.70	0.78	0.71	0.70	0.78	0.78

The results on the dynamics of Tobin's q reported in Table broadly support the segmentation theory of firms' internationalization. The observed valuation patterns are consistent with the segmentation theory prediction of a short-term positive impact, marked by an increased valuation in the period prior to the

internationalization and a subsequent decline to around the original levels. Moreover, results provide support to debt structure theories that predict positive revaluation of the firm upon the issuance of straight debt.

4. Conclusions

The findings suggest that internationalization conveys positive information to the market, reflected in an improvement to a firm's valuation in the short-term. The positive valuation effect is invariant to the introduction of firm specific controls, the state of market, the industry of the issuer and the alternative measure of valuation. Further, the valuation effect alters depending on the time and location of the issuance and the pre-internationalization financial condition of the firm. Additionally, we find that firms with in need of external funds prior to the debt offer, indicated by low profitability and lack of internal funds, accelerate the offshore public debt market entry.

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Institutional Barriers and Ecopreneurship in Russia: The Longitudinal Case of the Recycling Industrial Park

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Abstract:

This paper investigates how institutes influencing on ecological entrepreneurship (ecopreneurship). Paper presents the results of the longitudinal case research of Recycling Industrial Park, Primorsky Territory, Russia. This longitudinal case research was carried out in 2014-2018. The received results allow drawing a conclusion that condition of institutional pillars (regulative, normative and cognitive) are more barriers than drivers and triggers. Besides, valid conclusions that ecopreneurship is type of entrepreneurship for which development it is necessary to transform the cognitive pillar first of all. The presented approach to the study of environmental entrepreneurship based on the neo-institutional theory and the results obtained can be used for further research in this field, and can also be applied in practice by stakeholders.

Keywords: *ecological entrepreneurship, ecopreneurship, institutional barriers, recycling, longitudinal case, Russia*

1. Introduction

Ecological modernization as a complex of political actions creates entrepreneurial opportunities in this field which is reflected in ecopreneurship phenomenon. At this, the extent of the ecopreneurship development depends upon the availability or lack of different drivers, triggers and barriers in each region. It can be assumed that drivers, triggers and barriers are the derivatives of the institutes. The objective of this investigation is to evaluate the role of institutes in the ecopreneurship development in Russia (by the example of the Recycling Industrial Park in the Primorsky Territory).

2. Drivers, triggers and barriers of ecopreneurship

In studies of ecological entrepreneurship are identified different drivers, triggers and barriers that affect individual ecopreneurs and the level of development of ecopreneurial activity in general. These drivers, triggers and barriers can be both internal and external to the ecopreneur personality.

- Among the external factors and conditions of development, researchers identify:
- Favorable state environmental policy [Isaak 2002; Pacheco, Dean, Payne, 2010],
- Power (support or resistance) of regulators [Al-Saleh, Mahroum, 2015],
- Customer requirements [Seidl et al., 2003],
- Support at the earliest stages of business creation (including financial support) [Hawkins, 2004],
- Government assistance in the form of environmental education and education [Gunawan, Dhewanto, 2012].

On the contrary, barriers are the absence or underdevelopment of the listed factors and conditions [Pastakia, 2002].

A special role in creating favorable conditions and removing barriers in the opinion of the majority of researchers is assigned to the state through the government. However, it is noted that many ecopreneurs achieved success without government support [Silajdzic, Kurtagic, Vucijak, 2015].

The study of external conditions and their features in a specific space-time context is one of the most relevant, and at the same time, little-researched directions [Schaltegger, Wagner, 2011].

It can be assumed that drivers, triggers and barriers are the derivatives of the institutes. Institutionalism rests upon the three pillars of regulative, normative and cultural-cognitive prescriptions and expectations [Scott, 1995]. The pillars can range from those that are more explicit to those requiring less tangible guidance for a firm to conform; or from more rational to more unconscious behavioural choices.

Thus, the research question sounds as: *What are the institutional drivers, triggers and barriers of ecopreneurial activity in the modern Russian context?*

3. Methodology, data and sample

Considering the research question, stage of the development of the theory of ecopreneurship, and importance of the context, we assume that case methodology are more suitable for this research.

In addition, to monitor the impact of recent changes in the regulatory pillar of the institutional environment on the conditions for the development of ecopreneurship, and the impact of these changes on regulatory and cognitive pillars, it was decided to conduct a longitudinal study.

Sample includes the project of Recycling Industrial Park, Primorsky Territory, Russia.

This longitudinal case research was carried out in 2014-2018. Data source include interview, documents, open sources. The interviews were subsequently coded in order to facilitate comparisons and to find a pattern or structure in the data. The data were triangulated by a variety of means.

4. Empirical results and conclusion

In this research made an attempt to justify the expediency of studying the external influence on ecopreneurship from the point of view of neo-institutional theory.

As a result of the research, institutional drivers, triggers and barriers of ecopreneurial activity in the modern Russian context were identified. The received results allow drawing a conclusion that condition of institutional pillars (regulative, normative and cognitive) are more barriers than drivers and triggers.

In addition, the following conclusions were drawn:

1. If the activities for recycling of waste are built, first of all, on the regulatory pillar (as was the case in the USSR) - then with his cancellation, everything quickly "collapses";
2. At the moment, normative factors with minus sign (barriers) prevail, but to change this - it is necessary to influence cognitive factors;
3. Ecopreneurship is type of entrepreneurship for which development it is necessary to transform the cognitive pillar first of all.

The presented approach to the study of environmental entrepreneurship based on the neo-institutional theory and the results obtained can be used for further research in this field, and can also be applied in practice by stakeholders.

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A Study of Disruptions in the Indian Telecommunications Industry

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Abstract

The Indian telecom industry has been one of the vibrant industries of recent times. Due to the mobile revolution India has seen an unprecedented growth in the subscriber numbers over the last few years. The Industry however has not been immune to disruptions caused due to regulation, innovation, and technology. The most recent disruption is the entry of Reliance Jio in 2016. This paper studies the key events in the Indian telecom industry and assesses them in terms of disruption based on the litmus test suggested by Christensen et al, 2002. Out of the four key event analyzed, use of WLL and entry of Reliance Jio meets all criteria of the litmus test. The WLL event leads to changes in regulation and entry of Reliance Jio impacted the industry more than any other event.

Keywords: *Disruption, WLL, Monsoon Hungama, MVNO, Reliance Jio*

1. Introduction

1.1. Indian Telecom Industry:

The Indian Telecom industry has been one of the most competitive and vibrant industry in recent times. With the tele-density at 92.92% during October 2017, India is the 2nd largest telecommunication market with 3rd highest number of internet users in the world. India accounted for 40 % of the 107 million subscribers added globally during first quarter of 2017. Between FY'06 and FY'17 wireless subscribers registered a CAGR of 21.64% and internet subscribers grew at a CAGR of 41.62%. The number of subscribers swelled from 14.88 million in 1997 to 1.15 billion by 2016. The smartphone subscriptions in India are forecasted to increase four-fold to 810 million users by 2021. 3G coverage is set to reach 90% of the population and 4G coverage will increase 14-fold by 2020. But government is concerned with the rising of non-performing assets (NPAs) in telecom sector. The entry of Reliance Jio is seen as “renewable shock” causing dramatic reduction in prices.

2. Key Events / Disruptions

The four key events are analyzed as DI in this article. These are (i) launch of “Monsoon Hungama” offer by Reliance; (ii) entry of Virgin Mobile under brand extension plan, (iii) use of WLL by the CDMA operators and, (iv) entry of Reliance Jio through free data services. This paper intends to analyze these events in terms of DI and understand the effect on the mobile operators, the consumer and the policy framework. For the purpose, the paper relies on the framework of Christensen, et al (2002).

3. Data & Sample

The events mentioned in the table-1 were analyzed using the litmus test proposed by Christensen et al (2002) to assess the disruption associated with these events. The effects of these events on the operators were analyzed in terms market share and revenue. From regulatory and policy perspective, the effect was measured in terms of any changes that have followed these events in terms of policy or regulation.

Table 1: Events Associated with disruption in Indian Telecom Industry

SN	Events
1	The launch of “Monsoon Hungama” offer by Reliance
2	The entry of Virgin Mobile under brand extension plan
3	The use of WLL as a substitute to mobility and roaming by the CDMA operators
4	Entry of Reliance Jio through free data services in Sept 2016

4. Empirical Results and Discussions: This section consists of two parts. Part one about Christensen, et al (2002) and second part with respect to policy changes.

Table 2: Assessment of the Events as DI as per Christensen, et al (2002)

Event	Description	Assessment as per Litmus Test
The launch of “Monsoon Hungama” offer by Reliance	Almost free Multimedia CDMA phone, with budget tariff for low budget users.	<p>New Market Test: Test #1: Qualifies. Target customers who could not afford a phone. Test #2: Does not Qualify. It only lowered affordability. Test #3: Neutral. Allows people to use telecom services more easily and effectively, but only on CDMA network.</p> <p>Existing Market Test: Test #1: Neutral: GSM sets were expensive, but not necessarily inferior. Test #2: Qualifies. New business model was created.</p>
The entry of Virgin Mobile under brand extension plan.	Virgin partnered with Tata as a youth brand. Virgin could not adopt MVNO strategy due to regulation but acted as brand extension.	<p>New Market Test: Test #1: Qualifies. Targeted youth market. Test #2: Neutral. New services were offered, not necessarily simple. Test #3: Does not Qualify. Availability of service was affected but not the way it could be.</p> <p>Existing Market Test: Test #1: Qualifies: Niche market was targeted based on gaps in services. Test #2: Qualifies. New model was created.</p>
WLL as a substitute to mobility and roaming.	The fixed telephone operator offered limited mobility with low cost incoming call, and free out-going calls in direct competition with mobile operators.	<p>New Market Test: Test #1: Qualifies. Targeted customers who could not be mobile on fixed network. Test #2: Qualifies. Product convenience to users. Test #3: Qualifies. Allows use telecom services more easily and effectively.</p> <p>Existing Market Test: Test #1: Qualifies: There was no prevailing product. Test #2: Qualifies. New business model was created.</p>
The entry of Reliance Jio through free data services	Free Voice calls and 4G high speed data at lowest price compared to another Telco’s. Free Trial followed by welcome & new year offers.	<p>New Market Test: Test #1: Qualifies. Targeted customers who could not afford data and voice together. Test #2: Does not Qualify. Product does not need major change at user’s end. Test #3: Qualifies. Allows use of affordable services more easily and effectively.</p> <p>Existing Market Test:</p>

		Test #1: Qualifies: Prevailing products were inferior. Test #2: Qualifies. Free voice and low-cost data resulted in new business model.
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WLL and entry of Reliance Jio in 2016 qualified all tests. Monsoon Hungama reduced the barrier of affordability of handset but used on CDMA network which has limited coverage. The handsets are tied to Reliance’s network that defeated the qualification of simple innovation. The entry of Virgin as a brand extension was a compromise due to regulatory constraint.

Table 3: Effect of the Events on Regulatory and Policy Framework

Event	Effect on Operators	Effect on Regulation and Policies
The launch of “Monsoon Hungama”.	Tariffs for voice calls went down by 500%. With 1.7 million subscribers, company added 1.1 million subscribers in a month (DQI, 2003).	The first policy change- Calling Party Pays (CPP). Second policy change- Creation of the Universal Access Service License (Arceneaux, 2017)
Entry of Virgin Mobile.	The operators raised concern on backdoor entry. DoT had to seek clarification from Tata. No particular impact as Virgin got restricted to brand extension.	The DoT clarification- Virgin was not operating as a MVNO (Singh, 2009). TRAI consultation paper on MVNO.
The use of WLL.	Conflict between Fixed and Mobile operators, and legal tussle with regulator. Though WLL introduced competition and the subscriber numbers doubled between March and September 2003.	Technology neutral Licensing regime. TRAI Consultation Paper on WLL. TDSAT’s action challenged at Supreme Court. Reliance fined for roaming services. Gaps in NTP’99 came out in open
Entry of Reliance Jio through free data services in Sept 2016	Reliance Jio gained customer base 2.5 to 3.5 million through free trials. Reduction in consumer-level wireless spending and wireless bills. Revenue and EBITDA for incumbent operators fell between 15% to 40%. Airtel acquired Telenor and Tata’s Operations, Reliance Jio acquired assets of Reliance Infocomm, Idea Cellular and Vodafone announced merger.	Revealed gaps in license condition of duration of free offers. Consultation Paper by TRAI “Network Testing before Commercial Launch of Services”. 90 days’ trial limit was enforced. Reliance Jio used 120 days. Gaps in Tariff Order (1990) in relation to free voice and data services. Reduced collection of license fees and spectrum charges. TRAI amended tariff order to redefine predatory pricing and significant market power (ET, 2018) in the form of Telecom Interconnection Regulations 2018.

In all cases, disruption resulted in a battle among operators, the regulators, policy makers and legal bodies. The licensing conditions were changed to fill the gaps in the policies.

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Performance assessment of the Saint Petersburg maternity clinics: construction of the performance indices and empirical findings

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Abstract:

Health of citizens and performance of organizations that deliver medical services are important indicators of national social and economic development. Nowadays health systems increasingly search for solutions to complex challenges to improving the health services to the communities they serve. Patient satisfaction and the patient experience generally has come front-and-center given trends within the healthcare industry around “patient-centered care”. Therefore, rapidly changing healthcare field makes previous performance measurement models of medical organizations no longer relevant.

The study evaluates the overall performance of 8 Saint-Petersburg maternity clinics and compares results to the estimates of performance assessment for 47 Saint-Petersburg public hospitals in 2017. The multifaceted performance assessment applies the Neely’s concept of Performance Prism which relies on multidimensional nature of organization’s activities and multi-subject evaluation of organization’s attributes.

Applied Performance Prism framework considers patients, doctors, nurses, hospital’s management and city administration as the stakeholders. The hospital’s overall performance defined as total satisfaction gained by all stakeholders is measured with overall performance index (OPI) integrating the partial performance measures representing satisfaction of each stakeholder. To calculate OPI and partial performance measures the authors applied Data Envelopment Analysis and Aggregated Preference Indices models. The OPI empirical estimates demonstrate consistency and provide deep insights on the hospitals’ performance.

Keywords: *Healthcare organizations, public hospitals, maternity clinics, performance measurement, Neely’s Performance Prism, Data Envelopment Analysis, Aggregated Preference Indices*

1. Introduction

In the conditions of institutional transformations that take place nowadays in the domestic health care system, the implementation of new health care approaches is on the front burner for the state policy in this area, and these findings are aimed at achieving balanced results.

The effectiveness of spending the state budget in the provision of socially significant services can be assessed by the results achieved through interaction with stakeholders of medical institutions - patients, doctors, nurses, institutional units of the public health sector, founders, competitors, public organizations, etc. Thus, the purpose of the study was to assess the organizational efficiency of health facilities from the stakeholders’ perspective by identifying preference system of these stakeholders. It investigates St.Petersburg public hospitals and maternity clinics, in particular, providing medical services to citizens under the scheme of multi-channel financing in which the mandatory medical insurance fund is dominating financier.

2. Models and methodology

The study deals with assessment of the organizational efficiency. It applies DEA (Data Envelopment Analysis) method that allow to measure the technical efficiency of the hospitals from available data on resources and output. Then, the aggregate indices method – APIS (Aggregate Preference Indices System) is exploited to construct the overall performance index for each hospital accounting for perception of organizational performance of identified types of stakeholders.

Thus, the aggregate index of performance for each maternity clinic and public hospital was calculated as:

$$Q (MH_i) = \alpha TE(H_i) + \beta PS(H_i) + \gamma DS(H_i) + \delta NS (H_i)$$

where we $TE(H_i)$ is a measure of the hospital's i (H_i) technical efficiency; $PS(H_i)$ – measure of patients' satisfaction with services of hospital i ; $DS(H_i)$ – measure of doctors' satisfaction with performance of hospital i ; $NS(H_i)$ – measure of nurses' satisfaction with performance of hospital i ; $\alpha, \beta, \gamma, \delta$ – the weights' estimates of stakeholders' satisfaction measures. $\alpha > 0, \beta > 0, \gamma > 0, \delta > 0, \alpha + \beta + \gamma + \delta = 1$.

3. Data and sample

This paper is based on the analysis of 8 maternity hospitals in St. Petersburg. The initial sample collected in 2013, included all the state-run inpatient medical organizations in St. Petersburg, 47 healthcare centers in total. In total there were 625 people interviewed, namely 203 doctors, 189 nurses and 233 patients of maternity hospitals.

4. Empirical results and conclusions

The study yields is the hospital's aggregate performance index efficiency based on the stakeholders' perceptions of St. Petersburg public maternity clinics. To validate the assessment of maternity clinics the estimates of the constructed index were compared with those constructed function for the entire sample of St. Petersburg public hospitals. Applied stakeholder approach allowed to account for the interests of all stakeholders, hence, it contributes to help to stimulate managerial innovations in public hospitals.

There are 2 main managerial implications of the study. It provides methodology for measuring the performance of medical organizations and helps to identify the ways for hospital's improvement. Besides, it allows evaluate the impact of each stakeholder on the socio-economic performance of the hospital and to reveal the stakeholder's preferences over the hospital performance.

The implementation of such kind of rating evaluation makes it possible to determine the most efficient clinics for further stimulation of the employees and top-management of the health facilities, allocation of additional funds for the development of their material and technical base, staff development, etc. At the same time, the results obtained by organizations with the lowest rating require focused attention on these healthcare facilities, since it is necessary to understand the current situation and to make timely management decisions to exclude cases of lack of professionalism, dishonest attitude towards the execution of their duties, etc.

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International labor migration of Russian pilots

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Abstract:

In the period between 2006 and 2015, there was a growth of passenger air traffic in Russia. Growth frequency and flight geography required airlines to attract new aviation personnel. However, in the whole world there is a deficit of pilots. The problem of pilot shortage has been worsened by state measures for developing regional airlines. In this paper, we identified reasons for migration of qualified flight crews and developed a set of recommendations, which will allow air companies to retain their pilots. In-depth interviews with 100 pilots and content analysis of advertising materials at Russian aviation universities and colleges revealed factors influencing the decision-making process of pilots' international labor migration. Factors were measured in the econometric probit-model, where depended variable were the pilots' decision to work in foreign airlines. As a result of modeling, significant variables were: average wage in Russian and foreign airlines, number of social programs, the geography of flights, operating time and level of education. According to the results, it was possible to obtain an assessment on the effectiveness state measures of reducing pilots' shortage and using best-practice approach, there were developed a set of measures, which can aid in keeping pilots in domestic airlines.

Keywords: Passenger air transportation, migration of qualified staff, human resources management, factors of labor migration

1. Introduction

1.1. Problems of air transport market development

Transport system development is a condition for world integration process. The growth rate of Russian transport increased by 187% from 9,125 billion dollars in 2005 to 17,023 billion dollars in 2016 (Unctad, 2016) Nevertheless, resources for future growth can be exhausted. Pilots from bankrupt companies (Transaero) preferred to emigrate to foreign airlines, than to work in Russia.

1.2. Effects of labor migration on the quality and quantity of flights crews in Russian airlines

More than 700 pilots emigrated from Russia in last 3 years. To reduce deficit National agency of air transport allowed the employment of foreign pilots, but this measure created some risks. One of them, European pilots retire early and have an ability to work in Russia. According to interstate aviation committee, in Russia more than 94% of aviation accidents (Ermakov, 2015) were caused by the fault of crew. (Figure1)

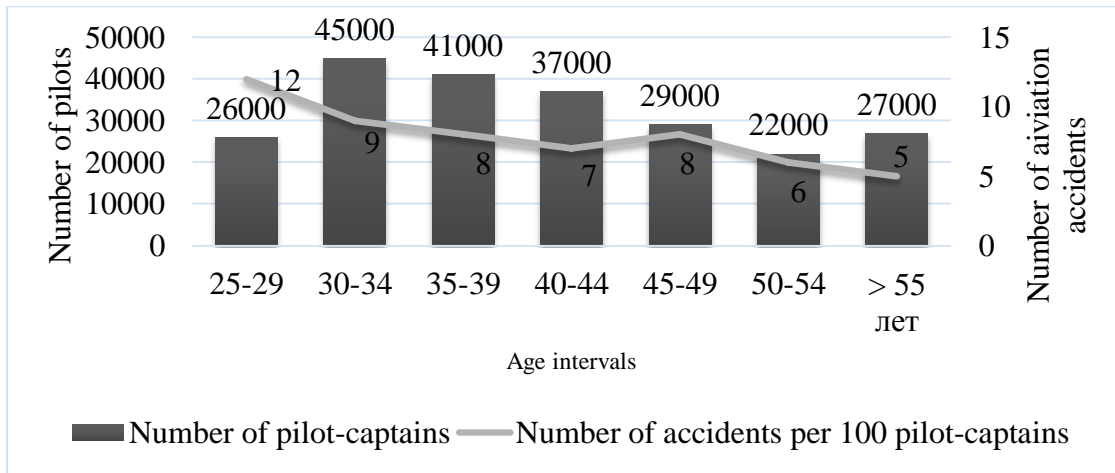


Figure 1 - Dependence of the number of accidents in 2015 on the age of pilots

2. Theory and data

In a framework of research, we tried to identify factors, which influence to decision-making process about migration. The definition of variables was based on the theoretical works (Harris, 1970; Kolosnitsyna, 2005). In addition, we made a content analysis of advertising material, in the period from June to October of 2016 in Ulyanovsk Institute and Sasovo Aviation College. The goal was to identify factors, which attract students to work in current airlines. Names of factor will be below.

Information base of the study was from formalized survey of Russian pilots and in-depth interviews in a period from October to November of 2016. Survey list include 11 questions. Every question include one of the factors from theoretical review and content analyses. Sample size - 100 people. The organization of the survey involved the search of respondents through specialized communication platform for flight crews. 27% of respondents - Russian pilots in domestic airlines, 41% working abroad and 32% graduated students.

3. Empirical results and conclusion

3.1 Econometric modeling

Based on the identified factors, we constructed probit-model of binary choice using Eviews 7.

$$Z = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n \quad (1)$$

where $X = (X_1, X_2, \dots, X_n)$ – vector of independent variables;

β – vector of coefficient;

Z – dependent binary variable pilots decision about work in Russian or abroad airlines.

Systematic we exclude non-significant variables from model to get variables that are more significant. Results showed in Table 1.

Table 1 - Results of econometric modeling

Variable	Coefficient	Standard error	Average marginal effect
Wage in origin country *	-1,12	7,05	-0,00011
Wage in destination country ***	8,38	3,36	0,10255
Operating time	1,44	1,38	7,12208
Number of social programs**	0,62	0,27	0,00519
Geography of flights*	0,03	0,01	9,21453

Education level	1,65	1,55	1,11095
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Note: *** $p < 0,01$; ** $p < 0,05$; * $p < 0,1$.

Our model identified two variants of labor behavior: work in Russia (98,28%) and abroad (95.24%). Interpretation showed, that family, ability to start work without retraining, airline position in international ranking, operating time and pilots' level does not affect to pilots' decision about migration.

In addition, we got an inverse relationship between wages in origin country and probability of pilots' migration. With the growth of wages in foreign airline, probability of a positive decision about migration will increase by 10%. Number of social programs and flights geography positively affect the likelihood of making decision about migration at level of 0,519% and 900% respectively.

3.2. A set of recommendation about attracting pilots in Russian airlines

Results serve a basis for development set of recommendation, which should increase the attractiveness Russian airlines for domestic pilots. Recommendations based on significant variables. We used a "best practice" approach to identify the most popular practices in abroad airlines. The recommendations were systematized in Table 2.

Table 2 - Set of recommendation how to reduce pilots' deficit

Hiring policy	Payroll mechanism
- Tutition payment; - Flight practice on air companies simulators; - Air schools development;	- Incentives indicators in wage; - Increasing fixed part of wage according pilots' level;
Social programs	Flights geography development
- Free treatment in clinics of companies; - Relax in the health resorts airlines offices; - Sport clubs; - Subsidizing the costs associated with the need to stay in the cities;	- Creation of regional centers; - Expansion of the air fleet.

3.3. Conclusion

This study attempted to identify factors of pilots' decision-making process about international labor migration. Econometric modeling showed that most of significant variables located in strategic human resources management. Pilots want to be sure that airlines is interested in them and ready to make an effort to they do their job professionally and safety.

As a way to continue a topic we will study push and pull factors in current airlines. In this case, we can include some factors affiliated with organization design.

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Learning-by-exporting in family firms in terms of product vs process innovation

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Abstract:

This study analyzes how family firm governance influences the conversion of knowledge obtained from exports into various innovation outcomes, a process that is referred to as learning by exporting. We argue that managerial attributes such as the pursuit of nonfinancial goals, and the creation and maintenance of long-term, trust-based internal and external networks render family firms particularly inclined to adapt and improve their products to fulfill their clients' expectations, and more efficient in this process. We further contend that, considering family firms particularly limited resources, this focus in product innovation makes them less productive regarding process innovation. We base our research on a sample of 1,800 firms for the period 2007-2014 to test and provide a dynamic view of these relationships in the areas of exporting, learning and innovation. The empirical findings support our hypotheses, and hold relevant scholarly, management and public policy implications.

Keywords: *Learning-by-exporting; family firms; innovation; longitudinal study*

Introduction, Theoretical Framework and Hypotheses

Foreign markets represent an increasingly relevant source of valuable knowledge in the present globalized economy (Aw et al., 2007). Export markets may provide firms with useful ideas and information not available in their home markets, allowing them to foster their ex-post innovation productivity, a phenomenon that is referred to as learning-by-exporting (LBE) (Salomon and Shaver, 2005). Emerging literature has abundantly documented the LBE effect (e.g. Garcia et al., 2012) and, more interestingly from the strategy perspective, has started to investigate the factors that may influence it. This is a topic of growing relevance considering the importance of innovation activities in firms' performance in today's hyper-competitive markets (Rosenbusch et al., 2011). There is however scant research on the role of family governance in this phenomenon. Family firms are dominant economic players, presently accounting for most of global GDP and creating most jobs in the majority of countries (La Porta et al., 1999). It is therefore imperative to better understand their innovation behavior.

This study further examines the impacts of the flow of new knowledge stemming from firms' exporting activity on innovation. In line with earlier research, we argue that firms have the opportunity to learn from their exposure to foreign markets and thereafter increase their innovation performance. However, we qualify prior research by contending that firms proactively use the novel ideas and information stemming from their international sales that are more aligned with their innovation strategies and capabilities. Since different firms have specific innovation abilities and priorities, the exporting activity will impact them differently. We distinguish between innovation strategies leading to product versus process innovation (Filipescu et al., 2013). We then contend that family governance is a key factor that has an impact in both the choice of the innovation form and in the capability to develop it, with exporting family firms being more willing and able than non-family firms to pursue product innovation, and conversely regarding process innovation.

To disentangle these complex relationships we first argue that managerial attributes such as the pursuit of nonfinancial goals, and the creation and maintenance of long-term, trust-based internal and external networks (Chrisman et al., 2012), render family firms particularly inclined to adapt and improve their products to fulfill their clients' expectations. A typically narrower product line and a higher use of tacit knowledge than non-family firms (Duran et al., 2016), makes it also more necessary and easier for family

firms to transform the new knowledge into product than process innovation. At the same time, these same features and a superior ability in resource orchestration (Sirmon et al., 2011), render them more efficient in the conversion of knowledge from abroad into this type of innovation output, than non-family firms. Considering family firms particularly limited resources and risk aversion (Pukall and Calabrò, 2014), this also makes them less productive regarding process innovation. Therefore, our two hypotheses are the following:

H1: The LBE effect on product innovation is higher in family firms than in non-family firms.

H2: The LBE effect on process innovation is lower in family firms than in non-family firms.

Methodology and findings

This study analyses data from the period 2007-2014 drawn from the Spanish Survey on Business Strategies (SSBS), an institutional database of manufacturing firms. The SSBS contains a yearly average sample of 1,800 firms with 10 or more employees.

Given the binary nature of the variables and the unobserved heterogeneity, we first performed a probit model, and ran several regressions considering two different explanatory variables (namely, product and process innovation).

Empirical findings provide overall support for our arguments, showing a greater LBE effect for family firms in terms of product innovation, and a lesser one in terms of process innovation.

The results have implications for managers regarding the need to foster those managerial attributes bringing a more efficient conversion process from new knowledge into innovation outputs.

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Customer Lifetime Value Management in the Russian telecommunications

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Abstract:

This study addresses customer lifetime value (CLV) as a tool for managing customer profitability in the Russian telecommunications industry through determining the most influential components of CLV on profitability. The analysis is based on multiple regressions and implemented on four customer segments, defined by customer type (B2B vs. B2C) and rate plan type (bundle vs. flat), separately. The results show that the relative weight and variance of CLV components varies across segments. The findings of the study illustrate the use of CLV as a tool for improving profitability in particular customer segments in the context of emerging markets.

Keywords: *CLV, CRM, segmentation*

1. Introduction

Customer lifetime value (CLV) is a metric that allows firms to segment customers based on their profitability (Berger & Nasr, 1998; Venkatesan & Kumar, 2004). CLV received notable scholarly attention as a tool for evaluating a firm's entire customer base (e.g., Gupta, Lehmann, & Stuart, 2004; Wiesel et al., 2008), however, its use for managing customer profitability *within and across* individual customer segments has received less attention.

In the context of developed markets, customer relationship management (CRM) has since the 1990s gained popularity in the academic literature (Payne & Frow, 2005). As for emerging markets, though, managing individual customer relationships has traditionally been overlooked. The purpose of the research is to address this gap and to extend current applications of CLV, illustrating CLV use in managing customer profitability for a Russian telecommunications firm.

2. Conceptual Background

CLV is composed by cash flows from a customer relationship over its lifetime, discounted to the present day (Hwang, Jung, & Suh, 2004):

$$CLV = \sum_{i=1}^N \sum_{t=1}^T \frac{\pi_i(t)}{(1+df)^t} * rr_i^t, \quad (1)$$

Where π – profits from customer i in time period t , df discount factor, rr retention rate, T length of the projection period (months), and N total number of customers in the sample.

The profits can be broken down into (e.g., Bauer, 2005):

$$\pi_i(t) = AR_{ii} + UR_{ii} + XR_{ii} - SC_{ii} - MC_{ii}, \quad (2)$$

Where AR denotes autonomous revenue, UR upselling revenue, XR cross-selling revenue, SC sales costs, and MC marketing costs. AR and UR account for sales of key product or service to existing customer base; AR comes from regular sales expected from a customer, whereas the UR are the additional sales caused by either changes in the customer's consumption pattern or the firm's marketing activities. XR comes from sales of adjacent products. SC includes both production and service costs. MC represents costs of customer retention and development, excluding acquisition costs (see also Berger & Nasr, 1998).

3. Research Context

Russian telecommunication industry similarly to most modern markets is characterized by intense competition with low switching costs and aggressive market consolidation (Hwang et al., 2004).

The global shift towards bundle rate plans was delayed in Russia when compared to many European markets, with bundles still taking less than half of all rate plans⁴. Accordingly, whereas in many developed markets telecoms have successfully increased tariffs along with amplifying the product offering, in Russia consumers have not perceived the value of additional services and started to switch operators frequently. This led Russian telecoms to a continuous price war, calling for new remedies for a healthier, mutually beneficial competition. Enhancing CRM could provide one such remedy.

4. Research methods

The data was provided by a major Russian telecom, which offers all key telecom services and operates in most Russian regions. Its customers are either business-to-consumers (B2C), that is, private individuals, or business-to-business (B2B) - differently sized firms. The firm's rate plans form two categories: flats and bundles. In case of a flat rate plan customer pays for each unit of service provided, e.g., each minute or megabyte. In contrast, customers with a bundle rate plan pay a fixed price per period and get a certain package of services. Thus, analyses were conducted separately for 4 segments: 1)B2C customers with flat rate plans, 2)B2C customers with bundles, 3)B2B customers with flat rate plans, and 4)B2B customers with bundles.

The sample consists of 54,196 customer accounts observed over six months, with *CLV*, *AR*, *UR*, *XR*, *MC*, *SC* and *rr* registered for each customer account. First, we start with analysis of variance (ANOVA) to explore differences between CLV and its components. We conclude that all variables have significantly different means across segments. Next, using OLS regressions, we regress CLV against profit components, in order to identify the elements improvement of which would most increase CLV in each segment. Interpreting standardized beta coefficients as an estimation of relative impact of a one standard-deviation change provides a direct approach to measuring such impact (see Chahal & Bala, 2014). Table 1 presents the results.

Table
Beta

	1.B2C flat	2.B2C bundle	3.B2B flat	4.B2B bundle
AR	0.41***	0.51***	0.56***	0.37***
UR	0.59***	0.47***	0.33***	0.58***
XR	0.21***	0.25***	0.33***	0.14***
MC	-0.01***	0.01***	0.02***	0.03***
SC	-0.03***	-0.03***	-0.02***	-0.03***
(1-rr)	0.01***	-0.05***	-0.01***	-0.03***
<i>F</i>	40,816.02***	40,419.71***	15,027.89***	16,210.18***
<i>R</i> ²	.72	.71	.58	.61

*) $p < .10$; **) $p < .05$; ***) $p < .01$

1: Standardized coefficients (regressions)

5. Results and implications

Unsurprisingly, AR, UR, and XR result in the largest relative change in CLV in all segments. However, predominance of each revenue type varies. For segments 1 & 4, increasing UR would increase

⁴ Interview with a case company representative, 10.11.2017.

CLV the most; for segment 3 increasing AR would be most beneficial. For customers in segment 2 impact of both AR and UR is relatively equal; same applies for UR and XR in segment 3. Reducing SC would be particularly beneficial (as compared to MC) in B2C segments. Reducing customer churn would have the largest relative impact in segments with bundles, particularly in B2C. Interestingly, *increasing* MC in all segments but the first would lead to an *increase* in CLV. Similarly, an *increase* in customer churn leads to an increase in CLV in the same segment. This implies that customers with the highest CLV are also those most likely to churn. These findings suggest that the case company should allocate more resources to CRM in this segment.

6. Conclusion

Traditional use of CLV relates to adapting marketing activities to customer groups, with the focus on the most profitable ones. However, in contexts like telecommunications, serving only most profitable customers is not possible (Hwang et al., 2004). Therefore, it is particularly crucial to find alternative ways of enhancing profitability. This study illustrates a new use of CLV as a metric for guiding CRM activities across customer segments. Similar methodology could be applied to other industries and contexts, however, suggested approach is likely to prove particularly beneficial for emerging markets.

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Knowledge externalities and unification of innovative production networks

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Abstract:

This paper investigates the following problem: what affects the amount of investment into knowledge when one of the network firms enters another innovation network? The solution of this problem will allow understanding how exactly will innovative companies behave when deciding whether to enter the innovation network of another country or region, what conditions affect it and how the level of investments in knowledge will change. First, we study a change of internal Nash equilibrium in a static version of the model. Then we investigate the process of adjustment dynamics which starts after the junction of the networks being in initial inner equilibrium. We show that the dynamic adjustment process leads not to the internal joint equilibrium but to the corner equilibrium in which all firms are “hyperactive”.

Keywords: *network; network game; Nash equilibrium; externality; productivity; innovative network; investment into knowledge*

1. Introduction

Processes of globalization, postindustrial development and digitalization of economy make important studying the role of innovative networks of firms in the modern economy. Analysis of behavior of firms in international innovative networks is provided in [1, 2]; structural dynamics of regional innovative systems is studied in [3, 6]. These papers reveal mechanisms of the process of creation of more extensive innovative networks based on existing ones. Following this line of research, our paper provides a model of unification of two innovative networks. The equilibria and the adjustments dynamics are described following [4, 5].

2. Static model

2.1 Model description

There are two clicks (complete subnetworks) with n_1 and n_2 nodes respectively. Economic agents (firms) in the nodes have preferences described by the utility function $U(c_1, c_2) = c_1(e - ac_1) + bc_2$,

where c_1, c_2 – the agent’s consumptions at two stages, $0 < a < \frac{1}{2}, b > 0, e > 0$. Each agent initially has an endowment, e (time or product), and distributes it between consumption at the first stage and investment to knowledge, k . Production function is $F(k, K) = BkK$, where $B > 0$, k – amount of investments,

$K_i = k_i + \tilde{K}_j$ – environment of agent i , $\tilde{K}_j = \sum_{j=1}^n k_j, j \neq i$ – production externality created by the firm’s

immediate neighbors in the network. At the second period, the produced good is consumed: $c_2 = F(k, K)$. We consider the parameter $A = bB$ as the firm’s productivity.

Following [7], we use a modification of the Nash equilibrium concept, under which in the moment of decision making the firm takes its environment as exogenously given. In such case there exists unique inner equilibrium (such that each agent’s investment is inside the interval $(0, e)$). In the initial equilibrium

in which the two clicks $i=1,2$ do not interact, the agents' investments (as follows from [4]) are

$$k_i^0 = \frac{e(1-2a)}{n_i A - 2a} \text{ and externalities are } \tilde{K}_i = (n_i - 1)k_i^0.$$

2.2 Unification of innovative networks

Suppose, that one of the firms of the first click establishes knowledge and technology exchange with all participants of the other click. Consequently, the new amounts of investments in an inner equilibrium are:

$$k_1^* = \frac{2ae(1-2a)(n_2 A - 2a)}{(n_1 - 1)n_2 A^3 + 2a(n_1 - 1)n_2 A^2 + 8a^3 - 4a^2(n_1 + n_2)A},$$

$$k_2^* = \frac{2ae(1-2a)[(n_1 - 1)A - 2a]}{(n_1 - 1)n_2 A^3 + 2a(n_1 - 1)n_2 A^2 + 8a^3 - 4a^2(n_1 + n_2)A},$$

$$k_3^* = \frac{e(1-2a)[(n_1 - 1)n_2 A^2 - 4a^2]}{(n_1 - 1)n_2 A^3 + 2a(n_1 - 1)n_2 A^2 + 8a^3 - 4a^2(n_1 + n_2)A}$$

and corresponding externalities are:

$$\tilde{K}_1^* = (n_1 - 2)k_1^*$$

$$\tilde{K}_2^* = (n_2 - 1)k_2^*$$

$$\tilde{K}_3^* = (n_1 - 1)k_1^* + n_2 k_2^*$$

where indices 1 and 2 denote clicks and index 3 – the firm which connects the clicks.

Now we can analyze the difference between the initial and the final amounts of investments.

To begin with, it is necessary to define the effective agent. The agent is called efficient, if $A > 2a$ (i.e. doubled speed of good satiation is less than agents' productivity).

To start with, we will analyze the connecting agent. We compare investment before and after the unification:

$$k_3^* \text{ vs } k_3^0$$

$$(n_1 - 1)^2 n_2 A^3 \text{ vs } 4a(n_1 - 1)n_2 A^2 - 4a^2 n_2 A$$

$$(n_1 - 1)^2 A^2 - 4a(n_1 - 1)A + 4a^2 = [(n_1 - 1)^2 A - 2a]^2 \geq 0$$

In this way, $k_3^* > k_3^0$ for all parameter values, because $A \neq \frac{2a}{n-1}$ ($A > a$).

Next step is considering the second click agents

$$k_2^* \text{ vs } k_2^0$$

$$4a^2 \text{ vs } (n_1 - 1)n_2 A^2$$

In this way,

1. if $A < \frac{2a}{\sqrt{(n_1 - 1)n_2}}$, then $k_2^0 < k_2^*$,
2. if $A = \frac{2a}{\sqrt{(n_1 - 1)n_2}}$, then $k_2^0 = k_2^*$;

$$3. \quad \text{if } A > \frac{2a}{\sqrt{(n_1-1)n_2}}, \text{ then } k_2^0 > k_2^*,$$

Finally, we will analyze the first click agents

$$k_1^* \text{ vs } k_1^0$$

$$2a(n_1n_2 - n_1 + 1) \text{ vs } (n_1 - 1)n_2A$$

Now it is significant to consider the relation between n_1 and n_2 .

$$\text{First case: } n_1 = n_2 + 1 \Rightarrow \frac{(n_1n_2 - n_1 + 1)}{(n_1 - 1)n_2} = 1. \text{ Consequently,}$$

$$1. \quad \text{if } A < 2a, \text{ then } k_1^0 < k_1^*,$$

$$2. \quad \text{if } A > 2a, \text{ then } k_1^0 > k_1^*,$$

$$\text{Second case: } n_1 \neq n_2 + 1 \Rightarrow \frac{(n_1n_2 - n_1 + 1)}{(n_1 - 1)n_2} \neq 1. \text{ Consequently,}$$

$$1. \quad \text{if } A < 2a \frac{(n_1n_2 - n_1 + 1)}{(n_1 - 1)n_2}, \text{ then } k_1^0 < k_1^*,$$

$$2. \quad \text{if } A = 2a \frac{(n_1n_2 - n_1 + 1)}{(n_1 - 1)n_2}, \text{ then } k_1^0 = k_1^*,$$

$$3. \quad \text{if } A > 2a \frac{(n_1n_2 - n_1 + 1)}{(n_1 - 1)n_2}, \text{ then } k_1^0 > k_1^*.$$

It is necessary to note that if the connecting cluster is bigger than the other one ($n_1 - n_2 > 1$), then there is a small group of low efficient agents, that has the same behavior pattern as that of non-efficient actors.

In the contrary case ($n_1 < n_2 + 1$) there is a small group of non-efficient agents which productivity is close to $2a$, so they have the efficient behavior pattern.

To sum up, we can make several conclusions.

Firstly, firms with very high and very low efficiency will increase and decrease the amount of investments respectively after the unification.

Furthermore, it is very important for the first click how large or small is the counterpart innovative cluster.

Finally, the innovative firm, which wants to join another innovative click, should be prepared for increasing its investment expenditures for knowledge because of new economy and technology environment.

3. Dynamic model

3.1. Model description

After the consideration of the static model, we can turn to modeling of adjustment dynamics. We can describe the adjustment dynamics of the united net as follows:

$$\left\{ \begin{array}{l} k_1^{p+1} = \frac{(n_1-1)A}{2a} k_1^p + \frac{A}{2a} k_3^p + \frac{e(2a-1)}{2a}, \\ k_2^{p+1} = \frac{n_2A}{2a} k_2^p + \frac{A}{2a} k_3^p + \frac{e(2a-1)}{2a}, \\ k_3^{p+1} = \frac{(n_1-1)A}{2a} k_1^p + \frac{n_2A}{2a} k_2^p + \frac{A}{2a} k_3^p + \frac{e(2a-1)}{2a}. \end{array} \right. \quad \text{where } p = 0, 1, 2, \dots$$

Its solution for the case $n = n_1 - 1 = n_2$:

$$\begin{pmatrix} k_1^P \\ k_2^P \\ k_3^P \end{pmatrix} = C_1 \lambda_1^P e_1 + C_2 \lambda_2^P e_2 + C_3 \lambda_3^P e_3 + \begin{pmatrix} k_1^* \\ k_2^* \\ k_3^* \end{pmatrix}$$

where $e_1 = \begin{pmatrix} 1 \\ 1 \\ \frac{1}{2}(1-n-\sqrt{n^2+6n+1}) \end{pmatrix}$, $e_2 = \begin{pmatrix} 1 \\ 1 \\ \frac{1}{2}(1-n+\sqrt{n^2+6n+1}) \end{pmatrix}$ and $e_3 = \begin{pmatrix} -1 \\ 1 \\ 0 \end{pmatrix}$ –

eigenvectors, which relate to eigenvalues

$$\lambda_1 = \frac{A}{4a} \left(n+1 - \sqrt{n^2+6n+1} \right), \lambda_2 = \frac{A}{4a} \left(n+1 + \sqrt{n^2+6n+1} \right) \text{ и } \lambda_3 = \frac{nA}{2a} \text{ respectively.}$$

3.2. Graph visualizing

We can visualize this dynamics with graphs.

Restrictions:

- $n_1 = n_2 + 1$,
- $A > \frac{1}{n_1}$.

First case: efficient and low saturated agent.

Investment

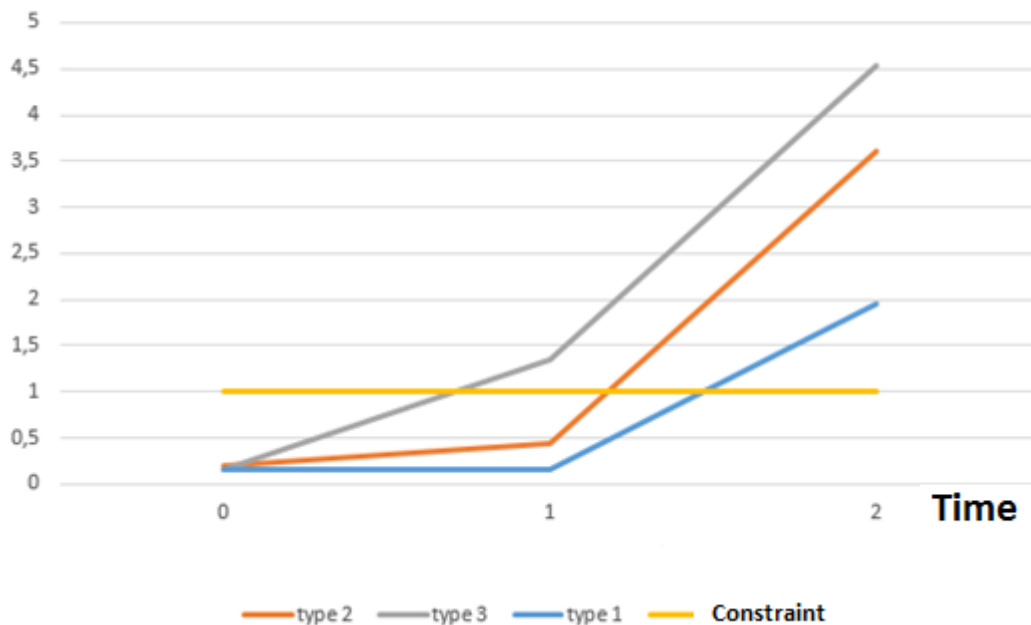


Figure 1. Investment change of efficient and low saturated agents

As Figure 1 demonstrates, in the first period the connecting agent starts investing all its initial reserve of good into knowledge. It can be explained with large number of links with all other actors. Further, the second type agents start to invest all initial good and, finally, the first net actors become hyperactive.

Second case: efficient and high saturated agent. The conclusions are the same, except the number of time periods that are needed for agents to become hyperactive (i.e. to invest the whole endowment, e). It

can be explained by that increasing utility of initial good consumption decreases the motivation for investment in producing new knowledge.

Third case: non-efficient and low saturated agent.

Fourth case: non-efficient and high saturated agent (see Figure 2).

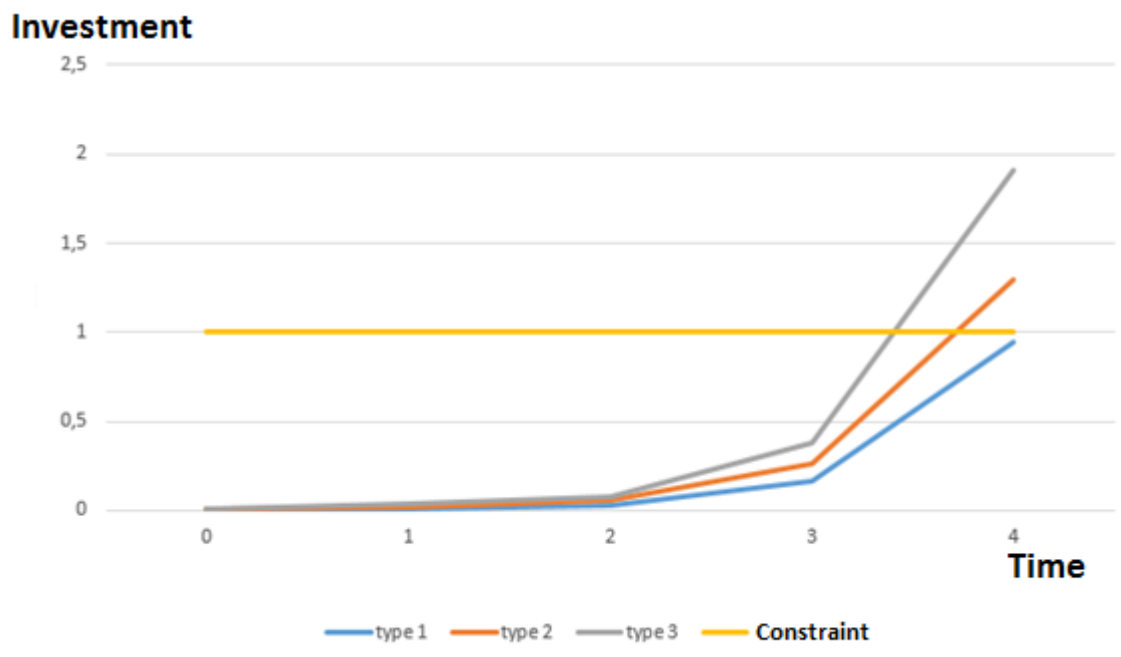


Figure 2. Investment change of non-efficient and high saturated agents

We can make several conclusions by comparing efficient and non-efficient agents: the increasing speed of investment amount is higher for productive actors than for non-productive ones.

We note also that the static inner equilibrium which we have studied in Section 2.2 is not stable under the adjustment dynamics described in Section 3. The dynamic process leads not to the inner equilibrium but to the equilibrium in which all agents are hyperactive (or all are passive, in other case).

A future research may be directed to developing modifications with more realistic assumptions and to more profound research of adjustment dynamics.

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The Role of Social Effects in Transportation Infrastructure Projects

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Abstract:

This paper investigates the problem concerning the current situation in many urban districts, specifically the fact that growing number of real estate causes traffic congestions. Developers are not primarily interested in providing social and economic infrastructure. The main driver for their activities is profit. The stakeholder that is responsible for providing all the necessary infrastructure is government. However, local governments do not have enough financial and time resources to provide all municipalities with required infrastructure conditions. As a result, houses are built, roads are absent. For almost each district it is possible to implement several transport infrastructure projects. The more carefully all socio-economic effects are calculated, the more effective will be the decision which project should be realized as the first priority. The paper proposes improvements to the current methodology of the socio-economic effects estimation. The proposed formula is tested with Monte-Carlo simulations.

Keywords: *value of time travel savings; social effects; transportation infrastructure projects; principal components analysis; Monte-Carlo simulations*

1. Introduction

The **goal** of the research is to introduce an improved approach for assessing value of travel time savings (VTTS) after implementation of transportation infrastructure projects.

The current methodology in Russia takes into account travel time reduction and monetary coefficient which is calculated either through GDP or GRP. This information does not provide clear understanding of who are the users, what they prefer, what are probabilities that car owners will switch to public transport in case of better public transport infrastructure. This methodology also does not provide information on how people value their time and what trip purposes are more 'expensive' for them and which are less. This motivates the current research.

2. Value of travel time savings

A cornerstone of social analysis is the Kaldor-Hicks criterion – if the winners can compensate the losers, then the project is considered to improve welfare. In this case no differentiation should take place in VTTS assessment. However, as there are factors that influence value of time perception for each individual person, creating groups of users, there appears a contradicting point of view. This is supported by researchers that state that the VTTS increases with income (Abrantes & Wardman, 2011; Amador, González, & Ortúzar, 2005).

Two contradicting points of view create a large dispute. Some authors and applied appraisal guidelines support using actual VTTS: (often called behavioral values), and hence differentiating the VTTS among user groups (Sugden, 1999). Other authors and appraisal guidelines take the opposite extreme, arguing that a single or very few VTTS (often called equity values) should be used for all private journeys (Kouwenhoven et al., 2014).

3. Data and sample

In this research primary data was used, particularly a questionnaire created according to features of various transport modes. The research was held online and offline. The offline survey also included interview to find out how people live in Kudrovo and what infrastructure they need and what is their lifestyle. As well as getting to know people from this district pre-test of the questionnaire was done. Interviewees were asked whether they understood all questions in the proper way and which questions

should be further improved. The first version of the questionnaire contained 22 questions and after pre-testing it was shortened up to 18 questions.

4. Empirical results and conclusions

4.1. Results of principal component analysis

Principal component analysis of the whole sample classified by the level of income of respondents showed that there are several groups of people that prefer a particular mode of transportation. Table 1 presents that for all groups of respondents subway is appropriate.

Table 1. PCA results grouped by level of income

	Car	Bus	Speed tram	Tram	Train	Subway
Low income				+		+
Middle income	+		+		+	+
High income	+		+		+	+

The results show that people are ready to pay for speed by their comfort, not money, although such indicator was also presented in the sample. The second factor that influences decision is safety. People are ready to switch from cars if they are introduced a safer mode of transport. Thus, one of these factors should be somehow estimated in formula of VTTS.

4.2. Methodology for VTTS estimation

The current formula is the following:

$$\Delta P_t = \sum_{i=1}^n (P_{it}^b - P_{it}^{pr}),$$

where P_{it}^b and P_{it}^{pr} are public losses, connected to travel time expenses of population on road area i corresponding to base and project conditions.

Yearly losses, connected to travel time expenses of population on each area, are calculated by the formula:

$$P_t = 365 * C_t^{pas} [N_t^{car} * B^{car} \left(\frac{L}{V_t^{car}} + t_t^3 \right) + N_t^{bus} * B^{bus} \left(\frac{L}{V_t^{bus}} + t_t^3 \right)]$$

where $C_t^{pas} = \frac{GRP \text{ per capita}}{365 * 24}$ is average value of losses of national economy per 1 person/hour being on travel

N_t^{car}, N_t^{bus} - average annual day's traffic correspondingly to private cars and buses on road area, vehicle/24 hours;

B^{car}, B^{bus} - average amount of passengers in one vehicle (car or bus);

V_t^{car}, V_t^{bus} - average speed of vehicle (car or bus) on road area, km/hour;

L - length of the road area;

t_t^3 - extra time spent in traffic on the road area

The first consideration about the currently used formula is that total amount of passengers is estimated per 24 hours, whereas average speed is calculated per hour. The second consideration is that the main

goal of any road project is to decrease level of congestion. This will provide passengers with higher comfort and indirectly increase safety at the same time.

The proposed formula is determined by:

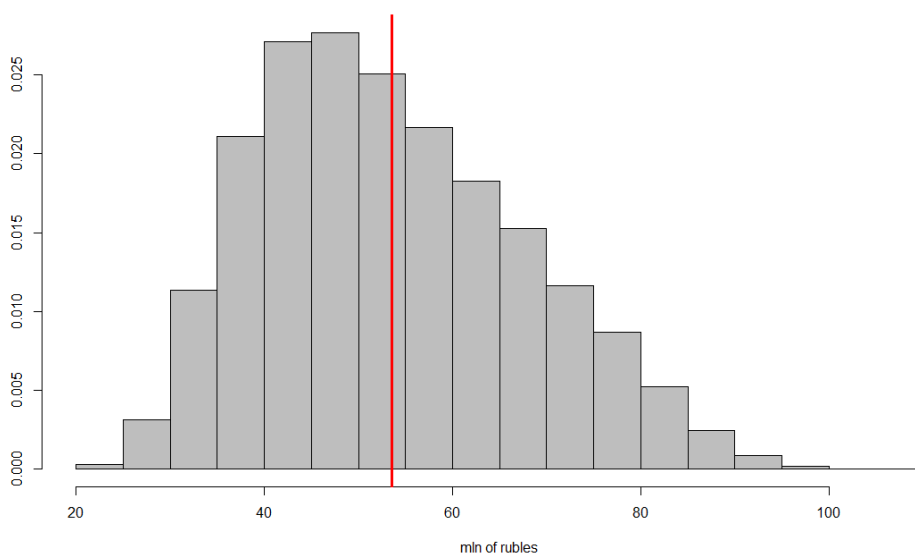
$$P_t = 365 * \frac{C_t^{pas}}{1 - z} * \left[\frac{N_t^{car} * B^{car}}{24} \left(\frac{L}{V_t^{car}} + t_t^3 \right) + \frac{N_t^{bus} * B^{bus}}{24} \left(\frac{L}{V_t^{bus}} + t_t^3 \right) \right]$$

Where z is a load factor which lies in interval [0,1].

4.3. Monte-Carlo simulation

Monte-Carlo simulation was held for 100 000 scenarios. The final distribution is right-skewed and is smooth, which proves the formula to be stable.

Figure 1. Distribution of deltas after Monte-Carlo simulation



One-way sensitivity analysis showed that the major impact on value of VTTS have numbers of car and bus passengers. On average if a car has one additional passenger the change in VTTS will be more than 10 mln rubles, whereas one extra passenger in bus will bring extra 350 thousands of rubles. The negative impact on VTTS brings increase in intensiveness of buses.

4.4. Principal conclusions

The research showed that comfort is one of the major factors that influence people’s behavior and mode choice. The largest amount respondents are ready to sacrifice their comfort in order to commute faster. It should be also taken into account that Kudrovo village undergoes challenge in transport infrastructure and it does not cover all the needs of inhabitants of this area. The results also showed that there is a group of respondents that are still ready to pay extra travel time for prestige and are not ready to switch modes of transportation in order to decrease travel time. This proves that people evaluate their time differently and that it depends on various factors.

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Facets of Persuasion Knowledge: How Marketing Literacy and Skepticism Affect Consumer Behavior

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Abstract:

Persuasion knowledge (PK) is an umbrella term that encompasses a broad set of interrelated beliefs people hold about marketers' persuasion attempts. While the multidimensional nature of the PK is accepted, there is a lack of understanding how different PK dimensions relate to each other. Moreover, there is no clear explanation how PK dimensions affect various consumer behaviors prevalent in the marketplace. Based on the review of existing literature, the authors delineate marketing literacy and marketing skepticism as two distinct PK dimensions. The empirical study on a sample of Russian consumers demonstrates that marketing literacy and marketing skepticism have differential effects on rational, heuristic, and experiential coping behaviors.

Key words: *persuasion knowledge, dimensionality, marketing literacy, marketing skepticism, coping behavior, consumer behavior*

1. Introduction

When consumers interact with the marketplace, they develop their own theories about how marketers try to influence them through advertising, pricing, packaging, personal interaction, etc. These theories are the part of dispositional persuasion knowledge (PK) that determines consumers' responses to subsequent persuasion attempts.

Dispositional PK comprises persuasion-related beliefs accumulated over multiple persuasion experiences consumers had in the marketplace (Ham et al., 2015). Friestad and Wright (1994) delineate different types of beliefs that form the content of consumers' PK: beliefs about psychological mediators that marketers might try to influence; beliefs about marketers' tactics; beliefs about one's own coping tactics; beliefs about the effectiveness and appropriateness of marketers' tactics; and beliefs about marketers' persuasion goals. Campbell and Kirmani (2000) describe PK as "a loose set of beliefs or intuitive theories about persuasion", that may be accurate or inaccurate. The all-embracing character of the dispositional PK makes it hard to work with it at the empirical level. So far, researchers acknowledged the multidimensional nature of the construct, but rarely included more than one PK dimension in empirical studies.

The objectives of the research are to uncover underlying dimensionality of dispositional PK, understand the relations between proposed dimensions, and examine their effects on consumer coping behavior.

2. Theoretical background

2.1. PK as a multidimensional construct

To uncover the structure of dispositional PK, the authors reviewed relevant articles from international journals that involved and explicitly measured different PK-related constructs. The analysis allowed coming up with at least two dimensions that are reflected in the reviewed studies: marketing literacy (ML) and marketing skepticism (MS).

ML implies that consumers, firstly, possess conceptual knowledge about marketer's persuasion motives, tactics, persuasion processes, and consequences (for instance, knowledge of "marketing jargon" (Macdonald and Uncles, 2007)), and, secondly, know how to use this knowledge to deal with persuasion attempts in practice (for instance, how to "understand the bargaining tactics used by salespersons" (Bearden, Hardesty, and Rose, 2001)).

MS constitutes subjective consumer feelings about marketers' persuasion attempts. Higher skepticism is associated with more critical attitude toward marketing practices used in the marketplace (Skarmeas and Leonidou, 2013; Obermiller and Spangenberg, 1998).

2.2. Coping behavior

Friestad and Wright (1994) stated that PK helps consumers cope with persuasion attempts. Coping includes a variety of consumer behaviors aimed at gaining a greater control over persuasion attempts (Friestad and Wright, 1994). In the context of consumer-firm interactions, greater control can be gained either through more active usage or avoidance of marketplace information.

There are at least three types of active coping behavior that consumers may use to make sense of the marketplace. Functional coping is an effortful activity that involves the application of solid reasoning and comparison of different alternatives based on rational criteria (such as price and quality). Heuristic coping is a relatively low-effort activity that implies consumers use various marketplace cues (such as brand name, price, country of origin) to make judgements regarding product characteristics. Experiential coping is action-based, it implies consumers study the marketplace through the trial of new products.

Greater PK implies greater control of the persuasion outcome (Friestad and Wright, 1994). However, ML will stimulate active coping by the usage of market information through any of three routes, while MS will stimulate avoidance coping through the rejection to use marketplace information. Consequently, ML will positively affect rational, heuristic, and experiential coping behaviors, while the effect of MS will be negative.

3. Data and sample

Empirical study is based on a survey of 201 respondents (56,7% - male and 43,3% female) via personal face-to-face fully structured interviews, conducted with consumers at home. All the measures have been based on existing sources, most of which have been tested in Russian context for the first time.

4. Empirical results

The preliminary results of the study indicate various paths of PK dimensions on different types of coping behavior. In particular, ML drives rational and heuristic coping behaviors, while MS is negatively associated with heuristic and experiential coping behaviors.

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Are Russian Resource Regions Ready to Shift to the Principles of the Circular Economy? (Shift-Share Analysis)

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Abstract:

The report is devoted to the analysis of the prospects for the development of Russian resource regions. Qualitative and quantitative criteria for their identification have been proposed. The novelty of the authors' approach is that the study suggests a typology of resource regions based on the use of a place-based approach. With the purpose of its formalization, the method of analysis of structural shifts - shift-share analysis is applied. With his help, qualitative and quantitative assessments of resource regions' readiness for the transition to the principles of the Circular economy were proposed. The analysis showed that the resource regions have a significant potential for transition to the principles of the Circular economy, and allowed identifying the sectors of the regions that can have the greatest impact on the change of the trajectory of their development. At the same time, the report notes that most regions are not able to overcome the unfavorable trends in the development of the extracting and processing sectors of the economy. The article was prepared with the financial support of the RSF grant No. 16-18-10182 "Formation of organizational and economic mechanisms for the comprehensive exploitation of mineral resources in resource-type regions on the basis of partnership between science, government and business".

Keywords: *Russia, Resource Region, Circular Economy, Place-Based Approach, Extracting and Processing Sectors of Region Economy, Shift-Share Analysis*

1. Introduction

The problem of the development of resource economies and regions has received much attention in recent years. This is explained by the fact that most countries, including Russia, which have significant reserves of natural resources, lag behind the countries that do not possess such natural resources in the rates and quality of economic growth, social development, political and economic institutions [2]. The need to implement the transition of the Russian economy to the principles of innovative Circular Economy [10] has been a key issue on the political agenda in recent years. The complexity of the qualitative and quantitative assessment of the prospects for such a transition is complicated by the fact that Russia consists of heterogeneous regions, different in terms, pace and level of socio-economic development. All this requires a transition from place-neutral approach to the study of resource regions, which has become widespread in domestic regional studies, to place-based approach and formalization of its methods.

One of the possible ways of formalizing place-based approach can be the use of the shift-share analysis, which can help assess the potential and trends of structural shifts in resource regions and develop a typology of resource regions based on it.

2. Resource type regions and principles of innovative Circular Economy

Under resource-type regions (resource regions), this article refers to regions whose basic branches are export-oriented extractive industries and / or first-stage processing industries that produce raw materials and / or intermediate products. They are characterized by development along the path of the enclave dual economy, which manifests itself in the formation of a highly productive export-oriented sector isolated from the rest of the economy, represented by enterprises of extractive and first-stage processing industries (oil and mining, ferrous and non-ferrous metallurgy, etc.). The development of this sector does not give significant incentives for the modernization of the regional economy and its integration into the all-

Russian economic space; it does not create sufficient incentives for the development of the manufacturing industry, the innovation sector and other sectors of the economy. At the same time, export-oriented extractive industries and the first redistribution sectors remain the “locomotives” of the Russian economy and determine its place in the global division of labor. Stiglitz [17]

The problem of changing the extensive model of Russia’s economic development is directly related to the assessment of resource regions’ willingness to adopt the principles of the innovative Circular Economy, which entails significant positive external effects, i.e. benefits derived by non-privileged actors in the regional economy located outside the enclaves of wealth, including entrepreneurs from other resource-intensive sectors of the economy.

3. Data and Sample

In the present study, a group of 36 resource regions specializing in the extraction of oil, gas and coal is represented. These regions were selected on the basis of the localization coefficient calculated by E.S. Kagan and E.V. Goosen [8]. The indicator is the ratio of the share of extractive industries in the GRP of the region to the value of the share of extractive industries in GDP of the Russian Federation. To assess the readiness of the group of regions under study for comprehensive exploitation of mineral resources, the official website of the Federal State Statistics Service for 2010 and 2015 was used [13].

The choice of factors affecting regional processes, including the resource regions’ readiness for comprehensive exploitation of mineral resources, and the quantitative assessment of this influence are limited by available statistical information. The absence of the necessary statistical data significantly reduces the possibility of applying econometric methods. The shift-share analysis (SS) method, which has not yet found wide application in Russian studies, is used in the foreign literature for the typology of regions and the economic diagnosis of regional processes. This method is a way to analyze regional growth by quantifying the contribution of structural factors to the economic dynamics of the region [1, 3, 5, 6, 11, 15, 16]. The main idea of the method is to decompose the growth of the regional indicator into three components: National Share (NS) – the component reflecting the influence of national growth factors; Industry Mix (IM) – the component that reflects the influence of sectoral growth factors; and Regional Shift (RS) – the component that reflects the influence of regional growth factors on the economic dynamics of the region.

4. Empirical results and conclusions

Analysis of structural shifts made it possible to identify the industries that are affected by a group of growth factors. The authors put forward the hypothesis that the basis for regional economic shifts is made up of those sectors for which RS values will be positive, which indicates that there are special conditions on the territory of the region that provide competitive advantages to these industries and, as a consequence, their most successful development. Based on the values of the IM and RS components and the relations between them, six types of industries were identified and their impact on the region’s development path was described.

This typologization made it possible to assess the influence of industries on the resource regions’ economic development trajectory and to show the impact (positive / negative) on the possibility of switching to the principles of innovative Circular Economy. Within the framework of this article, three sectors of the economy have been selected for analysis: extractive, processing and infrastructural, represented by transport and communications. As the regional indicators, the volume of shipped products and investments in fixed assets by types of economic activity were chosen. The first reflects the current state and the trajectory of the development of the region and gives an assessment of the potential for transition to the Circular Economy. Investments in fixed capital show, on the one hand, the readiness of the actors in the regional economy to renew fixed assets in order to maintain the existing level of development of extractive and processing industries; on the other hand, they identify their priorities in terms of the importance of the particular industries.

This analysis allows us to identify and describe six types of resource regions. For each type of region, the strengths and weaknesses of development are highlighted. Also, the article suggests directions and forms of interaction between the federal, regional authorities and business structures that can remove barriers to transition to the Circular Economy and strengthen the specific advantages of the regions.

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Will public private partnership become a real mechanism for development of the fuel and energy sector in Russia?

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Abstract:

This article highlights some opportunities for shifting the paradigm for the development of natural resources in the Russian fuel and energy sector using public-private partnership instruments. It shows three main directions for developing public-private partnerships in the area of subsoil use and emphasizes the role of innovations in implementing the most promising projects in the fuel and energy sector of Russia. Report supported by the Russian Science Foundation (contract №16-18-10182 – «Formation of the organizational-economic mechanisms of integrated development of mineral resources based on the partnership between science, business and authorities in the resource type regions»).

Keywords: *fuel and Energy Sector Public,-Private Partnership, Resource-Type Regions, Innovation*

1. Introduction

The fuel and energy sector (FES) plays a significant role in the development of Russia, with its substantial resources able to meet the country needs and ensure reasonable exports. According to the BP Statistical Review of World Energy of June 2016, Russia is ranked second in the world's natural gas reserves, sixth in oil and seventh in coal reserves at the end of 2017. Russia is the largest producer and exporter of fossil fuel in the world market. In 2012–2014, Russia ranked first/second in oil production (including gas condensate), sharing the place with Saudi Arabia (12.7–12.9% of world production in 2014), and was the world's second largest oil exporter. It was the second largest natural gas producer (19.6% in 2013, 16.7% in 2014) after the USA (21.4% of world but consistently the largest gas exporter. Russia ranked sixth in coal mining (4.3%) and third in coal exports [1,6]. According to the Energy Research Institute of the Russian Academy of Sciences, Russia's FES accounted for about 30% of the country's GDP and consolidated budget in 2015. The share of energy resources in total export proceeds amounted to 56% in 2015 [25]. With its largest resource base, Russia also has a high energy saving potential reaching a third of the current energy consumption, as well as a possibility of significantly increasing the cost-effectiveness of energy projects. However, the exaggerated role of the FES in Russia and its predominantly extensive development has a negative impact on the economy, holding back its development. The purpose of this paper is to identify possible directions for PPPs involving science, authorities and business in the fuel and energy sector that have good prospects in the specific Russian conditions.

2. Public-private partnership as an instrument of the FES development

PPPs are still quite rare in the Russian FES, although the country's leadership and the Energy Strategy of Russia for the Period until 2035 emphasise the plans to use PPPs as an effective tool for import substitution and cross-sectoral cooperation that should help to attract investment and “form a domestic scientific, technological and industrial base for designing and producing high-quality power equipment and providing services in the key technological areas to ensure the FES sustainable operation and development” [22]. There are three main reasons for that, namely: (1) Russia does not have a clear conceptual approach to PPPs in the FES, (2) the national PPP model is still in its infancy in Russia, with no clear PPP laws, standards and project models, and (3) Russian legislation has a number of serious limitations on using PPP projects in the energy sector.

3. The Russian market of PPP projects and its sprouts in the FES. Data and Sample.

The theoretical basis of the project was the work of domestic and foreign authors engaged in the study of PPP [2-5, 9-12,14, 26,27]. In this project we analyzed data base of PPP collected in the Unified Information System of PPP in the Russian Federation "ROSINFRA" containing information on PPP projects being implemented in Russia. The study also used data of Rosstat websites, the EMISS system, portals of ministries and regional administrations and other open sources, statistical data. The data bank was collected in 2014 – 2018 [25].

The Russian market of PPP projects began to formally develop following the Federal Law N 115-FZ “On Concession Agreements” of 21.07.2005. The period of 2005-2017 saw a rapid increase in the number of projects and investment volumes. The sectoral analysis shows that most Russian PPPs are based on concession agreements in the infrastructure and social sectors, with very few PPPs set up in the energy sector. In 2015, for example, only five PPP projects out of 1285 belonged to the area of subsoil use, according to the PPP-info database.

4. Empirical results and conclusions

All FES-related PPP projects can be divided into three groups. The first group is made up of projects aimed at creating sector-specific mineral productions on the basis of concession agreements and production sharing agreements. Examples of this type of Russian PPPs include development projects in the Elga coal deposit (Republic of Sakha, Neryungri district) and oil and gas fields of Evenkia (Yurubcheno-Tokhoms koye, Kuyumbinskoye, Nizhneangarsk group, and SobinskoTeterinskaya group). With some reservations, this group can also include a number of raw hydrocarbons development projects with a share of foreign investment, based on production sharing agreements, namely: Sakhalin-2 Project, including the Piltun–Astokhskoe oil and gas condensate field, and the Lunscoe gas condensate field; the Sakhalin-1 project, including the Chayvo, Odoptu and Arkutun–Dagi oil and gas fields; the Khariyaga project; and the development of the Samotlor oil and gas field. It is noteworthy that such PPPs do not really change the paradigm of subsoil use, retaining the predominantly extensive nature of the FES development and reinforcing the dependency of “host regions” on the extraction of resources and the dual enclave development. However, abandoning such projects at this stage would be unreasonable as they attract foreign investment and can mitigate the effects of the economic crisis, supporting the current state of the FES [13,17,22,24].

The second group of PPP projects focuses on the development of industrial and social infrastructure in the resource extraction regions, creating conditions for a sustainable use of natural resources, deep processing and beneficiation of the extracted minerals. A good example of such projects is the construction of a complex of refineries and petrochemical plants in Nizhnekamsk initiated by the government of Tatarstan and PAO Tatneft, the main private partner, investor and project coordinator. The PPPs of the second type generally have a significant social component. They involve large-scale upgrades in the transport, energy and social infrastructure and aim to improve the social and economic environment by raising employment, living standards, etc. And although they do not produce any fundamental changes in the paradigm of subsoil use, they are much more oriented towards its shift than the first group. The second PPP group also includes those projects which are components of such mega-projects as Ural Industrial-Ural Polar, the Comprehensive Development of the Lower Angara Area, the Comprehensive Development of South Yakutia, etc. These are long-term multisectoral projects aimed at a large-scale development of new territories. Their implementation involves development institutions and major vertically-integrated companies operating in the energy and mineral resources sectors. All these projects were thoroughly assessed and approved by the RF government. They focus on sustainable, balanced and competitive development of problem areas [24].

However, just as the mega-project described above, Ural Industrial-Ural Polar has not been implemented in full. Experts believe the reasons for the failure of both mega-projects include their long duration, high risks and complexity, overestimated mineral resources, design flaws in assessing the demand for the transport infrastructure, the economic crisis, sanctions and others. But even if all these negative factors had not come into play and the mega-projects had been fully implemented, they would have been unable to overcome the resource “curse” of Russia and its constituent resource extraction regions [27]. The

transition to an integrated, PPP-based subsoil development is only possible if these PPPs aim to set up new production facilities creating innovative development centres, innovative markets and clusters. The third group of PPP projects in the Russian FES can be exemplified by three technological platforms involved in the extraction of natural resources and the processing of oil and gas. These three platforms (No. 22, No. 23 and No. 24) were selected from the list of 28 platforms and approved by the Government Commission on High Technology and Innovation in 2011. Platform No. 22 focuses on deep processing of solid minerals and upgrading domestic processing facilities with high technologies. Platform No. 23 aims to develop and implement new technologies for hydrocarbon production, preparation, processing and transportation, including well drilling, etc. Platform No. 24 deals with deep processing of hydrocarbon resources and intends to create conditions for upgrading technologies and increasing the competitiveness of oil and gas processing and petrochemical and organic synthesis, using foresight procedures. The primary goal of these technological platforms is to select fundamental research ideas, do prospecting works and research, and develop innovative business concepts. The main difference from the first two groups is that the recipients of investments in the third group of PPPs are not producing or processing companies, but those companies which work for the fuel and energy sector, creating internal and external markets, and developing its mineral and human resources, its industrial and scientific base. This limits the possibility for large, vertically integrated energy companies to accumulate all the resources and leads to a synergistic effect, i.e. a large number of highly specialized and competitive small and medium-sized innovative companies setting up around the core PPP project and encouraging the development of scientific and social infrastructure. This ultimately creates conditions for a transition of the FES companies to a rational model of subsoil use, for changing the vector of resource regions development and breaking the vicious circle of the “resource curse.” [13]

5. Conclusion

Our analysis shows that the PPP projects in the Russian fuel and energy sector are still developing very slowly. However, PPPs focusing on the innovative model for integrated development of natural resources have potentially great prospects. It is this kind of PPPs that can fundamentally solve the problems of the FES and resource extraction regions through a transition to a new paradigm of subsoil use based on the ideas of integrated use of natural resources and sustainable socio-economic development by adopting new technologies and developing the domestic market.

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Backward Linkages in the Mining Sector Value Chain in the Russian Resource-Type Regions (Case Kusbass)

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Abstract:

The paper aims at finding the optimal ratio between resource and non-resource development factors, and identifying the most efficient scopes and forms of cooperation between mineral resource and non-resource sectors of the economy. The coal industry of Russia is extremely dependent on external conditions: the main limitation for further growth is not the shortage of coal reserves or production capacity, but the capacity of the external market and the cost of production and transportation. In particular, basing on the theory of value chains, the authors attempt to explain the problems and foresee the trends of coal industry development as well as to identify the promising vectors in searching the ways to diversify the economy of Kemerovo Region. Dynamic development of the economy of the Kemerovo region requires the formation of an effective innovation system with the creation of development blocks. Report supported by the Russian Science Foundation (contract №16-18-10182 – «Formation of the organizational-economic mechanisms of integrated development of mineral resources based on the partnership between science, business and authorities in the resource type regions»).

Keywords: *Resource-Type Regions, Trends of Coal Industry Development, Relative Industries, Backward Linkage Value Chains, Coal Kusbass Region, Innovations*

1. Introduction

In the coming years Russia will face the need to create a new development model based on the rational interaction of people and nature, people and technology, and social institutions, to find a worthy place in the world economy at the modern stage of global development. Thus, one of the most topical interdisciplinary objectives for contemporary Russian science is finding the optimal ratio between resource and non-resource development factors, and identifying the most efficient scopes and forms of cooperation between mineral resource and non-resource sectors of the economy. This task is especially relevant for the coal industry.

This paper aims to identify the relative promising production technologies in the coal industry based on backward linkages value chains.

2. A few words about the backward linkage in the value chains

M. Porter is believed to be the author of the value chains (VCs) theory. In his work “Competitive advantage. How to achieve high results and ensure its sustainability” M. Porter described the vertical value chain at the level of individual companies (corporate VC) [12]. T. Sturgeon suggested the most general definition of the VC as a mechanism of adding value in the process of creating the final product which involves different stages of the development, production, design, and sales of finished products [13]. In the OECD report (2013) the VC is defined as “the full range of activities that firms engage in to bring a product to the market, from conception to final use” [9].

In Russia, VCs are studied by V. Kondrat’ev [5], T. Meshkova and E. Moiseichev. They argue that the VC is “a sequence of primary business functions of ... design, production, marketing, distribution and

after-sales customer service” [6]. In this paper, the authors stick to T. Sturgeon’s definition [13]. Within a chain, two types of linkages can be distinguished: forward linkages, and backward linkages [9].

Forward linkages are usually formed in the export-oriented model of countries’ and regions’ development around process manufacturing industries such as coal mining, metallurgical, chemical, and oil extraction industries. Forward linkage VCs are characterized by low localization of the processing, related and supporting industries in the region. Therefore, the countries where forward linkages dominate in the VCs are exporters of raw materials, manufacturers of parts and components for complex products with high added value [9].

Backward linkage VCs are formed around the production and export of high-tech and innovative final goods and services, while raw materials and services are exported by those countries (regions). The centers of backward linkage VCs formation are major universities, research institutes, modern R&D and engineering centers. Unlike forward linkage VCs, the development of backwards linkage value chains is accompanied by a high localization of the processing, related and supporting industries in the country (region) [5,6].

Researchers of GVCs argue that the level of the country’s/region’s development is influenced not only by the type of linkage (forward / backward), but also by the nature of governance within the value chain itself. G. Gereffi, J. Humphrey and T. Sturgeon distinguish five types of GVC governance in their work [3,7,8,13].

3. Russia’s resource export orientation and position of Kemerovo region in the GVCs

Russia is the largest resource country and has the largest mineral resource base of energy resources, which is sufficient for meeting the country’s needs and rational export. The fuel and energy complex (FEC) of Russia has always played a significant role in the country’s economy [1]. In 2017, the FEC provided over 30% of Russia’s GDP and consolidated budget, 56% of its foreign exchange earnings from exports and nearly a quarter of total investments in the national economy [2,4,11]. However, in the near future Russia’s FEC may face a number of challenges.

The decline in world energy resource prices and economic sanctions have hurt the primary industries and forced them to rethink the role of the FEC in Russia’s economy. The coal industry of Russia is extremely dependent on external conditions: the main limitation for further growth is not the shortage of coal reserves or production capacity, but the capacity of the external market and the cost of production and transportation. The growth rate of coal production in Russia in 2006-2017 was not big, amounting to an average of 3% per year, the growth was achieved primarily due to the expansion of the share of exports in total shipment of coal. A key limitation for the development of Russia’s coal industry is the excess of supply over demand, which caused a lasting decline in prices at foreign coal markets. The statistics clearly shows that the industry has exhausted the possibilities of extensive growth and needs serious restructuring [2,4].

Kuzbass (Kemerovo region), which is the main coal basin of Russia, may find itself in the most unfavourable position. The region produces 61% of the country’s coal, and exports 76%. Until 2009, resource orientation provided for Kemerovo region’s high growth rates and high income levels; however, it limited the opportunities for the development of other industries and strengthened the disintegration processes. The situation in the region can be explained by the negative global and national trends (critical drop of world prices for coal and metals, decline in the economy, sanctions, decline in real incomes, reduced investment and entrepreneurial activity). Yet we believe that the fundamental causes are much deeper, and can be explained by the specificity of Russia’s participation in GVCs and specificity of the value chains in the domestic coal industry.

4. Data and Sample

In this project we analyzed supply chains and value chains of the largest vertically integrated mining and metallurgical holding companies based in the territory of Kemerovo region. On the basis of Rosstat websites, the EMISS system, portals of ministries and regional administrations and other open sources, statistical data were collected and a data bank was compiled. The data for this project was collected in 2017 – 2018.

5. Empirical results and conclusions

The analysis allowed to build supply chains and value chains, to identify the largest vertically integrated mining and metallurgical holding companies based in the territory of Kemerovo region. The analysis showed that supply chains and value chains have a vertical forward linkage character and create closed enclaves in Kusbass region. Authors within the framework of the project have developed and proposed a methodology for assessing the degree of closure of such supply chains and value chains. The analysis allowed to put forward a hypothesis that localization on the territory of processing industries, based on related technologies can become an instrument for overcoming "enclave" and reducing resource dependence of regions. That technologies open the possibility for the formation of new backward linkage value chains on the basis of machine-building enterprises. It is important to note that these chains do not eliminate the existing forward linkage GVCs but complement them, allowing a significantly bigger number of segments redistributed to the Russian market.

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The development of customer value proposition for restaurants of different price segments

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Abstract:

The current market situation at the Russian catering market has highlighted the problem of customers retaining, which is possible by increasing of satisfaction through improving individual factors that affect it. For the market of catering services in general and the segment of traditional restaurants particularly, the problem of assessment and improvement of satisfaction is one of the paramount tasks. This paper describes three-stages complex research (content analysis, pilot online survey, electronic survey) aimed to identify the factors that influence on satisfaction of visitors of full-service restaurants. This allowed to develop conceptual models for creating a value proposition for restaurants. These models are compiled for all price segments, include the most significant factors that influence on visitors' satisfaction and can be implemented for specific venues.

Keywords: *Full-service restaurants; catering; foodservice; average bill; customer satisfaction; factors of customer satisfaction; customer value proposition; market trends*

Introduction

There is a difficult situation at the Russian catering market today. Only one segment namely fast food is growing. The position of other segments becomes worse especially in the segment of full-service restaurants where the share of visitors decreases significantly. The guests outflow noticed for some years makes the problem of creation ways for clients' retention the most relevant. It was proved that customer satisfaction affects directly on business performance that also reflects in positive cash flow (including profit) and customers' loyalty creation. Thus, for catering market at all and full-service restaurants segment the problem of customer satisfaction evaluation and increase is one of first priorities.

The research relevance is proved by the following facts:

- The traffic of restaurants visits decreased; one of key reasons of it is income reduction;
- The competition becomes fiercer due to new formats appearance and main fast food chains growth;
- The delivery services grow in both cheap and expensive formats of catering; retailers also develop these services;
- Consequently, it is a considerable outflow from full-service restaurants. For these reasons, it is crucial for business owners and managers to find ways for guests' retention.

The aim of the research is to identify the factors that influence on satisfaction of visitors of full-service restaurants.

Practical value of the research provides in the development of conceptual models of customer value proposition for restaurants of different price segments. The models include the most significant factors that influence on visitors' satisfaction.

Theoretical background of the research

According to International databases (Scopus and Web of Science), the interest in studying full-service restaurants and their visitors' satisfaction is growing steadily. It confirms by the increase of number of publications on this problem.

It is necessary to highlight the most important researchers who significantly contributed in theory. Firstly, L. Hanks, W.G. Kim и E.E. Kim proved that since a certain point (namely a number of visits) the saturation occurs for a restaurant guest. Everything that was positive for a client become not only usual but even annoying [1]. Secondly, J.M. Jung, S. Sydnor, S.K. Lee, B.A. Almanza defined the process of decision making that restaurant to visit [2]. Finally, K. Ryu, H. Han developed a conceptual model that reveals key groups of factors that influence on customer satisfaction namely “food quality”, “physical evidence quality” and “service quality” [3].

The methodology

Research includes three main steps:

1. Quantitative content analysis. It was studied Moscow best full-service restaurants according to Afisha.Ru rating with satisfaction score above 8. As content, the responses of visitors posted at websites Afisha.Ru and TripAdvisor were used. The research was conducted from 18 till 30 April 2016. The sample was 69 restaurants.
2. Pilot online survey distributed by “snowball” method. The formalized survey was used as a method of data collecting. The respondents marked the importance of each attribute by 7-point scale. The research was conducted from 13 till 19 March 2017. 100 respondents were interviewed.
3. Online survey distributed by “snowball” method. The research was conducted from 3 till 23 April 2017. The sample was 200 respondents.

Empirical results and conclusions

The conceptual model that includes factors influenced on restaurant visitors’ satisfaction was developed. This model differs with K. Ryu and H. Han considerably. The most important factors are location, popularity and restaurant brand and price that is value for money. In our model, we define “Key attributes” that have positive impact on satisfaction, “Suggestions to any restaurant” that do not have direct affect but their lack leads to negative reaction and “Requirements for best restaurants” that are the competitive advantages (see app. 1).

It was defined the relationship between factors importance scores. It was expected to reveal the strong link between all attributes that connect with service (Pierson correlation coefficient is more 0,6). It means that guests cannot divided the factor “Service quality” into several parts and set the same points for different characteristics. Also there is a strong correlation between “Dish taste” and “Dish quality constancy”.

The conceptual models of customer value proposition for restaurants of different price segments were created. We used the typology that was obtained as a result of factor analysis, to divide respondents by preferences. We got four segments. The group “Gourmets-Sybarites” belongs to premium segment; all factors are important for these people. For “Traditionalists” factors from K. Ryu, H. Han conceptual model are crucial. They are ready to pay for high quality but not for image and brand. “Rationalists” prefer to visit specialized restaurants with tasty and cheap food. For “Imagelists” reputation and brand name is vital: it is important for them to visit restaurant that deals with famous people, for example, chef or restaurateur.

The recommendations

The groups divided help to choose and implement the most accurate methods for guests satisfaction increase. Also it helps to reduce the outflow from full-service restaurants. For each group of customers, we offer the model of customer value proposition that is suitable for restaurants of two price segments (see app. 2).

1. Premium segment: the key factor is “Stability and quality of service”;
2. Middle-price segment: the key attribute is “Value for money”. It suits for nearby restaurants and chains;
3. Economy segment: the key factor is “Fair price”. It is relevant for cheap restaurant from celebrities and specialized restaurants.

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Business Model Canvas for Emerging Business of Sharing Market Strategies

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Abstract:

The sharing economy, a new market model and rising pattern in collaborative consumption behavior that is based on accessing and reusing goods and services with excess capacity, presents new possibilities for emerging and incumbent businesses. The important issue for emerging businesses in sharing is how to effectively create and deliver value to their customers by identifying and depicting the main elements of the business model. This paper investigates business models in the sharing economy, which have emerged in last years as a disruptive approach to the traditional way of doing business. With this research, we created sharing business model canvas for emerging businesses. Validation of the developed sharing business model canvas was done by analysis of 22 ventures in the business of sharing. The important content patterns in the sharing business model canvas were identified and can be used by entrepreneurs start new ventures in the business of sharing.

Keywords: *the business of sharing, collaborative consumption, sharing business model canvas and patterns, comparative analysis*

1. Introduction

The sharing economy has been on an exponential growth curve over the last years. This area has become attractive to entrepreneurs across the globe, demonstrates explosion of new ventures and their business models [5, 6].

There are several points of view on the business model in the sharing economy. One of the most commonly referred views belongs to Botsman and Rogers [1]. This categorization describes three systems under collaborative consumption. The systems are product service systems (PSS), redistribution markets and collaborative lifestyles. Olson and Kemp use the term “business model” to describe the revenue model alone or the way companies are making money in their business [4]. Cohen and Kietzmann distinguish different business models according to different actors and profit/non-profit orientation [2]. We use a configuration approach by Munoz and Cohen that involves researching business models through a specific canvas [3]. This approach implies the systematization of a set of empirical data and their analysis by methods of comparative analysis.

Despite this surge and interest, there is a lack of empirical research regarding the increasing diversity of sharing economy business models. The major issue for emerging businesses in sharing is how to effectively create and deliver value to their customers by identifying and depicting the main elements of the business model. In this paper, we present created sharing business model canvas for emerging businesses and important content patterns with the aim to improve possibilities of entrepreneurs to start new ventures in the business of sharing more effectively.

2. Sharing Business Model Canvas Creation

2.1 Methodological approach

In this paper we use a configuration approach by Munoz and Cohen that involves researching business models through a specific canvas. This approach implies the systematization of a set of empirical data and their analysis by methods of comparative analysis. The first version of the sharing business model canvas created by the authors of this paper was validated and partially modified on the basis of survey and in-depth interview findings with top managers and owners of 6 ventures in the business of sharing. Further validation and identification of the patterns of sharing business model canvas were done based on in-depth interview findings with key managers and a range of data collected from 22 ventures in the business of sharing.

2.2 Sharing business model canvas

As a result of empirical research we were able to identify nine (9) distinct blocks of sharing business models. Each of blocks of sharing business model canvas is divided into several elements (Table 1). For example, the block №1 “Type of Business” characterizes combination of two main groups of company's customers/users. The block №2 characterizes the resource that company optimizes. The block №3 determines the company's orientation: on Mission, on Profit and Mixed. The block №4 characterizes the transaction type for customer’s/user’s groups. Blocks № 5,6,7,8 qualitatively describe the corresponding characteristic. Block №9 characterizes the way transactions are managed.

Table 1. Sharing business model canvas

1.Type of Business				4.Transaction			7.Importance of Trust		
C2C	B2C	B2B	C2B	Pay	Free	Alternative	Main	Leveled by service	Second-rate
2.Resource Type			5.Critical Volume			8.Legal Barriers			
Underutilized	Unnecessary	New creation	High	Middle	Low	High	Middle	Low	
3.Business Approach			6.Online Interaction			9.Management Principles			
Mission	Profit	Mixed	High	Middle	Low	Tech	Harmonious	Self-organization	

2.3 Patterns identification

In this investigation, the patterns are stable pair relations between the elements of the sharing business model canvas. Applying a configurational comparative research method, the set of 174 patterns in sharing business models identified. The seven primary patterns are presented in the Table 2. For example, pattern №1 shows that optimization of underutilized resource is due to the pay type of the transaction.

Table 2. Patterns in sharing business models

№	Names of related blocks	Related elements
1	Resource Type - Transaction	Underutilized - Pay
2	Business Approach - Transaction	Profit - Pay
3	Resource Type - Business Approach	Underutilized - Profit
4	Business Approach - Online Interaction	Profit - Middle
5	Business Approach - Importance of Trust	Profit - Leveled by Service
6	Transaction - Online interaction	Pay - Middle
7	Type of Business - Resource Type	C2C - Underutilized

3. Conclusion

The purpose of this research was to analyze the underlying components of sharing economy business models and create a sharing business model canvas for emerging businesses. 22 ventures in the business of sharing were described by created a sharing business model canvas and patterns in business models were revealed. Obtained canvas elaborates and tests a range of components for sharing business modeling and allows to identify patterns. It is demonstrating the many ways in which these components combine to create sustainable business models. Both canvas and patterns can set the basis for a new stream of research. The results obtained can be useful by entrepreneurs who want to create a sustainable business model in the sharing economy.

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Three roles of knowledge managers in Russia

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Abstract:

The purpose of the research is to benchmark the existing roles of knowledge managers in Russian companies with the knowledge management roles discussed in international literature. Present research is based on integrative literature review and secondary data analysis. The data is gathered from the open sources.

It is revealed that the integrative role – the role of Chief Knowledge Officer (CKO) – is missing or replaced by innovation manager. As a result, one of the key elements of knowledge management success, that is the connection between knowledge management and organizational strategy, is remaining to be absent. The article will be of interest to researchers and practitioners whose professional interests lie in the field of knowledge management.

Keywords: chief knowledge officer, knowledge management, knowledge manager, education

1. Introduction

Knowledge is a human or organizational asset which enables decisions making in the light of certain existing circumstances. The exploitation of knowledge is impossible without the right tools, qualified specialists, and the company's strategic course to increase its innovativeness.

The term "knowledge manager" in the practice of Russian companies is blurry. We suppose that general classification of definitions and the corresponding responsibilities will help companies to manage knowledge assets.

2. Research methods

2.1. Integrative literature review: knowledge management related disciplines

Information technology provides knowledge management (KM) with various tools for flexible and reliable work, for example, collaboration tools, content management systems, information access technologies, filling and structuring of accumulated data and knowledge (Gavrilova et al., 2012).

The main goal of organizational learning is the continuous development of new knowledge, while existing knowledge is updated, integrated and improved. Conversely, learning occurs when knowledge is created, disseminated and used (Moustaghfir, Schiuma, 2013).

The human resource management (HRM) strategy and the company's overall strategy are part of the overall KM strategy and have some impact on the KM process (Edvardsson, 2008). Knowledge-oriented practices of HRMs influence KM because they provide training opportunities for staff, thereby increasing their commitment to the organization and being willing to communicate with colleagues and share their knowledge.

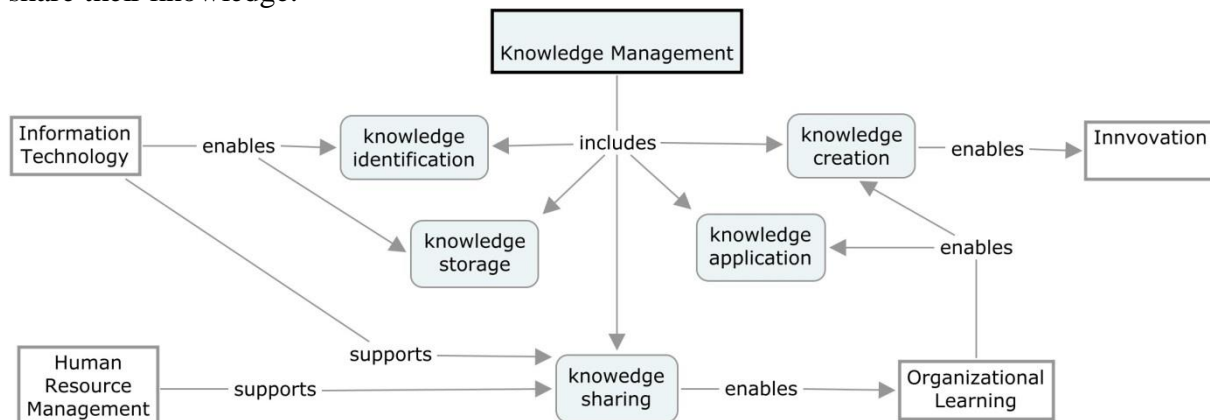


Figure 1. Interconnections between KM and other disciplines (source: compiled by authors)

KM helps in the implementation of the function of knowledge sharing in the creation of innovation, which consists in the need to build a system of relationships with various actors in the innovation process to implement a full cycle, as a result of which the creative idea becomes a commercialized innovation. All these disciplines are closely connected (see Fig.1).

2.2. Data and sample

In order to assess the degree of training of Russian specialists in knowledge management, a secondary data study was conducted. To analyze the subjects taught, curriculums that were in the public domain were analyzed, all the proposed educational programs (full-time education) for 12 leading universities in Russia. The sample of more than 208 academic plans and curriculums were analyzed. The analysis of the division of the taught disciplines in bachelor's and master's programs showed that the future roles of knowledge manager are not stated clearly.

3. The identified roles of knowledge managers

3.1. Managing information technology

The knowledge management specialist needs basic training in the field of information technology that is the understanding of information processing; the ability to codify and graphically reproduce received / accumulated information, including:

- Management of the intranet, web sites, databases and other storage systems;
- Development of a single thesaurus to ensure effective communication between stakeholders;
- Collection, analysis and verification of requirements for changing knowledge of business processes, regulations and information systems (the use of analytical methods in dealing with heterogeneous problems in order to identify problems and business growth potentials).

3.2. Managing people

Since knowledge is held by key employees, a specialist in such a profile should have basic ideas about working with the company's personnel, on developing key competencies, and on fair material / non-material incentives for employees of the organization. Also, the availability of communication and presentation skills will allow the knowledge management specialist to communicate effectively with the project manager / company.

3.3. Managing processes

Another role of knowledge manager, which is discussed in communities of practice, presented at the conferences, and mentioned in job descriptions, is process management.

Organization of knowledge management processes; including: mastering the key knowledge of the company by new employees, acquiring competencies and qualifications necessary to work with knowledge, developing knowledgeable business processes of the company by developing and incorporating enterprise standards into the activity, collecting and analyzing lessons learned and best practices based on

4. Empirical results and conclusions

4.1. Incompleteness of KM-roles in Russian companies

Innovation is concerned with use of results of KM (see Fig.2). Creation of a new flow of knowledge that can form new needs and change the existing technological structure of the economy (Jimenez-Jimenez, Sanz-Valle, 2012). But it is crucial to understand that innovation does not equal KM. We consider that the existing substitution of terms is as constraint for an efficient development of KM in Russia. Thus, the innovation manager is concerned about the intellectual property of the company. He or she brings the results of intellectual activity to the stage of commercialization; reduces the company's losses from non-compliance with security rules regarding the management of intellectual assets of the company; prevents and solves problems related to compliance with commercial secrecy, clarification and control of the application of patent law.

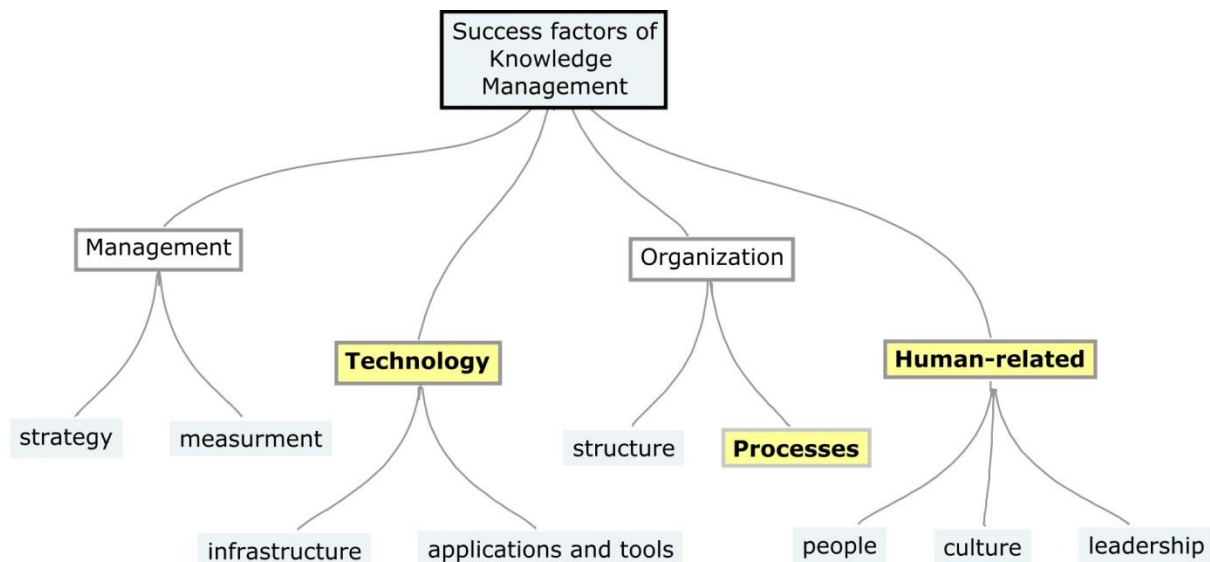


Figure 2. Success factors based on Heisig's differentiation (source: compiled by authors)

4.2. Searching for Chief Knowledge Officer

In the practice of Russian companies, information management / data / knowledge is handled by IT or HR directors of companies (often these managers are the initiators of the launch of knowledge management programs). The competency profile of the chief knowledge officer contains requirements to the level of managerial skills, a deep understanding of the strategic priorities of the business, mastering the methods of researching the management system, methods of making managerial decisions. Hence, the position of the Chief Knowledge Officer (CKO) implies the understanding of the company's strategy and all related business processes.

We suppose that CKO is a missing but a very important role which will integrate existing ones and shift knowledge management to the new level in Russian companies.

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Management Practices of Domestic and Global Companies in Russia: Empirical Study of the 2016-2017 Post-Crisis Period

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Abstract:

Management practices of Russian and global companies, operating in Russia, have undergone a series of changes in 2016-2017 as a consequence of the 2014 – 2015 crises. These crises can be presented as a combination of three different types of crises: cyclical crisis (oil prices), structural crisis (institutions, productivity) and managerial crisis.

In light of a turbulent external environment, as well as hardening competition caused by the times of crisis, Russian and global companies were forced to adapt and change their management practices quickly, to maintain strategic competitive advantages on their market segments and retain qualified employees.

To study the dynamics of ongoing processes and diagnose operational changes occurring in Russian and global companies in the post-crisis period of 2016 - 2017, we conducted a large-scale empirical study, which involved 1530 (2016) and 1245 (2017) companies. The sample was composed of Russian (73% - 80%) and global companies (20% - 27%), representing 10 main sectors of economic activity (according to the OKVED universal classification). The companies are operating in Moscow and the Moscow region. The use of statistical methods and SPSS Statistics software to conduct the analysis allowed to identify the most significant changes in management practices of Russian and global companies operating on the Russian market, as well as the dynamics of these changes related to the increasing complexity of the external business environment.

Keywords: *management practices, management process, global companies, domestic companies, turbulent environment, Russian market*

1. Introduction

2016-2017 was a complex post-crisis period for Russian and global companies operating on the Russian market, as it combined the consequences of multiple crisis events. Firstly, a deep economic crisis caused by a number of reasons, including economic sanctions imposed by the US and the European Union. Secondly, falling oil prices, generating a negative impact on the ruble exchange rate. And finally high rates of inflation resulting in a decrease in purchasing power of the Russian population.

In an increasingly complex and turbulent environment in Russian market, companies faced numerous managerial challenges, which required a new vision, new strategies and management practices for companies to overcome the crisis.

The main question that we tried to answer as part of our empirical research was: "How did Russian and Global companies change their management practices in order to secure their key competitive advantages on their market segments?"

2. Management approaches and practices models

To investigate management frameworks and assess managerial practices, various approaches and models proposed by researchers in the field over the past decades have been considered (Dotchin, JA, & Oakland, JS, 1994; Ansoff, I., 2007; Fleming, J., Asplund, J., 2007; Purcell, J., Kinnie, N., Swart, J., Rayton, B. and Hutchinson, S., 2009, etc.). Our interest for the review of theoretical concepts was mainly driven by modern models fitting into the "management by values" approach. "Management by values" highlights the involvement of employees in decision making as the most effective management practice in a complex and highly turbulent environment (Lev B., 2001; Dolan, S., & Garcia S., 2002, 2003, 2006; Guseva, 2011, 2015, 2017, etc.).

In our opinion, the Adler model is one of the most relevant to study management practices. Adler examines operational management practices from the process model perspective across five main

operational areas: 1. Communication; 2. Leadership; 3. Problem solving and decision-making; 4. Conflict resolution; and 5. Motivation (Adler, N., 1991, 2001, 2007).

3. Data and sample

This paper presents the results of an annual project – « Monitoring management practices of Russian and global companies, operating in Russia », conducted by the Higher School of Economics, Moscow.

In 2016, the survey conducted as first step of this project involved 1530 companies (80% Russian and 20% global). In 2017 the sample size included 1245 companies (73% Russian and 27% global), from ten key industries (according to the OKVED classifier). The companies surveyed were mainly operating in Moscow and in the Moscow Region.

For data collection, quantitative methods using the Likert scale were applied to select the proposed answers. The statistical method of analysis that consists of means comparison using the T-test for Equality of means for independent samples, with a variance equality check at a significance level of 95%, was applied for data processing.

Each of the management processes was divided into 5 indicators describing the features of management practices that fit into the « Management by values » approach.

4. Empirical results and conclusions

4.1 Comparison of management practices of Russian and global companies in 2016 and in 2017

The difficult times of crisis in Russia have largely offset the differences in management practices between global and Russian companies. Thus, in 2016 management practices of Russian and global companies differed on a limited range of parameters - the differences were statistically significant, although all five processes were affected (Figure 1). This involved the use of employees feedback, teamwork, encouragement of personal initiatives and autonomy by the manager, as well as support for personal development, along with employee motivation practices based on rewarding successful performance and encouraging employees' interest in the company's prosperity.

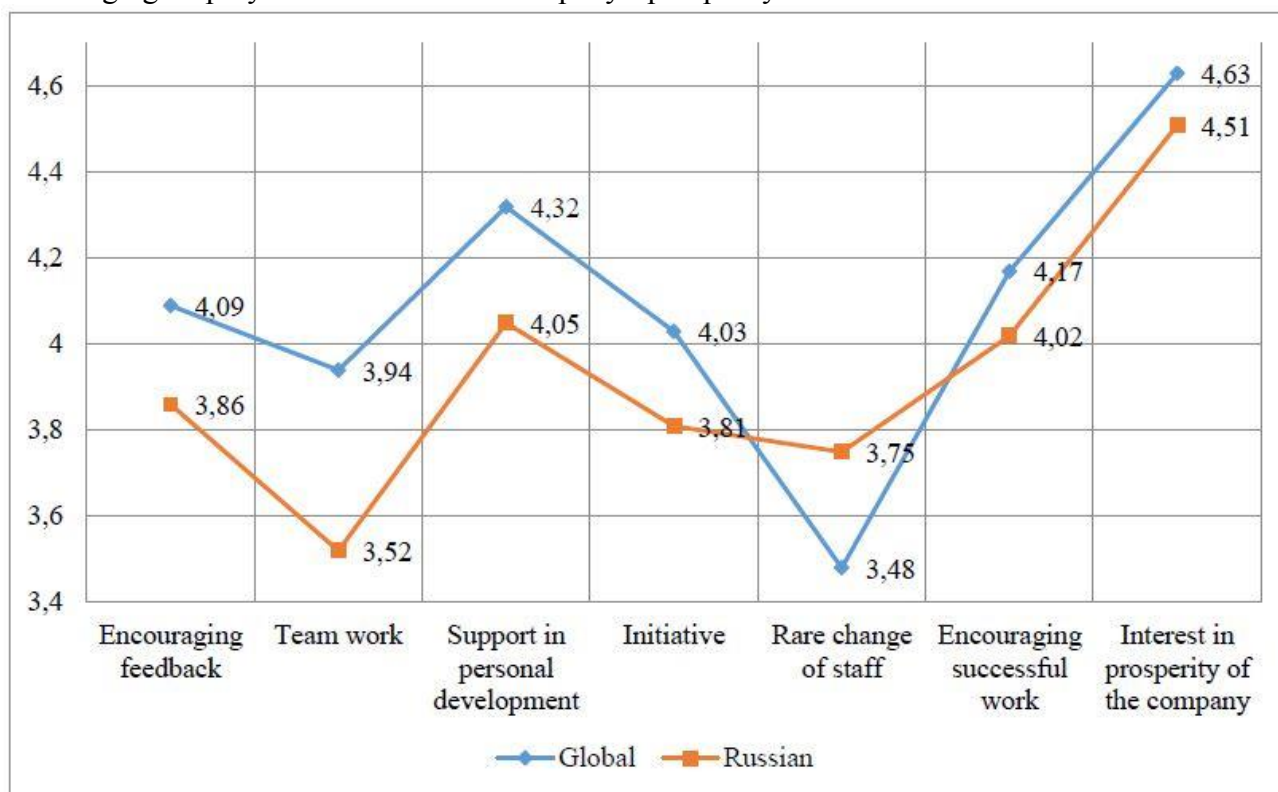


Figure 1. Comparison of management practices of Russian and Global companies, 2016.

It is worth noting that in 2017 statistically significant differences were recorded on most managerial practices (Figure 2). Hence, motivation practices in global companies differ on 5 out of 5 parameters,

conflict resolution strategies - on 4 out of 5, and the leadership process as well as an effective communication process differ on 3 out of 5 indicators. A clear gap can be observed, pointing towards the leadership of global companies in using modern management practices that fit into the “Management by values” framework.

4.2 Russian companies in 2017 compared to 2016

The management practice of Russian companies has undergone significant changes in 2017 compared to 2016. Hence, substantial statistically significant changes impacted practices related to communication and motivation (4 out of 5 parameters), as well as management processes and decision-making (3 out of 5 parameters). This gives evidence of Russian companies learning and incorporating modern global management practices in their activities.

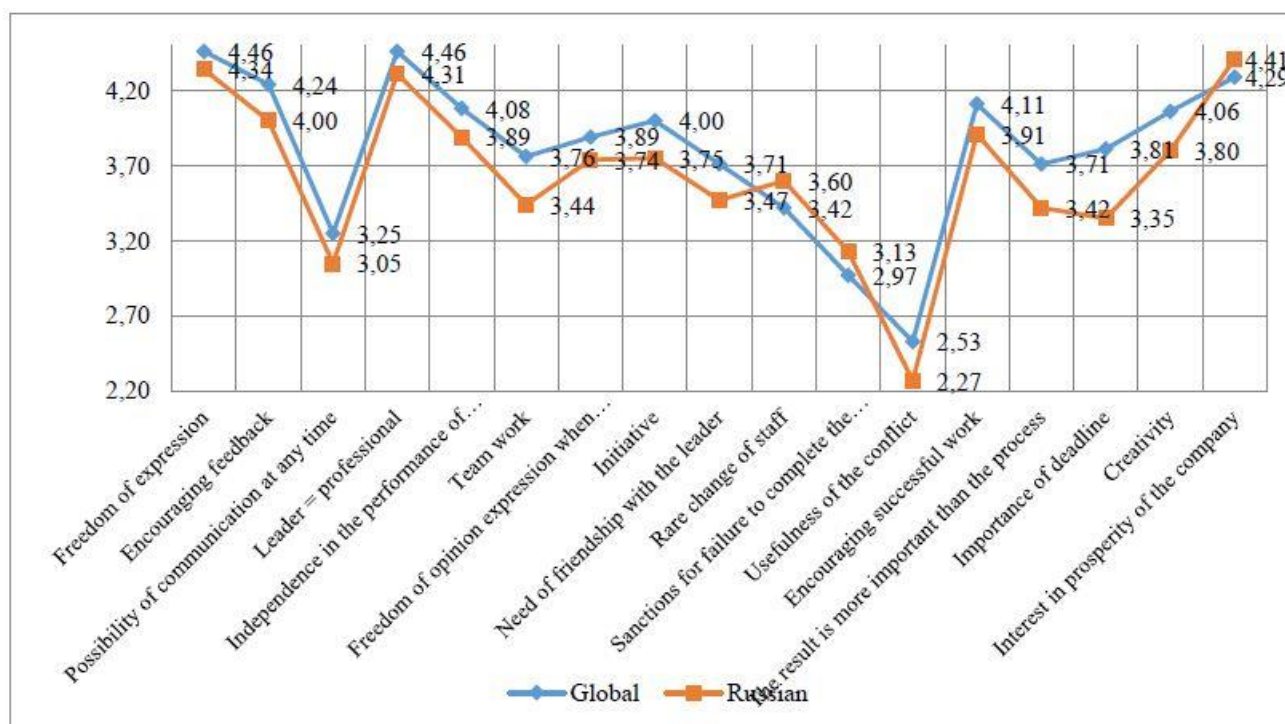


Figure 2. Comparison of management practices of Russian and Global companies, 2017.

4.3 Global companies in 2017 compared to 2016

The management practice of global companies in 2017 has undergone a number of minor changes compared to 2016. A number of constructive changes, from our perspective, mainly impacted communication. Global companies were ever more encouraging regarding feedback from their employees, freedom of opinion and the development of flat, more democratic ways of communicating with managers.

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Impact of Brand Experience on Brand Loyalty (Trust as Mediator)

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Abstract:

This study aims to examine the impact of brand experience on brand loyalty. The study further analyzed the mediating effect of brand trust on the relationship between brand experience and brand loyalty. The data was collected from 300 beverages consumers in Pakistan on convenient sampling basis. The results of the study revealed that brand experience has positive relationship with brand loyalty and brand trust mediates the relationship between brand experience and brand loyalty.

Keywords: *Brand Experience, Brand Loyalty, Brand Trust*

Introduction

The buyer and seller relationship is based upon the brand. The stronger the brand, the stronger (long-term) the relationship is. In today's experiential economy what actually makes this relationship strong is "Brand experience" which can ultimately lead to brand loyalty. Ha and Perks (2005) suggest the relationship between brand experience, brand trust and customer satisfaction and their results indicate that brand trust is attained through brand experiences (at first) and then brand familiarity (at second) and finally through customer satisfaction at third. Customer satisfaction refers to the level, products or services meet or go beyond the customer's expectations through the product or brand experience (Rockwell, C. 2008).

There is a great and intense competition in beverage brands in Pakistan. This race of market share and retaining customers is leading beverage brands of Pakistan to a more advanced marketing level of new ideas and the latest one in today's experiential economy is brand experience. This study is aimed to examine the impact of brand experience on brand loyalty in beverages industry in Pakistan. The study further aimed to analyze the mediating role of trust on the relationship between brand experience and brand loyalty.

Literature Review

'Experiences are distinctive commercial offerings, as dissimilar from services as services are dissimilar from the goods' (Pine and Gilmore, 1998). According to brand management point of view, the impression taken away by the consumers in their minds resulting from the encounter with the brand is known as brand experience (Klaus and Maklan, 2007). Brand trust is the consumer faith on the brand, the degree to which he can be rely on the ability of the brand to perform its claimed function (Chaudhuri and Holbrook, 2001). The trust concept many times is clear as: "a generalized expectation held by an individual that the word of another can be relied on" (Rotter, 1967). Loyalty refers to consumers buying pattern over a period and is defined by the purchase pattern of a decision making authority which may be an individual, a domestic or a corporation (Mellens, Dekimpe and Steenkamp, 1996). Aaker states that the central of a brand's equity is founded on customer loyalty.

Hypothesis

H1: Brand Experience has positive significant effect on Brand Loyalty.

H2: Brand Trust mediates the relationship between Brand Experience and Brand Loyalty.

Research Methodology

The data of this study was collected from 300 beverages consumers in major cities of Pakistan including Lahore, Karachi, Islamabad and Rawalpindi through convenience sampling. The data to measure brand experience was collected through adapted scale containing 12 item developed by (Schmitt, 2011), brand trust containing 9 items by (Degado, Munuera Aleman, & Guillen, 2010) and brand loyalty containing 14 items adapted from (Krystallis & Chrysochu, 2013). All the tests were conducted by using SPSS. The mediating effect of trust was conducted by Hayes process macro in SPSS.

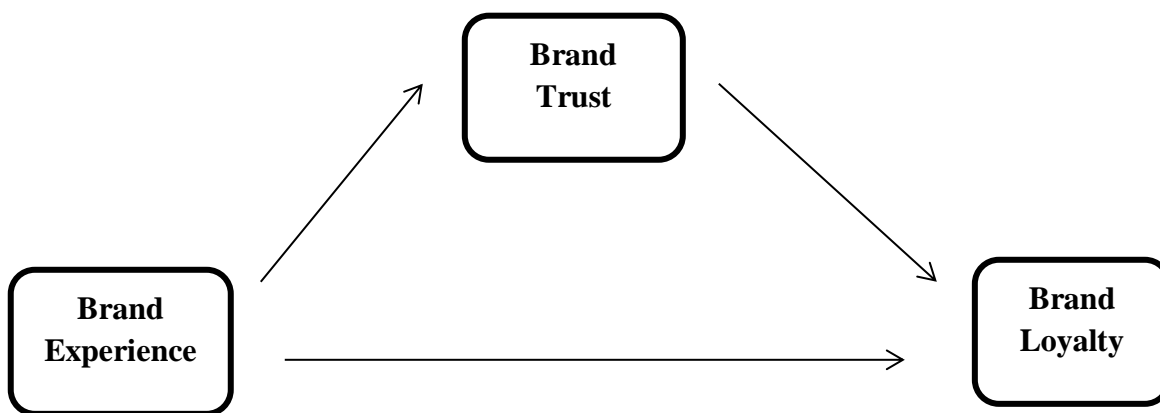


Figure 1: Conceptual framework.

Results

The correlation between the variables and reliability is presented in table-1 and revealed that brand experience, brand trust and brand loyalty has positive association with each other. The Cronbach alpha value of all the variable is greater than 0.7 which is acceptable. The results of hypothesis are presented in table 2. The values of R-square and F-tests are .48 and 137.09 respectively. It can be observed that R-square and F-test values are significant because $p\text{-value} < 0.01$, so we can say that the relationship among both variables Brand Trust and Brand Loyalty is statistically significant. Also, the relationship among Brand Experience and Loyalty is significant when Brand Trust has mediating role.

Table 1: Instrument's Reliability and Correlation

Variables	1	2	3
Brand Experience (1)	1 (.84)		
Brand Trust (2)	.504**	1 (.86)	
Brand Loyalty (3)	.360**	0.693**	1 (.85)

The results shows that brand experience has positive relationship with brand loyalty and beta value is 0.28 which means that one unit increase in brand experience enhances 0.27 units increase in brand loyalty. Regression Coefficient of Brand Trust is .57 so this coefficient shows that for every

additional effort to build Brand Trust you can expect Brand Loyalty to be increased by an average of 0.57.

Table 2: Testing of hypothesis

Dependent Variable Brand Loyalty

Variable	R-square	F-Test	Coefficient	T- Test	P-Value
Brand Experience	.1293	44.26	.277	6.653	0.0000**
Mediating Role of Trust					
Brand Trust	.48	137.09	.5735	14.15	0.0000**
Brand Experience			.0109	.2920	.7705

** p < .01

Discussion

The study shows that brand experience has positive significant effect on brand loyalty. These findings are supported by Sahin (2011). The study further revealed that brand trust mediates the relationship between brand experience and brand loyalty. These findings are supported by Ha and Perks (2005). Perks (2005) proved that Brand trust is achieved through brand experiences which ultimately leads to brand loyalty. Hence brand trust mediates the relationship between brand experience and brand loyalty. The data of this research was only collected from four cities of Pakistan on convenient sampling therefore the results of this study cannot be generalized. Future research may be conducted to determine the role of brand satisfaction and switching cost to determine the customer loyalty.

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Trust, Civic Engagement and Social Cohesion in Technology Transfer in Russia and Ukraine

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Abstract:

The promotion of knowledge and technology transfer between universities and business is an important topic in the contemporary policy and literature. However, what has been largely neglected so far is the importance of trust and social capital for the latter. Based on a unique data set from a survey of Russian and Ukrainian researchers, we analyse the influence of social capital on the willingness of researchers to engage in industrial collaboration and the channels they use.

Keywords: *Knowledge and Technology Transfer, Innovation, Social Capital, Trust*

Introduction

The promotion of innovation is high on the agenda of economic policy in virtually all major economies. The soviet model of innovation followed a linear view of innovation based on assumptions of technology as a commodity which led to the hierarchical organization of innovation processes and the separation of R&D and production (Egorov and Carayannis, 1999; Radosevic, 2003). This orientation as well as a vertical linkages between the central actors in the innovation process are according to Klochikhin (2012, p. 1622) still prevalent in the mind set of Russian scientists. In modern innovation systems, innovation is seen as the result of evolutionary interactive learning processes in national (Lundvall, 1992; Nelson, 1993) or regional (Cooke et al., 1997) systems of innovation. Thereby the transfer of knowledge and technology between the subsectors of the triple helix (Etzkowitz, 2003) is essential for the functioning of modern innovation systems (Rüffer, 2015). Policymakers in post-socialist transitioning economies are trying to improve the knowledge and technology transfer between science and business by fostering similar institutions as in highly developed countries (Rüffer et al., 2016). However, not much is known about the determinants of engagement in these transfer channels in post-soviet societies. The current research system in countries such as Russia and Ukraine can be still regarded as being in transition (Glebovskaya, 2008). Following the collapse of the Soviet Union, both innovation systems were reformed. The transformation of the R&D systems was aimed at the re-orientation of scientific activities away from military towards civilian industries (Yegorov, 2009). While the Russian government conceptualized a national innovation strategy in 2011 (Russian Federation, 2015), this was only approved as recently as 2015. Ukraine in 2012 was planning to devise such a strategy (Clopt 2016). However, not much has been done yet in that regard.

The research goal of this paper is to identify the determinants of engagement of Russian and Ukrainian researchers in knowledge and technology transfer activities, particularly regarding the roles of different forms of social capital (Trust, Civic Engagement and Social Cohesion). So far, this field that has largely ignored by the literature, particularly in regard to post-socialist countries. Especially in economic systems characterized by a larger degree of uncertainty such as Russia and Ukraine, we expect social capital to play a larger role than in advanced economies, especially regarding cooperation activities.

Theoretical Background, Literature Review

The literature on the Systems of Innovations evolved out of the recognition of the importance of institutions and incentives governing economic systems and the transfer of knowledge between actors for the generation of innovation. Innovation is seen as the result of complex processes of interactions between firms, their customers and suppliers, R&D organizations, regulatory institutions, financial organizations, etc. Interactions are characterized by feedback loops and reciprocity. Knowledge flows between the subsystems of the triple helix, the scientific system (e.g. universities and research institutions), the private sector of the economy, and the political system (Etzkowitz, 2003) are central for the generation of innovation. Especially knowledge flows from the scientific subsystem towards the business subsystem are highly important in this regard. We hypothesize that Social Capital is central for knowledge flow between these subsystems, especially in economies characterized by high institutional uncertainty. Social capital resides in networks and in the connections among network members, which can be of various type and strength (Bourdieu, 1986)². It comprises the “resources available through networks of relationships” (Thune, 2007, p. 159) and can be applied to increase effectiveness of cooperation behaviour (Putnam, 1995).

Social capital can be defined in more general terms as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit” Nahapiet and Ghoshal (1998, p. 243).

Bourdieu (1986), Putnam et al. (1994) and Coleman (1990) are seen as the godfathers of social capital theory. While their views differ on the details, they largely agree on the central phenomena regarding social capital. Bourdieu focuses on the aspect of the accrual of durable relationships based on “mutual acquaintance and recognition” (Bourdieu and Wacquant 1992, p. 119). Coleman (1990) points at reciprocity-based trust, norms and information channels and Putnam (2000) defines S.C. as stocks of social trust, norms and networks.

The literature on knowledge and technology transfer between science and business in post-socialist innovation systems is scarce and published in specialized Russian outlets (Ablazhay, 2015; Glebovskaya, 2008; Luksha et al., 2009; Radošević, 2003; Zaichenko et al., 2014). Radošević (2003) focusses on science and technology policy in Russia and identifies the linear model of innovation and technology as the basis for the Soviet model of S&T. According to Klochikhin (2012) there is an urgent need for structural reform in Russia’s innovation policy. The academic circles in Ukraine acknowledge that implementation of the Triple Helix concept for transformation of the Ukrainian national R&D and innovation system can open new opportunities for its development (Yegorov, 2015), but the national innovative discourse in Ukraine still develops outside of it (Ranga and Etzkowitz, 2010). A number of comparative studies analyze the problems of academic entrepreneurship in higher education, research characteristics of innovative entrepreneurial universities in global society, the formation of corporate culture of entrepreneurial universities, etc., thus contributing to the purpose of Ukrainian universities of adopting best practices in the field (Pavlenko et al., 2014; Romanovskiy, 2012). To fill this gap, Yegorov and Ranga (2014) propose an examination of Ukraine’s innovation landscape from the perspective of Triple Helix systems, a call for research which we address with our paper.

Method and Results

Our study aims to capture the influence of social capital on the willingness of researchers to engage in industrial collaboration as well as the channels they use, for which we develop a set of testable hypotheses from literature. We then gathered data using an online survey of Russian researchers in Krasnoyarsk, Irkutsk and Novosibirsk and Ukrainian researchers in Kiev, who passed them on to a larger audience. After discarding incomplete responses, we end up with a sample of 209 valid answers.

We next run a series of logistic regressions to test the effect of trust, civic engagement and social cohesion and other explanatory variables on the general participation in industrial collaboration. We do not find a significant impact of trust. However, we do find support for our second hypothesis that a higher stock of social capital will positively affect the engagement in industrial collaboration of researchers.

Interestingly, researchers which show a higher inclination towards social cohesion, seem to be less likely to collaborate with industry. Finally, we find that researchers who place a higher value on social status and on earnings (e.g. as a sign of success in life) are more likely to engage in industrial relation in line with Putnam's view of social capital (Putnam, 1995).

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The impact of crisis shocks of 2008 and 2014 on internationalization patterns of Russian companies: host country characteristics and investment risks

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Abstract:

In this paper we explore investment patterns of Russian companies tackling with recent financial instabilities in Russian economy. Host country characteristics and investment risks are hypothesized to determine Russian OFDI intensity and indirectly represent the ways companies deal with economic instabilities and changing environment. The results show that Russian MNEs have relatively stable OFDI patterns even under economic and political pressure. Some particular features of OFDI from Russia grounded in country specific context were identified

Keywords: *Outward FDI from Russia, 2008 crisis in Russia, 2014 crisis in Russia, systemic risk, local risk*

Introduction

Recent studies propose a need for better understanding of outward FDI from emerging countries and their determinants (Alon, 2010; Gammeltoft et al., 2012; Meyer, 2015; Cuervo-Cazurra, Narula, 2015; etc.). Intensive growth and renewal of multinational companies during the last decades reformed global environment by means of both FDI and various contracting methods. A holistic analysis of investment patterns may provide important insights into leading trends and macro-level parameters which are taken into account by multinationals making and maintaining profits from international investments.

This study aims to introduce and test the model focusing on regional structure of FDI from Russia and host countries' characteristics that are attractive for Russian companies investing abroad in times of crisis. The contribution of this paper is twofold. Firstly, we aim to uncover special features of outward FDI from Russia. Secondly, crisis perspective is supposed to introduce new insights in terms of risk tolerance of Russian companies.

Theory and Hypothesis development

The focus of this paper lies in the area of host country parameters grounded on national and institutional differences and embedded in OFDI location choice. In the context of the global economic crisis, each element of the economic environment, national or international, is affected by its consequences (Hagigi and Sivakumar, 2009; Casson, 2013; Wu and Chen, 2014). The global crisis itself is a systemic risk and dimensions as well as effects of its dissemination on various economic agents – national economies, firms and consumers – give the global character to it. In other words, if the crisis years are perceived to entail systemic risks for Russian multinationals then it should have negative relationship with OFDI amount in these years.

H1: There is negative relationship between Russian OFDI volumes and systemic risk.

In line with external systemic risks economic instabilities often cause so called local risks associated with the behavior of external stakeholders that is being under stress check. Government effectiveness and regulation quality, as indicators of local risk level for investors, could affect a country's ability and/or commitment to service its debt obligations and/or cause turbulence in the foreign exchange market that directly links this to OFDI intensity (Quian, Bak, 2001; Wu, Chen, 2014; etc.).

H2: There is negative relationship between Russian OFDI volumes and local risk.

The less developed institutional environment in emerging markets is often characterized by high government intervention, lack of legal protection for property rights, poor enforcement of commercial laws, nontransparent judicial and litigation systems, which increases transaction costs (Carvalho, 2014). The closer an institutional environment to market based economy, the more likely it will reduce government intervention, foster contract enforcement, minimize transaction costs facilitating EMNEs' expansion into the global market.

H3: There is negative or positive relationship between Russian OFDI volumes and institutional development of host a country.

Generally, due to transportation, communication, and coordination costs, the greater geographic distance between country of origin and host country, the more difficult and costly it is for firms to invest there (Lefilleur and Maurel, 2010). In regional terms OFDI from Russian companies is controversial matter. It is assumed to be rational behavior to minimize efforts associated with large institutional distance and invest into countries with similar institutional characteristics.

H4: There is positive relationship between Russian OFDI volumes and regional proximity.

The main special features of Russia in terms of OFDI are resource orientation, relatively low technological development of many industries and poorly developed institutions that determine main host countries for Russian OFDI to be developing countries and tax haven countries (Chari, Acikgoz, 2016). Leaving out tax haven countries gives us quite a number of closely located former USSR countries that receive medium portions of OFDI from Russia regardless crisis, but the major portion is still to tax haven countries (Drigă, Dura, 2013).

H5: There is positive relationship between Russian OFDI volumes and tax haven benefits.

Data and methodology

In our study we examine the impacts of host country characteristics on the intensity of Russian outward foreign direct investments as well as the risk related aspects of investment strategy on a national level. The timeframe consists of two time periods – 2008-2009 and 2014-2015 years. The data for dependent variable was collected at The Central Bank of Russian Federation database, for independent variables at the World Bank databases. A comprehensive description of variables is given further.

Results and discussion

The paper gives insights into some specific features of Russian economy and outward FDI from Russia, pointing out the outward growth of Russian MNCs in recent years. The contribution of this paper is twofold.

First of all, institutional and regional proximity of OFDI from Russia is second important factor that Russian companies take into account when investing abroad. CIS countries are quite active receivers of OFDI from Russia due to their geographical and institutional similarity with Russia. Secondly, the predominant preference of Russian companies to invest in tax haven countries is explained by poorly developed institutions and propensity to keep profits in less turbulent environment. Interestingly, this second feature helped to maintain relatively high OFDI levels in crisis times and supposedly to use accumulated capitals in offshore countries to survive during crisis. It appears that Russian companies show quite high risk tolerance, which seems to be a result of their exposure not only to external global crisis negative effects, but also prolonged internal institutional and political issues. The 2008 global crisis stimulated Russian companies to adapt their investment strategies in order to take into account systemic and possibly local risk factors, so that during the 2014 crisis as well as under political and economic

sanctions it was still possible for Russian OFDI to continue, however to slightly different locations and, of course, with the dramatic decrease of OFDI amounts.

Further research might broaden the chosen theoretical perspective in terms of more comprehensive analysis of systemic and local risks and accounting for moderating and mediating institutional effects on the volumes of OFDI from Russia. There could also be added some particular tax haven classification to account for changing anti-tax haven regulation during the last decades and overall global investment trends.

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Benefits of Supply Chain Finance: Case of Russian Retail Chain

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Abstract:

Supply chain finance (SCF) is a set of solutions optimising the financial flows management through collaborative actions. SCF can be interpreted as a set of contracts potentially bringing a supply chain to higher level of collaboration. We aim to address the gap in supply chain finance literature by providing empirical evidence of the SCF integrating ability through a case study focusing on a large Russian retail supply chain. The study is positioned at the intersection of empirically driven SCF and theoretically rich supply chain collaboration (SCC) literature streams.

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Keywords: *Supply Chain Finance, Supply Chain Collaboration, Retail Sector*

Introduction and purpose of the research

Modern supply chains are constantly striving to eliminate process inefficiencies while at the same time to provide the final customer with additional services, to increase the overall value of the entire chain. With this in mind, focal companies in supply chain tend to acquire control outside of the boundaries of their own company. The idea is the following: organizations as self-serving entities maximise their profit, however this might result in a sub-optimal overall performance. At the same time, a focal company may contractually orchestrate the actions of other players in the supply chain in order to achieve optimal profit. However, there is still a lack of empirical papers on practical use of contracts (Arshinder et al., 2008; Cachon and Lariviere, 2005; Kouvelis and Zhao, 2016; Yan et al., 2016). SCC literature tends to oversee variables such as short-term financial constraints or bankruptcy risk (Xu et al., 2010) as well as an in-depth analysis of financial practices and solutions in this context is still lacking.

SCF as a set of financial practices and schemes in the supply chain context aims at the optimisation of the flows and allocation of financial resources in a supply chain focusing on value growth, requiring the collaboration of at least two primary supply chain members, possibly facilitated by external service providers (de Boer et al., 2015). SCF literature is generally divided into financial-oriented and supply chain-oriented (Gelsomino et al., 2016), with the first focusing on solutions targeting accounts receivable and payables (e.g. Wuttke et al., 2016, 2013 and the other focused on more broader supply chain implications of the SCF approach (e.g. Caniato et al., 2016; Pfohl and Gomm, 2009). However, independently from the perspective choice, SCF can be characterised as a set of schemes (financial or otherwise), which show potential of being interpreted as contracts with implications from SCC literature. For example, Lekakos and Serrano (2016) show how Reverse Factoring (one of the most wide SCF schemes, common to both the financial and supply chain oriented perspectives) has the potential to increase the order quantity of suppliers and allow them to follow growth patterns of buyers, bringing the supply chain closer to collaboration.

However, an analysis of SCF grounded in SCC theory is still lacking. That is to say, literature shows a lack of contributions focused on a proper investigation of SCF schemes as contracts with the potential of aligning a supply chain, exploiting the theoretical potential offered by SCC literature in the empirical-based field of SCF literature.

In light of the literature gap presented, this paper aims at developing a model that analyses the aligning potential of SCF solutions for a 3-stage supply chain. More specifically, we identify two research questions (RQs):

- RQ1. What is the effect of different SCF schemes on the total value of the supply chain?*
RQ2. How are different stakeholders impacted by such schemes?

Methodology

Due to the explorative nature of the study and aim to contribute to the developing field of SCF research, we apply multi-method approach combining qualitative and quantitative analyses. More specifically, the approach towards the RQs includes three steps.

1. Analysis of integration between various flows in a supply chain, including identification of significant parameters necessary to assess benefits of SCF in the SCC field;
2. Selection of a suitable real-world case study and interviews with managers to recognise actual needs for the whole 3-stage supply chain, including identification of relevant solutions in the specific context;
3. Modelling identified SCF solutions on the grounds of contracting literature and assess their SCC value.

Case study

The case study focuses on the supply chain of a large retail company, located and operating in Russia. The relevant section of the focal supply chain, i.e. within the scope of this paper, can be identified through its main suppliers and customers. The focal company aims at adopting sophisticated SCF tools, such as Reverse Factoring or Inventory Financing.

Results and implications

The paper aims at measuring the collaboration potential of different SCF solutions. Through a mix of qualitative and quantitative analyses, we aim at providing a clear understanding of different SCF schemes (such as Reverse Factoring or Inventory Financing) as contracts.

The integration between the SCF topic and the SCC literature stream will provide a deeper theoretical understanding of the link between the physical, information and financial flows and the role of financial flow management for supply chain collaboration while as well as empirical evidence within the field of SCC.

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The Universities' contribution to efficiency, effectiveness and equity of regional health care system

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Abstract:

The paper introduces a new type of University (or its strategic business unit) strategy – the cluster strategy that is aimed at the strengthening of regional cluster if the latter exists. In the paper, the methodic of the strategy development is suggested and applied to the St. Petersburg Health Care cluster. Some of the most important and urgent problems of St. Petersburg Health Care system, which are connected with its efficiency, effectiveness and equity, are discussed.

Keywords: *Healthcare; Cluster; Strategy; Efficiency; Effectiveness; Equity*

Introduction

Many Universities are situated in the metropolitan area, which accumulates a great demand for healthcare services. From different points of view, it is perspective to consider the variety of healthcare providers and other organizations, which influence the assortment, quality and volume of healthcare services as a healthcare cluster. The cluster approach is extremely fruitful when it comes to finding and managing sources of the effectiveness and efficiency of clustered service providers compared to similar providers of another geographic location. Below, we will identify and discuss the possible Universities' contribution into the competitiveness of regional healthcare cluster.

As to M. Porter [1], there are four main determinant of cluster's competitiveness: Factor conditions, Demand conditions, Related and supporting industries, and Firm strategy, structure and rivalry.

The local Business and Medical Schools graduate and retrain the local hospitals' management and doctors giving essential contribution into the power of two vertex of Porter's diamond: Factor conditions and Firm strategy, structure and rivalry, if the most of their educational programs' students are enrolled from the regional population and companies. However, the development of MOOCs is essentially shifting the Universities' contribution from regional to national and even international levels. On the other hand, the research provided by the Business and Medical Schools can be considered as the supporting activity toward the medical service delivering of clinics.

To go insight the problem, we will use the M. Enright's classification of cluster types which is ranking them according to increase of their competitiveness: "Wishful thinking" cluster □ Policy driven cluster □ Potential cluster □ Latent cluster □ Working cluster [2].

Working clusters are those in which a critical mass of local knowledge, expertise, personnel, and resources create agglomeration economies that are used by firms to their advantage in competing with those outside the cluster. Even if participants do not call themselves a "cluster producer", they are knowledge of the interdependence of local competitors, suppliers, customers, and institutions. For the other types of clusters, their participants do not think of themselves as a part of the cluster and, as a result, do not think of exploring the potential benefits of closer relationships with other local organizations [Ibid].

Since the USA is a Motherland of the cluster conception and has a great handicap in its practical implementation, there are many Working and Latent clusters there, whilst in the Russia they are, at best, Latent ones.

Thus, we confine our discussion to the identification of that ways which can apply Universities (more precisely, Business and Medical schools) to make cluster participants, students of their EMBA and retraining programs, to consciously extract the benefits from their geographic proximity.

From the time of A. Marshall, among those benefits it is customary to call following two features of agglomeration [3]:

- a great concentration of demand, qualified labor force and suppliers,
- a rapid distribution of technologies, information and, generally speaking, innovations among the cluster participants.

Thus, the University or its Strategic Business Unit (SBU) can use educational process,

- for giving opportunities to its students, the representatives of different cluster participants, to select labor force, suppliers and customers by the best possible way, and,
- for trying to accelerate, facilitate and stimulate the innovation exchange in the cluster.

The paper introduces the University (its SBU) cluster strategy as the complex of measures aimed at the strengthening of regional healthcare cluster (if the cluster exists) and suggests the methodic of its development based on the University value added chain [4].

Significance of the research

In the paper, some problems of performance of St. Petersburg Health Care System have been identified in the part of, respectively, its equity, efficiency and effectiveness:

- unequal access of public and private, regional and federal clinics to the territorial fund of Compulsory Medical Insurance (CMI) financing;
- the absence of the methodic and criteria of optimal splitting the pie of CMI financing between healthcare organizations;
- the absence of successful (which came up to the stage of service delivering) regional public-private partnership projects in the healthcare area.

The paper applies the methodic of cluster strategy development for the development of strategy of the retraining program “Healthcare management” and, thus, it make University contribution to the strengthening of St. Petersburg healthcare cluster.

The research question(s) and method

In the paper, the following research questions are considered:

- under what conditions a regional health care system can be modelled as a regional health care cluster;
- what tools can University apply to influence the competitiveness of a regional health care cluster, or in other words, what is the content of the university's cluster strategy;
- what is the methodic of developing a university cluster strategy.

To examine with the questions, the theoretical basics of cluster theory are used as well as a conception of company's value added chain and costs and benefits analysis.

The results to be reported

The paper introduces the conception of the University (its SBU) cluster strategy, defines the necessary conditions, which have to be fulfilled to strategy to be in demand, suggests the methodic of cluster strategy development, and applies it for the development of strategy the retraining program “Healthcare management”.

On the other hand, in the paper some problems of performance of St. Petersburg Health Care System have been identified in the part of, respectively, its equity, efficiency and effectiveness:

- unequal access of public and private, regional and federal clinics to the territorial fund of Compulsory Medical Insurance (CMI) financing;
- the absence of methodic and criteria of optimal splitting the pie of CMI between healthcare organizations;
- and, the absence of successful (which came up to the stage of service delivering) regional public-private partnership projects in the healthcare area.

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The Influence of Entrepreneurship on Economic Growth in Emerging Countries

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Abstract:

Numerous researchers have pointed to the fact that entrepreneurship plays an important role in economic growth. But, research results have shown that difference exists regarding different types of entrepreneurship. Therefore, the aim of this paper is to examine the impact of different types of entrepreneurship on economic growth in emerging countries in order to determine the one with the greatest contribution. Obtained results will enable proposition of measures that macroeconomic policy makers could implement to achieve sustainable economic growth.

Keywords: *Entrepreneurship, Economic Growth, TEA, NEA, HEA, Emerging Countries*

1. Introduction

Entrepreneurship significantly contributes to sustainable economic development in developed countries, through job creation, GDP increase, poverty reduction, and welfare of the whole society in the long term (Valliere and Peterson, 2009). Entrepreneurship is also important for emerging economies because it encourages economic development by creating an open competitive market, and by limiting the market power of public enterprises (McMillian and Woodruff, 2002). However, although there is a large number of papers, which, based on substantiated theoretical explanations, prove the importance of entrepreneurship for economic growth, solid empirical evidence that this bond is present and significant is still missing. Therefore, the subject of this paper will be an empirical investigation of the relationship between the total entrepreneurial activity (TEA) and economic growth in emerging countries. Our starting hypothesis is that entrepreneurship development can significantly contribute to the economic growth in the emerging countries.

Numerous studies have shown that different types of entrepreneurship have different impact on economic growth. However, research on this topic in the emerging countries are scarce, and this study focuses on investigating the impact of different types of entrepreneurial activities on economic growth in several emerging countries: Serbia, Bosna and Herzegovina, Croatia, Macedonia, Romania, and Turkey.

The research results from developed countries have shown that the largest contribution to economic growth comes from High-growth expectation entrepreneurship activity (HEA) and Opportunity-driven early-stage entrepreneurship activity (OEA), while the Necessity driven early-stage entrepreneurial activity (NEA) has lower contribution (Wong, Ho and Autio, 2005; Valliere and Peterson 2009). Our second hypothesis is that HEA, compared to NEA and OEA, have the greatest contribution to economic growth in emerging countries.

2. Data, Sample and Empirical Results

For testing the defined hypotheses regression model is developed. Data used in this study are from the World Bank database and the Global Entrepreneurship Monitor (GEM) program for the period 2006-2016. The dependent variable is the average annual growth rate of GDP (GDPR). The independent variables are: TEA, HEA, OEA, NEA. Sample included following countries: Serbia, Bosna and Herzegovina, Croatia, Macedonia, Romania, Turkey. The regression results are presented in Table 1.

Table 1. Regressions Analysis Results

Dependent variable –	Unstandardized	Std.	Standardized	Sig.
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GDP growth rate	Beta	Error	Beta	
Constant	2.263	4.382		0.607
OEA	0.012	0.033	0.050	0.044
NEA	-0.063	0.048	-0.164	0.052
HEA	0.093	0.039	0.253	0.019
TEA	0.118	0.300	0.077	0.041
R	0.694			
R Square	0.482			

Table 1 shows that TEA has positive and significant impact on economic growth in emerging countries. An increase in TEA by 1 leads to an increase in the GDP growth rate for 0.118%. Since this coefficient is statistically significant, our conclusions can be generalized. Entrepreneurship development, can significantly contribute to the economic growth of the emerging countries. The greatest contribution to the variation of GDP is made by HEA and OEA. The impact of these variables on the economic growth are positive and statistically significant. While, the impact of NEA is negative, showing that if NEA increases by 1, GDP growth rate will decrease by 0.063%. The selected regression model explains 48.2% of the total variability of the GDP growth rate.

3. Conclusion

Based on the above analysis it can be concluded that entrepreneurship is extremely important for economic development, but the contribution of certain types of entrepreneurship is significantly different. Our research has shown that HEA and OEA have the greatest contribution to the economic growth in emerging countries, while, the impact of NEA is negative.

Therefore, the macroeconomic policy makers in these countries could be advised to implement measures to encourage the development of Opportunity-based entrepreneurship and High-growth expectation entrepreneurship, because these activities increase economic growth and can enhance future economic development. Additionally, the focus should be on improving the characteristics of the macroeconomic environment, as these characteristics largely affect the development of the most productive types of entrepreneurship.

Firstly, theoretical knowledge and entrepreneurial practice should be included to a greater extent in general education programs in the above-mentioned countries. Further, greater transfer of ideas and knowledge obtained by scientific research to SMEs should be enabled, since this can contribute to easier identification and exploitation of market opportunities, to launch the opportunity entrepreneurial activities, i.e. faster reach innovation and establish fast-growing companies.

Moreover, the legal and regulatory infrastructure should be improved as well, particularly in the area of property rights. Also, the government bureaucracy should be reduced, because this can have a stimulating effect on the development of all forms of entrepreneurial activity. In addition, the state policies should be designed to stimulate the creation and development of fast growing companies.

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Do cultural differences affect performance of cross-border mergers and acquisitions? Evidence from Chinese and Indian high-tech firms

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Abstract:

We study the impact of cultural differences on performance of international high-tech M&As initiated by emerging market firms and measured with abnormal returns (CARs) for high-tech bidders on the sample of 160 deals of Indian and Chinese companies (127 deals initiated by Indian and 33 deals by Chinese firms) for the period of 1999-2018.

Our findings contribute to the literature in several ways. Firstly, we document positive significant cumulative abnormal returns for cross-border deals initiated by high-tech emerging market bidders. Secondly, we find that performance of these cross-border acquisitions declines with the growth of cultural distance. Thirdly, we empirically prove that the impact of cultural differences on M&A performance does not depend either on the size of the acquiring company, or on the previous experience in conducting international acquisitions. Fourthly, we find that the increase in the differences in the level of individualism leads to the deterioration of performance of M&A deals.

Keywords: *high-tech mergers and acquisitions, cross-border M&As, emerging capital markets*

1.Introduction

Cross-border deals of emerging markets firms add cultural distance to the overall complexity of M&As. The existing papers document different patterns of cultural distance - performance relationship from positive (Morosini, Shane & Singh, 1998, Chakrabarti et al., 2009, Dikova & Sahib, 2013) to negative (Datta and Puia, 1995, Aybar & Thanakijombat, 2015, Li, Li & Wang, 2016).

2.Cultural differences and cross-border M&A performance for emerging marketfirms

There are basically two arguments in favor of positive influence of cultural differences on cross-border M&A performance. According to the first one, the higher the cultural distance is the higher the likelihood that a target firm possesses some business practices and organizational knowledge that is unavailable for an acquirer within its national culture, so it can adopt some of these business practices, which may, in turn, increase its overall and, therefore, cross-border M&A performance (Morosini, Shane & Singh, 1998). The second argument lies in the fact that managers of firms participating in cross-border M&As are aware of possible detrimental effects of cultural differences on M&A performance which induces them to conduct more thorough selection of target companies and, thus, the deal is completed only when its future benefits are undoubtable (Chakrabarti et al., 2009).

Nevertheless, many authors claim that the more cultural differences are the worse the performance of international M&As is (Datta and Puia, 1995, Aybar & Thanakijombat, 2015). It can be explained by the following: a higher cultural distance leads to more integration-related problems such as communication barriers between employees of companies participating in M&As (Chatterjee et al., 1992), difficulties in interpretation of motives and intentions of colleagues from another firm (Olie, 1996), unwillingness of the acquired company's personnel to cooperate because of increased acculturative stress (Very, Lubatkin & Calori, 1996).

Cross-border M&As initiated by high-tech firms from emerging markets differ from these types of deals initiated by developed markets companies. In most cases emerging markets firms buy technologies which are ready for commercialization and are related to their own products instead of purchasing technologies which are still at the development stage and may not be linked to the current level of technologies in their firms (Luo

& Tung, 2007, Awate, Larsen & Mudambi, 2012). In the majority of the cases they are driven by the goal to strengthen their competitive positions in the internal market (Hennart, 2012).

3.Data and sample

We study the impact of cultural differences on performance of international high-tech M&As initiated by emerging market firms and measured with abnormal returns (CARs) for high-tech bidders on the sample of 160 deals of Indian and Chinese companies (127 deals initiated by Indian and 33 deals by Chinese firms) for the period of 1999-2018.

Within the paper and after Hagedoorn and Duysters (2002), Porrini (2004), Zhu and Qian (2015) we determine a high tech M&A as a deal when an acquiring and a target firm both belong to high- tech industries. The cultural distance is measured by the Kogut and Singh's (1988) index which is based on the Hofstede's (1980) dimensions of the national culture.

4.Empirical results and conclusions

Our findings contribute to the literature in several ways. Firstly, we document positive significant cumulative abnormal returns for cross-border deals initiated by high-tech emerging market bidders. Secondly, we find that performance of these cross-border acquisitions declines with the growth of cultural distance which is in accordance with Slangen's (2006) conclusion about negative cross-border M&A performance and cultural distance relationship. Thirdly, we empirically prove that the impact of cultural differences on M&A performance does not depend either on the size of the acquiring company, or on the previous experience in conducting international acquisitions, which contradicts the results found in Li, Li & Wang (2016) and Dikova & Sahib (2013). This finding could be explained by the specificities of the high-tech deals of emerging markets bidders which are often supported by the government, which can increase performance of these deals (Wang et al., 2012). Fourthly, we find that the increase in the differences in the level of individualism leads to the deterioration of performance of M&A deals, which supports the result obtained earlier by Brock (2005).

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Digital transport as a driver of urban development

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Abstract:

This paper investigates elements and technologies of digital transport, provides examples of best practices of digitalization in developed countries. Emphasizes that Russia made important steps towards the digitalization of urban transport in the framework of the Federal program for the development of "smart" cities: 50 cities should implement digital transport system. Modern digital technologies make the transport environment safer and comfortable and so improves quality of life in cities. The authors emphasize that during preparation of strategic programs of "smart" cities municipal government should consider two components: "a city convenient for drivers" and "a city convenient for passengers".

Keywords: *transport infrastructure, digital transport, digital innovations, digital urban services, smart city*

1. Introduction

The modern stage can be described as the "Digital Era of Transport", which means grandiose changes in the transport complex of the whole world. As a significant component of modern economy, transportation accounts for 6-12% of the gross domestic product (GDP) in many developed countries (Schränk et al., 2011). Although transportation has greatly improved our lives, quite a few costly problems remain unsolved, including traffic accident, congestion and vehicle emission. Road traffic accidents, congestion of city highways, traffic jams, lack of parking spaces, bad roads – these are main transport problems of modern megalopolises.

Digital transportation (DT) as an element of the modern concept of "smart cities", has recently become a hot topic in the Internet of Things (IoT) area, and is considered as the solution to the problems mentioned above.

2. Key characteristics of digital transportation

In Russia, important direction of solving transport problems is the implementation of the concept of "smart city" in the framework of the Federal program "Digital economy of the Russian Federation": 50 "smart" cities of Russia should implement digital transport system. "Digital Transportation" as an intelligent system of transport infrastructure is designed to improve the quality of life of citizens through the introduction of traffic control centers and planning of public transport routes; development of technologies of geo-positioning and identification (Panamareva, 2012). Also an important step towards digitalization of transport is hosting the international innovation forum "Smart transport". This is specialized congress and exhibition event in the Russian Federation aimed at demonstration of specific solutions, innovative technologies, materials, management methods and discussion of topical problems of the transport industry. Next time this Congress will take place in 10-12 April 2019 in St. Petersburg at the Expoforum Convention and exhibition Centre.

For the monitoring of processes of digitalization of the transport system of cities, it is advisable to analyze five basic elements of the DT:

1. Digital monitoring of parking availability.
2. Electronic displays at bus stops.
3. Digital road condition sensors, stationary and mobile cameras.
4. Digital road radiometers and traffic lights.
5. "Smart transport" without driver.

The introduction and development of these elements will make the transport infrastructure more comfortable and safe in the future.

Basis technologies of digital transport are GLONASS (navigation and information technologies), Internet of things (IoT), programs Big Data, sensor technologies, fiber-optic technologies.

3. Data and sample

Innovations of the digital economy contain risks of industrial management, because they are associated with the transformation of knowledge into a product, the final state of which can only be simulated. So, in Russian cities there are no built-in road condition sensors and "smart transport" without driver. In many Russian cities, there are electronic displays at bus stops, video cameras at transport infrastructure facilities, adaptive traffic lights. In large cities, there is a service of monitoring and booking of parking (Moscow, St. Petersburg, Ekaterinburg, Kazan', Novosibirsk).

Nevertheless, the modern world demonstrates examples of the best practices of implementing digitalization in transport projects.

For example, Helsinki (Finland) uses digital services to collect information from sensors installed in buses that control driving style (speed selection and the need for emergency braking). The sensor data on fuel consumption, engine temperature allow to detect mechanical problems of buses. The project has allowed to reduce fuel consumption by 5% and increase the degree of passengers satisfaction with the service by 7% (Danilin, 2017).

In Los Angeles (USA), through the mobile app, residents are notified about the availability of parking spaces in a particular area. The service helps to reduce the load of parking in peak hours by 22% and reduce the total traffic by 8% (Danilin, 2017).

Barcelona (Spain) offered drivers a convenient mobile application with geo-positioning, which indicated the nearest available parking spaces and made it possible to book a place. Funds that Barcelona receives from users of the application "paid parking", reinvested in other important projects. So in Barcelona appeared a number of smart services. Among them are garbage cans with overflow sensors. At the moment when the tank is about to be filled, the sensor sends a signal and this tank is taken out by a compact electric car. As a result, there are no waste bins in the city. In addition, fuel costs are reduced and the city highways are "unloaded" (Konik, 2018).

Barcelona there are smart stops, informing about the arrival time not only the nearest bus, but also the next one. At rush hour, people can accurately plan whether to drive into a crowded bus or better wait for the second (Konik, 2018).

Based on the consideration of progressive practices of digitalization of urban transport, it is obvious that the current Russian practice of modernization of transport infrastructure does not meet the requirements of today's needs of cities.

4. Empirical results and conclusions

The global trends in DT are development of car-sharing, emergence of new forms of payment on public transport, development of the production of "smart transport" without driver.

In the preparation of strategic programs of "smart" cities, authors of the study suggest considering two components: "a city convenient for drivers" and "a city convenient for passengers". To adjust the strategic plan in the proposed way, the municipal government need to attract experts to carry out transport and sociological studies of the intensity and structure of flows, to identify trends in urban traffic. To predict the development of transport it is advisable to use the concept of urban metabolism.

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Determining the role of Quality Management Practices on Organizational Performance using Balanced Scorecard Approach with the moderating effects of Culture: an Empirical Investigation

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Abstract:

Quality management practices in the organizational spheres are of considerable importance and multinational beverages firms in Pakistan have been striving to elevate quality management practices in order to augment organizational performance. This study investigates how quality management practices have been improving organizational performance of the beverages firms operating in the twin cities of Rawalpindi and Islamabad. Balanced Scorecard approach has been deployed as an outcome variable since it precisely measures organizational performance. The moderating role of power distance is taken alongside since Pakistan ranks high in power distance criterion. In this regard, data was attained using questionnaire from the employees working at beverages firms. The sample size of the study was 262 and judgmental/purposive sampling techniques were applied for data collection. Statistical data analyses were conducted in order to determine causality among the constructs. The outcomes attained manifestly accepted the established hypotheses.

Keywords: *Quality Management, Power Distance, Balanced Scorecard, Organizational Performance*

1. Introduction

The interventions of quality management practices have brought revolutionary impacts on the everyday proceedings of the organizations (Gutierrez-Gutierrez, Barrales-Molina & Kaynak, 2018). The performance of employees trembles when prior rewards are not awarded (Eriksson, 2016). Positive impacts on the organization are observed when quality management is applied (Gutierrez-Gutierrez, Barrales-Molina & Kaynak, 2018; O'Neill, et al., 2016; Obeidat, et al., 2016). The dimensions of organizational performances such as customer satisfactions, enterprise resource planning, business performance and quality of goods and services are spiraled (Akhir, et al., 2017). Recent studies have indicated that Balanced Scorecard approach is one of the best parameter to determine organizational performance. The dimensions of balanced scorecard precisely measure performance elevation or decline (Nemati & Rashidi, 2013).

Balanced Scorecard Approach has been utilized by several organizations for the optimization of their business ventures (Martello, et al., 2016; Akhir, et al., 2017). The four constructs of this conception; customer focus, financial, Learning and growth and Internal business processes are vital for the determination of organizational performance (Cooper, et al., 2017; Ahmad, et al., 2016). Prior researchers have argued that these determinants are the mainstream predictors for organizational performance evaluation (Lin, et al., 2016). The financial part of this approach requires extensive financial records of this firm. The notion is of such wide horizon that individual inspection of any of its item would be sufficient enough for the research studies (Muruganatham, et al., 2018; Ratnasingam, 2014). However for longitudinal research studies, all the factors must be taken into account of the balanced scorecard approach. These dimensions have preceding relationship with the quality management practices. Quality management also shoots up job performances of employees (Gutierrez-Gutierrez, et al., 2018; Andjelkovic, Pesic & Dahlgaard, 2013; Garengo & Biazzo, 2013). These dimensions have been scrutinized at Beverages industry of Islamabad to concisely check the impacts of quality management upon organization performance of employees by making use of balanced scorecard approach.

2. Literature Gaps

The evidences from the previous research studies indicate that the domain of quality management is quite extensive and it is eminent to ascertain all the dimensions of quality management. The determination of causality among the constructs of quality management on organizational performance is critical (Obeidat, et al., 2016; Garengo & Biazzo, 2013; Muruganantham, et al., 2018). Almost all the dimensions of organizational performance have been tested before with quality management therefore balanced scorecard approach; one of the most leading techniques of measuring organizational performance was notified (Ahmad, et al., 2016; Akhir, et al., 2017; Backstrom, Lagrosen & Eriksson, 2014). Quality management constructs cause and effect relationship on organizational performance by using balanced scorecard was the foremost gap identified in the literature (Martello, et al., 2016; Lin, et al., 2016). Moreover, culture moderation is leaned to modify the relationships among constructs. Hofstede cultural dimensions are one of the best predictors of measuring organizational culture. The gap also notified that cultural effect need to be incepted while determining the relationship between quality management and organizational performance (Akhir, et al., 2017; Mardani, et al., 2016; Gutierrez-Gutierrez, et al., 2018).

2.1. Hypotheses

H1: Leadership and customer focus relationship is positively moderated by power distance.

H2: Higher management commitment and customer focus relationship is positively moderated by power distance.

H3: Employee satisfaction and customer focus relationship is positively moderated by power distance.

H4: Process management and customer focus relationship is positively moderated by power distance.

H5: Training Leadership and customer focus relationship is positively moderated by power distance.

3. Methodology

Questionnaire was being adapted for the respective study. The constructs of quality management were taken from the study of Backstrom, Lagrosen & Eriksson, (2014). The total number of items of quality management was 15. Six items of power distance were taken into account. The constructs of customer focus were taken from the study of Baran, Shanock & Miller (2011). The composite impact of power distance and customer focus was examined. The unit of analysis were individuals. The employees working in the beverages Industry of twin cities, i.e. Rawalpindi and Islamabad, Pakistan were requested to fill out the questionnaire. Purposive/judgmental sampling technique was carried out in order to collect data from the respondents. The sample size was 262 while the questionnaires circulated were around 300.

4. Results & Discussion

The inspection of quality management constructs individually was eminent to investigate relationship with customer focus- an important domain of the balanced scorecard approach. The balanced scorecard approach is reckoned for presenting hawk-eye view regarding the organizational performance. The intervention of quality management is therefore critical to measure as the alteration in results is expected substantially. Prior researches indicated the trend of quality management five mainstream dimensions, namely, leadership, higher management commitment, employee satisfaction, process management and training. The scrutiny of quality management's effect on customer focus remains crucial issue to investigate as cultural constraint modifies the entire entity.

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dimensions, namely, leadership, higher management commitment, employee satisfaction, process management and training. The scrutiny of quality management's effect on customer focus remains crucial issue to investigate as cultural constraint modifies the entire entity. The study was limited to the beverages industry only. The study must be conducted in other industries too and time frame of the study must be extended. The inspection of wide-ranging domains like quality management, organization culture and balanced scorecard approach in four months period cannot provide generous results. The future studies must also consider taking Hofstede's cultural dimensions separately and balanced scorecard dimensions separately too. Through this way wide-ranging assessment on the respective variables would be examined. The results cannot be generalized as the study was conducted in Asian context where power distance tends to have greater role. The development of new questionnaire items is suggested for the future studies.

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State policy in the field of provision of vital and important medicinal products of the population (on the example of the Sverdlovsk region)

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Abstract:

The article deals with the problems of implementation of the state policy in the field of provision of vital and important medicinal products of the population on the example of the Sverdlovsk region. Based on the data of the Monitoring of the assortment and the prices of vitally important and important medicinal preparations for the period from 2011 to 2017, on the hospital and outpatient segment, an analysis is made of the change in the average retail price for domestic and foreign, original and generic medicines. The results of the analysis showed the existing limitations and opportunities in the field of state regulation of assortment and pricing policies for medicine on the example of the Sverdlovsk regions.

Key words: *state policy, health care, outpatient segment, hospital segment, vital and important medicinal products*

1. Introduction

The past decade has seen marked positive changes in the health care system, the intensification of public health policies, increased access to health care, and an increase in the average life expectancy of the population. However, these processes were accompanied by the fact that in most countries of the world, there was a problem of covering the growing costs of ensuring the effective functioning of the health care system. Thus, in the Russian Federation, public health financing has increased in the period 2002-2012 by 2.3 times in real terms. These additional costs require the application of a regulatory policy - either by establishing a strict financing order, or by deterrence in one way or another; or using the tools of their rational combination. The increase in public spending on the health care system faces budgetary constraints and macroeconomic difficulties, while an increase in the population's expenditure raises equity problems. The growth and aging of the population, the increasing diversity and complexity of the therapeutic effects of the physicians and changes in society's expectations regarding the achievable level of health and the desired level of health development increase the pressure on the amount of funds allocated to finance this area, including prevention, therapeutic and surgical intervention and care the elderly [1,2,3].

2. Variants of the state policy of containment of expenses for medicines

The sharp increase in the cost of providing drugs to the population is of particular concern to the state and draws the attention of both health economics researchers and practitioners. Regulation and control of the provision of medicines to the population seem relatively easy to implement, but despite the wide variety of cost containment measures developed in recent years, drug costs remain high and tend to continue to grow.

One of the factors complicating the situation in this area is that in many countries the regulated and collectively financed health sector coexists with a free market that focuses on profit. The presence of both is viewed as an informed combination, but the interaction between them sometimes leads to conflict situations. On the one hand, a country struggling to contain the costs of providing medicines faces the need to restrict the production and sale of medicines, which it, on the other hand, seeks to encourage, seeking to strike a balance between the ideal of "free" health care and the principles of free market and enterprise [4].

Trying to contain the costs of providing drugs while improving the quality of treatment and increasing the availability of drugs, many countries took one after another or even simultaneously a number of promising measures that were readily borrowed from the practice of other states. Such a state

policy in the field of providing medicines to the population generates a complex and dynamic interlacing of interacting approaches.

In some cases, the appropriateness or inexpediency of the application of public policy instruments in the field of providing a particular approach to the population's medicines is determined by the internal factors of the country, its limitations and possibilities.

3. Hypotheses and information base of the research

The purpose of the presented work was to assess the limitations and opportunities for implementing the state policy in the field of providing medicines to the population in the Russian Federation. Health systems in Europe are based, first of all, on the principles of treating health as one of human rights, equal access to health and medical services, quality health care, solidarity and the active participation of society as a whole in solving existing problems. However, because of the challenges posed by rising health care costs, it is now vitally important to translate these ideals into achievements that can be measured quantitatively in terms of both health and costs; only through such accurate information can we hope to develop a sound policy that will allow correlating initiatives in this area with available resources.

In this paper, we review the instruments of public policy in the field of providing the population with medicines, developed and tested to date in the Russian Federation in order to contain the growth of total expenditures on pharmaceutical services and medical treatment. Effectiveness of the state policy in the field of provision of medicines by the population consists in achieving that the medicines continue to bring all-round benefits to society, and at the same time avoid excessive spending of budget funds.

The research information base I came across the data of the Monitoring of assortment and prices for vital and essential medicines (VED) of the Russian Federation for the period from 2011 to 2017. More than 6 million accounts were entered into the database annually by 85 subjects of the Russian Federation, most of which (from 80 to 88%) belong to the outpatient monitoring segment, and from 20 to 12% to the hospital segment. Unlike the available studies on this problem, an attempt is made to study specific problems that arise when implementing policies in the field of providing drugs to the population in the Russian Federation as a country with a developing economy. Despite the common problems of curbing the growth of drug costs around the world, emerging economies face a number of limitations that make it difficult to implement many of the decisions that are made in economically developed societies. Conversely, some of the solutions developed in the developing world may have additional opportunities that are not available in economically developed countries. The world health organization has always believed that the issue of ensuring the availability of drugs and at the same time curbing the growth of spending on them should be considered as part of a long-term policy in the field drug provision. If we approach the problem more broadly, it is part of the overall health policy and, moreover, a component of the socio-economic policy of the state as a whole. The problem of containing drug costs cannot be considered in isolation from issues such as fairness in access to treatment, its market structure and quality[5,6,7].

The focus of the study is on three main ways to control the cost of medicines:

- control over the prices of medicines;
- the impact on demand through financial measures
- the impact on demand through incentive measures for health workers.

4. Results of the study and conclusions.

The results of the study showed that over the period under review, In the afternoon in Russia, retail prices for VED of the outpatient segment are decreasing, procurement (wholesale) prices remain at the same level, the level of actual selling prices of producers also tend to decrease.

As for the procurement prices for VED of the hospital segment, on average in Russia, they also tend to reduction. The value of retail trade markups for compared drugs on average in Russia in 2017 compared with 2011 is growing by an average of 5-7% per year. The value of wholesale trade mark-ups for VED in 2017 in comparison with 2012 yearly ranges from 3 to 6%. In a number of regions of the Russian Federation, information is still provided on the incomplete range of VEDs in both the hospital and outpatient segments of the pharmaceutical market, which makes it difficult to assess and analyze

public policies in the area of drug provision. The study, what can be done to implement the state policy in the field of providing medicines to the population, will prove useful to all who deal with this problem.

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Corporate Governance Failure: a Study of Kingfisher Airlines

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Abstract:

This paper aims to analyze the failure of Kingfisher Airlines from varied dimensions and attempts to identify the governance problems and reasons for its collapse. The corporate governance perspective which caters to all stakeholders has been considered to expound the basis behind the demise of a five star rated Airline. The evidence obtained by applying OLS provides that governance variables impact market based performance measures and good governance practices are rewarded by market.

Keywords: *Corporate Governance, Kingfisher Airline, Accounting Performance*

1. Introduction

Severe corporate governance problems emerge out of the fiasco of Kingfisher airlines corporate wreckage. In fact, striking a balance between the welfare of various stakeholders is the purpose of good corporate governance. Kingfisher attempted the same and ultimately was not able to service the passengers because of constant change in focus and policies. Despite of having a grip in beverages business what went terribly wrong that the venture of Vijay Mallya fell flat on its face. The practical intention behind the study is to understand why successful organizations fail with new ventures despite of having resources, strategies and experts to guide them.

2. Review of Literature

Oum, Yu and Zhang (2001) discussed the regulatory issues related to international airlines alliances. Backx, Carney and Gedajlovic (2002) studied 50 international airlines to check the performance of public, mixed and privately-owned airlines. Suen (2002) argued that the bankruptcy of the Swissair was a direct consequence of incorrect implementation of alliance strategy, with its resource contributions it clearly had an edge over its partners and still it took huge equity stake in its partners which ultimately worsened its financial position. Nwabueze and Mileski(2008) through an explanatory case analysis of Swiss Air worked out a model of good corporate governance and contended that for improved survival and enhanced performance it is pertinent for firms to address all facets of society viz. economic, political, social and ethical. Hermann and Rammal (2010) pointed out in SwissAir, wrong alliances and acquisitions are secondary to be blamed, first was the management and the wrong decision makers on the board. Wang, Lu and Lu, Wang, Hung and Lu (2012) concluded that the low cost carriers score high on productive efficiency as compared to their full service counterparts but the situation is different in case of marketing efficiency where the authors found that full service carriers have a high average marketing efficiency score as compared to low cost carriers. Panchasara and Gadhavi (2012) studied the reasons of the financial turmoil of ill-fated kingfisher airlines.

3. Objectives of the study and Formulation of Hypothesis

Despite of indications of failure if the company goes on public, raises money from market and put the interest of the stakeholders at risk indicates the extent to which governance has failed in the company which happened in Kingfisher Airlines. The study proposes the hypothesis contrasting relation to the impact of board size on the performance of a company. Existing researches suggest both positive and negative impact of a larger board size on the performance of the company. Performance of company is better with large board, which may be due to the reason that larger board brings expertise of a greater pool of intellectuals that a smaller board may fail to offer to company. But a larger board may also slow down the decision-making process and may lead to more conflicting situation because of divide in their opinions and problems of coordination and communication and thereby affecting the performance of company negatively. We put the above views to test and formulate the following hypothesis

H₀₁: There is no significant relationship between board size and performance of the company.

H₀₂: Existence of non-executive/independent directors does not affect performance of the company.

4. Data and Methodology

The research has been based on secondary data obtained from the annual reports of the company and Bombay Stock Exchange. The annual reports for 10 years were collected but due to non-availability of information and inadequate disclosures on the part of the company the study period has been restricted to 8 years from 2005-06 to 2012-13. Method of Ordinary Least Square has been applied for analysis of data. Model_CG entered corporate governance variables as predictors and performance as measured by market-based indicators or accounting indicators as the dependent variables and as a result the model has four variations viz. CG.a, CG.b, CG.c and CG.d. For regression analysis entire data has been bootstrapped to meet various conditions of the analysis.

5. Analysis and Findings

All four variations of Model_CG show significant relationship between financial performance and corporate governance variables. However, originally the researcher started with 5 variables of corporate governance viz. Size of board, existence of independent/non-executive directors on board, CEO duality, meetings of board and holding of promoter group. The last three of these predictors did not give any statistical support to the model rather reduced the explanatory power of model and therefore these three were dropped from the analysis. With the rest two predictors the Board Size and Independence of board, Model_CG with all the four variations gives significant results with p values as .008, .002, .067 and .002 for model CG.a, CG.b, CG.c and CG.d respectively. Model_CG.a suggests that performance (Tobin's Q) is statistically influenced by Board Size ($p=.094<.10$) as a market based indicator of performance but not by existence of independent/non-executive directors ($p=.140>.10$). Model_CG.b also suggests that performance as measured by MVA is statistically influenced by corporate governance variables which are boardsize ($p=.038<.05$) and the existence of independent/non-executive directors ($p=.106$) on the board of company. Model_CG.d also suggests significant impact of board size ($p=.044<.05$) on the performance of the company when measured by return MVA but existence of independent directors does not significantly influence ($p=.110>.10$) the performance of the company. Model_CG.c does not find statistically significant impact of any of the two variables on performance of the company when measured by RoA. The evidence provides that governance variables impact market based performance measures and good governance practices are rewarded by market. On the basis of this analysis we may reject the the null hypothesis *H₀₁*, and the the null hypothesis *H₀₂*, *contemplating no impact of existence of non-executive/independent directors on performance of the firm could be rejected only as per model_CG.b but the other variations of model_CG do not warrant such results therefore the study fails to reject H₀₂*.

Conclusion

The data analysed the probable reasons of failure of a five star rated aviation company which can be unethical business conduct, recurrent shift in focus, inefficient alliance strategy, flawed model of governance and questionable role of independent directors. On the basis of analysis and results thereof, the implications in case noncompliance with good governance norms can be consideration of governance committees, need to identify and highlight crucial parameters which can serve as alarming signals, listing of such securities be accordingly dealt with and give more powers to independent directors.

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Managing digital content: generational theory perspective

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Abstract:

The aim of the study is to consider whether it is possible to apply the generational theory to manage digital content in accordance with the generational structure of consumers. The authors conducted two experiments (pre-test–post-test experimental and control groups design) on the base of two online schools for learning programming languages in order to test the research idea that the differences in values, preferences and behaviour of Gen X and Gen Y reflect in their reaction on digital content. The experiments have shown that Gen X is more susceptible to call-to-action digital content than Gen Y while Gen Y is more susceptible to viral digital marketing tools than Gen X. The findings allow to predict consumer perception of digital marketing tools in order to form effective programs for managing digital content on the Internet.

Keywords: *digital content, digital marketing, generational theory, experiment, Gen X, Gen Y, consumer behaviour*

1. Introduction

The well-known Strauss-Howe generational theory distinguishes different generations in terms of systematic differences in values, preferences and behaviour that are stable over time (Strauss & Howe, 1997). As this seems to be of interest to business leaders who are seeking the way to enter a market or increase the productivity of a workforce, the generational perspective was widely tested in explaining consumer and employees behaviour (Anderson et al., 2017; Li et al., 2013). Other research report applying key features of Gen in digital products (Freestone & Mitchell, 2004; Kumar & Lim, 2008).

The purpose of this study is to test the difference in digital content perception among different generations in order to figure out whether it is possible to manage digital content in accordance with the generational structure of consumers.

2. Materials and data

The authors depart from the statement that while the idea of generational differences is to some extent universal (Strauss & Howe, 1997), the generations are defined specifically to a given society.

Russia's Gen X experienced the period of an apparent freefall of society and economy tends to gravitate to roles of being their own boss as well as to become self-taught. Key behavioral characteristics and settings: informality of views, opinion expression, individualism, search for emotions, self-reliance, independent decision-making, practitioners.

Russia's Gen Y being the first truly post-Soviet generation demonstrates a willingness to sacrifice work-life balance in exchange for quick benefits. Key behavioral characteristics and settings: naivety, ability to obey, opportunism, focus on entertainment, group decision-making, theorists.

The authors conducted two experiments (pre-test–post-test experimental and control groups design) on the base of two online schools for learning programming languages.

The purpose of the first experiment was to test the hypothesis that Gen X is more susceptible to call-to-action digital content than Gen Y as a result of their behavioral characteristics.

The experiment was conducted in the schools' public groups in a popular social network offering similar information and educational digital content to their subscribers. Experimental group (A) has 1440 subscribers (Y = 58%, X = 27%, others = 15%); control group (B) has 4116 subscribers (Y = 55%, X =

30%, others = 15%). The structure of the groups' content plans is standard (90 posts per month, 10% of call-to-action content).

Both groups were pretested and post-tested in terms of their monthly activity (comments + likes + reposts). The treatment was the increasing call-to-action digital content from 9 to 25 posts per month.

The purpose of the second experiment was to test the hypothesis that Gen Y is more susceptible to the influence of viral digital marketing creating a "majority effect" and positioning product as a trend than Gen X due to their behavioral settings.

This experiment was conducted on the basis of an application for the photo and video content exchange through the official webpages of both schools.

Both groups were pretested and post-tested (amount of sold subscriptions per month). The treatment was a live user digital content (demonstration of the learning process, demonstration of the school's symbols in the "life style" context).

3. Results

Research findings being presented are as follows.

1. The first experiment has shown that Gen X is more susceptible to call-to-action digital content. According to the results of the pre-test in group A within a month before the treatment 65 actions were done by Xers and 44 by Yers, in of group B – 64 (Gen X) and 41 (Gen Y). During the month of intensive call-to-action digital content for group A, the total number of actions increased by 52 and amounted to 161, of which 101 (+36) actions were done by Xers and 60 (+16) actions by Yers. Activity in the control group (B) was observed at the level of 60 (-4) actions of Xers and 45 (+4) actions of Yers.

The net outcome for Gen X is +40 (101-65-(60-64)), while for Gen Y is just +12 (60-44-(45-41)). Moreover, out of these 12 of Yers, 11 actions were "like-actions" that are to some extent impersonal, while comments and reposts are an open demonstration of an attitude.

Thus, the first hypophysis has been confirmed.

2. The second experiment has confirmed that Gen Y is more susceptible to viral digital marketing. The pre-test shows that a month before the treatment school A sold 4 subscriptions to Xers and 7 to Yers, while school B sold 43 subscriptions to Xers and 19 to Yers. After launching the viral marketing in school A, there were sold 7 (+3) subscriptions to Xers and 16 (+9) to Yers. School B sold 23 (+4) and 21 (-3) subscriptions respectively.

Thus, the net outcome for Gen X is -1, while for Gen Y this indicator is +12 and the second hypophysis has also been confirmed.

4. Conclusions

The findings allow to predict consumer perception of digital marketing tools in order to form effective programs for managing digital content on the Internet. Thus, we can conclude that Gen X is more responsive to media advertising than Gen Y. Gen X are focused on searching information, cognition and action that is also manifested in their consumer behavior within the framework of traditional non-digital marketing. It should be also noticed that experience of Gen Y was accumulated in the era of digital and ICT technologies. Growing up in the information garbage, they are used to "filter" incoming information and actively use ad blockers.

The finding of the study provide new challenges for companies operating in a digital world. Further research seem to be focused on developing descriptive patterns of generational consumer behavior for creation an effective integrated digital marketing strategy.

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3D Virtual reality software in manufacturing process simulation: Perspective in Russian Context

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Abstract:

By focusing on digital factory perspective, we investigate the 3D virtual reality software in manufacturing processes simulation in context the Industry 4.0.

In order to organize the flexible and efficient manufacturing production processes we should use the 3D virtual reality software by optimizing and validating process performance, eliminating inefficiencies, shortening set up times and increasing quality production.

Based on the literature overview we describe of the software for simulation in virtual 3D design environment and provides the discussion of the results, including testing developed prototype a multi-coordinate machine tool and interaction with other objects, workers, work cell setup, manipulators. The implementation of the prototype used the interface the Visual Components 3D simulation software.

Keywords: *Digital factory, 3D Virtual reality software, Manufacturing process simulation, 3D modelling, machine tool*

1. Introduction

Nowadays, main strategy for the successful development the service-oriented and innovative business model is the application of new-generation digital technologies in manufacturing (e.g., industrial robotics, the Internet of things technology, advanced computing technologies, 3D robotic simulation software). They have significant potential for quality upgrading of production business processes and can assist a cost cutting efforts by addressing various key issues like: (1) shortening set up production times and material waste by to the analysis of digital-twins, (2) improvement of workers efficiency and safety through learning on digital manufacturing systems, (3) multi-layered integration of the product, process and factory and the related data, hardware, software, and workers (Sacco et al., 2011; Wu et al., 2015; Terkaj et al., 2015; Tao et al., 2018).

Therefore, the current challenge in manufacturing consists is to effectively introduce the digital factory paradigm as a new information strategy managing and collaborating processes as well as the utilization of virtual reality and simulation by the design and optimization of production processes and systems (Mujber et al., 2004; Mourtzis et al., 2014; Choi et al., 2015; Tao et al., 2018). This is shown both by Russian industrial practice (e.g., Gazprom Neft, Severstal, Lokotech) and academic scientific research.

Virtual reality in present study is defined «as the use of real-time digital computers and other special hardware and software to generate the simulation of an alternate world or environment, believable as real or true by the users» (Mourtzis et al., 2014, p.213).

Thus, the goal of the current work the research is to overview on the 3D virtual reality software in manufacturing processes simulation in context the Industry 4.0.

2. Methodology

In the present study we use systematic approach to literature review (books, scientific and professional articles in journals, and also information from professional communities) on the proposed topic.

The practical research is based on develop working prototype a multi-coordinate machine tool for demonstration. The implementation of the prototype used the interface the Visual Components 3D simulation software.

3. Results & Discussion

Nowadays, efficiency and availability for the companies of the tool of simulation has essentially increased because of active application of the software for simulation in virtual 3D design environment.

This progressive software for flexible manufacturing systems provides the ways to reduce critical time to market and thus to reduce the production costs to the level of 10 to 20% of costs required by conventional approaches (Mujber et al., 2004; Gregor et al., 2009).

The simulation of manufacturing processes (e.g., welding, machining, sorting, palletizing, assembly, packing) are planned, designed, tested and optimized in the 3D environment with the factory simulation software almost as precisely as the real world (Tao et al., 2018).

There are many simulation software packages the ICT players, among them the most advance one's are – Delmia (Dassault Systems), Robcad (Siemens PLM Technomatix), Robotmaster (Robmaster), Visual Components. These tools deal with most of the factory planning, design and deployment phases.

The Visual Components simulation software was chosen as the focus for the practical research.

Firstly, the key characteristics of the Visual Components are openness (SaaS), scalability (through Python API) and easiness to plugin the decoupled software tools, thus reducing the investment costs compared to standalone software systems. This increases the availability for small and medium enterprises that cannot afford the present expensive digital standalone software systems.

Secondly, this software includes more options for statistics dashboard (e.g., charts, graphs, and dashboards) and support for mathematical surfaces and curves with mathematical precision.

Thirdly, the Visual Components gives a clear visualization of the manufacturing process, what is going to be implemented in the real world (Sacco et al., 2011). From the running simulation can see and calculate the flaws in the process and correct them as necessary. The greatest benefit of 3D Virtual reality simulation is that all the process, individual stations and the ergonomics can be verified beforehand without the need of any physical machine's (or industrial robots) and removes the risk of any inefficient implementation in the final stage.

We developed working prototype a multi-coordinate machine tool for demonstration. A prototype was deloped to propose an efficient process for interaction of a multi-coordinate manufacturing machine with other objects from the eCatalog Visual Components and workers, work cell setup, manipulators. We simulate the production workflow, validating production calculations and space requirements, and looking for optimization and cost saving opportunities, use export files, such as simulation videos, 3D PDFs, and 2D drawings.

4. Conclusions

Our study will make several important contributions. First, it will contribute to the theory of digital factory in Russian context. Second, it advanced our knowledge on manufacturing process simulation and contribute to the ongoing discussion of the content 3D Virtual reality software. Third, our work provides several practical contributions to develop working prototype a multi-coordinate machine tool.

Our study will provide implications for both engineers' and operation managers in manufacturing by relevant insight into the 3D Virtual reality software in process simulation.

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Family ties and involvement impact on innovation process in high-tech firms

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Abstract:

This paper investigates the impact of family participation in business and family connections between top management and governance on innovation process in high-tech companies from S&P500 index over the period 1999-2017. High-tech companies appear to be a good sample choice, considering well-known paradox of family firms: they tend to invest less in innovation, while producing them more effectively. In this paper we demonstrate that this paradox is not so obvious for technological companies. We conclude that founder`s involvement and CEO`s ownership of an equity share leads to higher R&D expenditures, income margins and greater number of patents in pharmaceutical and IT sectors. However, consistent with the previous studies of family participation in business, family ownership accompanied by holding offices of CEO and Chairman, has negative impact on amounts spent on innovations.

Keywords: *innovation process, family firms, family ties, founder, risk-taking, corporate governance*

Introduction

Family involvement in business is not uncommon - large amount of technological companies were founded and are governed by families. In most of the countries from 50% to 80% of GDP is produced by family companies and they frequently provide higher returns than local stock market indexes. However, stereotypes that characterize family businesses as inefficient and inert to innovation are persistent. Family participation in business is often associated with risk-averse and biased decision-making, exploitation of minority shareholders and nepotism, that results in unprofessional management and governance (Jiang, Jiang, Kim, & Zhang, 2015).

Family involvement and innovation process

The impact of family involvement in business has been assessed through different perspectives: from psychological to economical and lots of confronting results have been achieved. Family ties between management and governance are believed to be a way of enhancing interaction between top management team and the board (Chahine & Goergen, 2014). At the same time, existence of such ties or one large shareholder (family) leads to lack of monitoring and ability to expropriate minority investors, especially in countries with low legal protection (Amit, Ding, Villalonga, & Zhang, 2015). Regarding innovation process, family involvement results in smaller amounts invested, but their research and development process is at least as effective as in companies without family participation (Chen & Hsu, 2009; Matzler, Veider, Hautz, & Stadler, 2015). Researcher`s opinions about such a paradox differ: it can be explained by non-economic goals and willingness to preserve their socioemotional endowment, or by realization of their advantages in interaction process and specific social capital inherent to firms with family partaking (De Massis, Frattini, & Lichtenthaler, 2013; Isakov & Weisskopf, 2015). We assume that family involvement in business which is dependent on innovations will result in more efficient research and development process: from innovation input – money invested, to innovation output - measured in patents and profit margins.

This paper`s central proposition is motivated by the fact that high-tech companies are leaders in capitalization, while around 30% of the companies from S&P 500 index are family controlled, and it seems that in technological firms in United States family ownership is becoming popular again (Kokoreva, Stepanova, & Karnoukhova, 2016). Nevertheless, previous researches were limited to overall assessment of possible impact of family participation on distinct aspects of company`s activities in public firms from all industries or limited to privately held companies in one industry.

Data and sample

In this work companies from S&P 500 index operating in pharmaceutical and informational technology industries, which are classified as high-technology by technology intensity definition of OECD Directorate for science, will be considered. To test the proposition that family involvement in technological companies influence the R&D process in positive way data on 102 companies (40 pharma and 62 IT, 1757 firm-year observations) regarding family ownership, family ties existence, and characteristics of firm's management and governance structure was manually collected from filings published on U.S. Securities and Exchange Commission site and analyzed using OLS approach.

To measure innovation input we used logged R&D expenditures scaled by previous year revenues ratio, and income margins for outputs. Dummy variables were created to indicate founder involvement, CEO duality, CEO-board family tie and family involvement characteristics (CEO or Chairman owns > 5% and/or plays a dual role).

Empirical results and conclusions

The results show that founder's involvement in running business and CEO's ownership of more than 5 % of company's equity have positive influence on investments in R&D activities, while Chairman ownership, duality with ownership or family ties decrease the investments. Furthermore, we find significant positive effects of founder's involvement, family ties and ownership by CEO or Chairman on income margins, proving the idea of special social capital, smooth interconnection and leadership benefits for innovation process. Unfortunately, information about patent applications was provided only by 19 pharmaceutical companies. Nevertheless, positive effect of family ties and family power on number of patent applications and founder involvement and ownership on income margins was observed reaffirming the proposition of more effective innovation process within the firms with family involvement. Overall, this paper makes several important contributions to the literature on innovation companies and managerial literature concentrating on family participation influence. Using specific dataset, we reaffirm the results from latter literature connected with innovation output and provide new evidence on specific investment behavior for technological companies with family participation.

Table 1. This table presents the results of linear regressions with panel-corrected standard errors (based on OLS approach) of family involvement parameters on R&D expenditures. Our sample is 97 high-tech firms from S&P index. Main dependent variable RDRRev is a logged R&D expenditures in \$USD mm scaled by previous year revenues, \$USD mm, main independent variables: dummy Duality – 1 – if CEO plays dual role, 0 – otherwise, Founder CEO – 1 if founder is a CEO, 0 – otherwise, TIECEOboard – dummy, 1 if CEO has family member working at the board, faminv – categorical, 1 – if CEO owns > 5%, 2 – if chairman owns > 5 %, 3 – if CEO owns >5% and serves as CEO. More information about variables (including controls is provided in chapter 3.3 *Methodology*). Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

VARIABLES	(1)	(4)	(7)	(10)	(13)	(14)
	RDRRev	RDRRev	RDRRev	RDRRev	RDRRev	RDRRev
Duality		-0.0431 (0.0322)				
Founder CEO	0.413*** (0.126)	0.431*** (0.126)			0.375*** (0.127)	
TieCEOboard			-0.657*** (0.202)		-0.696*** (0.248)	-0.823*** (0.219)
CEO owns > 5%				0.299** (0.130)		0.259** (0.131)
Chairman owns > 5%				-0.988*** (0.167)		-1.154*** (0.172)
CEO-Chair owns >5%				-0.679*** (0.206)		-0.569*** (0.179)
Total Debt to Equity	-0.00218 (0.00981)	-0.00243 (0.00981)	-0.00550 (0.00970)	-0.128*** (0.0244)	-0.00424 (0.00993)	-0.125*** (0.0241)
Age	0.00140 (0.00185)	0.00141 (0.00189)	-0.000352 (0.000887)	0.000505 (0.00087)	-0.000729 (0.00187)	0.000642 (0.000869)
Dummy Netherlands	-0.0528 (0.237)	0.0310 (0.257)	-0.208 (0.258)	-0.938*** (0.154)	-0.218 (0.223)	-0.888*** (0.162)
Dummy Ireland	-0.157 (0.181)	-0.0682 (0.201)	-0.230 (0.214)	-0.833*** (0.0713)	-0.222 (0.196)	-0.850*** (0.0787)
Dummy Cayman Islands	2.340*** (0.234)	2.426*** (0.241)	2.221*** (0.259)	2.246*** (0.453)	2.334*** (0.261)	2.108*** (0.444)
Dummy Singapore				0.735*** (0.237)		0.738*** (0.229)
Dummy Switzerland	-0.126 (0.0986)	-0.127 (0.0956)	-0.520*** (0.132)	-0.427*** (0.0544)	-0.505*** (0.114)	-0.401*** (0.0500)
Revenue(t-1)	0.467*** (0.0239)	0.474*** (0.0242)	-0.445*** (0.0289)	-0.306*** (0.0188)	-0.420*** (0.0280)	-0.321*** (0.0177)
Dummy Industry (IT)	0.270 (0.170)	0.379* (0.197)	0.412** (0.207)	-0.571*** (0.0906)	0.338** (0.147)	-0.636*** (0.101)
Constant	1.180*** (0.142)	1.156*** (0.149)	1.261*** (0.162)	1.288*** (0.0770)	1.080*** (0.147)	1.453*** (0.0765)
Observations	1,247	1,247	1,247	1,266	1,242	1,247
R-squared	0.747	0.739	0.735	0.485	0.731	0.498
Number of companies	97	97	97	97	97	97

Table 2. This table presents the results of linear regressions with panel-corrected standard errors (based on OLS approach) of family involvement parameters income margin. Our sample is 95 high-tech firms from S&P index. Main dependent variable – Net income margin, measured in percent, main independent variables: Founder CEO – 1 if founder is a CEO, 0 – otherwise, dummy Duality – 1 – if CEO plays dual role, 0 – otherwise, faminv – categorical, 1 – if CEO owns > 5%, 2 – if chairman owns >5 %, 3 – if CEO owns >5% and serves as CEO, 0 – otherwise, TIECEOboard – dummy, 1 if CEO has family member working at the board, 0 – otherwise. More information about variables (including controls is provided in chapter 3.3 *Methodology*). Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

VARIABLES	(2) Income margin	(5) Income margin	(8) Income margin	(11) Income margin
Founder CEO	9.259 (7.207)			
Duality		-1.490 (2.011)		
CEO owns > 5%	1.871 (8.575)			5.429 (9.560)
Chairman owns > 5%	27.89*** (6.053)			18.59** (8.411)
CEO-Chair owns >5%	-16.71* (8.755)			-31.16** (13.43)
TieCEOboard			31.25** (14.19)	
Log R&D	-1.171 (0.766)	-1.392* (0.804)	-1.438* (0.799)	-3.135 (2.254)
Total Debt to Equity	0.134 (1.221)	-0.198 (1.083)	-0.0818 (1.083)	-1.189 (0.901)
Age	0.195*** (0.0449)	0.183*** (0.0391)	0.178*** (0.0427)	0.203*** (0.0616)
Revenue(t-1)	-0.000304*** (5.90e-05)	-0.000262*** (5.15e-05)	-0.000280*** (5.87e-05)	-0.000424*** (8.81e-05)
Dummy industry(IT)	22.94*** (3.686)	20.03*** (3.325)	21.08*** (3.516)	26.26*** (6.826)
Constant	-134.4*** (15.68)	-118.5*** (14.01)	-126.7*** (15.62)	-173.1*** (25.99)
Observations	773	773	768	774
R-squared	0.253	0.225	0.232	0.275
Number of companies	95	95	95	95

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Collateral Determinants in Bank Loans: The Conductor of Credit Risks' Polyphony

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Abstract:

The study estimates the impact of collateral determinants, so as collateral requirements, targeted on loan-to-value (LTV ratio), on credit risk of bank corporate loans. The approach presented focused, on the one hand, on tests of the prevalence of so-called the Ex Post and Ex Ante theories of collateral in banking. And the ability of collateral determinants, LTV ratio in particular, as tools of credit risk management to predict and evaluate lenders' overconfidence, on the other. That is a novelty of collateral controlling and credit risk management in Russian banking.

Features of assets and property rights pledged for bank loans in Russia are also analyzed. The research is based on econometric methods, linear regressions, and binary models.

The prevalence of Ex Post theory for collateral has been proved for Russian bank corporate loans. The higher credit risks, the higher banks' collateral requirements to pledge corporate loans. This evidence corresponds Russian bank experience to international practical overview.

Moreover, banks studied depict strong preferences in collateral types alongside the credit risk management, presenting the importance of financial behavior studies in banking. Empirical results of the research inspire to continue indicating probability-of-default for corporate loans, based on behavioral aspects of banks' collateral requirements, and lenders' preference in collateral types and features.

Keywords: *collateral, collateral determinants, bank loans, credit risks, loan-to-value*

1. Introduction

Collateral serves as tools for credit risk management in banking [Karminsky and Falko, 2016]. So far banks depict the broad experience and common practice in banking through applying the collateral for losses covering [Beloglazova et al., 2011]. To do collateral implementation more efficient, banks should also discover its' significant determinants, and manage credit risks dynamically, being alongside to market conditions.

Academic literature mostly provides studies of the collateral impact on credit risks in two dimensions. First, to present the difference between secured and unsecured bank loans, and the ability to mitigate problems of information asymmetry (e.g. [Allen et al., 2017; Niinimäki, 2017; Godlewski and Weill, 2011]). Second, to reveal peculiarities of bank loan pricing.

Conversely, we focus on significant collateral determinants, particularly, loan-to-value (LTV ratio), in addition to impact's evaluation on credit risk under tests of the Ex Ante and Ex Post Theories of Collateral, profoundly reviewed in [Berger et al., 2011; Berger et al., 2016].

2. Collateral determinants: LTV ratio in bank risk management

LTV ratio attracts our attention through its multilateral functions in banking. Basically, it represents a measure for leverage ratio to underlie bank macroprudential regulation (e.g. [Dermine, 2017; Claessens, 2015]) and tools for financial stability (e.g. [Bouheni and Hasnaoui, 2017]).

Loan-to-value of mortgages calculates as the sum of borrowed funds (loan value) divided on the mortgage value [Karminsky et al., 2016]. More broadly, LTV ratio estimates the fraction of borrowed funds in the collateral value of any assets pledged [Karminsky and Khon, 2018]. As the leverage ratio, loan-to-value expresses the risk exposure of lenders and depicts excessive risk-taking in banking [Karminsky and Polozov; 2016; Geanakoplos and Fostel, 2014].

Therefore, these measures maintain as one of the collateral determinants in bank credit risk management. We argue, LTV also indicates the level of lenders' confidence, and could be used to forecast defaults for corporate loans.

3. Data and sample

The portfolio of 1032 corporate loans, issued from 2006 to 2017 to small and medium enterprises by Russian banks, is applied to provide the research. The sample includes four group of borrowers: a) microenterprise; b) small business; c) medium enterprise; d) big business.

4. Methodology and research hypotheses

The research is based on econometric methods, linear regressions, and binary models, and includes two consecutive steps.

First, we test the Ex Ante and Ex Post Theories both for any collateral assets and property rights and for the only collateral pledges. Hereby, our study is based on the «Value +» model of loan pricing, adjusted for Russian banking experience, where the 3-monthly MosPrime rate is applied to measure loans' risk premiums.

So, the ordinary least squares (OLS) method is used to evaluate the following linear regressions:

$$r_{pit}^* = x_{it} \cdot \beta_1 + d_{cit} \cdot \gamma_1 + \varepsilon_{1it}, i=1, N, t=1, T; (1)$$

$$r_{pit}^* = x_{2it} \cdot \lambda_2 + \varepsilon_{2it}, i=1, N, t=1, T; (2)$$

$$r_{pit}^* = x_{it} \cdot \mu_3 + d_{collatit} \cdot LTV_{it} \cdot \rho_3 + \varepsilon_{3it}, i=1, N, t=1, T; (3)$$

$$x_{it} = (Dit^*, Mt, Lit^*), (4)$$

$$x_{2it} = (Dit^*, Mt, Lit^*, Cit^*), (5)$$

where N is a set of corporate borrowers, $N = (N_1, \dots, N_T)$; N_t is a set of corporate borrowers, concluded a loan contract at time t; T is a number of months; r_{pit}^* is a risk premium for i-loan issued at time t; Dit^*, Mt, Lit^* are the vectors of exogenous individual features of borrowers, macroeconomic parameters, and exogenous loans' determinants, respectively; d_{cit} is a proxy-variable, equals one when any collateral assets and property rights pledged, and zero, otherwise. The additional vector Cit^* contains a set of proxy-variables to control guarantees of third parties ($d_{guarantit}$) and collateral pledges ($d_{collatit}$). The LTV_{it} variable estimates loan-to-value to add a fixed effect of LTV ratio on risk premium of i-loan.

Second, we suggest to measure the quality of credit constraint (credit risk management) throughout LTV ratio, when it exceeds the threshold – the median LTV ratio for each group of borrowers. This part of the study is based on research methods developed for probability-of-default (PD) evaluation [Karminsky et al., 2016; Karminsky and Polozov, 2016], but through adjusting the approach to measure the quality of credit constraint, and examine LTV ratio as indicator of the lender's overconfidence.

So, we estimate the following equation:

$$y_{it}^* = y_{it} \cdot \beta + x_{it} \cdot \gamma + \varepsilon_{it}, i=1, N, t=1, T; (6)$$

$$y_{it}^* = \{1, \text{if } y_{it}^* > LTV_{itmed}; 0, \text{if } y_{it}^* \leq LTV_{itmed}; (7)$$

$$x_{it} = (Dit^*, Mt, Lit^*, Cit^*), (8)$$

where N is a set of corporate borrowers, $N = (N_1, \dots, N_T)$; N_t is a set of corporate borrowers, concluded a loan contract at time t; T is a number of months; Dit^*, Mt, Lit^*, Cit^* are vectors of exogenous individual features of borrowers, macroeconomic parameters, exogenous loans' determinants, and collateral proxies, respectively; LTV_{itmed} is a median LTV ratio for the homogeneous group of borrowers, combined by criteria of scale and business industry, related to the year t of i-loan issuance.

Results are pointed to verify the following hypotheses.

Hypothesis 1: whether secured loans are estimating as less risky in comparison with similar unsecured bank products (the prevalence of The Ex Ante Theory).

Hypothesis 2: the more risk of borrowers, the more assets and/or property rights pledged (the prevalence of The Ex Post Theory).

Hypothesis 3: LTV ratio expresses the lender's overconfidence and constitutes an indicator of lenders' overconfidence and loan's default.

5. Empirical results and conclusions

The prevalence of Ex Post theory for collateral has been proved for Russian banks corporate loans. The higher credit risks, the higher banks' collateral requirements to pledge corporate loans. This evidence corresponds Russian bank experience to international practical overview (e.g. [Berger et al. 2016; Berger et al. 2011]).

Moreover, banks studied depict strong preferences in collateral types alongside the credit risk management, presenting the importance of financial behavior studies in banking [Thaler and Sunstein, 2017]. Empirical results of the research inspire to continue indicating probability-of-default for corporate loans [Karminsky and Polozov, 2016], based on behavioral aspects of banks' collateral requirements, and lenders' preference in collateral types and features.

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CSR Drivers for Primary vs. Secondary Stakeholders: Evidence from Hong Kong

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Abstract:

The purpose of this study is to look at the effects of different corporate social responsibility (CSR) motivations and other engaging factors on corporate social performances (CSPs) for primary vs. secondary stakeholders. It provides five dimensions of CSR drivers and examines their effects on CSPs for primary-stakeholder groups (i.e., investors, employees, suppliers, and customers) and secondary-stakeholder groups (i.e., communities and the environment). This study uses a differenced-equation model to test the differential effects of CSR-engaging factors. The study tests the impact of each factor controlling the effects of other possible CSR drivers in one multivariate analysis with survey data of 776 small and medium-sized enterprises (SMEs) from Hong Kong. This study finds that firms give more CSR efforts for secondary stakeholders than for primary stakeholders as their financial resources, institutional conformity and their perceived regulatory pressure increase. On the other hand, firms provide more CSR efforts for primary stakeholders than for secondary stakeholders when such efforts are based on their strategic motivation. The main contribution of this study is to clarify diverse CSR drivers for different stakeholders, thus to help firms understand the effective ways to initiate and promote CSR actions for specific target stakeholder groups.

Keywords: *Corporate social responsibility, Corporate social performance, Primary and secondary stakeholders, Financial resources, Institutional conformity, Regulatory pressure*

Introduction

The purpose of this study is to look at the relations of CSR motivations and CSPs for primary vs. secondary stakeholders. For instance, do strategic CSR motivations drive CSP for both primary and secondary stakeholders? If so, is the effect of strategic CSR motivation on secondary stakeholders greater (or less) than that on primary stakeholders? This study examines CSPs for four different primary-stakeholder groups (i.e., investors, employees, suppliers, and customers) and two secondary-stakeholder groups (i.e., communities and the environment). Our study asserts that varied CSR-engaging factors in the literature do not uniformly affect CSP for diverse stakeholders. Accordingly, the main contribution of the study is to shed light on diverse CSR drivers for different stakeholders, thus to help firms and their stakeholders understand the effective ways to initiate and promote CSR actions for specific target stakeholder groups.

Hypothesis Development

CSR Motivations on CSP for primary vs. secondary stakeholders

H₁: Holding other factors constant, the positive impact of a firm's strategic CSR motivation on CSP for primary stakeholders (i.e., investors, employees, suppliers, and customers) is stronger than that for secondary stakeholders (i.e., communities and the environment).

H₂: Holding other factors constant, the positive impacts of a firm's altruistic CSR motivation on CSP for secondary stakeholders (i.e., communities and the environment) is stronger than for primary stakeholders (i.e., investors, employees, suppliers, and customers).

Financial resources on CSP for primary vs. secondary stakeholders

H₃: Holding other factors constant, the positive impact of a firm's financial resources on CSP for secondary stakeholders (i.e., communities and the environment) is stronger than that for primary stakeholders (i.e., investors, employees, suppliers, and customers).

H₄: Holding other factors constant, the positive impact of a firm's institutional CSR conformity on CSP for secondary stakeholders (i.e., communities and the environment) is stronger than that for primary stakeholders (i.e., investors, employees, suppliers, and customers).

Regulatory pressure on CSP for primary vs. secondary stakeholders

H₅: Holding other factors constant, the positive impact of regulatory CSR pressure on CSP for secondary stakeholders (i.e., communities and the environment) is stronger than that for primary stakeholders (i.e., investors, employees, suppliers, and customers).

Data

The study sample herein is comprised of 776 small and medium enterprises (SMEs) in Hong Kong. Data collection was conducted in cooperation with the Hong Kong Productivity Council (HKPC), a quasi-government organization entrusted with supporting the development of the city's SMEs and promoting their well-being. Hong Kong is a cosmopolitan city, which has a highly developed market economy, has benefitted from the presence of (and interaction with) leading multi-national corporations that are well-known for their CSR efforts, and thus offers an appropriate setting for CSR research. Indeed, CSR values and culture have been gradually embedded in the institutional environment of local businesses in Hong Kong (Gunawan, 2009).

Results and Discussion

Differential impact on CSP for secondary and primary stakeholders

	<i>CSP for secondary stakeholders</i>	
	<i>– CSP for primary stakeholders</i>	
Constant	-2.43***	(-9.35)
Strategic CSR motivation	-.03	(-1.02)
Altruistic CSR motivation	.01	(.43)
Financial resources	.07**	(2.12)
Institutional CSR conformity	.10***	(3.36)
Regulatory CSR pressure	.22***	(5.04)
Manufacturing	.16**	(2.28)
Ln (firm age)	.07	(1.53)
Ln (number of employees)	-.03	(-.99)
R-square	.10	

The dependent variable for the model specification *I* is the difference in CSP for Secondary Stakeholder and CSP for Primary Stakeholder

The significantly negative coefficient estimate of the constant term, -2.43^{***} ($p < .01$), indicates SMEs in Hong Kong exert more CSR efforts towards primary stakeholders on average than secondary stakeholders. The estimates of the explanatory variables test the differential impact-hypotheses. Although the coefficient for instrumental CSR motivation holds an expected sign, it is not significant ($-.03$, n.s.). H1 is not supported. The differential impact of altruistic CSR motivation on CSP for secondary vs. primary stakeholder is not significant ($.01$, n.s.). Thus, H2 is not supported. The differential impacts of financial resource ($.07^{**}$, $p < .05$), institutional CSR conformity ($.10^{***}$, $p < .01$), and regulatory pressure ($.22^{***}$, $p < .01$) are all positive and significant. Therefore, H3, H4, and H5 are supported. Among the three control variables, the parameter estimate for manufacturing is significant ($.16^{**}$, $p < .05$), indicating that manufacturers' CSPs for environment and community are higher than the service providers' CSPs for these secondary stakeholders.

Multiple factors drive firms to commit to CSR implementations for different stakeholders. This study investigates the impacts of CSR motivations (i.e., strategic motivation, altruistic motivation), financial resources, institutional conformity, and regulatory pressure on the CSPs for diverse stakeholder groups. Overall, the empirical results, from the analyses of a large survey with data on SMEs in Hong Kong, show that these CSR-engaging factors positively affect firms to commit to CSR activities. Most of all, two CSR-engaging factors—*altruistic CSR motivation* and *financial resources*—positively influence the CSPs for all six different types of stakeholders. The strong impact of the altruistic CSR-motivation result reflects that a firm's CSR practices are more likely rationalized by its recognition of public responsibilities or ethical pursuits of the community's common goals. The impact of the availability of financial resources on CSPs for all stakeholders is consistent with the argument in a previous work that financial resources are a requisite and fundamental input for encouraging and implementing CSR efforts (Branco and Rodrigues, 2006; Vogel, 2005).

Conclusion

In conclusion, this study clarifies the differential impacts of CSR-engaging factors on CSP for primary vs. secondary stakeholder groups. Overall, the primary (vs. secondary) stakeholder frame (Clarkson, 1995) explains the differential impacts of CSR drivers on CSR efforts for diverse stakeholders. However, one intrinsic limitation is its focus on only two types of stakeholders since this might oversimplify a complex phenomenon. In fact, the finding of this study suggests that the engaging factors of employee-related CSR activities differ from those for investors, suppliers, and customers. Future research on employee-related CSR activities requires a different lens (than a primary vs. secondary stakeholder frame).

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Impact of Resource-Dependency of the Russian Regions on the Innovative Activity: Evidence from Panel Data

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Abstract:

The paper highlights the role of innovations in the resource type regions of Russia. These regions are not uniform, which is manifested in the structure of the gross regional product, the differences in the level and pace of development, and the degree of integration into the global economy. At the same time the economy on the industries engaged in the resource extraction determines largely the problems and the vector of these regions' and the whole country's development. To reveal the impact of resource-dependency on the innovative activity Russian Regional Innovation Scoreboard developed by the Institute for Statistical Studies and Economics of Knowledge of the Higher School of Economics was used.

Keywords: *Russia, «resource curse» theory, resource-dependency, resource type regions, gross regional product, extractive industry, innovative activity, panel data*

1. Introduction

Russia is looking for a new model of the country's development based on the innovations and accelerated development of manufacturing industries. It is important to remember that in the country rich in mineral resources there will always be regions, whose specialization will be based on the extraction and primary processing of resources. Moreover, in the new model the resource type regions should be the starting point for the formation of an intensive model of the country's development. It is important to note that resource type regions are not uniform, which is manifested in the structure of the gross regional product, the differences in the level and pace of development, and the degree of integration into the global economy. The dependence of the economy on the industries engaged in the resource extraction determines largely the problems and the vector of these regions' and the whole country's development. In this case, the subject of the study within this paper is to highlight the role of innovations in the resource type regions and their ability to contribute to the intensive model of the country's development formation.

2. Data and research methods

As a source of data of innovative activity in the Russian resource regions Russian Regional Innovation Scoreboard (Russian Regional Innovation Scoreboard, 2017) developed by the Institute for Statistical Studies and Economics of Knowledge of the Higher School of Economics is used. The Russian regional innovation index is an integral indicator based on a multi-level hierarchical structure of indicators. Such a structure of the innovation index allows one to assess the impact of resource dependence of the region on various components of innovation activity on its territory. As an indicator of the degree of resource dependence of the region the coefficient calculated by E. Kagan and E. Goosen (Kagan and Goosen, 2017) is used. The indicator is the ratio of the share of extractive industries in the GRP of region to the value of the share of extractive industries in GDP for the Russian Federation. In the sample were 35 regions attributed by the authors to resource-dependent or borderline ones. Thus, the final sample is a panel of 35 regions for 2010, 2012, 2013 and 2014. A panel data set is available for 35 regions over 4 years. Unlike cross-section data, the presence of the same units (in this case, subjects of the Russian

Federation) makes it possible to take into account the unobservable invariable over time characteristics of these units. The introduction of time effects will allow us to control for unobservable effects that are time-related but are constant across regions. As the time period is relatively short, time effects are introduced as dummy variables for each year.

3. Results and Conclusions

Before considering the results of estimating models with fixed effects, consider the results of estimating the pooled regression model. This is the simplest model that does not take into account the constant over time non-observed features of the regions:

$$xit = \alpha Zit + \varepsilon it,$$

where xit are the coefficients of the explanatory variable vector Zit in period t for region i (include the level of resource dependence of the region and the logarithm of the population), εit are errors.

Table 1. The influence of the level of resource dependence on innovation activity (the pooled regression models estimations)

VARIABLES	(1) RRII	(2) ISEC	(3) IIA	(4) IQIP	(5) ISTP
Dependence	0.0145*** (0.00349)	0.0200*** (0.00343)	0.0221*** (0.00536)	-0.00130 (0.00683)	0.00727** (0.00330)
Log of the population	0.0478*** (0.00585)	0.0403*** (0.00576)	0.0558*** (0.00900)	0.0792*** (0.0115)	0.0397*** (0.00554)
2012	-0.00146 (0.0167)	0.0498*** (0.0164)	0.0215 (0.0257)	-0.0822** (0.0327)	0.0331** (0.0158)
2013	-0.00217 (0.0167)	0.0590*** (0.0164)	0.0207 (0.0257)	-0.131*** (0.0327)	0.0312* (0.0158)
2014	-0.00774 (0.0167)	0.0446*** (0.0164)	0.0298 (0.0257)	-0.124*** (0.0327)	0.0112 (0.0158)
Constant	-0.343*** (0.0841)	-0.260*** (0.0828)	-0.585*** (0.129)	-0.580*** (0.165)	-0.259*** (0.0795)
Observations	140	140	140	140	140
R-squared	0.339	0.364	0.248	0.362	0.301

Standard errors are in parenthesis.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

If we ignore the specifics of the region, we get results indicating that a high degree of resource dependence of the region is associated with a higher level of innovation activity, since it is statistically significant with a positive sign for both the Russian regional innovation index (RRII) and for all thematic indicators, except for the Index of quality of innovation policy of Russian regions (IQIP). However, as shown by the results of the econometric estimation of models with constant effects presented in Table 2, the negative impact of the level of resource dependence of the region on innovation activity is more likely.

Table 2. The influence of the level of resource dependence on innovation activity (the fixed-effects regression models estimations)

VARIABLES	(1) RRII	(2) ISEC	(3) IIA	(4) IQIP	(5) ISTP
Dependence	-0.0194 (0.0126)	0.00821 (0.00760)	-0.0417** (0.0182)	-0.0291 (0.0314)	-0.00522 (0.0205)
Log of the population 2012	0.0112 (0.281)	-0.0880 (0.225)	0.110 (0.296)	-0.445 (0.531)	0.0669 (0.293)
2013	-0.00313 (0.00758)	0.0493*** (0.00626)	0.0182* (0.00978)	-0.0830*** (0.0247)	0.0324*** (0.00725)
2014	-0.00316 (0.00924)	0.0585*** (0.00531)	0.0191 (0.0129)	-0.133*** (0.0247)	0.0309*** (0.00823)
Constant	-0.00789 (0.0104)	0.0448*** (0.00796)	0.0292** (0.0140)	-0.123*** (0.0230)	0.0111 (0.00875)
Observations	0.231 (3.855)	1.527 (3.096)	-1.200 (4.063)	6.678 (7.285)	-0.606 (4.025)
R-squared	140	140	140	140	140
Regions	0.032	0.531	0.130	0.357	0.205
	35	35	35	35	35

Robust standard errors are in parenthesis.

*** p<0.01, ** p<0.05, * p<0.1

Despite the fact that the degree of resource dependence is statistically insignificant for the Russian regional innovation index (RIII), as well as for most thematic indicators, it is significant with a negative sign for the Index of innovation activity (IIA). It is indicative that it is the "innovation activity" block that includes the results of the innovation process, while the other three blocks are related more to the environmental parameters, describe the conditions that are supposed to provide the innovation process.

The Russian regions present in our sample are characterized by very different degrees of resource dependence. The coefficient of resource dependence is in the range of 7 for the Nenets Autonomous Okrug (that is, the share of extractive industries in the GRP of this region is 7 times higher than the average for Russia), while only 0.13 for the Republic of Kalmykia. It can be assumed that the availability of natural resources affects the innovative activity non-linearly, in other words, the dependence is non-monotonic (for example, resource first has a positive effect on innovation activity, and then negatively).

In interpreting the results, it is important to note that the social-economic conditions of the innovation activity and the scientific and technical potential of the region are largely determined by state and federal target programs, measures for managing state property, financing educational and scientific organizations, the activities of companies with state participation, in other words, depends on the actions of the federal center. The federal center, on the one hand, is largely guided by the principle of equalizing the conditions in the regions, and on the other hand is independent on the degree of resource dependence of the region. The component "quality of innovation policy", on the contrary, describes the policy of the regional administration, but is calculated on the basis of purely declarative indicators (the availability of the regulatory and legal framework for innovation activity is estimated, not its quality).

From the point of view of the causal mechanism there are two main versions of the "resource curse" theory. Conditionally they can be called an "economic" and "political" resource curse (Vasilyeva and Libman, 2016). In the first, the so-called "crowding effect" has a negative impact on economic growth (or, in our case, innovations) - a high return on investment in the extractive sector leads to a reduction in investments in other

sectors. In the second, resource rent causes a decline in the quality of public administration, which, in turn, negatively affects economic growth.

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Communication Traps in Cross-Cultural Management: Challenges and Solutions

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Abstract:

This paper investigates the most common communication traps in international business and explores how deeply business-schools today are considering them in their courses in cross-cultural management. Such pitfalls, despite all the awareness about their negative impact on the dialogue in international business, continue to influence destructively the quality of interaction between parties representing different socio-cultural areas. At the same time, it is possible to note today the emergence of new communication challenges, primarily related to the development of AI technologies. On the basis of his professional experience in managing communications in international companies, the author presents his view on the steps that business-schools should undertake to make courses in cross-cultural management actual to the expectations of the global business community.

Keywords: *cross-cultural management, mediation, business education, communication traps*

1. Introduction

Global business is continuously raising its expectations for the ability of the graduates of business schools to build up a fruitful dialogue with the representatives of other cultures. However, even the most successful MBA degree holders, returning to real-life business, continue experiencing considerable difficulties in cross-cultural interaction. It is not surprising, therefore, that the dialogue in international business remains vulnerable to the so-called communication traps or, in other words, *the communication beliefs based on the fallacious interpretation of the communicative intentions of the parties in the dialogue.*

2. Old and New Challenges for Business Communication

Such interactional pitfalls as the equality between the common language and the common culture (Molinsky 2013), the universalism of the business language, and the exaggerated attention to the slightest details of the national business etiquette of the interlocutor (which reduces a reasonable dialogue to a certain ritual dance (Meyer 2014)) can impede any meaningful interaction in global business. Moreover, the expected advent of the AI revolution only deepens such gaps, as AI algorithms are based on the exact reproduction of the sociocultural backgrounds and communication habits of their owners (Caliskan et al. 2017), which makes the smallest communication error extremely noticeable and, subsequently, dangerous for the reputation of both the managers and the business they run.

3. Cross-Cultural Management Courses vs. Real Life Business Practice

The ongoing negative influence of various communication traps puts a question about how successfully the corresponding programs of business schools meet such challenges. Although the majority of MBA programs throughout the world learnt to respond quickly to many essential needs of business, the remaining attitude among students towards the courses in cross-cultural management indicates that the changes have affected such courses to a lesser extent than other disciplines in the curriculum. Preparing this paper, the author conducted a brief informal survey by asking 15 graduates of business schools in the USA and Western Europe about the availability of cross-cultural courses in the programs they attended. The answers were as follows: had and attended (one), had but did not attend (two), and do not remember such courses (12). As a result, when it comes to practice, the MBA degree holders steadily keep on getting into communication traps. Coordinating corporate communications during the preparation of a company for the IPO on London Stock

Exchange, the author regularly witnessed how cross-communication pitfalls of the members of the international Board of Directors (many of them with MBA degrees) occasionally influenced negatively the implementation of certain plans. Was not there any fault of their business schools that fail to bring across to them the practical issues of cross-cultural management?

4. Conclusions

To make the courses in cross-cultural management more acute in terms of overcoming of communication traps in the international business environment, the author suggests considering the following amendments:

1. To pass from the 'geographical' to the 'situational' consideration of cross-cultural issues. Although a step-by-step story about cultural aspects of doing business in different regions looks methodologically reasonable, such an approach deprives the students of a possibility to consider a particular communication problem from the point of view of its simultaneous interpretation in different business cultures. Such information remains at the level of theoretical material, which, for all its attractiveness, does not have any specific application to the real situation. In other words, the center of attention of such courses should move from a separate study of regions and their socio-cultural values to the integrated examination of specific business problems from the point of view of different cultures.

2. To make a stronger emphasis on emotional communication and empathy. In other words, the students should not only understand the hidden meaning of what has been said, but also be able to correctly feel the interlocutor. The solution of common tasks and the presence of corresponding common goals unambiguously presume the ability to get into the shoes of dialogue partners not only linguistically, but also with the maximum possible awareness of their communicative intention. A successful dialogue in international business implies the ability to go beyond purely textual communication by taking into consideration both the emotional perception of the interlocutor and non-verbal communication elements.

3. To introduce the elements of cross-cultural mediation. The main goal of this communication technique (which deserves an individual elective course in the curriculum of business schools) is to facilitate the business dialogues between the parties belonging to different axiological spaces via the correct interpretation of the sociocultural intentions of each other (Kladko 2017). The knowledge of this technique provides students with a powerful tool to fight with the effect of semantic scissors and contributes to the stable work of their companies in the international business environment.

The implementation of such measures is thought to make the courses on cross-cultural management in business school not only more practically oriented, but also very helpful to the international business in getting rid of the perception of culture as "a luxury item to most managers, a dish on the side (Trompenaars and Hampden-Turner 1998)."

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Child Benefits' Impact on Poverty: Multivariate Probit Estimates

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Abstract:

Families with children in Russia are particularly exposed to risk of poverty. Child benefits, as a source of income for families with children, can reduce this risk. But some of the child benefits in Russia are means-tested, so eligibility for benefits depends on family's poverty. To avoid this endogeneity problem we estimate model of multivariate probit with two depending variables: probability of poverty (absolute, relative or subjective) and probability of receiving child benefits. We also compare estimates of this model with estimates of probit model of poverty.

The results obtained show that child benefits reduce the probability of absolute and relative poverty. Their impact on subjective poverty is more complex. In general, they reduce the likelihood of subjective poverty, but in some cases, their positive impact on subjective poverty is outweighed by stigmatization from receiving benefits.

Keywords: *child benefits; absolute poverty; relative poverty; subjective poverty; multivariate probit; Russia; RLMS HSE*

1. Introduction

Families with children in Russia are particularly exposed to the risk of poverty. According to the Federal State Statistical Service, in 2016 62% of poor families had children under 16 years. This share was equal to 34% in all families.

Child benefits are among the basic components of social support in Russia. The purpose of this research is to analyze the effectiveness of child benefits in Russia. We expect that child benefits, as a source of income for families with children, reduce the probability of their poverty.

2. Data and Methods

We use the data from the Russia Longitudinal Monitoring Survey (RLMS-HSE) from years 2003-2016. We apply pooled probit model and panel probit model with random effects to estimate child benefits impact on absolute, relative and subjective poverty. Our exogenous variables are benefits for children under 18 months (type A benefits), benefits for children over 18 months (type B benefits), and household's and individual's characteristics. Our dependent variable is poverty (equal to 1 if household is poor and 0 otherwise).

But these models are exposed to the risk of endogeneity. Some of the child benefits in Russia are means-tested: families with children should prove that their incomes are below specified limits (usually, subsistence minimum) to get benefits. Therefore, absolute poverty affects probability of receiving child benefits. Besides, a significant number of poor households does not consider themselves eligible and does not apply, and some of the families who do, do not get child benefits. Therefore, we can assume that some unobservable characteristics of households affect the probability of receiving child benefits (and they may also affect a probability of poverty).

To take into account the complexity of the interrelation between child benefits and poverty we estimate multivariate probit model with two endogenous variables: poverty (absolute, relative and subjective poverty;

equal to 1 if household is poor and 0 otherwise) and child benefit receipt (equal to 1 if household receives child benefits and otherwise).

3. Results and Conclusions

Results of models estimation show that child benefits are positively associated with absolute poverty in pooled probit model (this effect may occur for the reasons described above). According to panel probit model, increase of benefit for children under 18 months by one thousand rubles would lead to 2% decrease in the probability of absolute poverty.

According to the results of pooled and panel probit models, with the increase of type A benefits by one thousand rubles, the probability of relative poverty would reduce by 2-7%. For the type B benefits this impact is equal to 4-7% (depending on model specification and poverty line).

Type B benefits increase risk of subjective poverty by 4% in some of the model's specifications. This connection can reflect stigmatization, when an individual perceives herself as poor because she receives social assistance.

Results of multivariate probit estimation show that coefficient of correlation between the residuals of the two equations (ρ_{12}) in models of absolute and relative poverty is negative and significant. In one of the specifications of subjective poverty models ρ_{12} is not significant, in other specifications it is positive and significant. Hence, there are some unobservable factors that increase the probability of getting benefits and the risk of subjective poverty and decrease the risks of absolute and relative poverty. Thus, the results of pooled and panel probit models underestimate child benefits impact on poverty (positive or negative).

According to multivariate probit model, the child benefits receipt decreases the probability of absolute poverty by 8.9%, the probability of relative poverty by 1.2-2.3% and the probability of subjective poverty by 0.4-0.8%. Negative effect of child benefits on poverty is most significant for families with children under 18 months and multi-child families. However, these particular families experience hard stigmatization – the marginal effect of benefits on subjective poverty for these types of households is equal to 1.4-2.8%.

Overall, the results of the multivariate probit estimates confirm the results obtained with pooled probit model and panel probit model with random effects. Child benefits reduce the probability of absolute and relative poverty. Their impact on subjective poverty is more complex. In general, they reduce the likelihood of subjective poverty, but in some cases, their positive impact on subjective poverty is outweighed by stigmatization from receiving benefits.

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Digital-format for participative budget

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Abstract:

Regional and local governments should make budgets transparent according to the Budget Code. Budgets must be published in Internet since 2016 year.

It is supposed that the innovation allows involve citizens in public expenditures administration and increase budget awareness. The analysis of Russian e-budgets practice on the example of seven large municipalities is presented in the paper.

The main purpose of the paper is to determine how municipal e-budgets are opened and transparent to citizens. Has the main goal been achieved – have municipal budgets become participative? Municipal budgets` Internet pages` shortcomings are determined at the base of focus-group method. Some recommendations for e-budgets practice enforcing are formulated.

Keywords: *budget transparency, e-budget, municipal budget, open government, participative budget*

1. Introduction

In Russian budget system the openness principle is crucial. Since 2016 it provides for mandatory placement of draft budgets, approved budgets, reports on their implementation on special information portals, Internet pages, websites (Open government, 2017). Both the Ministry of Finance of the Russian Federation and independent news agencies make regions ratings on the presentation of on the budget`s information.

Among them are index methods (for example, The Open Budget Index 2017), civil servants and citizens questionnaire surveys or interviews (for example, The Open Budget Survey 2017), express-evaluation scale method (for example, The Report of Open Government Initiative Centre 2013), country and regions` ratings and etc. Ratings of regional e-budgets are published annually by Ministry of Finance (The Report on Best Practice in Budget for Citizens 2017).

However, if regional budgets are given attention and "best electronic practices" are identified, the situation with public municipal budgets is somewhat different.

In Russia, there are some cities-millionaires that have a digital embodiment of municipal budgets, but cities with a smaller population do not have "presentable" sites.

According to the Strategic Development Centre`s information 50 large Russian cities with total population over 50 million citizens should digitize their budgets by 2024 year (Report of the center for strategic development "Digitalization of cities", 2017).

2. E-budget as a source of civic initiative

Why do we need digital-technology in the design and presentation of urban budgets?

The fact is that the placement of this information in accessible form allows to increase the level of civic activity, to involve the population in the state`s and municipal management processes.

But accessibility and transparency are one side of the coin. Another benefit is citizens` budget awareness increasing like in the case of financial literacy program.

The budget is a serious financial document, which is difficult to understand for people without special training (Kalimullina et al., 2017). At the base of simple and visual information any person can receive a clear picture of budget funds redistribution and its dynamics.

A person is familiar with the terminology, principles of budgeting. In the end, the citizen receives the basics of budget literacy and begins to show civic initiative. A person not only interested in what flows are directed taxpayers' money, but also actively influence the process of budget allocation.

3. Data and sample

There is a close relationship between the information design of budgets and the level of citizen's initialization. At first it is necessary create effective communication mechanisms and then foster public participation and initiative in municipal governance. And such effective communication are digital technologies in the presentation of the municipal budget.

Leaders of electronic public budget's digitalization of the are cities-millionaires Yekaterinburg, Kazan, Novosibirsk, Krasnoyarsk, Perm.

We analyzed e-budget practice in seven large municipalities by focus-group method. The analysis was carried out by nine indicators: content, design, navigation and feedback system, style, information updating, and programming quality. The results of the study are summarized in tabular form.

Table. Evaluation of e-budget quality in large Russian cities

N n/n	Indicators	Municipality (population over 1 million people)						
		Ekaterinburg	Rostov-on-Don	Perm	Chelyabinsk	Nizhny Novgorod	Kazan	Novosibirsk
1	Substantial part	+	+	+	+	-	-	-
2	Design	+	+	-	-	-	-	-
3	Navigation	+	+	-	-	-	-	-
4	Style, speech literacy	+	+	+	+	+	+	+
5	Update	+	+	+	+	-	-	-
6	Software support	+	+	-	-	-	-	-
7	Feedback	+	+	-	-	-	-	-
8	Promotion	+	+	+	+	+	+	+
9	Link to related documents	+	+	-	-	-	-	-

The portal "public budget of Yekaterinburg" and "public budget of Rostov-on-Don" have the most comfortable interfaces, pleasant visualization, fast updatability, interactivity and logic of information submission. Citizens can not only get acquainted with the statistics in the dynamics, but also get answers to questions on the budget process, look in the Glossary on budgeting and to compare indicators of "public budgets" with other municipal structures.

In municipalities of Perm, Chelyabinsk, Nizhny Novgorod, Novosibirsk, Kazan, "vestments" of "open budgets" require further improvement. Citizens who are not experts in budgets consider PDF-format as inappropriate for presentations and texts with big financial data. We recommend municipal administrations of these cities to change the form of information provision.

Each city offers its own digital practice, but the principles of transparency and interactivity are not fully implemented. Navigation system, software support and feedback needs are to be improved.

According to the first criterion - the "content" of these municipalities budgets are difficult to perceive by ordinary citizens, that is, "public" in sense are not.

4. Empirical results and conclusions

In addition to improving budget literacy in the form of seminars, conferences, the factors of civic consciousness are contests of draft budgets, in which everyone can take part. It became a good tradition to conduct annual competitions for the best e-budget proposal among students of economic departments in large cities.

Non-standard tools of budget design include financial lessons, business games, budget calculators. However, the fundamental principle for most constructive methods is further improvement of the electronic format of budget data.

It is necessary to summarize the best practice and develop the standard for presentation of key information about municipal budget in Internet. The indicators used in the paper (see table) can be used as a base criteria. This standard can be adopted for small and middle-sized municipalities.

Cities analyzed in the paper can be considered as e-budget leaders among Russian municipalities. And their experience is a good example for others.

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Evaluation of sustainable consumption: developing and testing a conceptual model

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Abstract

The article is devoted to the study of sustainable consumer behavior. A review of the literature showed that there is still no universal approach and a scale for the measuring of the sustainable consumer behavior, which does not allow to conduct the comparative studies of the sustainable behavior in the different markets. The aim of the study is to develop a construct of sustainable consumer behavior. Research methods include the literature overview and the existing scales analysis. To create the construct of sustainable consumer behavior was used card sorting method (14 individuals) and 23 semi-structured interviews of experts. The final construct included 3 factors: responsible consumer behavior, environment sensitive consumer behavior, information culture and security behavior.

Keywords: *sustainable consumer behavior, measuring of sustainable consumer behavior, scale for sustainable consumer behavior*

1. Introduction

Sustainable consumption should be understood as consumer behavior aimed at meeting the current needs of the individual without harming the needs of future generations by using and utilizing benefits that are created with concern for social and ecological well-being. The aim of this work in progress is to develop and test the scale measuring of sustainable consumer behavior.

2. Theoretical background and literature overview

The main features of sustainable consumption as opposite to consumerism can be summarized in the works of Barr & Gilg, 2006; Peattie & Collins, 2009; Gogia & Sharma, 2012; Briz & Ward, 2009; Hughner et al., 2007; Kavaliauske & Ubartaite, 2013. It is worthwhile to distinguish between the terms "sustainable consumption" and "responsible consumption": responsible consumption is a consequence of a person's concern for one's own health and well-being; sustainable consumption means concern about well-being and the state of society (Eden, Bear & Walker, 2007; Oliver, 1996).

The study of sustainable consumption began with the so called "green consumption" (Polonsky, 1995; Aragon-Correa, 1998; Buysse & Verbeke, 2003; Camino, 2007; Fraj- Andrés, 2008). Then, social trends were added to environmental issues (Maignan, Ferrell, & Ferrell, 2005), and then the economic components (Obermiller, Burke, & Atwood, 2008).

The first step in developing a conceptual model for evaluating sustainable consumption is to determine factors influencing it. Otherwise, many researches show that when comes to sustainable consumption there is a big difference between the declared values and actual consumer behavior because of the existence of different types of barriers conceptualized by Thøgersen (2004).

However, existing studies within sustainable consumption and behavior are limited to specific areas of life (for example, eco-tourism (Dickinson, 2006; Dolnicar, 2008; Zografos, 2007), food consumption (Grunert, Hieke & Wills, 2014; Vermeir & Verbeke, 2006) or regional aspect (Sharifah, Laily, and Nurizan, 2005) and do not imply to evaluate the common shift in consumer behavior as well as to compare behavior

changes in different markets, customer segments and countries. It is why there is a need to have the universal approach and scale for measuring the sustainable consumer behavior.

3. Research method

A dominant share of the previous research suggested scales for evaluating the presence of health concerns in consumer behavior in whole (Kraft & Goodell, 1993) and in food purchases in particular (Dutta-Bergman, 2005). Barr and Gilg (2006) described sustainable consumption as consisting of three constructs: purchase decisions, habits, and recycling. Grunert, Hieke and Wills (2014) united in one scale the measurement of concerns about own health and about global social and environmental problems. The scale suggested by Mohd Suki (2016) is dedicated to choosing environmentally friendly products. Wu, Zhou, and Song (2016) measured the actual sustainable consumption behavior as well as factors influencing the sustainable consumer.

To make a preliminary assessment of the number of components of sustainable behavior, card sorting method was chosen. This test was carried out by 14 individuals (9 female, 5 male, average age 32,1 years old). This procedure led to the formation of 4-9 groups (on average 7) with the following labels: health nutrition, physical activity, health care, choice of sustainable products, reuse and recycle, limiting consumption, getting and transferring information about sustainable development.

The evaluation of the constructed groups and the statements within the groups was based on 23 semi-structured interviews. The sample included experts in the field of healthy lifestyle (valeology), managers of companies involved in sustainability reporting, bloggers raising sustainability issues, and representatives of NGOs active in the field of sustainability.

4. Research results

The interviews revealed that the majority of respondents are critical towards many items in “health nutrition” group finding them overwhelming and partly contradictory. Further discussions of this issue with the interviewees led to the understanding that opinions about healthy (sustainable) / unhealthy (unsustainable) consumer behavior are formed to a great extent by the external information environment. Based on that, a new group of factors of sustainable consumption was introduced connected to the behavior on the information market.

In the field of responsible behavior, 3 factors and 10 variables were identified. The construct “environment sensitivity consumer behavior” consists of 4 factors and 10 variables. Constructs “information culture and security behavior” are made up of 2 factors. 9 factors were stated by more than 10 respondents.

5. Directions of further research

In the future, we plan to conduct a cluster analysis to identify different groups of consumers and describe the features of group models of sustainable consumer behavior. The new scale can be used to study the dynamics of changes in sustainable consumer behavior in the Russian market (possibly in other markets of developing countries).

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Influence of Ownership Structure and Board Independence on the Cost of Debt in BRIC

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Abstract:

This paper proceeds an empirical analysis of the influence of ownership structure and board independence on bond yield spread in BRIC countries during the period 2007-2016. The present analysis reveals that in Brazil ownership of insiders and concentrated ownership of corporations increases cost of debt, while institutional investors help to mitigate the risks. Only state and insider ownership matters in Russia: the more the government stake, the higher the cost of debt, while insider ownership has non-linear effect. In India insider ownership has increasing effect, while state influences inversely. Evidence from China reveals decreasing influence of corporate ownership concentration, which can be a result of co-insurance effect. We contribute to the literature by providing an evidence from emerging markets, taking into account each country's specificity and investigating the effect on market indicator of cost of debt, the data on which is scarce. The results of this study can be used by rating agencies or investors for evaluation of the risks related to bond issuers. The results also can be employed by issuers during creation of strategy for attracting debt with lower costs.

Keywords: *corporate governance, ownership structure, cost of debt, BRIC, probability of default, agency conflicts*

1. Introduction

The cost of debt is one of the major factors of the value of the firm. Agency theory predicts the conflict between shareholders and debt holders, which influences the likelihood of the wealth transfer from debt holders to majority shareholders (Jensen and Meckling, 1976). This paper is devoted to the investigation of the influence of ownership structure and board independence on the cost debt in large emerging markets represented by the sample of companies in BRIC countries.

The paper is structured in the following way. In second chapter we review the theoretical and empirical literature as well as set the hypotheses. The third chapter refers to research methodology overview. Finally, in the forth chapter we present the data, discuss the results of empirical analysis and conclude.

2. Literature review and hypotheses

The particular subject of interest of the present paper is the identity of shareholders who can expropriate minority investor rights, and whether the presence of independent directors matters for investors in bond instruments.

In Brazil, Russia and China the highest ownership concentration refers to ownership stake owned by corporations (from 34% to 47% in average, see Table 1). Moreover, private benefits of control (see Barclay and Holderness, 1989) is significant in these countries (Clarke, 2015; Pargendler, 2014, Wu et al, 2009).

H1. Concentration of ownership by corporations increases cost of debt in Brazil, Russia and China, while has no significant influence in India

Table 1. Average characteristics of ownership structure in BRIC as at December 2016

Parameter	Brazil	China	India	Russia
No. of observations	286	3,913	3,315	209
Institutions	24.9%	12.5%	12.1%	11.9%
Activist Investors	0.7%	1.2%	1.8%	0.1%
Banks/Investment Banks	1.9%	1.7%	4.7%	10.1%
Individuals/Insiders	23.1%	24.0%	33.9%	14.9%
State Owner	28.8%	10.0%	14.4%	18.9%
Corporations	37.3%	33.8%	28.3%	47.2%

Source: Capital IQ

Among BRIC countries institutional ownership is developed significantly only in Brazil (average institutional ownership is 25%, see Table 1), while average ownership of activist investors is low in all investigated countries (0.1%-1.8%). In Russia institutional investors are mostly represented by banks, while in India and China institutional investors do not participate in decision making (Sarkar and Sarkar, 2012; Jiang and Kim, 2015). In Brazil diffusion of ownership by institutions contributes to minority rights protection (Clarke, 2015).

H2. Concentration of ownership by institutional investors decreases the cost of debt in Brazil and has no effect on cost of debt in Russia, China and India.

H2.1. The more the ownership concentration of ownership of institutional investors, the less is adverse influence of corporate ownership concentration on cost of debt in Brazil.

State ownership is also significant in BRIC countries. Evidence from Brazil, Russia and India shows that government ownership is related to the risk of pursuing political and bureaucratic goals, what adversely affects governance in a company according to Shleifer and Vishny (1997) (see Pargendler, 2014; Melkumov, 2009; Dwivedi and Jain, 2005). However, evidence from China reflects absence of inverse relationship between legal investor protection and state controlling ownership (Wu et al., 2009).

H3. The more the level of state ownership, the more the cost of debt in Brazil, Russia and India; the less the cost of debt in China.

Insider ownership plays different role in each of BRIC countries, which reflects different influence on debt holders' risk.

In Brazil there is a widespread phenomenon of dual-class shares, which allows to distribute non-voting rights to insiders and non-voting rights to outside investors, creating a wedge between economic and voting rights (Pargendler, 2014). The institute of promoter ownership, which is concentrated in more than 90% of Indian companies (Sarkar and Sarkar, 2012), allows owners to be top executives and board members simultaneously, what undermines directors' monitoring role. However, in Russia director ownership helps to mitigate corporate governance problems as soon as it becomes concentrated, and then the influence is negative due to entrenchment effect (see Muravyev et al., 2014).

H4. The higher the insider ownership, the higher the cost of debt in Brazil and India. In Russia the relationship between insider ownership and the cost of debt is U-shaped; in China this effect is not significant.

We expect that independence of the board of directors matters for debt holders only in India and China. In Brazil the directors are related usually to controlling shareholders and sometimes nominal (Clarke, 2015; Brugni, 2013; Estrin and Prevezer, 2011). In Russia board independence does not help to mitigate private benefits of control (Muravyev et al., 2014). However, in India and China independent directors' role is to mitigate expropriation of minority rights (see Sarkar and Sarkar, 2012; Jiang and Kim, 2015).

H5. Board independence has negative influence on cost of debt in India and China, and no effect in Brazil and Russia

3. Cost of debt measurement and other methodology

3.1. Cost of debt approximation

To get the results comparable with the evidence from developed markets, we choose bond yield spread as dependent variable, calculated as the difference between YTM on corporate bond and YTM on benchmark security, following Anderson et al. (2004), Borisova et al. (2015), Huang and Petkevich (2016) and others. To account for non-constant spot rate of return over time and different embedded options, use *option-adjusted spread*, which is derived from Z-spread (zero-volatility spread) by option-specific adjustments.

3.2. Variables and specification

The variable included in the tested model include characteristics of **ownership structure** (concentration⁵ of ownership by *corporations* and *institutions*, as well as *insider* and *state ownership*), **board structure** (*board size* and percentage of *independent* directors), **bond maturity** (number of *years to maturity*). **Company-specific** variables include *performance* (earnings before taxes to equity), *volatility* (standard deviation of operating cash flow scaled by average operating cash flow), *leverage* (total debt to equity) and *size* (logarithm of total sales). We also add country-specific variable *term spread* measured as difference between yield to maturity of long term and short term government bonds.

The model specification we use is based on panel data with bond-quarter observations. We chose this form to combine both at-issue and yearly observations on each bond included in a sample.

4. Data, results and conclusion

4.1. Data

Our data includes corporate straight fixed coupon bonds issued by non-financial companies from Brazil, Russia, India and China from 2007 to 2016. The data on bond yield spreads was obtained using Bloomberg fixed income database. The information regarding ownership structure was collected from S&P Capital IQ database, while data on board composition in dynamics was obtained from issuers' annual reports and reports for securities exchanges dated before the date of the yield spread.

4.2. Results

⁵ percentage of share capital held by top-3 corporations

The results of testing of the hypotheses regarding influence of ownership structure and board independence on the cost of debt are presented in table 2. The results are controlled for heteroscedasticity and robust to the existing multicollinearity caused by term spread and firm size variables.

Table 2. Results of empirical analysis

Variable	Brazil	Russia	India	China
CorpConc	99.94**	1.47	2.23	-10.24***
State	19.18	1.68**	-9.04*	
InstConc	-31.32***	1.48	-0.49	-0.71
InstConc x CorpConc	0.55**			
Insider	347.30***	-15.50***	-2.53	
Insider2	-9.92***	0.46***	0.05**	
BoardSize	74.74*	23.66**	-3.16**	33.84
Independence	-4.33	-3.12	0.22	-14.16
YearsToMaturity	-91.91***	-31.74**	-20.14***	-102.0**
Performance	-6.36*	-1.71***	-0.12	23.82*
Volatility	-1,190***	-57.33	37.42*	535.80
Leverage	-35.50***	-2.87	-1.53***	-25.56
Size	129.10	1.00	10.67	
TermSpread	0.16	0.12	-0.48***	6.37
Constant	-547.90	24.11	311.50**	1.14
Observations	146	153	1,413	198
R-squared	0.531	0.397	0.392	0.187
Number of bonds	32	47	340	108

*** p<0.01, ** p<0.05, * p<0.1

Corporate ownership concentration increases cost of debt in Brazil, which is consistent with private benefits hypothesis. At the same time, in China ownership by corporations decreases cost of debt. It is consistent with the evidence of co-insurance within business groups (see Khanna and Yafeh, 2005), as average and median level of ownership concentration by corporations for Chinese sample is 58% (see appendix 1), what is a sign of parent-subsidiary relationship.

Institutional ownership influences the cost of debt only in Brazil, following our hypothesis. Nevertheless, the favorable effect of institutional ownership in Brazil becomes less pronounced with increase in ownership concentration by corporations, what can be an evidence that the power of controlling corporation can spread also on the relationship between company and institutional owner due to the dominance of informal institutions (see Estrin and Prevezer, 2011).

State ownership increases cost of debt in Russia, as well as decreases cost of debt in India⁶. The adverse effect in Russia is an evidence that investors consider state distorted interests as significant threat to

⁶ The increasing effect of state ownership on cost of debt in India refers to the case of ownership more than 93%, which relates to 1% of observations

their rights (see Melkumov, 2009). At the same time, favorable effect of state ownership in India can be an indicator of benefits received by state-owned companies in India, in both financing and operation (see Borisova et al. 2015; Rabotinskiy and Stepanova , 2014).

Influence of *insider ownership* also differs depending on country. In Brazil, where the dual-class ownership is highly widespread (see Pargendler, 2014), insider ownership increases cost of debt⁷, what is an evidence of existing risk related to control-ownership wedge regarding insider ownership. In Russia the relationship is U-shaped, what is consistent with the result of Muravyev et al. (2014). Insider ownership in India increases cost of debt due to the power of promoter group owners.

Independence of the board of directors is insignificant in each country according to the results. It was predicted in Brazil due to the presence of nominal directors and in Russia because of the existing correlation of non-executive directors to the private benefits of control.

4.3. Conclusion

In the present paper we aim to study the influence of ownership structure and board independence on the cost of debt in BRIC countries. The main finding of the study is the evidence demonstrating that ownership structure matters for debt holders, while board independence – no. This reveals that the main governance issue which is relevant for debt holders in BRIC is shareholder-debt holder agency conflict. Second, we provide with an evidence of governance specificity in each country, what is reflected in different significance and influence of each ownership factor.

The potential for further research is to analyze Chinese sample with higher variation of ownership variables, as well as to test hypotheses related to more comprehensive set of governance factors.

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⁷ The diminishing part of the ownership-spread relationship curve refers to highest 1% of insider ownership

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Appendix 1. Summary statistics by country

Variable	Brazil				Russia			
	Mean	St. dev.	Min	Max	Mean	St. dev.	Min	Max
OAS	246	279	-597	747	92	189	-444	780
CorpConc	13	20	0	79	32	35	0	100
State	19	23	0	52	26	35	0	100
InstConc	18	12	6	39	8	8	0	47
BoardSize	10	2	5	13	10	2	5	15
Independence	34	25	8	78	32	16	0	71
YearsToMaturity	8	5	2	30	6	5	1	30
Performance	6	18	-46	36	19	36	-195	121
Volatility	0	0	0	1	0	0	0	1
Leverage	27	8	13	54	26	13	0	63
Size	9	1	7	11	8	1	4	10
TermSpread	-542	163	-712	-278	17	160	-193	477

Variable	India				China			
	Mean	St. dev.	Min	Max	Mean	St. dev.	Min	Max
OAS	141	145	-530	816	69	96	-101	435
CorpConc	21	25	0	90	58	16	9	87
State	35	40	0	100	0	0	0	0
InstConc	11	8	0	46	7	4	2	25
BoardSize	12	4	4	19	10	2	7	15
Independence	47	13	0	83	39	8	25	73
YearsToMaturity	6	5	0	60	4	5	0	30
Performance	12	18	-222	165	11	8	-40	35
Volatility	0	0	0	2	0	0	0	1
Leverage	40	14	0	114	29	15	3	59
Size	8	2	0	11	9	2	5	13
TermSpread	-219	93	-514	-126	55	1	51	63

Factors and Perspectives of High Tech Companies' Growth: Case of Russian Pharmaceutical Sector

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Abstract:

Possibilities and limitations of Siberian high tech and knowledge intensive firms' development are discussed in the paper. Industrial approach is used for high tech companies' identification. Industrial and regional structure of high tech entrepreneurship is presented; it is shown that role of high tech business in Siberian economy is not significant; it forms only 10% of regional economy. Great differences between Siberian regions in high tech business development were confirmed. Novosibirsk region, Krasnoyarsk territory and Irkutsk region turned to be regional leaders followed by Kemerovo, Tomsk and Omsk regions and Altai territory.

Keywords: *high tech and knowledge intensive entrepreneurship, Siberian regions*

1. Introduction

Contemporary challenges of social and economic development determine increasing importance of high tech (HT) production which becomes main driver and determinant of economy. Despite of variety of natural resources Siberia doesn't hold leading positions among Russian regions, main indicators of social economic activities are below average level.

The paper is aimed to form a real picture of Siberian HT sector current state and growth possibilities. Such research direction is quiet topical and relevant for modern economic development.

In most papers HT companies are defined basing on industrial, product or patent's technical areas approaches. The results of defining are different in different approaches. We use industrial basis for the definition of HT and knowledge intensive (KI) companies.

Share of HT industry in Siberian economy is lower than in Russia in whole. High and medium tech sectors, including machine, transport means and equipment production as well as electric, electronic and optical equipment, formed 14,4% of all manufacturing shipping volume in Siberia in 2016. At the same time in Russia this figure was 20,7%. It should be noted that this share in Siberia even decreased science 2013 when it was 15,2%.

Siberian districts could be divided into three groups according to the volumes of HT production in 2016. They are:

- leaders: Irkutsk and Novosibirsk regions and Krasnoyarsk territory;
- districts with much lower than leaders but still significant volumes: Republic of Buryatia, Omsk, Kemerovo and Tomsk regions and Altai territory.
- all other districts with low HT production volumes;

Large Siberian HT companies refer mainly to military complex, aviation, space and nuclear industry. These sectors of Russian economy traditionally are highly competitive. No large enterprises dealing with electronic components, computers, electronic and optical products which are considered to be HT examples could be found in Siberia.

2. Characteristics of HT and KI Siberian Companies

Siberian HT and KI companies were selected basing on SPARK data base which provides information about all registered enterprises. Micro companies with number of employees less than 15 and revenue less than 120 mil. rubles were excluded from the analysis. 817 companies from the analyzing sector were registered in Siberia in 2016. It is less than 6% of all Russian HT companies. Selected indicators of companies' performance are presented in Table 1 below. According to annual revenue firms

were divided into three groups. Small firms have revenue 120-800 mil. rubles; medium size – 800 mil. – 2 bln. rubles; large – more than 2 bln. Rubles.

Growth rates of companies from different size groups are shown in table 2. Time period 2013-2016 is under consideration.

Large KI companies demonstrated higher growth rates than others. These firms mainly refer to aviation, geological exploration and mapping industries. Then come few small and medium size HT companies which are followed by almost non growing small KI enterprises.

Table 1. Indicators of companies' performance

		Large		Medium		Small	
		average	median	average	median	average	median
Number of firms		74		90		653	
Age on 31.12.2016		16.9	18.0	14.8	14.0	11.5	10.0
Revenue Mln.rbl	2016	8248	4377	1258	1189	282	226
	2013	5824	2744	927	816	260	175
Credits Mln.rbl	2016	3251.5	861.2	458.9	220.7	215.0	25.5
	2013	2872.6	675.6	514.0	315.9	512.0	46.0
ROA,%	2016	7.39	3.27	12.73	6.0	11.57	4.11
	2013	7.23	4.54	7.65	4.78	12.01	4.53

Table 2. Growth of Siberian high tech and knowledge intensive companies

Groups of companies	Growth rates
Large knowledge intensive	166%
Small high tech	158%
Medium high tech	142%
Medium knowledge intensive	139%
Medium size medium tech	132%
Large medium tech	125%
Small medium tech	123%
Large high tech	115%
Small knowledge intensive	103%

Companies from our sample rather often used borrowed funds. More than a half of medium size firms managed to get credits during the analyzed period. Other groups showed lower figures. Econometric analysis revealed that growing companies used credits in a less degree comparing with the whole sample.

3. Barriers and perspectives of HT Business development in Siberia

Perspectives of Siberian HT companies' growth are limited due to the influence of general factors which include high technological and marketing risks, complexity of foreign markets entry, lack of internal and external financial resources (this has special importance for young and small companies), lack of qualified personnel etc.

Siberian specific limitations are related to industrial characteristics of HT business, significant role of state regulation of large companies' activities and difficulties with research capacities and interregional cooperation. Research and education get rather modest financing; infrastructure which is required for HT business development is absent. State development institutions which are supposed to support HT and KI sectors don't see Siberia as perspective growth territory. Very few projects promoted by such institutions could be found in Siberia.

State regulation acts as a significant barrier in IT, pharmaceutical and financial sectors. This in general impedes development of HT sector as it generates additional costs.

Scarcity of local labor markets creates more problems for the attraction of high qualified employees comparing with central regions.

Insufficient level of regional financial infrastructure development escalates general problem of financial resources lack.

Increasing importance of soft factors as HT business development barriers is observed during recent years. The most significant factor is presented by low level of confidence which determines forms and effectiveness of cooperation between different actors, perspectives of implicit contracts and models of intellectual property management.

Summing up our findings it is necessary to notice that perspectives of Siberian HT business deal mainly with large companies which are defense oriented and therefore dependant on state defense strategy.

Service economy develops more rapidly in Siberia. This sector is presented by air service, KI industrial services and small HT manufacturing companies.

Presence and level of HT entrepreneurship development is different in Siberian regions. HT manufacturing leading territories include such examples as Novosibirsk region, Krasnoyarsk territory and Irkutsk region. These leading areas are followed by Kemerovo, Tomsk regions, Altai territory and Omsk region.

Regions with developed research and educational base provide more favorable environment for "new economy" companies. This group includes such places as Novosibirsk, Tomsk regions, Krasnoyarsk territory and Irkutsk region.

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The Features of Reviews and Websites Influencing Hotels' Booking Intentions

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Abstract:

In recent years, reviews became significantly important in purchases of experiential goods, as a source of advice to help other consumers narrowing the information gap, to reduce the uncertainty in their choices. In hotels' industry, and due to the absence of first-hand experience, potential hotels' consumers tend to believe that others' evaluations provide a reliable basis upon which to make future purchase decisions. In addition, the review websites, where these reviews mainly being published, taking a bigger place in the consumers' trust, as long as they are not owned by the business operators, and consequently provide unbiased information. This paper is devoted to defining the main components and features of online review sites and consumer reviews of hotel services to assess their impact on purchasing behavior.

Keywords: *booking intentions, electronic word of mouth (eWOM), reviews, content analyse, valence, variance, framing, usability, e-trust*

1. Introduction

Increasingly, consumers use online media to search, compare and make decisions for activities such as travel planning and hotel selection (Chan et al., 2017). Moreover, consumers are relying more on online search strategies, by using blog pages, forums or review sites when making product decisions (Sparks, Browning, 2011). In the hotels' sector, potential consumers are heavily relying on others' reviews about the hotel's services, because of the nature of these services. In a study in 2015, over half of the respondents claimed that they were affected by travel comments and recommendations posted by other Internet users. Therefore, the reviews posted on websites present both a challenge and an opportunity to hotel operators, as these reviews influence the decisions of potential consumers, and thus affect hotel performance in terms of sales and perceived service quality (Chan et al., 2017). The understanding of reviews effects helps the hotel operators in improving its competitiveness by creating and developing a sustainable and long-term relationship with the consumers (Kmet, Mayzner, 2017).

2. The aim of the paper

Based on the scientific researches analysis, the aim of this research on hotels' reviews and review websites is specified to assess their features impacts on future consumers' intentions for hotels reservations.

3. Methodology

To achieve the main aim of this paper, content analysis for a bulk of research papers, mainly from two scientific journals on the selected topics, had been reviewed. Articles were analysed for their content, methodology and results achieved. Literature examining the features of hotels' reviews and review websites has been selected and reviewed to examine the elements affecting consumer's booking intentions.

4. Findings

Online reviews or as called "eWOM" originates from multiple consumers who wrote reviews reflecting their actual experience about a range of product attributes in order to give others insight into the target product. Thus, as part of product decision-making or choice, potential consumers can enter a community of past-purchasers to obtain information prior to making a purchase. Usually, these reviews will be published on the hotel's website, travel agency website, travel blogs or online travel communities.

Using content analysis, we found the authors pay particular attention to main categories of reviews and website features. Specifically, there are certain features of hotels' reviews and review sites might positively or negatively influence the potential hotel's consumers behaviour and their intentions to make a booking.

4.1 Features of reviews

The valence of the reviews refers to the balance of negative and positive reviews. (Chan et al., 2017; Sparks, Browning, 2011; Mauri, Minazzi, 2013; Tsao et al., 2015) showed that valence plays positive role if the reviews majority were positive and vice versa.

Positive reviews have significant impact on consumers' intentions, constantly, according to (Ye et al., 2009; Ye et al., 2011; Vermeulen, Seegers, 2009) they lead to increases in booking and sales. (Vermeulen, Seegers, 2009) found that these effects are stronger for lesser known hotels.

The framing of the reviews refers to the order of positive and negative reviews. (Sparks, Browning, 2011) show that consumers seem to be more influenced by early negative information, especially when the valence of the reviews is negative.

Hotels' ratings on the review sites, according to (Torres et al., 2015; Tsao et al., 2015), as well as the number of reviews, had positive relationship with the booking intention.

The variance of the reviews (existing of both positive and negative reviews) has multilabel effects on booking intention. According to (Ye et al., 2009) variance of the reviews of a hotel had a negative impact on the booking intention and sales. Whereas, according to (Tsao et al., 2015), the increasing reviews number can magnify the influence of variance on booking intentions. Moreover, (Vermeulen, Seegers, 2009) argue that reviews variance can increase consumer awareness of hotels.

However, (Mauri, Minazzi, 2013) argue that the presence of hotel managers' responses to guests' reviews has a negative impact on purchasing intentions. While in regarding to the experience of the reviewer, (Vermeulen, Seegers, 2009) shows that reviewer expertise has only a minor positive influence on review impact.

4.2 Features of review sites

One the other hand, the following are the features of reviews sites. Website usability refers to the ability of the sites to let consumers achieve the desired objectives. Websites usability and usefulness, according to (Li et al., 2017; Erkan, Evans, 2016), beside the ease of use (Ayeh et al., 2013), significantly positively effect consumers' booking intentions.

(Erkan, Evans, 2016; Wang et al., 2015) argue that the quality of information and website are strong predictor of e-trust, which then also mediates the relationship between the quality and consumers' booking intentions (Liu, Zhang, 2014).

The findings of (Liu, Zhang, 2014; Bilgihan, Bujisic 2015) confirm that web design features are important for online relationship marketing and, consequently, in increasing the booking intentions.

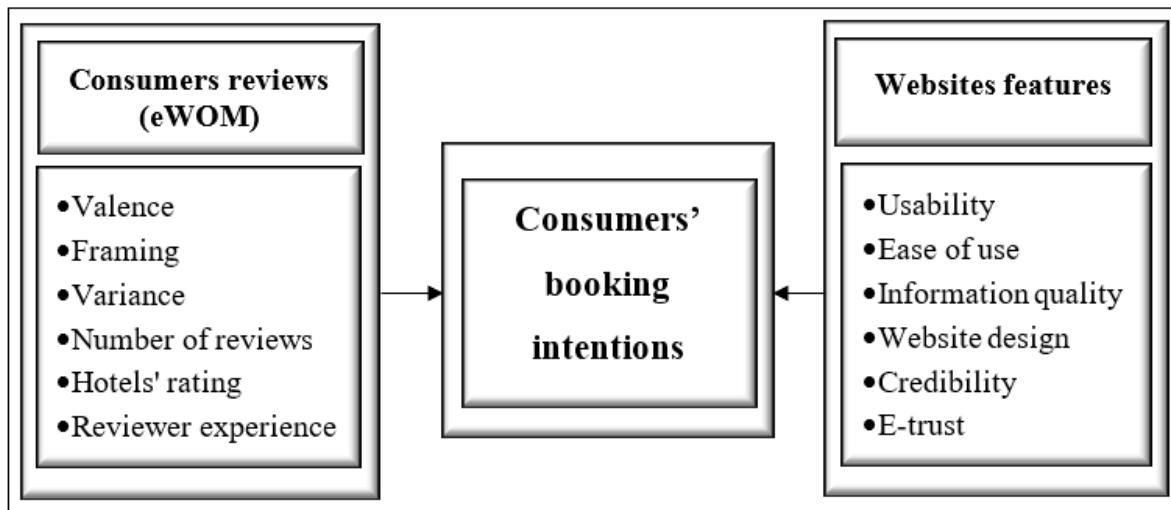


Figure 1. The features of reviews and websites influencing consumers' booking intentions.

The results of (Erkan, Evans, 2016; Casaló et al., 2015) show that the credibility is one of the key factors of reviews in social media that influence consumers' booking intentions.

The discussed features of reviews and websites illustrated in figure-1.

5. Conclusion

This paper sought to provide baseline information about the features of reviews and websites influencing consumers' intention to purchase the hotel's services. Using content analysis, we found that there are certain features have a significant positive impact on consumers' intention (i.e. rating and the number of reviews and all websites' features). Moreover, some features have positive or negative influences (i.e. valence, framing, variance), according to their context, and some features barely influence the hotels' booking intentions.

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Employers and young specialists: Does the employer brand make sense?

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Abstract:

The employer brand concept has been developing over the past 20 years. Although the list of the advantages given by the employer brand is substantial, its empirical verification for specific target groups needs to be explored more deeply. The purpose of this paper is to identify the important employer brand attributes for young business specialists and to determine the benefits for the company due to the employer brand. The empirical research was based on mixed methodology and consisted of two stages. The study surveyed 158 bachelor and master students from the Russian business school. In addition, we measured the salary expectations of young business specialists and hence the potential economic advantages for the company due to the employer brand. The results showed that most of the respondents wanted to work in the company with the employer brand receiving the lower level of salary. The attributes considered as the important ones included business environment features as well as the internal employer brand characteristics. We clarified that due to the positive perception of the companies with the employer brand as reliable and responsible, young business specialists preferred to choose them as the 'employer of the first choice'.

Keywords: *employer brand, employer brand image, employer brand equity, young specialists*

Introduction

The employer brand concept was first discussed by marketing academics and after some delay, with a lagging interest by HR academics (Edwards, 2009). By applying marketing techniques to the processes of recruiting and retaining employees (Backhaus, 2016), it enables companies to build long-term mutually beneficial relationships with their current and prospective employees. One of the key factors in attracting the required professionals are applicants' impressions regarding a prospective employer, including perceptions of an organization's attractiveness (Gomes and Neves, 2011). The purpose of our paper is to identify the role of the employer brand in the employment decisions of young specialists and potential advantages from these decisions for the companies with the employer brand.

Youth Labor Market and Employer Branding

The youth labor market covers people between the ages of 15 to 29. This group is heterogeneous and could be divided into two sub-groups: people (15-22) who are studying in technical schools and universities, have no or limited work experience and mostly are strongly financially attached to their families; and people (22-29) with the completed education and the degree, who have already received the real work experience and started building their career.

In its original form the employer brand concept emerged in 1996 in the UK and was presented in the paper by Ambler and Barrow. They defined the employer brand as "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company" (Ambler and Barrow, 1996). The benefits of the employer brand include developmental and/ or useful activities (functional), material or monetary rewards and feelings such as belonging, direction and purpose.

In our research, we focus on the young specialists who are looking or who are going to look for the job. Therefore, in terms of our research needs our primary employer brand asset is the employer brand image. "The employer brand image is a particularly significant predictor of early decisions made by new recruits about their employers" (Knox and Freeman, 2006).

The second employer brand asset relates to the employer brand awareness and is rooted in psychological contract theory. We expect the companies with the employer brand to be ready and

completely perform all the obligations to potential employees. It means that such companies are responsible and reliable employers and abide with the conditions of the psychological contract.

We paid attention to the employer brand image and employer brand awareness and proposed two research questions:

Research Question 1. What employer brand attributes are important for young specialists when looking for the job?

Research Question 2. What are the salary expectations of young specialists who choose to work in the company with the employer brand?

Data and Sample

Our research was based on mixed research methodology and consisted of 2 stages.

In the first stage in order to answer Research Question 1 and clarify our own research framework we conducted exploratory 26 in-depth interviews with 2 year master students from GSOM. To answer Research Question 2, we did a questionnaire, containing demographics, the description of two fabulous companies and a sequential set of questions to the respondents of their perception of these companies. 133 questionnaires were filled by the Bachelor (107) and the Master (26) students.

Results and conclusions

Results of the qualitative research based on in-depth interviews show that for most of our respondents “the employer of their dream” is the company with opened and innovative culture that supports personal and career growth of its employees and is flexible in terms of working conditions.

Results of the quantitative research are the following:

- majority of Bachelor and Master students prefer to work for the CEB for the relatively lower salary: 88% of Bachelor students and 92% of Master students preferred the CEB.
- women have higher salary expectations than men if they need to choose the CWEB among all students. And students with the working experience have higher salary expectations.
- The results of correlation analysis showed a significant positive direct relation between age, education and the student’s choice; but, this relation is quite weak.

The results of the survey confirm that the CEB is the preferable company for work for most respondents. As a result, the applicants have lower salary expectations in relation to the CEBs and in case of necessity to work in the CWEBs require higher salary to reduce the risks. These results strongly supported the previous studies that the CEBs could offer lower payment to employees in similar positions in comparison with the CWEBs (Berthon et al., 2005).

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The role of the intercultural approach in the structure of the Crash-course Russian as a foreign language

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Abstract:

The paper investigates the importance of the intercultural approach in the foreign language teaching. It presents the pedagogical experience of teachers implementing an intercultural approach in the Crash-course Russian as a foreign language for GSOM students, that has language learning objectives, culture-learning objectives and general learning skills objectives and is aimed at the development of the professional communication together with the intercultural communication skills. Current tendencies of the internationalization of the society show the importance of using the cultural diversity as a tool for better understanding and not as a factor that blocks the dialogue between the cultures. Thus, the language learning and teaching is a platform for practicing and implementing of this tool.

The students who participated in the course were asked on the base of the elaborated questionnaire to offer suggestions for the course and to evaluate it. It showed, that students are conscious of the essential role of culture in language teaching and they expect the intercultural competence being developed along with their professional and foreign language skills.

Keywords: *intercultural education, language teacher education, intercultural competence, foreign language teacher education, professional competence, pedagogical innovation, culture, intercultural dialogue*

1. Introduction. Current tendencies in foreign language teaching. The role of the teacher.

One of the most significant changes in language learning and teaching over the past few decades has been the recognition of the cultural dimension as a key component. The objective of language learning is no longer defined in terms of the acquisition of communicative competence in a foreign language, which refers to a person's ability to act in a foreign language in linguistically, sociolinguistically and pragmatically appropriate ways (Council of Europe, 2001). Rather, it is defined in terms of the intercultural competence, which is "the ability of a person to behave adequately in a flexible manner when confronted with actions, attitudes and expectations of representatives of foreign cultures" (Meyer M., 1991. *Developing transcultural competence: case studies of advanced foreign language learners. Mediating languages and cultures. Multilingual Matters.* p.138). For this purpose, language teachers are expected to guide students in the acquisition of various skills, contributing to the development of their knowledge and understanding of a target language and culture(s), and helping them reflect on their own culture as well.

2. The definition and the development of the key set of intercultural competences

The intercultural dimension in foreign languages teaching emphasizes effective cross-cultural communication based on the acquisition of a key set of competences as suggested by Byram's model of intercultural communicative competence. This model identifies five different factors involved: knowledge, attitudes, skills of interpreting and relating, skills of discovery and interaction and political education including critical cultural awareness (Byram, M., 1997. *Teaching and assessing intercultural communicative competence. Multilingual Matters*).

3. Presentation of the Crash-course of Russian as a foreign language for GSOM foreign as an example of the language course with an intercultural approach.

3.1 Description of the Crash-course. Structure analysis.

The Crash-course includes 20 hours five days a week and is offered for GSOM students from all over the world, who came to study in Russia during one semester. The levels (from beginners till upper-intermediate) are defined on the basis of the test.

3.2 Analysis of the specific tasks aimed at the development of the intercultural competence

3.2.1 Types of the tasks

3.2.2 The role of the tasks in the development of the intercultural competence

3.2.3 Analysis of students feedback regarding specific tasks and the structure of the course

3.3 Challenges and perspectives of the course.

One of the main challenges in the foreign language learning consists of communication mistakes, that reflect the lack of knowledge about the rules of the communication act itself within the sphere of another, foreign language culture. Language course with the intercultural approach deals with the communication situations, letting student reconstruct and live through the situations of real communication, (every-day situations, small talks, introducing yourself for beginners, motivation letters, job-interviews, management of mistakes, for advanced). Additionally, students have a chance to live through such situations in practice, to test their knowledge in every-day situations they face, living in the country of the language they are learning.

4. Conclusions.

The foreign language teaching with intercultural approach offers possibilities to develop communicative competence and intercultural understanding in integration, not as separate skills or competences.

The coherence of the language and intercultural skills gives students concrete tools to interpret foreign culture and encourages him or her to put them into the action. They learn to analyze and reflect on situations with different cultural codes and their capacity of avoiding of the communication mistakes. They can test and use their practical skills right after leaving the classroom.

Development of a cultural tool helps students to be better integrated and prepared for their further studies of Russian language during their semester at GSOM.

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National funds supporting basic research: are there universal standards?

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Abstract:

In this paper we compare top world and Russian funds that finance basic research via grants (including RSF and RFBR and top world funds -NSF, NIH, DFG). The goal is to find patterns and common characteristics of such organisations. We compare funds by a number of key features: their role in the national economy, selection mechanisms for research projects, priorities, managements, outcomes etc. We find that many parameters (sources of financing, complicated structure of management, peer review as a basis for projects selection) to be similar in these funds. However the funds studied have significant differences in their performance, that can be explained by country's specificity and by the tasks that they are to solve.

In this paper we compare top world and Russian funds that finance basic research via grants. The goal is to find patterns and common characteristics of such organisations to understand if there are any "standards" of their activity.

Keywords: *science funds; science policy; basic research*

1. Grant financing is a widespread method of supporting scientific research. Science funds are organisations that organize grant competitions for research teams or individuals. Quite and often they are 100%-financed by government.

- Funds differ in terms of absolute and relative size (see table 1 to compare their budgets with country's GDP and GERD).

Table 1. Share of main Russian, German and American funds in GDP and GERD

Fund/index	Budget year 2016, \$ bln.	Budget/Gerd, year 2016	Budget/GERD, year 2016
DFG	3,298	<u>3,160%</u>	<u>0,082%</u>
NSF	7,463	<u>1,607%</u>	<u>0,040%</u>
РФФИ	0,164	<u>0,441%</u>	<u>0,005%</u>
NIH	32,310	<u>6,959%</u>	<u>0,173%</u>
Helmholtz	4,349	<u>4,168%</u>	<u>0,108%</u>
PHФ	0,228	<u>0,613%</u>	<u>0,006%</u>

Source: author's calculations based on funds' and OECD sites.

When looking at the funds we have studied the following main characteristics:

- *Eligibility for grants*
- Most funds support national individuals/teams, but some support foreign scientists as well, for example Chinese NSFC invites young researchers from abroad. There are funds that have foreign offices.

- *Research priorities*
- Almost all funds support young scientists, this fact may be justified by Lazear paper (Lazear, 1997) who shows that all else being equal it's better to support such category of researchers.

- Funds substantially differ when we talk about fighting against biases. For example Swiss SNSF provides additional support to women.

- Many funds pay attention to interdisciplinary research.

- *Organizational structure*
- In general funds are responsible for selection and granting process, but rarely they may have their own research centers (for example CNRS).
- The core element of selection is peer review, when experts from science decide which proposal to support. There is popular system of 2-steps proposals review, when at the first stage separate experts assess proposal and then a panel of experts makes the final or pre-final decision.
- Although the selection process is quite common, funds have different average support rate, for example, NIH has 21%, NSF 28% (6).
- *Management*
- Funds have complicated structure of governance.
- Funds' directors/presidents may work 1-2 years like in Korean NRF, but there is no universal rule for that, for example, in RFBR director has 5-year contract (9).

2. Data and sample: official sites and reports of main science funds that work in developing and/or developed countries: NSF, NIH, DFG, RSF, RFBR and others.

3. Empirical results and conclusions:

Summarizing, we can say that the funds have much in common, making us conclude that there are some "standards" adopted by the leading world funds. Common parameters: large resources for grants, scientific expertise dominates in the selection of projects and the competitive principle of project selection, and also, as a rule, a complex management structure. One reason that we find many common features, especially in the selection process and managements can be explained by the fact that all these funds were initially created to solve common problems: market failures (public goods and external effects). Another important reason is the orientation towards the best practices that are associated with the oldest funds of leading academic centers. It is clear that the new funds adopt the experience of successfully operating funds, making adjustments related to country specificity. It should be noted that the funds also can not build their work without regard to the practice of peer review in scientific journals (which is by and large universal). In addition, the same scientists are engaged in the examination, although the purpose of this work is different in the journals and in the funds: in the first case it is necessary to understand that the research will be promising, and in the second one, that it has already turned out.

What can be distinguished from the differences? Priorities (if any) and directions of spending, availability of own research centers, use of personnel. Far from all are engaged in foreign expansion from the point of view of opening representative offices, and not all funds are struggling with biases, for example, related to gender or age inequality.

Russian funds are not so much different from foreign ones, but domestic funds have much fewer budgets, fewer publications prepared with their financing, and so far lower quality than leading world funds (which, in principle, can be explained by some lag in science development in the country). However, the "price" of one publication produced with the grants' support is more or less comparable.

In Russia the budgets of funds are much less than those of the world's leading funds, therefore, the scope for scientists is limited, because of this, some of the strong researchers may receive less grant financing compared to their colleagues in other countries.

Although the Russian funds, due to budget constraints, can not support all worthy projects, the basic principles of their work coincide with foreign ones.

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Implementation of the National Action Strategy for Women for 2017-2022 (Phase I)

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Abstract:

The work is devoted to the problem of gender discrimination of women in the labor market in Russia. The authors are interested in the implementation of the National Strategy for Women's Action for 2017-2022. They analyze the contents of the Action Plan for the implementation of Phase I of the strategy, correlating the identified steps with the planned results of the Strategy. In the opinion of the authors, the Plan is compiled and will contribute to the transformation of public opinion, but the list of activities should be expanded through working with the children's audience. This would translate a new model of values into the younger generation and increase the quality of information perception.

Key words: *gender inequality, labor market, National strategy, Action plan, Phase I, transformation of public opinion.*

Introduction

On March 8, 2017, by the order of the Government of the Russian Federation No. 410-r approved the National Strategy for Women for 2017-2022. The document is intended to achieve in Russia a real equality of opportunities for the self-realization of women and men.

Indeed, if you read the statistics of Rosstat, it is obvious that the situation of the female population in Russia does not represent equality of opportunity. So, in the Russian labor market there is gender discrimination against women.

Implementation of the National Strategy should be carried out in two stages. Stage 2017 - 2018 involves the development of an action plan and preparation of a methodological base. At the second stage of 2019-2022, actions will be taken to improve the situation of the female population in Russia (economic and social spheres are singled out).

Analysis of the Plan of Activities of Phase I

On March 14, 2018, approved the Action Plan for the implementation of the first phase of the National Strategy for Women's Action 2017-2022 in 2018. The plan contains 28 items-events, combined into 6 groups. Each event is given a due date, responsible executors, type of document and expected results.

Among the groups of planned activities there are the following: "Creating conditions for preserving the health of women...", "Improving the economic status of women...", "Prevention... social disadvantage of women...", etc. The list looks quite exhaustive, but in it we do not observe a group of activities aimed at weakening the dominance of traditions in the public consciousness. At the same time, according to the experience of the OECD countries, it is clear that traditions and unwritten rules hamper the effective implementation of policies to protect women's rights. The absence of a group of activities aimed at working with traditions can reduce the effectiveness of the implementation of all planned activities.

Having studied the name of each event (out of 28) and the expected results, it can be noted that they are all aimed at working with women of working age (who reached the age of 16 years). This is the most "young" item 8 "Conducting information and promotional activities aimed at: attracting women to the study of mathematical sciences..." with the result "an increase in the proportion of women trained in high-tech areas of knowledge...". It turns out that in frames of the National Strategy it is planned to influence only the adult audience. In our opinion, this range should be expanded to achieve maximum effect.

Trying to change the established values and lifestyle of an adult (belongs to the category of "youth" or maturity ") is much more difficult. If you take the lower specified age limit (refers to the period of adolescence), in 16 years for senior pupils the dominant role is played by own values, and external influence has less and less impact. Therefore, the most appropriate interval for the public impact on the formation of a new model of gender roles in a person is adolescence. At this point, the students begin to

develop their own worldview. Specifically - the very beginning of adolescence (10-11 years), when the child's mind is already laid social traditions, but their personal acceptance has not happened yet.

Analyzing the column "Responsible executors", where state institutions, public organizations and executive bodies are represented (Ministry of Labor, All-Russian Social Movement "Mothers of Russia", etc.), we see that among them there are no general educational institutions and institutions of higher education. This is also noticeable when considering events for which the Ministry of Education and Science of the Russian Federation is responsible for implementation (paragraphs "Preparing proposals for the prevention of violence against women", "Preparing and holding the second Eurasian Women's Forum", etc). Involvement of schools and universities could broadcast a new model of values on the younger generation and thereby increase the quality of information perception.

All the appointed terms for the implementation of the measures are exactly within the initially announced schedule of the Strategy. But the current stage 1 of 2017-2018 on the formation of an action plan and the preparation of a methodological base could easily be combined with concrete actions. For example, already today the structure of domestic education has a backdrop for the implementation of information and educational measures to understand the legality of the equal rights of women and men. So, for the information struggle against gender discrimination in the Russian labor market, it is possible to use the extra-school general education program "ODNKNR".

Conclusion

The public in Russia is inclined to reduce the social importance of women, limiting its role to motherhood, housekeeping and underestimate the career and personal potential. We can trace discriminatory trends in the statistics of the national labor market. Implementation of the provisions of the National Strategy for Women should not only protect them from violence, increase the demand for their work, but also contribute to the correction of the mass traditional foundations of the Russian society. It is the unwritten rules that hinder the successful implementation of the gender equality policy.

In the approved version of the Action Plan for the implementation of the first stage of the National Strategy in 2018, there are activities that contribute to a real transformation of public opinion. However, insufficient coverage of the target population (people of the "youth" and "maturity", rather than the adolescent period) can reduce the quality of implementation of the entire Strategy as a whole. A similar assumption is also true from the point of view of an insufficiently wide range of necessary executing organizations (there are no schools and universities). The strategy for women provides for the use of relevant and appropriate measures to reduce gender inequality, but the best action would be if the children's audience were involved in the process of informing about the legality of equal rights for both genders.

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Impact of Self-efficacy on Team Effectiveness: Mediated by Personal Learning in Teams

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Abstract:

The purpose behind conducting this study is to provide a possible channel which will start from Self-Efficacy and leads to Team Effectiveness while identifying the importance of Individual Learning in Teams as mediator. Present study has hypothesized that Personal Learning in Teams plays a role of mediator in the relationship of Self-efficacy and Team Effectiveness. Team Commitment and Team Performance is used in order to measure Team Effectiveness. This study was conducted on the employees of Hotel Industry in Rawalpindi and Islamabad who were part of any team. Structured questionnaires were floated among the employees of Hotels. The reason for selecting the Hotel Industry for this research is because team work is one of the most prominent practices in the Hotels. Purposive sampling technique was used to collect data. Sample size for this study was 337 and data was collected from the employees of Pearl Continental, Hotel Shalimar, Marriott Islamabad, Islamabad Inn and Crown Plaza. Andrew F. Hayes process was used for regression analysis. Correlation analysis was used to find the nature of relationship between the variables. Confirmatory Factor analysis (CFA) was used to check the validation of instrument and goodness fit of the model. Results of this study show that Self-Efficacy and Team effectiveness have positive relationship and also identifies that Personal Learning in Teams mediates the relationship between Self-Efficacy and Team Effectiveness. This study provides theoretical insights and practical implication for the consideration of Personal Learning in Teams for Hotels.

Keywords: *Self-Efficacy, Personal Learning in Teams, Team Effectiveness, Team Commitment, Team Performance, Social Learning theory, Self-Regulation Theory, Hotels Employees, Personal Performance and human resource management*

1. Introduction

Organizations are adopting different human resource practices to achieve success, competitive advantage and effectiveness. So the management of human resource and human resource practices plays an important role for the organizational success. That's why this study is conducted in the area of human resource management (HRM) in Hotel Industry of Rawalpindi and Islamabad.

Although previous studies on Self-Efficacy have identified the impact of Self-Efficacy on performance (Gibson, 1999; Mitchell, 1997) but still there is lack of possible route that starts from Self-Efficacy and ends at Team Performance.

In Hotels most of the work is done through teams e.g. cleaning teams, security teams, cooking team etc. So there is need for Hotels to pay attention towards the learning of their teams and how they can improve Team Effectiveness. The reason behind conducting this study is that in previous research emphasizes were on the importance of learning in an organizations (Edmondson, Dillon, & Roloff, 2007; Lewin, 1936) but this study focus on how Self-Efficacy has positive impact on Personal Learning in Teams. So this study opens a door for practitioners to consider the fact that Personal Learning and Self-Efficacy is also important for the work teams as it is important for the top or middle level teams.

2. Literature Review

Self-Efficacy was important element of Bandura's social learning theory that also defined Self-Efficacy as level of confidence that personal possess about their skills and abilities to perform any action. Edmondson (2002) recommended that employees' learning in teams enhances how organizations pick up the knowledge, and skills that eventually leads to changing the scope of organizational behavior and

improves performance. Teams enhance personal abilities and knowledge of people which contribute in personal Learning of employees (Kukenberger, Mathieu & Ruddy, 2015).

Cohen (1997) defines Team Effectiveness in term of 1.Team Performance 2.Team member attitude about the quality of work life 3.withdrawal behavior. The performance includes cost, productivity and quality.Team Effectiveness does not only have impact on team level outcome but also influence personal outcome (Kuknberger, Mathieu & Ruddy, 2015). In simple words team effectiveness is different from the personal effectiveness.

For Personal Learning in Teams, managers and organizations has to wisely develop good teamwork behaviors as opposed to simply focusing on outcomes (Kukenbergr, Mathieu & Ruddy, 2015). When knowledge is being shared in teams, members are more likely to engage in Personal Learning which enhances the Team Performance and Team Commitment (Guchait, Lei & Tews, 2015).

3. Methodology

Employees from five big Hotels of Rawalpindi and Islamabad were population of this study.population frame for this study was 2200 employees. Total sample size was 337 employees.Purposive Sampling was used.

4. Results and Findings

The demographic variables are age, gender, education, team and experience of the respondent.The overall cronbach's alpha value of 39 items is 0.942 which means that the scale use for this research is reliable.Values of skewness and Kurtosis for Self-Efficacy, Personal Learning in Teams, Team Commitment and Team Performance are between -1 to +1 and -3 to +3 which shows that all four variables are normally distributed.

Andrew F. Hayes process has been used for regression analysis. First the impact of Self-Efficacy is tested on Personal Learning in Teams. Regression coefficient of Self-Efficacy is significant at $b=0.3417$, p -value is less than 0.01. Overall model is also significant.

Conclusion

Results of this study shows that Self-Efficacy has positive impact on Team commitment and Team Performance that's mean that personal who have high confidence in their selves are more committed towards their teams and contribute in overall Team Performance. Relationship between Personal Learning, Team Commitment and Team Performance were also found positive in this study.

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Relationship management specifics caused by food embargo

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Abstract:

The objective of this paper is to investigate the main directions of changes in the Russian agroindustrial complex caused by the food embargo. This is the first Russian study to empirically examine the impact of the embargo on the Russian firms' marketing. Despite a large number of empirical studies in the economic literature exploring the impacts of embargoes through different angles there is still a lack of research concerning the consequences of embargoes in terms of marketing. The qualitative research in the form of focus group was conducted. The participants were selected from the companies of Russian agroindustrial complex, who at the time of the study held the position the position of senior or middle management personnel in the companies operating in Russia. The research identified that there are desires for long-term partnerships, priority of such characteristics as reliability and confidence in the company and its reputation among Russian agribusiness. That illustrates that the companies of the Russian agroindustrial complex are oriented to use the relational approach. The research identified that among agricultural companies in Russia the relevance of the Relationship marketing approach is increasing.

Keywords: *Emerging markets, Relationship Management, Agribusiness, B2B Marketing*

Relevance of the work and problem statement

In August 2014, in response to sanctions by Western countries, Russia has adopted food embargo on several products from the EU, the USA, Canada, Norway and Australia. The restrictions have been set on meat and poultry, fish and seafood, milk and dairy products, vegetables, fruits and nuts. This resolution has influenced significantly on the functioning of the agroindustrial complex of the Russian Federation.

The process of creating agricultural products involves many participants, and as a rule each of them operates on the basis of the short-term dual relationships with the following member of the production process. However, the introduction of the food embargo changed the established patterns of functioning of agribusiness in Russia, so the full functioning became impossible. Companies were forced to build their activities according to the changes.

Researches on the development of inter-firm collaboration between agribusiness companies in Russia as the rule focus attention on a certain regions (Syssiyeva, 2009; Grishaeva, 2010; Gayduk, 2014) or on a specific organizational forms for example clusters or public-private partnerships (Popova et al., 2012; Mokrushin, 2014; Egorova, 2014; Serdobintsev et al., 2014). Moreover, the quantity and quality of research is very different, so generalization is not possible. In addition a special interest in research of this direction appeared only in the last two years, i.e. after the introduction of the Russian food embargo. Therefore, the lack of studies of inter-firm relations does not allow researchers to form a view on the features, which characterized relationships between the companies of agroindustrial complex prior to the introduction of food embargo.

Empirical base and research methodology

This paper is aimed to identify changes in relationships between companies in Russian agroindustrial complex, caused by the introduction of the food embargo. A focus group discussion of 9 top management representatives from Russian agribusiness represents the main directions of changes. Three participants of the sample were running international retail chains operating in Russia, and six respondents belonged to the producing sector of consumer goods, with production facilities in Russia. That is why the empirical survey studies the situation from various sides, revealing the peculiarities of functioning caused by the embargo from the perspective of both retailers and manufacturers.

Main results of the study

The study reveals that Russian product embargo contributes the development of relationship management in the Russian agribusiness. Both retailers and manufacturers tend to use relational approach and tools of relational marketing to build sustainable value chains and long-term relationships with partners.

Retailers are changing their approach to finding and interacting with providers toward building sustainable value chains. They have to seek partners among Russian companies or among companies that did not fall under the food embargo. At that, it was noted the use of marketing tools in order to build long-term relationships with partners. That is why, the criteria imposed by retailers to their suppliers are gradually changing. A significant role is played by the possibility of changing the conditions of supply and the ability to operate in a turbulent environment. Also important criteria remain the reputational characteristics of the supplier.

To compensate the assortment of goods with the desired quality, some retailers actively developing their own production, showing a new for the Russian agricultural sector business models. Backward integration of retailers is a rare phenomenon for the Russian economy. One of the few examples is the company, named "Magnit" - the leading food retailer in Russia, which began to apply this strategy before the introduction of the food embargo.

Manufacturers are also forced to seek new partners for the sale of their products and for its creation, for example suppliers of raw materials. In addition, many companies work with equipment that is imported from Western countries. And due to the political disagreements, the negotiations on the continuation of cooperation become complicated. It is obvious that one of the significant difficulties faced by the Russian companies is the problem of building long-term partnerships.

The results show that both retailers and producers (or in other words buyers and suppliers) in Russian agroindustrial complex are moving toward Relationship marketing. Some of the instruments mentioned by the respondents refer to interactional approach. According to the research conducted by Smirnova (Smirnova, 2006) orientation on long-term relationships is characterized by higher level of perception of both monetary and nonmonetary values. From our study we can see that Russian agribusiness shows attention not only to the financial aspects of interactions, but also to the intangible assets, such as reputation or brand. According to this in connection with Smirnova's research we can suppose that agricultural companies in Russia both retailers and suppliers tend to build long-term relationships. And that is why understanding and implementing of Relationship marketing technics become the theme of the extreme importance.

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Strategic Adaptation to Institutional Uncertainty in Large Russian Companies

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Abstract:

Nowadays, large Russian companies, apart from the influence of economic factors, experience significant effect of non-economic factors on their internal organizational processes and their performance. This paper aims to identify and analyze potential strategic responses of Russian companies to the challenges posed by various institutional agents and their adaptation to institutional changes. The study focuses on large Russian companies, so called “blue chips”, as they feel the effects from recent institutional changes stronger than others. The purpose of this study is to identify, theoretically justify and analyze strategic adaptation processes in Russian companies. The in-depth study of Russian companies allowed to widen contextual borders of this research area, as well as to identify contextual specificity of the processes under investigation.

Keywords: *adaptation, blue chips, fit, institutions, institutional theory, internationalization, Russia, strategy*

1. Introduction

The active integration of large Russian companies into the global economic system has led to a significant complication of internal and external processes affecting the results of their activities. High dynamism, weak predictability and high uncertainty of the institutional environment also lead to the fact that in order to maintain competitive positions, companies need to learn how to quickly react to the changes that occur. Not all the companies could successfully cope with such changes. Adaptation processes become even more difficult if the company operates not only in the home market, which is relatively well-known and partially controlled, but also carries out operations in foreign markets, which, under the current conditions of political and economic instability, places ever-increasing demands.

Thus, research relevance is determined by growing uncertainty of the institutional environment and complexity of internal processes in Russian companies operating both in the home and foreign markets and, accordingly, the need for a complex multicriteria analysis of the interrelationships between indicated changes, operating conditions, strategies, and performance of Russian companies in order to expand conceptual foundations of this research stream and improve management practices of large Russian companies.

2. Literature Review

The interaction between an institutional environment and an organizational strategy is traditionally considered within the institutional theory of a firm (DiMaggio and Powell, 1991, Oliver, 1991, Peng et al., 2008, Scott, 2014). A major assumption of the institutional approach is that companies operate in constant interaction with the institutional environment that influences their strategic decisions. The institutional context includes rules, social norms and cognitive structures (North, 1990), and also forms the basis for market relations, establishing “rules of the game” (Scott, 1995). Institutions are defined as constraints that structure human relationships (North, 1990) and include both formal rules - laws and state regulation, and informal aspects - traditions, norms and culture (Peng, 2003). It is believed that the institutional environment is a set of three aspects that are responsible for different institutional elements (Scott, 1995) and can have a different impact on the behavior of people and organizations: the regulatory aspect (government policy in relation to business), the cognitive-cultural aspect (knowledge and skills shared by the society) and the normative aspect (the system of values in society). These three dimensions are used both for a comparative analysis of the level of business activity in different countries (Busenitz, Gomez, Spencer, 2000) and for identification of factors of firm’s strategic choice during fundamental institutional changes (Peng, 2003).

At the moment, the impact of changes related to the transition of the Russian economy to market

mechanisms on Russian and foreign companies operation on the Russian market has received considerable attention in the academic publications (for example, Chadee, Roxas, 2013; Shirokova, Tsukanova, 2013; Volchek et al., 2013, etc.). Since the collapse of the Soviet Union, the Russian institutional environment has been considered unstable and volatile, for example, the studies by Salmi (1996), Johanson (2004) and Hallen, Johanson (2004) show that radical political changes and a drastic shift from planned to market economy forced Russian companies to reconsider their vision of organizational and business processes, to start looking more actively for new buyers and suppliers and develop new business competencies and skills (Laine, Galkina, 2017). At present, despite the observed economic growth, the perceived level of turbulence and uncertainty of the institutional environment hasn't decreased (Galkina, Kock 2014; Jumpponen et al., 2008), but even become higher. However, recent institutional changes that have occurred during the last few years which have specific consequences for both Russian and foreign companies are still unexplored. When the Russian economy began its transition to market regulatory mechanisms, the vector of change was understandable, but the main feature of the current changes in the institutional environment is the uncertainty that they form. In this study, the growth of institutional uncertainty is characterized by increased unpredictability in the development of regulatory, normative and cultural-cognitive elements of the institutional environment (Laine, Galkina, 2017). Therefore, the study of institutional environment influence on Russian companies and their adaptation processes relevant and significant for both theory and practice.

3. Research goal

The paper focuses on the large Russian companies, the so-called “blue chips”, because they are the ones who most significantly feel current changes in the institutional environment. In particular, the research goal is to identify, theoretically justify and analyze adaptation processes Russian companies perform to co-align themselves with the new requirements of the institutional environment.

4. Research method

Using the method of case analysis we will identify and analyze the most significant factors of the institutional environment and corresponding strategic solutions that help to minimize negative institutional impacts.

5. Contribution

The paper contributes to the development of particular aspects of the institutional theory and the concept of strategic reaction (Oliver, 1991) in the poorly-explored Russian context. The developed conceptual model of company's strategic adaptation to changes in the institutional environment and the proposed recommendations will allow management teams of large Russian companies to implement a proactive approach in overcoming institutional uncertainty.

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News project: a way to develop managerial skills in facilitating intellectual group work

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Abstract:

The paper gives insight into the News project aimed at facilitating intellectual group work. Leading conceptual talks constitutes an important management task nowadays. The skills required for activities, such as managing interaction and encouraging conceptual talks, are outlined and the English language and communication related experience of first-year students of the GSOM is described. The paper exemplifies topics covered by the students within this project. The fact that the variety of topics is large, suggests high motivation of the students and language benefits gained, e.g. broad lexical resource acquired. The project is linked to the global process of teaching 'otherness' and thus its importance, both vocational and academic, is emphasised.

Keywords: *intellectual group work, facilitator, managerial skills, otherness, language learning, communication*

1. Introduction

The purpose of the research is to estimate the effectiveness of the methods used to develop managerial skills in facilitating intellectual group work. Managers need to facilitate intellectual work of employees who have to process complex ideas and information, which has become a modern day necessity at work (The Economist Intelligence Unit, 2018). This skill involves managing interaction within working groups and encouraging conceptual talks to achieve breakthroughs while discussing work related issues which are increasingly becoming more intellectual and abstract. This requires from the facilitator and everyone involved a higher level of analytical skills and an ability to understand perceptions and feelings of the group mates and being able to communicate that understanding back to the other members of the group. The aforementioned skill is critical for managers nowadays, which brings it forward in business education.

The research into the necessities of the modern education undertaken by the Council of Europe provides background for the outlined phenomenon (Coste; Cavalli, 2015). In the research the modern environment is being described as 'a world with no shortage of trouble-spots, new divides (...) in Europe, together with signs of increasingly inward-looking attitudes, rejection of those who are different, and even tension between states' (Coste; Cavalli, 2015, 6). As a response to these challenges the concepts of 'mobility' and 'otherness' were developed. Mobility implies the ability of social agents to move between social groups and communities for professional, social and personal purposes engaging themselves in various kinds of activities and establishing multiple healthy relationships. In order to perform this free movement between different groups successfully, one has to perceive others in non-threatening way, thus shortening distances between the poles of otherness (Coste; Cavalli, 2015, 14-20).

2. Research methods

The research is in progress and the methods used at the current stage are qualitative and descriptive. The milieu of the GSOM is thought to be a platform for educating modern managers who are capable of successful business communication and who accept the ideas of mobility and otherness. By teaching 'otherness' in a business school we mean giving students practice in solving managerial tasks while (1) exposing students to controversial and hot issues of the modern world and (2) increasing their empathy through facilitating discussions on these topical issues.

To achieve these objectives of language learning the following skills have to be targeted:

Managing interaction in English:

- Can organise and manage collaborative group work efficiently.
- Can monitor individual and group work non-intrusively, intervening to set a group back on task or to ensure even participation.
- Can intervene supportively in order to focus people's attention on aspects of the task by asking targeted questions and inviting suggestions.

Encouraging conceptual talk in English:

- Can encourage members of a group to describe and elaborate on their thinking. Can encourage members of a group to build upon one another's information and ideas to come up with a concept or solution.
- Can formulate questions and feedback to encourage people to expand on their thinking and justify or clarify their opinions.
- Can build on people's ideas and link them into coherent lines of thinking. Can ask people to explain how an idea fits with the main topic under discussion.
- Can ask people to explain how an idea fits with the main topic under discussion. (The CEFR Companion Volume , 2018, 119)

With the view of these objectives the News project has been launched for the first-year students.

3. Project description

The project is run by the first year students of the bachelor programme of the Graduate School of Management and involves students' presentations of news and follow-up activities. The approaches to accomplish the objectives are different across the English groups of the first-year students. The experience of two groups (27 students in total) is being described. The presentation and the follow-up activities last for 30 minutes and include the information input presented by two facilitators who interact with each other and the audience. Apart from their presentation, the facilitators run various activities in order to stimulate a discussion on the issues which underlie the incoming information. These activities, e.g. pair, small group or whole class discussions, opinion polls, the raising-hands-up counting, voting are aimed at stimulating the thought process of listeners and generating an outcome such as a group decision, conclusion or questions for further consideration.

The fact that students are free to choose any topical issue adds to their motivation. Another benefit of doing multidisciplinary topics is the bigger range of the lexical resource acquired by the students. The topics covered so far are as follows, "West vs East culture values as they are reflected in business communication", "What are the prospects for Bitcoin compared to other currencies?", "The nuclear weapons: an absolute evil?", "Income perspective: bringing the world closer together across nations", "Men and women at workplace: are we equal?", "Abortion: ethical issues", "Should we consume genetically modified products?", "Shooting and arms trade", "Artificial intelligence and unemployment. Will robots take my job?", "Sports as a tool in international relations", "Prevention of cruelty to animals in the modern society", "The changing concept of beauty".

The teacher's role is essential in this project. The students' activities are preceded by teacher's explanation of the project aims and the demonstration of the techniques to be used by the students. The students' presentations are followed by the group analysis of their performance and teacher's feedback. At the end of the project students and teachers fill out a questionnaire and the results are collated, analysed and presented to the students.

4. Implications

The News project poses some challenges: a further development of the teaching techniques used in the project is required; also there is room for more analytical work to understand the concept of otherness as the background to effective discussions. At the same time we can state that the project contributes

effectively to the development of students' managerial skills especially those that they need in facilitating intellectual group work. This is also backed up by the opinion survey results which prove that the project is generally taken positively by students and appears to meet their needs and expectations.

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The impact of decision-making logic on firm performance variability in economic crisis

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Abstract:

This study is the first attempt to investigate the impact of decision-making logic of managers on performance variability of small- and medium-sized enterprises (SMEs) in context of crisis. For external stakeholders performance of firm is perceived as reliable when it is predictable and characterizes by small variability. Effectuation and causation as two decision-making approaches can be regarded as one of the antecedents of firm performance variability. And link between these two logics and variance in performance is contingent upon the crisis consequences for firm operational metrics as well. The results of our study revealed performance does vary depending on the implied decision-making logic principles. Moreover, firm-level crisis acts as a moderator in effectuation/causation – firm performance relationships.

Keywords: *effectuation, causation, crisis, performance variability*

1. Introduction

There is plenty of research about the link between effectuation/causation and firm performance. However, neither of studies looked at how effectual and causal logics affect variability of firm performance. Less variance in firm performance means its reliability that gives firms survival advantage and increases external stakeholders' satisfaction (Sørensen, 2002). These benefits are of particular importance for SMEs while they suffer from lack of resources and become even more vulnerable in crisis due to their limited security mechanisms (Varum & Rocha, 2013).

We consider decision-making logic as one of internal factors that in combination with crisis may lead to variability in firm performance. Thus, our research questions:

- (1) What is the impact of effectuation and causation on variability of firm performance?
- (2) How does the firm-level crisis affect the abovementioned relationships?

2. Theory and hypotheses

2.1. Decision-making logic and performance variability

Presenting two decision-making logics, Sarasvathy (2008) stated that causation and effectuation differs in their way to handle uncertainty. Causation is planning-oriented approach to making decisions that relies on well-prepared plans and pre-defined goals. Firms that using causation and pre-commitments are trying to overcome the unexpected and uncertainty through rigorous planning. Effectuators try to control uncertainty by creating new markets, products and opportunities. Relying on principles of experimentation, affordable loss and flexibility, entrepreneurial firms create huge amount of variation in new artifacts (Sarasvathy, 2008). Following these arguments:

H1a-e: Causation and pre-commitment are negatively related to variability of firm performance, while experimentation, affordable loss and flexibility are positively related to variability of firm performance.

2.2. Moderating role of firm-level crisis

In periods of crisis many firms face with high uncertainty and dynamism complemented by instability as the 'rules of the game' changes (Varum & Rocha, 2013). In uncertain environments, sticking to pre-committed plans and causation logic of making decisions may mean ignoring the realities of environment that leads to more unpredictable outcomes and higher variability in outcomes. Firms experimenting with

new ideas, focusing on low-risk survivorship projects through affordable loss and using flexible and adaptive planning, enhance their chances of success in crisis. Thus, adjusting to changing conditions helps firms to increase performance reliability (Sørensen, 2002). We state that:

H2a-e: Crisis positively (negatively) moderates the relationships between causation and pre-commitments (experimentation, affordable loss and flexibility) and variability in firm performance.

3. Data and sample

The data comes from Russian SMEs navigating the major economic downturn in 2014-2015 surveyed in the middle of the crisis. After data cleaning, we obtained the final sample of 509 companies. As a dependent variable (DV) we selected firm *revenue in 2016*. *Effectuation and causation* were measured using established scale adapted from Chandler et al. (2011). *Firm-level crisis* moderator was operationalized as impact of crisis on firm's operational metrics (Latham, 2005). The model was complemented by a set of explanatory controls.

To assess the impact of causation, effectual principles and interactions with firm-level crisis on mean and variability of a firm's revenue, we modelled the firm growth rate according to the Gibrat's law of proportionate growth. The variability of the resulting variable was assessed by employing the multiplicative heteroscedasticity regression model, allowing estimating the impact of covariates on both conditional mean and variability of firm performance. We performed simultaneous estimation of the main impact of predictors on DV variability using maximum likelihood method for multiplicative heteroscedasticity models.

4. Empirical results and conclusions

The obtained results confirmed Hypotheses H1a-c and H1e about direct effects of causation and effectual principles on variability of firm growth. Causation ($b = -0.536$; $p < 0.01$) and pre-commitments ($b = -0.460$; $p < 0.05$) were proved to decrease performance variance by reducing uncertainty of gaining unexpected future results. Experimentation ($b = 0.741$; $p < 0.001$) and affordable loss ($b = 0.615$; $p < 0.01$) effectual principles were found to increase variability of firm growth that leads to unpredictable outcomes.

Firm-level crisis was found to be significant for the same four predictors. The analysis confirmed that crisis situation in firm weakens negative impacts of causation ($b = 0.154$; $p < 0.001$) and pre-commitments ($b = 0.106$; $p < 0.05$). Additionally, firm-level crisis weakens positive impacts of experimentation ($b = -0.168$; $p < 0.001$) and affordable loss ($b = -0.140$; $p < 0.01$) on firm growth variability, reducing unpredictability of firm growth outcomes.

With these results, we add additional evidence in literature on explanation of firm performance reliability and decision-making logic. The importance of finding more antecedents of variability in performance apart from organizational culture and financial capital lies in its direct impact on failure chances of firms (Sørensen, 2002). Hence, we show how different approaches to decision-making may lead to variance in firm outcomes, having highly uncertain crisis context.

Our research gives founders and managers practical instruments that were proved to affect performance variability. Depending on the impact of crisis on firm operational metrics, decision-makers are able to manage variability firm performance by applying different principles of decision-making logics.

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From expatriation to global migration: The role of talent management practices in talent mobility to Ghana

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Abstract:

The paper investigates the phenomenon of expatriation to global migration and examines the role of talent management practices in talent mobility to Ghana, paying special attention to the determinants of talent mobility in African countries aiming to enhance more extensive economic development by knowledge transfer by expatriates from developed countries. The paper intends to reveal how an African country like Ghana can take advantage of the positive impact of global migration to implement efficient talent attraction and retention practices that can convert expatriates to prolong their stay and eventually become migrants in Ghana, thereby neutralizing the negative perception about Ghana as a destination country for expatriates. To help achieve this, the study develops the framework based on the set of propositions.

Keywords: *Global mobility, expatriates, talent management practices, talent attraction, talent retention, Africa, Ghana*

Introduction

Due to existing globalization processes, African countries need to have more extensive economic growth and development to be better integrated to the global environment. One of the most essential tools needed to achieve this, is knowledge transfer from developed to developing countries, whereas talents from expatriates may serve as knowledge acquisition and assimilation mechanism. More than a billion people rely on migration to solve their socio-economic problems. (Sutherland, 2013).

It is in this context that we deem it necessary to examine how Africa, could focus on the appropriate TM practices that can convert expatriates to migrants. The paper therefore intends to develop a theoretical framework that will be supported by a number of propositions to be tested by empirical studies.

Exploring the global mobility phenomenon

With the current global mobility, the migrants, the sending and the destination countries all benefit from global mobility (Agrawal et al., 2011). In the Ghanaian context talent migration can be determined by a combination of efficient TM practices, political and economic instability etc. in home countries, (Mupepi, 2017; Puteh et al., 2015). It is from the above analysis that we make our first proposition.

Proposition 1: Talent migration to Ghana can be determined by a combination of factors

Factors influencing the attractiveness of Ghana as a destination Country

The most important factors attracting expatriates to developing African countries like Ghana includes political and economic stability, FDI opportunities (Darkwah, 2013) with foreign partners like Kosmos Energy, Luk oil, Baker-Hughes, etc. Others include, respect for democracy and transparent judicial system, endowment of natural resources (Obeng-Odoom, 2014), etc. With these analysis we make our next proposition.

Proposition 2: Among factors influencing the attractiveness of Ghana as a destination country, the most important ones are political and economic stability, FDI opportunities, job security, acceptance & respect for diversity.

Pull factors in Ghana that can convert expatriates to migrants

In the Ghanaian context, it is prudent to build from the experiences of the developed countries like the U.S.A, Britain, Canada, Russia, Australia etc. Some samples to learn from are the studies of (Sidani & Al Ariss, 2014) and Latukha (2015). Ghana will need to adopt efficient TM practices that meets world standards. See (Yeoh & Eng, 2008; Weinberg, 2011). With the political and economic stability, the excellent Ghanaian hospitality and numerous tourist centres, most expatriates end up investing in Ghana and becoming migrants. We therefore make our third proposition.

Proposition 3: In the Ghanaian context, expatriates may be pushed for a longer stay as a destination country and become migrants by implementing efficient talent attraction and talent retention practices.

Neutralizing the negative perception of Ghana as a destination country

We argue that an efficient management of global migration and expatriate knowledge transfer can benefit Ghana and neutralize the negative perception held about Ghana as a destination country for expatriates. One approach of achieving this is for Ghanaian companies to use TM practice as a system which would be strongly supported by the government. With this background we make the following proposition.

Proposition 4: To neutralize the negative perception about Ghana as a destination country, TM in Ghanaian companies should be used as a system with government support.

Theoretical frame work

We deem it necessary to form a framework in which Ghana can take advantage of the impact of global talent migration, and identify theories to support the determinants of expatriate talent migration from developed to developing countries. (Mupepi, 2017; Puteh et al., 2015), and our second proposition about the attractiveness of Ghana as a destination country. (Darkwah, 2013; Odom, 2014), and demonstrate the importance of efficient talent attraction and retention practices, as captured by our proposition 3. In the last part of our framework, we argue that Ghana should be able to use its TM practices to neutralize the negative perception about Ghana as a destination country.

Conclusion

We believe that empirical research is very necessary to investigate and test the prepositions and these theories. While the flow of talent from any less developed country to a developed country is attributable to a search for economic benefits by migrants, it is very important to investigate and understand that the determinants of a reversed flow of talent to developing countries like Ghana are unique and uniquely correlated to the economic, political and the socio-cultural features of Ghana which needs to be further explored in research.

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Investigating the role of talent management in talent migration in emerging markets: From brain drain to brain gain

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Abstract:

The paper investigates the push and pull factors of talent migration and determines which talent management practices should be employed in order to prevent brain drain in the Russian context. Based on a sample of 430 senior bachelor and master students, we establish key push, pull and facilitating factors that affect the decision of a specific talent group – graduates from top Russian universities – to either leave or stay in their country of origin: individual-level, business-level and external country-level push factors, international experience and closeness to family. We additionally discuss the importance of specific talent management practices in addressing these factors: talent attraction becomes a key practice, when a talented person finds individual-level, business-level and external country-level push factors to be relevant. Meanwhile, talent development and retention practices have more impact for those who are mostly driven by business-level and external country-level push factors.

Keywords: *brain drain, emerging markets, push and pull factors, Russia, talent management practices, talent migration*

1. Research motivation

Due to low international barriers and new reality of global war for talents, talented well-educated employees with high level of human capital have more opportunities than ever to leave their home countries to seek better standards of living and career opportunities in developed markets (Clemens et al., 2008). This talent migration phenomenon is often referred to as “brain drain” (Baruch et al., 2007). Despite the ambivalent nature of brain drain outcomes, it is its negative effects on source country and local firms that are of particular interest for academics. On the country level, talent outflow reduces per capita growth (Mandelman, Zlate, 2017), erodes domestic knowledge networks (Agrawal et al., 2011), deteriorates country competitiveness (Khilji et al., 2015) and slows down local economic development (Beine et al., 2001). Domestic organizations suffer from decreased firm performance (Latukha, 2015), legitimacy issues (Thunnissen et al., 2013) and loss of competitive advantage (Tarique, Schuler, 2010). Meanwhile, despite the recognized importance of talent management for organizational success in a time of strong international competition, global companies continue experiencing difficulties in attracting, developing and retaining talented workers. Even multinationals from developed markets can hardly identify talented employees, especially if they are located in geographically remote areas (Saadat, Eskandari, 2016). For emerging markets, which clearly lack managerial and professional skills despite their huge role in world economy (Budhwar et al, 2017), these talent struggles become a much more serious concern. Contemporary Russia, for instance, faces an intensive talent outflow: the annual number of highly qualified emigrants doubled since 2013 and totaled in 44 thousands of people in 2016 (based on the data on the Russian Academy of Science). At least a quarter of migrants leave the country to gain access to better career opportunities and working conditions, and only one third of Russian emigrants consider returning to their country of origin. This reveals the urgent need for finding new approaches to retaining talents within the country – this study, as a result, proposes that talent management implemented at the firm level could be a valid response to talent management and talent migration issues.

2. Data and sample

The empirical study was conducted based on a sample of 430 senior bachelor and master students. One specific talent group was targeted as (1) different groups of migrants tend to have different relocation goals and, consequently, are likely to follow different migration behavior (Qin, 2015) (therefore, other talent groups were not considered); (2) graduating students are an important subgroup of an organization’s talent pool as they ensure inflow of new knowledge and skills to local companies. To reach

the participants, the database of the annual conference “Management of the Future — 2018” (organized by Graduate School of Management of St. Petersburg University) was used. This database initially included the contact information of approximately 3300 individuals (the response rate was ~13%). The respondents were contacted via e-mails in which a direct link to the survey was provided with a detailed description of the research.

The data analysis was carried out with the use of software package IBM SPSS Statistics 24. To reveal which (and to what extent) push, pull and facilitating factors (included into the model as independent variables, measured with a 7-point Likert scale) affect the migration intention of Russian talented graduates (dependent variable, categorical), binary logistic regression was employed (the first stage of the research). To reveal the potential role of talent management practices in preventing brain drain in Russian context, a block of variables measuring talent management practices were included (acted as dependent variables at the second stage of the research).

3. Empirical results and conclusions

Based on the results of the logistic regression model, five groups of factors were found to have an influence on the decision of talented graduates from Russia to leave their COO: individual-level, business-level and external country-level push factors, international experience and closeness to family. High relevance of all mentioned groups of push factors was proven to increase the probability of graduates’ positive migration decision. Stronger family attachment, on the contrary, was detected to decrease this probability, while one’s stronger international experience was found to increase the probability of a positive migration decision.

The results also demonstrated that implementation of talent attraction, talent development and talent retention practices may change a graduate’s decision to leave Russia. Some of these practices turned out to have stronger impact in this regard (e.g., an interesting job with possibilities to complete challenging assignments, competitive salary, career development and advancement opportunities, high quality learning and development opportunities and atmosphere of high motivation and flexibility), while others raised more concern in respect to their influencing power (e.g., the implementation of CSR practices, absence of language barriers, focus on diversity and inclusivity or collaboration with universities and training centers).

Finally, we found evidence that talent attraction practices become more important if a person had already made up his/her mind concerning migration or found individual-level, business-level and external country-level push factors to be relevant. Meanwhile, talent development and retention practices were identified to have more impact for those who were mostly driven by business-level and external country-level push factors.

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Corporate Negotiation Agility as an Organizational Capability: a Multilevel Framework

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Abstract:

Every company conducts dozens of negotiations every day. They negotiate with clients, partners, employee, regulatory authorities. Some of negotiations carry insignificant results and others can determine the future of the company. No matter what the subject of negotiation in every particular case is, negotiations altogether are the great power which influences a company's strategy and competitive position. In this paper we make an attempt to bring the discussion on the ability to negotiate successfully from an individual to organization level and consider corporate negotiation agility as one of the sources of company's competitiveness. We formulate a number of propositions which will be further developed and tested with empirical data.

Keywords: *collaborative strategy, competitive strategy, corporate negotiation agility, dynamic capabilities, negotiation process*

1. Introduction

How many negotiations are conducted in each company every day, dozens, hundreds? The figure is even more impressive if we calculate the amount of negotiation sessions during a year. A company has negotiations with clients, procurement, employees' recruitment, negotiation with regulatory authorities, internal negotiations, etc. Some of them carry insignificant impact and others can determine the future of a company. Regardless of the subject of negotiation in every particular case, negotiations altogether are the great power which influences a company's strategy and competitive position. Unfortunately, only a few companies consider negotiations as a system (Ertel 1999).

In some companies, specialists are taught to use tough negotiation techniques and manipulative tactics. In other companies customer-centric approach must be applied regardless of the conditions of particular deal. Both of these types have one thing in common – the absence of agility, considering agility as an efficiency with which organizations respond to continuous changes by consequent adaptation (Haneberg 2011). They are too extremes and both of them could bring inefficiency in today's dynamic environment. Nowadays, agility is not anymore an innovative principle of future organizations, it is a practical approach applied in production, logistics and other functional areas. Agility is vital for successful performance in ever-changing environment.

However, a lot of organizations, though understanding and accepting the importance of agility, are still rather conservative in terms of their negotiation strategy. They tend to use one particular approach, either competitive or collaborative. However, negotiations can be, and, even, have to be agile which means that a negotiator can feel full responsibility and flexibility in switching between one of these negotiation strategies depending on particular contingencies.

2. Problem Statement

Negotiation is traditionally considered as an exchange activity which promotes the possibility of mutually beneficial outcomes (Evans, Beltramini 1987). Academic literature usually addresses negotiations at micro level through the analysis of skills and abilities of individual negotiator or a team of negotiators (e.g. ElShenawy 2010), negotiator's behavior (e.g. Harwood 2002), or negotiation process and its stages. Within such approach research is focused on the interactions in and around the negotiation table. However, a more systematic view on negotiations which integrates micro perspective with firm level analysis could bring better understanding of their relevance for the whole organization (Borbély, Caputo 2017).

3. Discussion and Results

Competitive negotiation strategy brings greater benefits in a short-term period (Savage et al. 1989). Facing up with collaboration-oriented opponents, competition-oriented party gets best terms for itself.

Nevertheless, usually competitive strategy does not enable building efficient long-term relationships, since it does not create an atmosphere of trust and openness. As a result, such companies grow due to taking advantage of smaller organizations that are ready to make decent concessions. Within such approach the stable and prolonged growth is very limited. Collaborative strategy can bring a long-term profit but only in conditions when both parties use this strategy. Otherwise, the situation turns out to be the same as described above when a “competitor” exploits a “collaborator”. In such circumstances, the only reasonable solution is to use both strategies and switch between them. Following such an adaptive, or agile, strategy a company will be able to withstand against “competitors” and create long-term relationships with “collaborators”.

Negotiation strategy choice is dependent on a set of factors which, in general, could be divided into two groups: internal and situational. Situational factors contain external parameters including opponent’s features, such as motivation, experience and others. Internal factors are determined by company’s “negotiation capital”: negotiation infrastructure, employees’ (negotiators’) skill and engagement. It is almost impossible to manage situational factors, but internal factors could be developed by the company basing on a large-scale on-time estimation of situational factors in order to facilitate the choice between competitive or collaborative strategy.

Considering a system approach to negotiations, negotiation strategy is just one of the elements of the complex corporate negotiation system which should be supported by individual negotiator’s skills and engagement and efficient negotiation infrastructure. Such logic brings the discussion on negotiation capabilities from purely individual level to organizational one. Certainly, the most essential element of a negotiation capital is people: negotiators and their skill. At the same time, if a company focuses only on specialists’ development, employees leave the company with their skills and all the information about previous negotiations.

Nowadays, most companies agreed on the fact that information is an extremely valuable resource which enables using the past to improve the present and forecast the future. However, on practice even huge international companies are not paying enough attention to collecting, storing and processing data, despite the fact that these processes require relatively insignificant amount of investment; thus, they face the lack of benefits of prior experience and grounded analysis. Creation of a negotiation infrastructure assumes structured process of collecting information about company’s negotiations, development of priority principles and estimation of negotiation results on the regular basis. Providing an access to these data for employees will lead to higher efficiency of not only each negotiation session, but also of the whole corporate negotiation system.

Basing on the discussion provided above we formulate a number of propositions which will be further developed and tested with empirical data:

P1: The companies who possess corporate negotiation agility will gain better performance.

P2: The higher the level of company’s negotiation infrastructure development and negotiator’s skills and engagement, the more agile its negotiation system is.

P3: Dynamism of external environment moderates the relationships between company’s negotiation infrastructure, negotiator’s skills and engagement and negotiation outcome where corporate negotiation agility performs as a mediator.

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Supply Chain Management System Types and 6 Innovation Models

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Abstract:

The modern experience of operations management proves the relevance of different types of supply chain strategies as innovative and efficient, but also their combinations as league or hybrid aggregating lean and agile methods. If the efficient or lean system is oriented to the cost minimization the agile or responsive system is flexible and customer oriented. The only combination can cover needs of global market and show the best results. The differences of such combinations are the main strategic advantages and innovations of companies. The paper is devoted to research of bench marks of implementation 6 innovation models in different supply chain systems.

Keywords: *innovation models, supply chain management system, operational strategy*

1. Research goal

The goal of the paper is to investigate the implementation of six innovation models described by BCG in 2017 in supply chain management of global companies.

The proposed goal raises several research questions:

- What are these six innovation models and what is new in this classification?
- How companies can implement these innovation models in their supply chain management?
- What are the best examples of such implementations and what can we use as a bench mark for other global companies?

2. Theoretical background

As supply chain consists of different actors with different roles and customers there is no one definite strategy which could be suitable for the whole chain. If the main company of the supply chain is the commodity producer, the supply chain should be focused on large range of spare parts to maintain the capacity of equipment. The main difficulty for this sector is forecasting the demand for these spare parts, the need for a balance between a high level of service for the consumer (when spare parts in stock) and the size of stocks in warehouses. For service providers, supply chain management is also important: it is necessary to deliver materials, semi-finished products and components used to provide services, while the demand for services can be variable - hence, the supply chain itself should be flexible and maneuverable. The correct choice of the type of supply chain management systems depends first of all on such factors as the competitive strategy of the organization and its innovation activity.

According to the Report made by BCG in 2017 called “Which innovation model is right for your company”⁸ there are six innovation models: creator, solution builder, leverager, expander, defender, and fast follower.

The creator – is highly innovative company, changing industry standards both in products, technologies and operations. First creator on the level of supply chain was a Ford Motor Company, which dramatically changed the principles of car production.

⁸ Which innovation model is right for your company J. Manly, F. Grassl, T. Wilson November, 2017
http://image-src.bcg.com/Images/BCG-Which-Innovation-Model-Is-Right-for-Your-Company-Nov-2017_tcm9-175607.pdf

The solution builder – is a company looking to the market for inspiration, they address to customer priorities and problems. There are ready to be flexible in their production and demand satisfaction. The Nike Company can ready to customize products based on the internet platform with customer participation in the design process.

The leveragers create a superior business model and then capitalize on it to sustain their industry leadership. One of the most popular examples here can be ZARA or Dell, or Uber with their new efficient ideas. Their models make possible to combine the efficiency and flexibility of profitable level for the company.

The expander’s strategy is oriented to the application the core competences in new fields or even industries. Amazon can be defined as expander as it changes the focus of core business from selling to services, then to technologies.

The defender tries to win in function product industries. They used to be efficient and hardly ready to implement changes. The risk to be based on this strategy is very high and only multinational big companies have to use it if to implement more flexible strategy is too difficult.

Fast follower optimizes their capabilities across all dimensions in order to quickly respond to – and often improve upon – competitive innovations.

This classification of innovation models is oriented mostly of technological and product innovations but our research is focused more on process and organizational innovations in supply chains.

3. Methodology

The methodology of research includes multi case analysis of global companies influencing on their supply chains. The idea was to combine type of competitive strategy, type of innovation model, supply chain management system and the characteristics of life-cycle phase of specific global supply chain. The analysis of different dimensions of supply chain allows describing not only the management principles of one company but the role of the company in the whole supply chain development.

4. Results

The preliminary results of the study include the analysis of companies, their strategies and their roles in supply chains. The comparative results of supply chain strategies and innovation models are presented on the table below.

	Responsive	Efficient	Hybrid
Innovation model			
Creator	Tesla	Wal-Mart	Apple
Solution builder	Nike	GoPro	
Leverager		Toyota	Zara
Expander		Amazon	
Defender		Pfizer	
Fast follower	Reckitt Benckiser Group		

As we can see the distribution of companies doesn’t cover all possible quadrants as some of combinations are not relevant. Most of the companies are producers and the supply chain around such companies is less flexible. But coming closer to the customer or in case when the main company of supply chain is retailer the supply chain is much more flexible. The example of Amazon is a leading company in supply chain innovations but according to the BCG’s classification it is an expander, successfully implementing best practices in different fields. The combination of sophisticated information technology, an extensive

network of warehouses, multi-tier inventory management and excellent transportation makes Amazon's supply chain the most efficient among all the major companies in the world⁹.

Another crucial factor is the industry; the Amazon's best-in-class expander model would be so successful without high tolerance for risk. Their strategy spread this risk for the whole supply chain. The case of Wal-Mart shows that even creator can be efficient in the supply chain and set standards for the entire supply chain.

The presented results include rather the formulation of a problem that requires a deeper study and comparison of the various characteristics of the supply chains and combinations of the strategic priorities of the supply chain participants. But it is clear that not all the innovation models are suitable for different supply chain systems and the only best combinations could give outstanding results.

⁹ How Amazon Is Changing Supply Chain Management RICK LEBLANC December 01, 2017
<https://www.thebalancesmb.com/how-amazon-is-changing-supply-chain-management-4155324>

Further directions for international entrepreneurship: an analysis based on review articles

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Abstract:

This paper investigates the body of knowledge in international entrepreneurship. A meta-analysis of systematic review articles explores the key trends and themes of international entrepreneurship research since its conceptual inception in 1989. Systematic and non-systematic review articles of international entrepreneurship are reviewed between 1998 and 2018. Trends and future research directions identified include the integration between international business and entrepreneurship literature, the focus on SME internationalisation and various forms of international new ventures and born globals. Later years have seen the emergence of comparative international entrepreneurship and comparative entrepreneurial internationalisation as research topics, emphasising the importance of integrating empirical evidence between countries and contexts. Systematic review studies also pointed out the gap in the body of knowledge of international entrepreneurship in emerging and transitional country contexts. In particular, the area of early internationalising firms in emerging and transitional markets requires much more attention.

Keywords: *international entrepreneurship, systematic review, future research*

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1. Introduction

International entrepreneurship has become a well established domain of research over the past three decades (McDougall 1989). With increasing globalisation, the liberalisation of emerging and transitional markets, and their integration into the world economy, interest in international entrepreneurship has soared over the past decades (Kiss, Danis & Cavusgil, 2012).

The global review of international entrepreneurship literature in this article sets out to achieve three key objectives: (1) to identify and catalogue the state of the art of knowledge in literature; (2) to synthesise this knowledge into a framework encompassing both directions and frontiers of research; and (3) to provide directions for future research.

2. Discussion

As a starting point to the review, key publications and journals were identified by systematic review works such as Jones et al. (2011) and Keupp and Gassmann (2009). The search resulted in the identification of 26 review papers (journal articles and book chapters), of which 20 systematic, and three of these were published in journal special issues. These review articles provided a summary of 4469 published papers over the time period of 1960 to 2017.

The early review studies were conceptually organised around international business, firm internationalisation and marketing. The first review initiated specifically on the domain of international entrepreneurship was that of Zahra and George (2002). The first systematic review of international entrepreneurship literature was conducted by Etemad and Lee (2003). The first authors to systematically distinguish unique features of SME internationalisation from general internationalisation theory were Ruzzier et al. (2006). Review studies converged between the antecedent fields of research, resulting in review articles incorporating mixed theoretical backgrounds. Rialp et al. (2005) and Coviello and Jones (2004) were the first authors to provide systematic reviews of the domain combining articles from

international entrepreneurship and SME internationalisation. The convergence of studies in the field was concisely articulated by Jones et al. (2011), defining the three main areas of international entrepreneurship research as (1) entrepreneurial internationalisation; (2) international comparison of entrepreneurship; and (3) comparative entrepreneurial internationalisation.

Researchers taking the reviews further, addressed specific areas within international entrepreneurship: (1) international entrepreneurship in emerging economies (Kiss et al., 2012); (2) comparative international entrepreneurship (Terjesen et al., 2016); (3) SME exporting (Paul et al., 2017); (4) born globals research (Dzikowski, 2018) and (5) the relationship between internationalisation and firm performance, also falling into the domain of comparative international entrepreneurship (Schwens et al., 2017).

3. Conclusions

Three key trends were identified in the review of review articles: (1) The convergence of entrepreneurship, international business and other business disciplines shaped international entrepreneurship as a discipline over time. The various conceptual backgrounds were included in the mapping of the international entrepreneurship domain into specific sub-fields (Jones et al., 2011 and Servantie et al., 2016). (2) Review articles progressed over time towards the validation of unified international entrepreneurship theory (Peiris et al. 2012, Coviello et al. 2015). This included (3) Current direction of research according to review articles points towards early internationalisers, born globals, international new ventures and internationally expanding SMEs. Further directions of reviews included research methods (Jones et al., 2004), emerging markets (Kiss et al., 2012), comparative international entrepreneurship (Terjesen et al., 2016), SME export (Paul et al., 2017) and born globals (Dzikowski, 2018).

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Financial contagion indicator in the company's inventories management adaptation to the digital economy

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Abstract:

The study is focused on the company's sales indicator changes in terms of the financial contagion influence, then the market is affected by the factor of the financial contagion. Financial contagion is the indicator of the market anomaly connected with the joint movement of the companies' sales. The indicator's application will help the company to forecast its sales changes. The financial contagion indicator model is based on the analysis of the online trading companies' sales changes dynamic. Interconnections between the companies sales changes are analyzed with the canonical vine copula model. The analysis provided the opportunity for the company to assess the financial contagion caused bias in its sales for the efficient inventories management.

Keywords: *financial contagion, sales management, digital economy, internet sales; copula model; cases; european markets*

1. Introduction

The company's management in the digital economy needs to take into account the higher market volatility, and the financial contagion may create the risks because of the higher speed of the operations. The digital economy provides broader opportunities and the higher price for the management mistakes. The company may consider market flows as the unexpected movements on the market, that tackle each market participant.

2. Financial contagion theory

Financial contagion was considered by the scholars from the last quarter of the XX century in link with the market liberalization and government regulation weakening (Eichengreen, Rose, & Wyplosz, 1995). As one of the consequences, financial crises arouse in Latin America, Asia, Russia, USA, and lots of European markets. Such cases as "Brazilian Sneeze", "Russian Cold", "Tequila Crisis" in Mexico and "Nasdaq Rush" in the USA are well known in the literature (Rigobon, 2002). In 2000 financial contagion model was proposed by F. Allen and D. Gale (Allen & Gale, 2000) based on the banks' interconnections through mutual credits. In later studies financial contagion model was broadened at the network of national banks (i.e., the national banking system) (Glasserman & Young, 2015). The basic structure under the financial contagion effect was banking system, and the problem launching financial contagion was the indebtedness of one bank to the other/ others. G. Filbeck, S. Kumar, J. Liu, and X. Zhao (Filbeck et.al., 2006) study financial contagion in the supply chain system, where one particular participant is to blame for a supply chain disruption because of its own problems.

3. Research purpose

The aim of the financial contagion analysis is the new understanding of the financial contagion effect in the digital economy based on the sales dynamics and the use of the financial contagion concept for the sales forecast adjustment.

4. Data and methods

Data were obtained through Amadeus Bureau van Dijk database about the online sales of the companies from European developed and emerging markets. Also, the data about the companies' total assets were analyzed. As the study had identified, the online trading companies' sales are strongly connected with the companies' assets. On the base of the interconnection assessed between the online sales and the

companies' total assets through quasi binomial logit model, the companies' online sales were simulated and canonical vine copula was assessed. The analysis was conducted with *R* software (R_Core_Team, 2017).

5. Results

The study results include the probability density assessment, which provides the sales changes adjustment possibility. Given the financial contagion effect it is possible to define the probability density, which is presented on the Figure below.

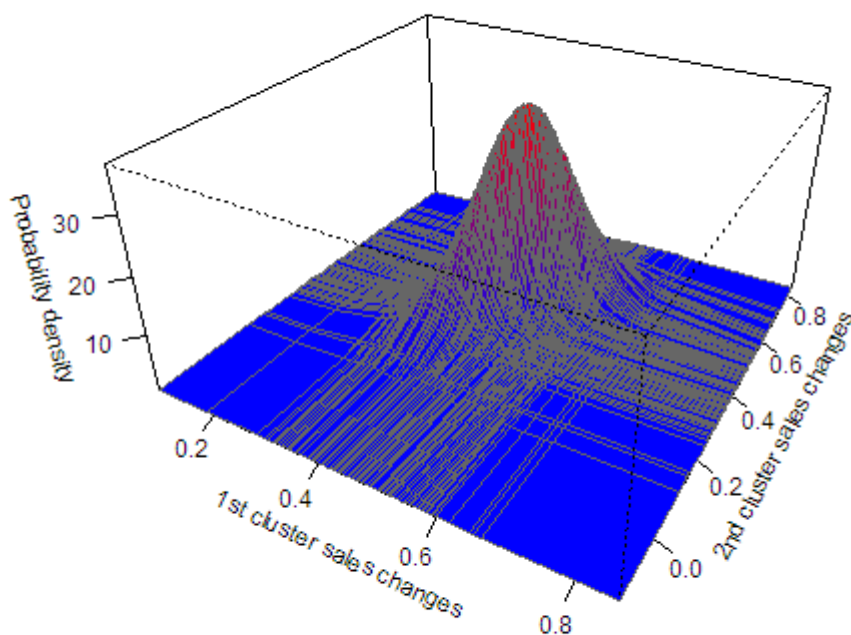


Figure – Probability density function for the companies' sales changes interconnection

The analysis provided the conclusion, that the financial contagion effect in the e-commerce sphere isn't to a large extent, but, nevertheless, to some degree, it can't be excluded. Financial contagion influence consideration when building sales management system through the inventories adjustments. The algorithm proposed in the study is illustrated with the particular companies' cases.

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Exploring the nexus between institutions and entrepreneurial behaviour in peripheral transition economy contexts

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Abstract:

This paper compares and contrasts entrepreneurial behaviour in response to institutional pressures in two peripheral transition economies of Kyrgyzstan and Tajikistan. We find appreciable differences in entrepreneurial responses to institutional constraints in the comparator countries. This is argued to have important but varied outcomes on institutional change, with entrepreneurs in Kyrgyzstan and Tajikistan, respectively, contributing to lessening and widening of the asymmetry between formal and informal institutions. This paper contributes by developing a more nuanced understanding of the role of entrepreneurs in shaping their institutional fabric and extending scholarly debate to previously under-explored transitional periphery of Central Asia.

Keywords: *institutions; entrepreneurship; transition economy; institutional asymmetry; formal and informal institutions*

1. Introduction and Purpose

Following two decades of intensive scholarly research on entrepreneurship and small firm development in the context of post-socialist economies, Welter and Smallbone (2011) argued the dominant institutional approach that has influenced much of this work requires extending by taking into account more explicitly the “recursive relations between institutions and entrepreneurial behaviour” (p120). This paper responds to this call by comparing entrepreneurial behaviour in response to institutional pressures and examining the implications of this behaviour on institutional change in two peripheral transition economies.

It is widely acknowledged that entrepreneurship is an important ingredient for strong economic performance and successful institutional change in transition economies. While the literature on entrepreneurship and SME development in the former communist countries has witnessed significant theoretical and empirical development in the last two decades, it is argued that knowledge about entrepreneurial functioning in these countries is still deficient (Ahlstrom and Bruton, 2010; Luthans and Ibrayeva, 2006; Puffer and McCarthy, 2001) and much research remains to be done on how entrepreneurs contribute to shaping their institutional contexts (Manolova and Yan, 2002; Welter and Smallbone, 2011). Against this backdrop, this paper aims to: (a) examine if and how entrepreneurial behaviour in response to institutional pressures varies in transition economies; and, (b) explore and illustrate what are the implications of this behaviour on institutional change. Our study is informed by institutional theory, the institutional change perspective, and the literature on entrepreneurship and SME development in the context of transition and emerging economies.

2. Methods

The study aims are pursued via a comparative, matched-pair case study research design that focused on small entrepreneurial firms in the garment and textile industries of Kyrgyzstan and Tajikistan. The data comes from an extensive fieldwork conducted in both countries in 2011, which resulted in over 80 in-depth semi-structured interviews. Interviews were conducted with owners of privately-owned SMEs, and these were complemented by insights from a range of experts. Analysis of data was conducted in several stages. First, all interview recordings were translated into English and transcribed verbatim. The next stage involved thematic analysis, following a grounded theory building strategy. This was facilitated by using NVivo 9, a computer software for coding and retrieving qualitative data. This facilitated the organization and categorization of data, thereby enhancing the trustworthiness of research findings. Both within-case and cross-case analyses were undertaken.

3. Results

Our findings revealed a contrasting picture: entrepreneurial firms in Kyrgyzstan demonstrated more proactivity, stronger resistance to institutional pressures and willingness to seek solutions within formal institutional framework, whereas in Tajikistan these firms demonstrated comparatively less proactivity, less resistance to institutional pressures and tendency to seek solutions outside the formal institutional framework. Furthermore, entrepreneurs in the two countries appear to have different perceptions about institutional constraints, and this, in turn, seems to influence their response to institutional challenges. We argue that different strategies adopted in response to institutional pressures lead to divergent influence on institutional change. While entrepreneurs in Kyrgyzstan appear to positively influence institutional change by reducing the asymmetry between the formal and informal institutions, entrepreneurs in Tajikistan appear to widen this asymmetry, which amounts to a negative influence on institutional change. Taken together, the paper shows that entrepreneurial actors play an important role in institutional change in transition economies.

4. Contribution

The development of this paper is still work-in-progress, however it is expected to make a number of important contributions. Firstly, our study responds to increasing literature calls for more research on recursive relations between institutions and entrepreneurship. While much research has focused on understanding the influence of institutional contexts on entrepreneurial behaviour, scholars recently pointed to comparatively less attention placed on how actors influence their institutional contexts (Kalantaridis and Fletcher, 2012; Manolova and Yan, 2002; Williams and Vorley, 2015). We contribute to this debate by examining entrepreneurial behaviour in response to institutional pressures and illuminating their role in institutional change. Our study provides rich insights on how actors interact with their institutional environment and as a result contribute to the process of institutional evolution.

Thus, theoretically, we contribute to enhancing the institutional approach to entrepreneurship in transition economies by placing emphasis on the role of entrepreneurial agency. Secondly, the paper makes an important empirical contribution by extending entrepreneurship research into the relatively under-explored transitional periphery. Thirdly, the paper also calls for policy makers to recognise SME entrepreneurs as key change agents and consider the increasingly diverging transition paths and, through institutional levers, develop relevant policies that can help entrepreneurs in contributing more positively to institutional change.

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Value Creation and Value Capture in SME Internationalization

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Abstract:

This paper investigates the processes of value creation and value capture in the SME internationalization. To study the importance of value creation in SME internationalization, it is necessary to recognize that internationalization provides access to customers outside the national market, who provide a platform for value creation. The study has been conducted in a design furniture SME originating from a developed economy, internationalizing in other developed and emerging economies. Data were gathered in 2017 from interviews with the firm's CEO and five functional managers. The value of firm's resources is in a complex interplay between the firm and its competitive environment along the dimensions of demand, scarcity, and appropriation. Value is created in the intersection of three sets: when customers demand a resource; when it cannot be replicated by the competition; and when the firm captures the profit. The studied firm is well positioned in the domestic market. The research findings show that the internationalization processes of the studied firm provided it with new opportunities to extend the home tested business model abroad to create and capture value in new market environments.

Keywords: *Value, Value creation, Value capture, SMEs, Internationalization*

1. Literature Review

From a strategic perspective, existing literature regards value creation mostly as a supply-side phenomenon with a focus on resource-based view with less attention on demand side or end user perspectives (see, Barney, 1991; Lepak, Smith and Taylor, 2007). In recent years, some authors relate to a growing interest in the role of customers in the value creation process.

When considering manufacturing small and medium enterprises (SMEs) it is obvious that they create value in their internationalization by interacting with foreign suppliers and customers which results in their increased competitiveness especially in foreign market (Marinova et al., 2017). The purpose of the paper is to investigate the processes of value creation and value capture of internationalized SMEs from the perspectives of the firms, customers, suppliers and competitors.

Ngo and O'Cass (2009) propose that value creation is a composite construct that captures different firm's activities. One being that it delivers superior performance, which the customers seek. Another that it exercises pricing policies, which customers are willing and happy to accept. Moreover, it provides the customers with hassle-free purchase relationships. Brandenburger and Stuart (1996) presented the idea of value creation and value capture by various participants in the process.

It is widely accepted that value creation has manifold measurements and is not exclusively related to economic benefits, but likewise relates to relationship benefits, both direct and indirect, as well as functional benefits (e.g., Biggemann and Buttle, 2012; Ritter and Walter, 2012).

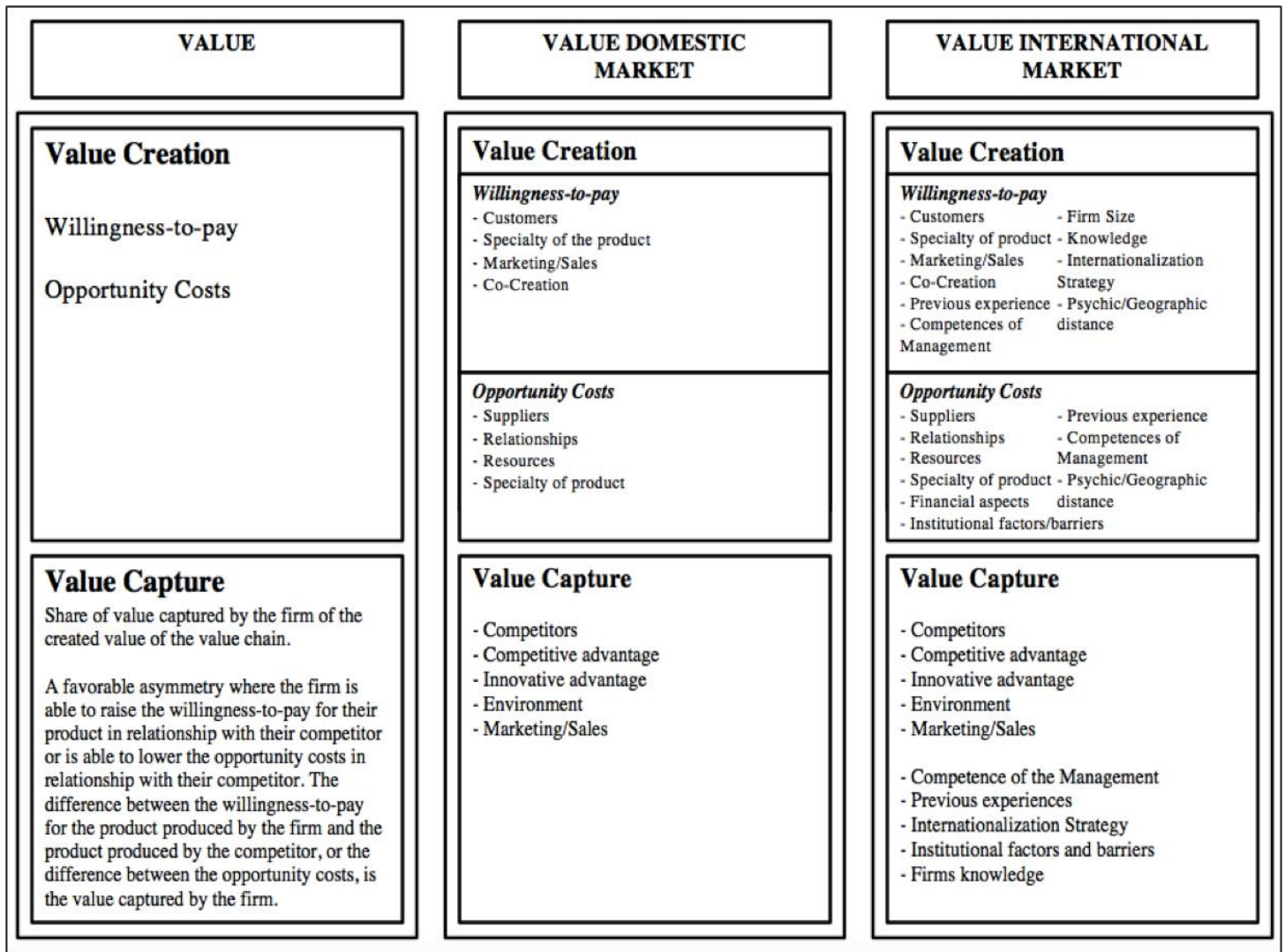
It signifies the specifics of value creation and value capture in domestic and foreign markets and the type of information that has been intentionally sought after in the study. The specifics of the value creation and value capture in the case of international activities of the studied SME will be particularly emphasized.

The conceptual framework of the study is presented in Figure 1.

2. Methodology

The study has been conducted in a design furniture SME originating from a developed economy and internationalizing in other developed economies. The information was gathered in 2017 from interviews with the firm's CEO and five functional managers.

Figure 1. Conceptual Framework



Source: The authors

We attempt to capture the participants' perception of the world and of the phenomenon.

The face-to-face interviews have been audio-recorded. Even though the internationalizing SME is not in an English speaking country as well as its foreign clients are not either, the language used for the interviews is English. In addition to the semi-structured face-to-face interviews, online personal interviews have been conducted with the same informants to facilitate the information gathering.

To analyse the data collected we assume interpretative paradigm. We have done the data analysis attempting to understand the words of the informants applying structural codes to identify the data with key relation to the researched phenomena. Thereafter, data have been analysed using a combination of inductive and deductive coding.

3. Data Presentaion: Value in International Markets

The CEO of the firm stated that they would function in the same group of foreign countries as they had doing the interview with him. Firm international customers as perceived by the Head of Interior Design were with different expectations as compared to those in the domestic market. International clients were seen as less price sensitive and more demanding in terms of design and functional characteristics of the furniture. The key international customers are from Scandinavia, the Head of Interior Design stated that the Scandinavian culture attached significantly more value associated with style, design and functionality of the furniture than the domestic clients based in the home country outside Scandinavia believing that Scandinavian customers would be willing to spend more money on their products because of their special design. Thus, the analysed firm intended to have its key foreign markets in Scandinavia.

The Head of Interior Design added that the cultural differences and the mindsets of the foreign clients played a crucial role in the success of their model in the foreign markets. The PR Manager said that there should be various approaches to secure accessibility to specific customer groups for analyzing the market potential.

4. Data Analysis

The first aspect of value analysis is related to customers. The customers in B2C market for the firm consist of younger people, who are knowledgeable and comfortable with digitalized processes and want to buy good design and quality furniture. The value which the customer attaches and therefore the price that they are willing to pay, depends on the customer's own. Furthermore, because of the speed and comfort of the service offered, the firm is able to create value for a target group of customers who do not have time to meet and work with designers. In the international markets, the B2C customers have the same characteristics.

McFarlane (2013) argues that value co-creation includes all supplier and customer activities in a process that leads to value for customers. When firms create new value, in a market of high demand and limited supply, competition will follow fast and make the market more competitive. Thus, exchange value will decline until demand and supply equalize and at that point the value created is shared with the competitors (Ørberg Jensen and Petersen, 2014).

Through value creation and value capture, the firm found a way to anticipate environmental changes. The firm responded appropriately to the preferences of younger generations seeking digitalized service and creating approaches to customer solutions focusing on the specifics of customer expectations. The competencies of managers is an important factor for successful internationalization. Thus, management competencies would go through a test in the internationalization process of the studied firm. The strong belief in the company is that such a strategic approach will increase the chances for success and will result in increased value creation and value capture for the firm.

5. Conclusion

The uniqueness of the business model the firm applies and the service it offers provides the firm with advantages over its competitors. When the firm internationalizes it starts working with international suppliers with whom they attempt to replicate their domestic experience. The firm faces limited competition.

The firm could face challenges in the implementation of its strategy and replicate its model abroad. Clarifying strategic priorities in the internationalization process is still to be made by an ambitious and capable management team.

The study has certain limitations. The study was conducted in one country only and the studied firm targeted markets in other developing countries only. It will be interesting to research the same phenomenon in emerging country contexts as well.

Conducting research with the same topic in mind in other industries can provide additional insight into the studied phenomenon.

References omitted due to space limitation, available upon request

Using WebQuest for CLIL Purposes

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Abstract:

This paper investigates the perceived benefits of WebQuest (WQ) within the framework of a CLIL-based course in regards to improving student engagement, motivation, and communication along with developing four language skills. The key objective of the WQ was to encourage students to gain knowledge about theories of leadership and to study one of great leaders in the international business. This work analyses students' feedback on the WQ project aimed to consolidate students' language and content-based skills. It is concluded that students benefited from the WebQuest experience. Yet, the recognized difficulties must be perceived as recommendations for improving this activity in the future.

Keywords: *CLIL, ESP, WebQuest, student survey*

1. Introduction

In the era of globalization and internationalization of higher education a demand for content-based language learning (CLIL) is growing. Academics pose a challenge of making these courses valuable in terms of language learning and subject matter acquisition. A possible response to this challenge is to receive a feedback from language learners on efficiency of CLIL approach.

2. Literature review

In the literature, there are different approaches to defining CLIL. Marsh (2002) states that CLIL has dual-focused aims: "*the learning of content, and the simultaneous learning of a foreign language*". The CLIL supporters are divided into two camps: content-driven and language driven. David Graddol (2006) argues that CLIL contributes into the improvement of language skills; yet, one does not need to be proficient in a foreign language to benefit from this approach. Students learn the language that is clearly focused on and related to their subject matter. Marsh et al. (2001) highlight the motivational power of CLIL-based courses, stating that this approach views language as a 'vehicle', not simply as an entity in itself. Overall, this approach gives students a feeling of real achievement as they have to cope with, speak and write about complex material in a foreign language.

Thus, CLIL enables a three-way combination of elements: content, skills and language. To make sure CLIL approach is effective, both language and subject teachers are expected to change their methodological approach so that teaching materials become more task-based and student-centered, and work within a language-enhanced paradigm. Ball (2013) argues that four basic types of activity can make students' learning experience in CLIL more effective: activities designed to enhance peer communication, develop reading strategies, guide students' oral and written production, and engage higher cognitive skills.

Fontecha (2010) proposed the model of CLILQuest which, like the WebQuest (WQ), is a learner-centered activity based on inquiry-oriented or problem-based learning tasks that tap into foreign language resources available on the Internet. In terms of both content and language use, the course designers should consider the following principles: using authentic materials, adapting the complexity of the task, stating clear linguistic and non-linguistic goals, setting a communicative outcome, supporting the process with scaffolding, and integrating the WQ in a course unit.

Regarding language learning, the CLILQuest makes it possible to approach the four language skills holistically. In the first part of the activity learners mostly use their receptive skills, while at the end they need to make use of their productive skills in order to create the CLILQuest outcome, for instance, delivering a presentation or writing an essay (Marsh et al, 2015:39). Like the CLILQuest, the WQ model for second languages promotes language learning rather than simply serve as an opportunity for language

use. Apart from three essential conditions for language learning (exposure, use and motivation), the language teachers should provide direct instruction of language so that students could concentrate on the language skills to be improved during the WQ.

The focus of this study was to evaluate the perceived benefits of WQ within the framework of a CLIL-based course in regards to improving student engagement, motivation, and communication along with developing four language skills (reading, writing, listening and speaking).

3. Data and sample

In 2017-18 academic year, the Department of Business Foreign Language (Ural State University of Economics, Ekaterinburg) delivered a series of lectures and seminars on International Management. The uniqueness of this course lies in using English-speaking resources only, which significantly expands possibilities of students' authentic exposure to a foreign language. The course (30 contact hours) was run for two groups of students specializing in International Management (n=38) during the fall term.

The traditional face-to-face lecture was accompanied with ICT activities that enabled to increase the students' exposure to content presented in the target language. The course included three assessment tasks. This paper analyses students' feedback on the WQ project on 'Theories of Leadership and Great Leaders' which aimed to consolidate students' language and content-based skills.

The key objective of the project was to encourage students to gain knowledge about theories of leadership and to study one of great leaders in the international business. Students were divided into groups of 3-4. They had to study theories of leadership (the list of resources was provided by lecturers), select a leader, study their activities and present research findings in a presentation form.

Along with a group presentation, students were asked to complete an individual writing task, an essay, where they shared what they have learnt about leadership styles and how this project is relevant to their future professional career. The evaluation criteria for a presentation and an essay were included into the WQ description.

To evaluate the effectiveness of the WQ students were asked to complete a questionnaire with 15 questions.

4. Empirical results and conclusions

In the survey, an absolute majority of students evaluated positively the WQ (45% – 'excellent'; 53% – 'good'). Students characterized it as 'interesting' (76%), 'challenging' (45%) and 'fascinating' (16%). However, 10% of the surveyed found the project boring. Overall, 61% of students would like to be engaged in a similar activity again. The students also stated that the WQ encouraged them to think about their own leadership style, fostered their awareness of personality traits of successful leaders and how to pursue business career.

The students were also asked to assess the impact of the WQ on their language skills. The results are reassuring: 74% improved their speaking skills, 45% – listening skills, 37% – reading skills and 18% – writing skills. The hierarchy of other skills is as follows: research skills – 76%, team work – 55%, communication skills – 50%, analytical skills – 45%, presentation skills – 37%, processing information – 31 % and time management – 26%.

Evaluating the WQ logistics, the students admitted that the success of this activity can be attributed to clear instructions (34%). The key challenges posed by students included timing, meeting deadlines, analyzing and synthesizing (e.g. determining leadership style), unequal contribution and different levels of team members' language proficiency.

To conclude, students' overall impression was favourable as they benefited from this WQ experience. The overwhelming majority (89%) stated that this activity contributed to their engagement in the learning process. The recognized difficulties must be perceived as recommendations for improving this activity in the future.

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Japan-Russia Economic Relations and International Business (IB) Research Agenda

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Abstract:

The purpose of this paper is to suggest international business (IB) research agenda in context of Japan-Russian economic relations. First the paper introduces a brief history of their relations under the Soviet era and at the present. Second it reviews development of trade and IB theories with reference to businesses between the two countries and makes theoretical explanations for some Japanese businesses in Russia. Finally, some IB research agenda are proposed based upon the above discussion. It looks difficult to conduct a quantitative research. But, theory construction and development are possible and even highly anticipated through conducting research on Japan-Russian business relations. Japan-Russian business relations are expected to suggest next-generation IB practices to multinationals in developed or emerging economies.

Keywords: *foreign trade, foreign direct investment, industrial organization theory, internalization theory, Uppsala model, transnational model, metanational management*

1. Japan-Russia economic relations

Japan-Russian first contact in their history dates back more than 300 years when Japanese drifter reached Russia and met Peter the Great in 1702. Japanese language school was founded in St. Petersburg soon after that. First Russian mission was dispatched and arrived at Japan in 1792 to establish trade relations with Japan but in vain because Japan closed itself to the world.

Japan and Russian had strong economic relations even under the Soviet era. Trade (export and import) amount between the two countries were ranked No. 3 in 1960s, No.2 in 1970s and No.5 in 1980s among western developed countries. In addition, Japan granted enormous amount of credits to develop Siberian natural resources mainly in 1970s. For example, bank loan for \$3,450 million was extended to Yakut natural gas development project in 1974 while Japanese government accepted risk for \$210 million to Sakhalin continental shelf oil and gas prospect development in 1975. There were several other projects in 1970s as well.

However, in 1990s and 2000s Japan and Russian business relations relatively declined to the US and European countries as well as emerging economies such as China. The trade amount was ranked far below 10th and the portion of Russian inward FDI from Japan remained only one-digit percentage. Business relations between Japan and Russia is recovering in 2010s but remain unsatisfactory.

The present author wants to discuss IB theory and its application to Japan-Russian business relations at the present with some reference to the past. And he intends to propose some IB research agenda in context of Japan-Russian economic relations.

2. Trade and IB theory

According to trade theory, country with a comparative advantage exports that product while country with comparative disadvantage imports it. The both countries gain benefits of the free trade. Japan exports tires, for example, to Russia which exports LNG, which can be explained by the trade theory.

Industrial organizational and internalization approaches of IB assumed that companies with huge competitive advantages enough to offset liability of foreignness (LOF) over local firms could internationalize although the two approaches' evaluation of multinationals were quite different. Japanese car manufacturers' assembly in Russia can be explained by these approaches.

Uppsala model shed light on firms without competitive advantage which could internationalize and gain strengths gradually through international operations. Transnational model also suggested that internationalization brought competitive advantage when multinationals could exploit managerial resources of advanced subsidiaries. There are few good examples in Japan-Russian business because relevant Japanese companies are already big multinationals. But it is true that challenges of international operations lead to various opportunities to gain managerial knowledge and experiences.

Metanational approach proposed that external knowledge generated competitive advantages if multinationals could sense, mobilize and operationalize the competencies. Metanational management was assumed to realize in developed markets when Doz, Y, J. Santos and P. Williamson proposed at first. But, rise of emerging multinationals and markets taught us that many unknown managerial resources existed in emerging markets as well. Ajinomoto's R&D in Russia is that good example.

3. IB research agenda

It looks difficult to conduct a quantitative research in Japan-Russian business relations since there are not enough samples of Japanese companies' activities in Russia as well as vice versa. However, some typical and exceptional cases can be found, and might become good examples and bring invaluable implication for IB research.

Japan-Russian macro business relations could be explained by and depend on traditional trade and IB theories as in the same manner as the other countries. However, economic cooperative plan which was suggested by Prime Minister Abe to President Putin 2 years ago verifies that market needs can create new businesses in micro level. Firms and host country can drastically lower LOF and then nurture small businesses.

Russian far east is proximate to Japan and LOF is relatively low particularly in terms of geographic distance. Japanese small and medium and even born global companies begin new businesses there. It might be interesting to discuss importance of LOF sources, i.e. institutional, cultural or geographic factors.

Some of Japanese multinationals tried to find out external R&D competencies in Russia in and after 1st decade of 21st century. The reason why most of them could not discover might be a negative example for multinationals to obtain qualitative managerial resources in emerging markets. Japan-Russian business relations provide IB research with not quantitative analysis but qualitative lessons.

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Female Entrepreneurship: Status Research Perspectives

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Abstract:

The article presents the analysis of the main research in the field of female entrepreneurship, published in scientific journals for the period 2000-2017. The study identifies the key directions of existing research, as well as perspectives for development in this scientific field. Most existing studies are disunited both in the vastness of issues involved, and from the point of view of conceptual foundations. Conducted analysis of the literature suggests that the development of female entrepreneurship is at formation stage of a scientific theory, and it also identifies forward-looking fields of research. Author makes a conclusion that the study of women's entrepreneurship should be conducted using a broader gender context and relevant theories.

Keywords: *female entrepreneurship, women entrepreneurship, gender, gender research, female business, women business*

1. Introduction. Female entrepreneurship as an object of research

Gender factor in entrepreneurship emerged in the late 1970s, and nowadays female entrepreneurship is a key fast-growing component of the business sector around the world. At the same time, the existing research is quite scattered and fragmented in terms of the issues under study, different context, used theories, etc., so it makes difficult to generalize the accumulated research results and makes to develop possible directions for further research.

2. Method of literature analysis.

The research was analyzed by selecting publications from the Scopus and Web of Science databases at the request of "female entrepreneurship", "women entrepreneurship" between 2000 and 2017. Earlier studies are few and descriptive.

3. Analysis results

This research continues works already existing in this direction, for example (Pogessi, Mari, De Vita, 2016), where the following research areas are highlighted as: entrepreneurial skills, financing, management and strategy, productivity and the relationship of developing and developed countries. For developing countries the background of this research was the connection of gender and entrepreneurship, family factors, characteristics of the business, for the developed countries - context.

This research is conducted, in our opinion, on a high-quality level, but at the same time does not focus on such important areas as: the specifics of female start-ups, the impact of information technologies on the female entrepreneurship development (this topic is especially relevant in Muslim countries), support for female entrepreneurship. The last line is especially important in most countries, because the participation of women in business can make a significant contribution to economic growth. Presently works studying conditions and factors of effectiveness of female entrepreneurship support programs are scarce. So, the work (Welsh, Kaciak, Thongpapanl, 2016) studies the impact of country's economic stage (using the example of several countries) on the development of female entrepreneurship, combined with family support and personal problems of women entrepreneurs. The study (Pettersson, 2017) notes the dependence of programs to support female entrepreneurship on what feminist theory underlies the state's gender policy. Recent works have also identified another new trend in research - cross-country comparisons. Along with studies of female entrepreneurship, there are studies in which female entrepreneur is seen as a moderating factor (Giotopoulos, Kontolaimou, Tsakanikas, 2017), which also offer new ways of studies of the characteristics of women's entrepreneurship.

Thus, the study of women's entrepreneurship should be conducted using a broader gender context and relevant theories. According to the author the approach that investigate the role of female entrepreneurship in creating a quality business ecosystem will also be perspective.

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Ownership concentration, firm performance in Emerging markets and the challenges of global governance.

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Abstract:

Using firm level data from five Latin American Countries, we examine the impact on performance of business with high ownership concentration after the implementation of corporate governance principles. Our analysis has implications for both the firm ownership concentration literature, which emphasises the role of agency conflict between managers and owners of widely held companies, and the corporate governance literature, especially in the context of emerging market economies. The measurement of ownership concentration lies at the heart of our empirical analysis, and, as we shall see in this paper, the nature of the data affects our empirical strategy. Hence, an in-depth discussion of the data available for the analysis is included. The results suggests that there is not a clear relationship between ownership concentration/group ownership and return on assets, return on equity or the market-to-book ratio. The finds also show negative relationship between CEO duality and performance. Equally, the composition of the board of directors has little impact on firm performance. In particular, our results have implications for the literature on the agency conflict between large shareholders and small shareholders of a company, especially in contexts such as emerging market economies where corporate governance quality is weak.

Keywords: Ownership concentration, firm performance, emerging markets, Latin America

Introduction

It has been argue that very little is known about corporate governance in emerging markets. Some researchers also agree that exist a low level of implementation of corporate governance principle among business with concentrated ownership; this is particularly noticeable among Latin American companies (Chong and Lopez-de-Silanes, 2007). The study is an on-going effort to achieve a better understanding of corporate governance structures and mechanisms by looking at the specific emerging economies of the Latin America. This region is characterised by underdeveloped financial markets, weak legal system, relatively poor law enforcement, and high ownership concentration (Pargendler, 2014). Country specific circumstances and institutional features mean that global findings do not necessarily apply directly to every country or situation. Local data needs to be used to make a convincing case for change. Local capacity is needed to identify the relevant issues and make use of political opportunities for legal and regulatory reform. Corporate governance thus depends on local capacity in terms of data, people, and other resources.

Early studies around the world highlighted a positive relationship between ownership concentration and firm's value. The extant literature shows that, notable changes have pushed for a distinctive interest in addressing corporate governance problems in the emergent economies of Asia and Latin America and in the transitional economies of Eastern Europe. Further, the corporate scandals around the world including the US and Europe, has undermined confidence in public companies. The literature also shows that corporate governance involves ownership, accountability, control, agency problems, managerial incentives and performance, transactions costs, bounded rationality and opportunity behaviour (Claessens and Yurtoglu, 2013; Lefort and Urzua, 2008; Chong and Lopez-de-Silanes, 2007; La Porta et al., 1999; Fama and Jensen, 1983).

Data, variables, and methodology

Our initial sample consists of all companies listed on a series of Stock Exchanges within Latin America in 2013, which we follow through 2016. After deleting firms with missing data, the final sample includes

523 firms i.e., 2092 firm-years. All data were obtained from company annual reports gathered from several sources including company webpages, Stock exchanges' publications and individual countries commerce and industry watchdogs. Firm performance is measured by three different variables. These are return on assets (ROA; net profit divided by total assets), return on equity (ROE; net profit divided by shareholders' equity), and market-to-book ratio (market value of equity divided by book value of equity). Controlling shareholders in emerging markets often control not a single corporation, but rather an entire group of formally independent firms. Business groups play such a pivotal role in different emerging market economies that commentators have questioned the use of the term corporate governance, suggesting that, in such an environment, the group, not the individual firm, is the proper unit of analysis. Ownership concentration is measured as the fraction of total company shares outstanding held by the controlling group/family. To the extent that there are group members or friends who hold shares that we are unable to trace, our variables may underestimate controlling shareholdings. Motivated by Morck et al. (1988), to allow for non-linearity in the overall relationship between firm performance and ownership concentration (percentage of share ownership), we define the following three variables:

Group Ownership 0 - 0.10

Group Ownership 0.10 - 0.35

Group Ownership 0.35 - 1.00

We have replicated all regressions by using cut-offs at 10, 35, and 50%; and the 5 and 25% cut-off points employed by Morck et al. (1988). Our results are unchanged when we use different cut-offs.

In our empirical analysis, we report results for three different types of regressions: using all firm-year observations pooled, estimating industry fixed effects, and estimating firm fixed effects. All regressions incorporate year control variables. Reported p-values in the tables are based on White (1980) heteroskedasticity consistent standard errors.

Ownership concentration and firm performance in Latin America: Descriptive analysis

Descriptive statistics are reported in Table 1. We observe that most Latin American firms are closely held: 75.6% of the firms have a group controlling at least 10% of voting rights, and 61.1% have a group controlling at least 30% of voting rights. On average, there are only 2.8 independent non-executive directors on our sample's boards, representing 30% of board membership. Even this number probably overstates the proportion of really independent directors, since the corporate sector in Latin America is small and it may be difficult to recruit true outsiders. A priori, the small number of independent directors raise doubts on whether boards are sufficiently strong and independent as to have an impact on firm performance and to perform adequate monitoring functions. Also, in 52% of all firms in our sample, there is CEO duality, i.e., the CEO is also chairman of the board of directors (in figures not shown in the table, out of all firms with CEO duality, 76.5% are firms where a group controls at least 10% of voting rights). Audit, remuneration, and nomination committees are not common in the sample.

Table 1 descriptive statistics

Descriptive statistics for sample firms

Panel (A)—Ownership concentration

Group ownership [0, 10%)

Firm-years	402
Proportion of sample	-24.40%

Group ownership [10%, 20%)

Firm-years	110
Proportion of sample	-6.7%

Group ownership [20%, 30%)

Firm-years	129
Proportion of sample	-7.8%

Firm-years	1,007
Proportion of sample	-61.1%
Group ownership (mean percentage)	35.9% of total shares outstanding
<i>Panel (B)—Board of directors</i>	
Total board size	
Mean number of directors per board	9.4 directors
Standard deviation	[3.3]
Executive directors	
Mean number of directors per board	5.6
Proportion of board size	59.6%
Standard deviation	[2.6]
Independent non-executive directors	
Mean number of directors per board	2.8
	29.8%
Proportion of board size	
Standard deviation	[1.5]
CEO duality	
Firm-years	850
Proportion of sample	52%
Audit committee	
Firm-years	51
Proportion of sample	3%
Remuneration committee	
Firm-years	11
Proportion of sample	1%

The table reports descriptive statistics for a sample of 523 Latin American firms during 2013–2016 (2092 firm-years).

Multivariate analysis

The results show a weak relationship between ownership concentration and firm performance. To make our results directly comparable with Morck et al. (1988), we have replicated the regressions reported in Table 2 after using group ownership cut-off levels at 5 and 25% to define our group ownership variables. With respect to the corporate governance variables in Table 2, there is a negative relationship between CEO duality and the market-to-book ratio, which is statistically significant in all three specifications (at the 1% level in columns (7) and (8), and at the 7% level in column (9)). It is particularly interesting that the relationship holds even after controlling for industry and firm fixed effects. There is also a negative relationship between CEO duality and the market-to-book ratio, which is statistically significant at the 5% level in the pooled and industry fixed effects regressions, when we use the alternative cut-offs for group ownership of 5 and 25% (not reported in the table). There is no consistent relationship between the proportion of independent non-executive directors on the board and firm performance, even when independent directors constitute the majority on the board. This result casts doubt on the effectiveness of independent non-executive directors as a monitoring mechanism in Latin America and may be due to the difficulty of recruiting truly independent board members in a small corporate market.

Table 2: regression of performance measures

Regressions of performance measures									
Dependent variable	Return on assets (ROA)			Return on equity (ROE)			Market-to-book ratio		
Estimated specification	ROA = f (Group ownership, CEO duality, board of directors composition, firm size, leverage, sales growth, year dummy variables)			ROE = f (Group ownership, CEO duality, board of directors composition, firm size, leverage, sales growth, year dummy variables)			Market-to-book ratio = f (Group ownership, CEO duality, board of directors composition, firm size, leverage, sales growth, year dummy variables)		
Estimation method	Pooled	Industry fixed	Firm fixed	Pooled	Industry fixed	Firm fixed	Pooled	Industry fixed	Firm fixed
	sample (1)	effects (2)	effects (3)	sample (4)	effects (5)	effects (6)	sample (7)	effects (8)	effects (9)
Group ownership [0.00, 0.10]	0.480 (0.12)	0.475 (0.13)	0.177 (0.84)	1.246 (0.74)	1.498 (0.69)	6.853 (0.47)	7.192 (0.07)*	7.699 (0.06)*	7.421 (0.55)
Group ownership (0.10, 0.35]	0.259 (0.10)*	0.264 (0.13)	0.308 (0.48)	0.998 (0.58)	1.021 (0.59)	2.092 (0.67)	1.998 (0.25)	2.271 (0.19)	0.175 (0.95)
Group ownership (0.35, 1.00)	0.070 (0.15)	0.064 (0.26)	0.046 (0.79)	0.372 (0.40)	0.530 (0.32)	3.017 (0.04)*	0.499 (0.73)	0.545 (0.72)	3.704 (0.14)
CEO duality	0.000 (0.96)	0.002 (0.87)	0.001 (0.98)	0.102 (0.30)	0.128 (0.26)	0.529 (0.18)	0.499 (0.01)* **	0.508 (0.01)* **	1.084 (0.07)*
Ln (number of directors)	0.031 (0.23)	0.027 (0.29)	0.036 (0.69)	0.547 (0.15)	0.535 (0.19)	1.555 (0.12)	0.558 (0.02)* *	0.582 (0.01)* **	1.203 (0.25)
% Independent non-executive directors	0.036 (0.61)	0.035 (0.62)	0.015 (0.92)	0.965 (0.30)	1.084 (0.32)	2.458 (0.20)	0.148 (0.82)	0.046 (0.95)	3.820 (0.04)* *
Outsider-dominated board	0.011 (0.70)	0.001 (0.96)	0.015 (0.73)	0.080 (0.56)	0.156 (0.26)	0.060 (0.87)	0.092 (0.77)	0.074 (0.83)	0.591 (0.32)
Audit committee	0.024 (0.12)	0.023 (0.14)	0.063 (0.01)* **	0.076 (0.48)	0.142 (0.29)	0.131 (0.60)	0.121 (0.66)	0.120 (0.62)	0.080 (0.73)
Ln (total assets)	0.032 (0.00)* **	0.038 (0.00)* **	0.186 (0.00)* **	0.008 (0.88)	0.050 (0.31)	0.579 (0.14)	0.184 (0.05)* *	0.203 (0.07)*	1.190 (0.05)* *
Debt-to-assets ratio	0.185 (0.00)* **	0.248 (0.00)* **	0.143 (0.28)	0.685 (0.04)* *	0.742 (0.05)* *	1.710 (0.18)	0.131 (0.83)	0.176 (0.80)	1.646 (0.43)
Sales growth	0.004 (0.11)	0.006 (0.07)*	0.001 (0.81)	0.009 (0.41)	0.018 (0.23)	0.001 (0.98)	0.004 (0.90)	0.012 (0.75)	0.040 (0.24)

No observations (firm-years)	2092.00	2092.00	2092.00	2092.00	2092.00	2092.00	2092.00	2092.00	2092.00
Adjusted R2	0.08	0.09	0.17	0.00	0.01	0.05	0.01	0.01	0.36

Overall, the evidence reported in the current section shows that (i) there is no statistically significant positive relationship between group ownership concentration and firm operating performance or market-to-book at any level of ownership, (ii) there is evidence of poor alignment between managerial incentives and shareholder interests at low levels of group ownership, and evidence of managerial entrenchment at higher levels of group ownership, (iii) there is further evidence of managerial entrenchment in companies with dual CEOs, (iv) the presence of an audit committee is positively related to firm operating performance but the relationship may be the result of self-selection bias, and (v) there is no significant relationship between the presence of independent non-executive directors and operating performance or firm value. Overall, therefore, corporate governance mechanisms appear weak in Latin American companies.

Conclusions

This article contributes to the literature on the relationship between ownership concentration and firm performance or value in emerging markets (e.g., Demsetz and Lehn, 1985; Morck et al., 1988; and to a growing body of literature on international corporate governance (e.g. Young et al., 2008; Claessens et al. 2011). We analyse a sample of 523 publicly listed Latin American firms during 2013–2016 and try to answer three questions. First, and most importantly, does concentrated group ownership in emerging markets affect firm operating performance and value? Our empirical analysis results for Latin America are in line with both Demsetz and Lehn (1985) and Himmelberg et al. (1999), who show that concentrated ownership is not associated with better operating performance or higher firm valuation. In fact, the only statistically significant relationship is negative, suggesting the presence of agency costs at low and moderate levels of group ownership. In addition, we also find a negative relationship between CEO duality and performance (where CEO duality is much more likely in group-controlled firms), which is evidence consistent with managerial entrenchment in companies that combine the positions of CEO and chairman of the board. Second, does concentrated group ownership affect dividend policy? We find little relationship between group ownership and dividend policy. Our findings have relevance for other emerging markets, which are characterized by even lower standards of corporate governance and investor protection compared to Latin America.

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Behavioral factors in supply chain management

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Abstract:

This paper investigates behavioral factors and its effects in supply chain management. As a special case of functional direction of supply chain management the newsvendor model was considered. The effectiveness of decisions were measured as a difference between profit obtained according to manager's decision and maximum profit, calculated according to optimal policy.

Personal factors were considered and divided to the following groups: professional, psychological, cognitive, physiological. Statistical relevance between certain behavioral factors and effectiveness of decision making was confirmed.

Keywords: *Logistics, supply chain management, behavioral operations management*

1. Introduction

Behavioral operations research and behavioral operational management have established themselves as mature research areas in the field of operations and supply chain management. Since almost all operational contexts contain people (for example, managers, employees and customers) who are prone to making mistakes in making decisions, their mistakes can negatively affect the productivity and effectiveness of operational processes. Behavioral operations can offer such models and structures in the management of operations, which will help to take into account such shortcomings.

The goal of the research is to develop its own classification of behavioral factors and assess the degree of their relationship with the rationality of making managerial decisions. This goal of empirical research is achieved through the following tasks:

1. Classify, rank and assess the degree of relationship of behavioral factors with decision-making in supply chain management.
2. Carry out research on the example of companies to identify behavioral factors in their decision-making in supply chain management.
3. Propose methods for eliminating behavioral factors for making rational decisions.

The object of research are companies with procurement and logistics departments. The subject of the study are the factors that influence the rational decision-making by a specialist in the field of logistics and supply chains.

2. Methodology

We measure the effectiveness of managers' decisions as follows: in questionnaire we ask respondents to participate in the online newsvendor model simulation and we measure the difference between profit obtained according to respondent's decision and maximum profit, calculated according to optimal policy. This gap is an estimation of managers' decisions effectiveness.

Newsvendor model is one of the basic models in supply chain management [3, 14]. This model corresponds to inventory management under uncertainty in demand. A newsvendor buys y units of a single product at the beginning of a single selling season. Each unit is purchased for c and sold on the market for $r > c$. Demand during the season is a random variable D with distribution function F_D and density function f_D . Newsvendor can make an order only once before selling season and product loses value by the end of the period.

In questionnaire we also estimate personal factors, such as [1-2, 4-13, 14-16]:

1. Professional factors:
 - a. Standing
 - b. Education

2. Psychological factors:
 - a. Attitudes toward risk
 - b. Emotional stability
 - c. Overconfidence
3. Cognitive factors
 - a. Cognitive abilities
 - b. Procedural rationality
4. Physiological factors
 - a. Sex
 - b. Age

Result were processed by ANOVA models and procedures in STATA and SPSS.

3. Data and sample

Current research incorporates the use of both primary and secondary data. Primary data is represented by collected scores of more than 100 managers from logistics and transportation departments from several regions of Russian Federation. Secondary data is derived from academic literature analysis with the purpose of most appropriate quality evaluation model and attributes identification. Periodic scientific and practical publications, cited in this paper, are accessible in EBSCO, Emerald, Elsevier, ScienceDirect, JSTOR databases.

4. Empirical results and conclusions

There were formulated the following hypnotizes:

- H1. There is a direct relationship between cognitive abilities and effectiveness of decision in inventory management decisions.
- H2. There is an inverse relationship between overconfidence and effectiveness of decision in inventory management decisions.
- H3. There is a direct relationship between attitudes toward risk and effectiveness of decision in inventory management decisions.
- H4. There is an inverse relationship between standing and effectiveness of decision in inventory management decisions.
- H5. There is an inverse relationship between age and effectiveness of decision in inventory management decisions.
- H6. There is a direct relationship between procedural rationality and effectiveness of decision in inventory management decisions.
- H7. There is an inverse relationship between shortage of time and effectiveness of decision in inventory management decisions.
- H8. There is an inverse relationship between shortage of time and effectiveness of decision in inventory management decisions.
- H9. There are differences amongst people with different kind of education in effectiveness of decision in inventory management decisions
- H10. There are differences between men and women in effectiveness of decision in inventory management decisions.

Hypnotizes H1-H3, H6, H9 were confirmed.

The proposed result has a potential for application in real-life business cases. For instance it could be taken in to account in hiring procedures in logistics companies.

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Studying the impact of the number of brand allies on consumer perception

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Abstract:

The present study analyzes the previously undetermined impact of brand alliance formation with multiple partners by applying persuasion knowledge theory and isolating the effect of product-category fit and congruence of brand associations combination in two brand alliance settings. Based on an experiment (n=300), we investigate how introducing one brand ally is different from introducing two allies, and how this reflects on the focal brand equity. Preliminary results show that the formation of a brand alliance sends a signal to the consumers which makes them interpret the company's actions as manipulative and suspicious and eventually leading to a drop in post-alliance brand attitudes. Although the introduction of a second ally mitigates this negative effect, it also reduces the positive outcomes of brand alliance formation by weakening the spillover of brand associations. By explicating that the introduction of each new ally may constraint the possibilities of deriving positive outcomes from brand alliance formation, this study argues for the transition to a more conscious approach to brand alliance portfolio management.

Keywords: *brand alliances, co-branding, persuasion knowledge*

1 Introduction

Showcasing the changes to brand equity resulting from adding a new brand ally has been attempted by numerous authors, but in most of these works brand alliances are studied in a static context (Venkatesh, Mahajan & Muller, 2000), i.e. aspects related to how the portfolio of brand alliances should be managed over time are not considered by researchers. In the dynamic perspective, companies that entered earlier into brand alliances often tend to form new alliances with other partners, and hence instead of just contemplating on the idea of engaging in a brand alliance as such, their concerns may focus on whether the already existing and future portfolio of brand allies impacts the brand. Nevertheless, most of brand alliance research is focused on the study of alliances between two brands, which is a significant limitation (Voss & Gammoh, 2004). This is most clearly manifested in the studies of sponsorships practices, as events tend to have multiple sponsoring brands which are presented to the consumer simultaneously. J. A. Ruth and B. L. Simonin (2003) mention that this fact is a surprising feature of the area of brand alliance research.

In this study, we aim to fill in this gap in the literature by conducting an experimental analysis to highlight the effect that the number of brand allies has on consumer perception. Proving that this effect exists brings evidence for that earlier made managerial decisions on brand alliance formation directly influence the effectiveness of implementing similar tactics in the future. To that purpose we conduct an experiment, which enables to isolate the impact of the number of brand allies from that of product-category fit and congruency of brand associations for two distinct brand alliance settings. We show that it has a negative effect on both brand attitude transfer and spillover of brand associations if accompanied by a set of specific conditions.

2 Literature review and hypotheses

Based on the many confirmations of the impact of brand alliance formation on the transfer of associations and attitudes between brands involved in the alliance (see e.g.: (Park, Jun & Shocker, 1996; Simonin & Ruth, 1998; Rao, & Ruekert, 1994; Washburn, Till & Priluck, 2000)) it is possible to assume that increasing the number of brand allies should also increase the overall brand equity by adding new brand

associations and transferring the positive brand attitude from allies with strong equity. Considering these, we hypothesize that:

- H1 Brand alliance formation with two partners leads to a more considerable increase in the number of brand associations than with one partner.
- H2 Brand alliance formation with two partners leads to a more considerable increase in brand attitude than with one partner.

The formation of brand alliances may be considered as a use of a persuasion tactic by the brand partners to convince the consumer that combining brands increases the value of the promoted goods. Studies have shown that awareness of persuasion tactics leads to a reassessment of the company's attempts to influence consumers in their decision to purchase the product (Main, Dahl & Darke, 2007). This, in turn, can induce a protective consumer response expressed in disbelief and suspicion regarding the goods manufacturer (Boush, Friestad & Rose, 1994).

- H3. Brand alliance formation with two partners leads to a more considerable increase in consumer persuasion knowledge than with one partner.
- H4 Brand alliance formation with two partners leads to a more considerable decrease in congruence of brand associations than with one partner.

3 Method

In order to detect the changes in consumer perception, which are caused by the formation of a brand alliance with multiple partners, a controlled experiment on 300 consumers is conducted as a result of random sampling. Five groups of participants were exposed to the experimenter's influence: they were shown the stimulus – the layout of two advertisements of a brand (fictional brand), and then asked to fill out a questionnaire. Different stimuli were used for each of the groups to assess and isolate the factors which determine consumer perception of brand alliances. The controlled differences between them were the following: number of allies (one, two or none – for the control group) and product-category fit (high-fit or low-fit).

Results

As a result of the performed empirical analysis, the suggested hypotheses in general, have been confirmed. Out of the 4 suggested hypotheses, 2 have been disproved, including the hypothesis about the positive relationship between the number of partners and spillover of brand associations (H1), and between the number of partners and the congruence of brand associations combination (H4). On the basis of the empirical verification it is possible to establish linkages between the main indicators of the impact of brand alliance formation on brand equity and specify the proposed conceptual model of consumer perception of brand alliances (Figure 1).

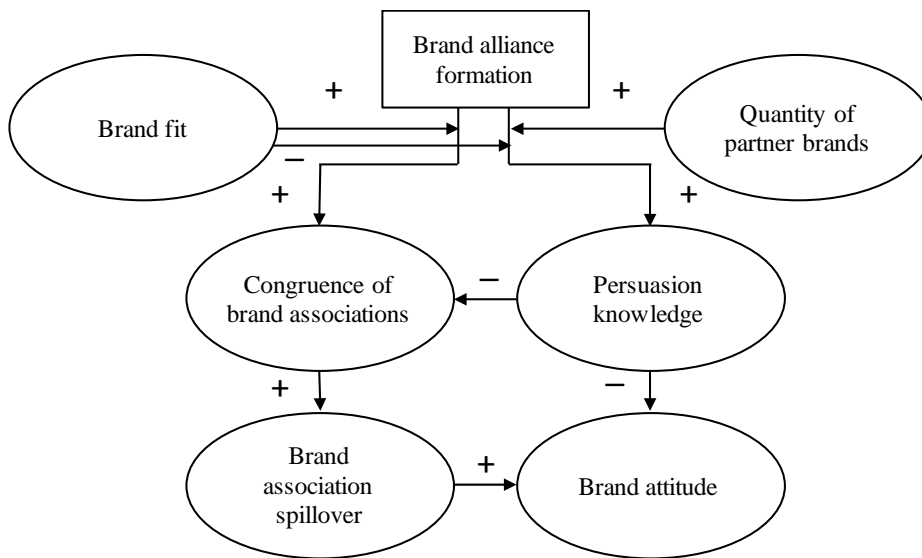


Figure 1 – A refined model of perception of consumer brand alliances

At the current stage of the paper preparation, the data analysis is continued further. The regression and dispersion analysis revealed the potentials of multiple moderator and mediator effects, which was decided to test via structural equations modeling.

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The influence of consumer ethical behavior and moral identity on the attitude towards the brands

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Abstract:

This study is grounded on the up-to-date research area on the importance of ethical behavior and ethics enacted by firms in the context of customer-brand relationship marketing. The purpose of this paper is to develop a methodical approach to measuring the impact of ethical behavior of Russian and Chinese consumers on the perception of brands. It is important understand the antecedents of customer ethics across cultures and how do these influence key customer-brand relationship constructs, e.g., trust, commitment, identification, brand attachment, and customer engagement. The paper investigates that customer experience relates to specific ethical aspects of the firm. Study results show that companies' ethical behavior influences on consumer attitudes towards the brands and consumer moral identity predict the perception of the companies' ethical behavior.

Keywords: *ethics, consumer ethical behavior, moral identity, consumer ethics, companies' ethical behavior, customer-brand relationship marketing*

1. Introduction. Under the conditions of globalization of markets, there is a need to study the impact of intercultural consumer ethics on the perception of brands. Ethical consumer behavior is determined by their moral identity and can help facilitate customer-brand relationships. Such authors as Reed & Aquino, 2003 are engaged in questions of moral identity. They proposed constructs of the moral identity of the consumer, which include both positive and negative characteristics of the person. Much research is being carried out by Vitell and Muncy (2003) and devoted to the ethical behavior of consumers. These scientists proposed to measure consumer behavior based on an assessment of their ethical beliefs. Ethical behavior of companies affects the relationship of consumers to the brands. These issues are discussed by Hofstede (1994). However, the vast majority of studies are devoted to the ethical behavior of companies, the issues of the ethical consumer behavior in selecting goods and services remain outside the field of researchers view. One under-researched area is how ethical relationship marketing practices influence customers' moral identity. A quantitative assessment of the dependency of the influence of ethical consumer behavior on the choice of brands is an actual trend in the research field. Therefore this study discusses ethical issues both of consumers and companies within frameworks of customer-brand relationship marketing.

2. Consumer ethical behavior

Purpose and objectives of the study is to develop a methodical approach to measuring the impact of ethical behavior of Russian and Chinese consumers on the perception of brands. In accordance with the purpose in this research project the following tasks were set:

1. Develop a theoretical research model of the impact of consumer ethical behavior on the perception of brands. We adapted and modified the constructs from previous studies for measuring the moral identity of consumers, the ethical consumer behavior, the perception of the ethical companies' behavior by consumers, and consumer attitudes towards the brands.

2. Measure the impact:

- the moral identity of consumers on the ethical behavior;
- the ethical consumer behavior on the perception of the ethical behavior of companies;
- the perception of the companies ethical behavior on the attitudes towards the brands;
- the moral identity of consumers on the attitudes towards the brands;
- the ethical behavior of consumers on the attitudes towards the brands.

2. Author's contribution: development of a methodology for studying the ethical consumer behavior on the attitudes towards the brands.

3. Methodology. The development of the theoretical research model includes independent predictor factors, the constructs for measurement (moral identity of the consumer, ethical behavior of consumers, ethical behavior of companies) and the predictable factor (attitudes towards the brands) (Fig.1).

Based on the content analysis of scientific literature on the research problem, we proposed the following hypotheses:

H1: The more predominance of negative elements in the moral identity of the consumer the more non-ethical consumer behavior will be;

H2: The more predominance of non-ethical characteristics of consumer behavior, the more likely company's ethical behavior is not claimed by them.

H3: Positive consumer perception of the company ethical behavior has a significant positive influence on the attitudes towards the brands.

H4: The moral identity of the consumer with the prevalence of moral consumer characteristics has a significant positive influence on the attitudes towards the brands.

H5: The ethical consumer behavior affects on the attitudes towards the brands.

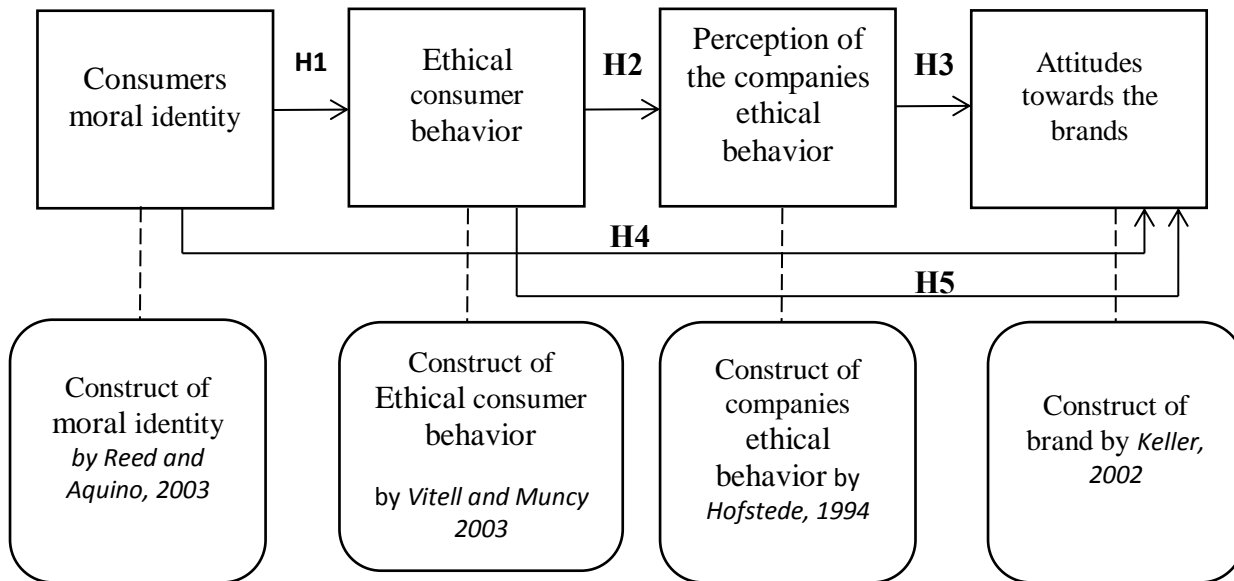


Figure 1. Research model

To test our hypotheses we developed measurement items by adopting measures, modifying them to fit our context. For the construct of “moral identity” 15 personality characteristics were derived from Reed and Aquino (2003) and adopted: caring, compassionate, fair, friendly, generous, helpful (in helping), hardworking, honest, kind, ruthless, selfish, distant, greedy, arrogant, venturesome. The construct of ethical consumer behavior was composed of four constructs (26 items) from Vitell and Muncy (2003): active unethical; passive unethical; harmless unethical behavior; benefits of deception. The construct of “ethical companies behavior” includes 7 elements: altruism, consumer protection, environmental care, job creation, cultural and educational activities, security provision, improvement of living standards. The measurement items for “attitudes towards the brands” were based on construct from Keller (2002) and includes 27 positions: presence, awareness, knowledge, relevance, advantage, trust, innovation, nostalgia, prestige, commitment, value, etc. All multiple item statements were measured by seven-point Likert type scale, where 1 represented “strongly disagree”; 7 – “strongly agree”. The results of the questionnaire were processed using the SPSS 19.0.

3. Data and sample. Data collection took place between September and December 2017. The sample size includes 384 Russian and 380 Chinese respondents.

4. Empirical results and conclusions. A Confirmatory Factor Analysis (CFA), using AMOS 19.0, was first employed to assess the properties of the constructs. Relevant loadings were significant, and construct reliability values ranged from 0.7 to 0.885. The Structural Equation Modelling was conducted for examining the model. Overall, model fit indices are satisfactory: RMSEA is = 0.06 (according to Hu & Bentler (1999)), $\chi^2/df = 3,3$ (Chi-Square=6247, df=1882), CFI =0.87, IFI = 0.819, P-value<0.001.

According to the results of the research, not all hypotheses have been confirmed. We found that ethical consumer behavior consumers ($\beta=0.193$, $t=3.485$, $p<0.001$) and moral identity ($\beta=0.466$, $t=7.203$, $p<0.001$) significantly predict perception of the companies ethical behavior. Perception of the companies ethical behavior positively influences on attitudes towards the brands (H3, $\beta=0.182$, $t=3.455$, $p<0.001$). Our further research should include research on the influence of ethical issues posed throughout customer journey as a result of emerging technology.

Table 1 - Structural Equation Modeling Results for Hypotheses

Parameter estimates structural path (Hypothesized effect)	Standardized Coefficient	t-value	P	Conclusion
H1: Consumers moral identity → Ethical consumer behavior	-0.402	-6.980	<0.001	Not supported
H2: Ethical consumer behavior → Perception of the companies ethical behavior	0.193	3.485	<0.001	Supported
H3: Perception of the companies ethical behavior → Attitudes towards the brands	0.182	3.455	<0.001	Supported
H4: Consumers moral identity → Perception of the companies ethical behavior	0.466	7.203	<0.001	Supported
H5: Ethical consumer behavior → Attitudes towards the brands	-0.67	-1.297	<0.195	Not supported

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Impact of Bank Competition on Bank Liquidity Creation: Empirical Evidence from GCC and ASEAN Region

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Abstract:

Purpose: This study evaluates the effect of bank competition on liquidity creation by banks. The aim of this study is to examine, what are the major determinants of bank liquidity creation and how bank competition impacts bank's liquidity creation. The contextual setting of the study is provided by GCC AND ASEAN countries.

Design/methodology/approach: This study uses GMM estimation on international banking data across 16 countries from GCC and ASEAN region. The panel data of 733 banks was accessed through Orbis bank database for the year 2011-2016.

Findings: Findings suggest that enhanced competition reduces liquidity creation, a finding observed under different specifications, including alternative measures of liquidity creation. We explain this finding in terms of the impact of increased bank competition on the financial fragility of banks, which leads banks to reduce their lending and deposit activities. The evidence suggests that pro-competitive policies in the banking industry can reduce liquidity provision by banks.

Originality/Value: This study evaluates the effect of bank competition on liquidity creation by banks. Thus, it contributes to the literature on both bank competition and the determinants of liquidity creation by banks. The findings of the study validate the prophecy of competition fragility theory in the context of GCC and ASEAN region.

Keywords: *Bank Competition, Liquidity Creation, GCC & ASEAN*

1: Introduction

1.1: Problem Statement:

The main concern of the study is to determine the impact of bank competition on bank liquidity creation in the context of GCC and ASEAN countries.

1.2: Research Questions:

1. What are the major determinants of bank liquidity creation?
2. To what extent the bank competition impact bank liquidity creation?

On the basis of substantive literature review, research questions, and problem statement, the study aim to achieve the following objectives:

1.3: Objective of the Study

The aim of this study is to examine, what are the major determinants of bank liquidity creation and how bank competition impacts bank's liquidity creation. The contextual setting of the study is provided by GCC AND ASEAN countries.

2. Methodology

2.1. Data

The study use annual data, from the GCC and ASEAN region for all banks (733) operating during the period 2011-2016. The data has been collected from Orbis bank database. The study does not incorporate foreign banks branches, only national banks of respective region countries have been included. Branches of foreign banks represent only about 10% of total assets of the GCC and ASEAN industry. The study contains a total observation of 4398. In line with previous studies (Bernini & Montagnoli, 2017; Fu et al., 2014), the study adopt cluster random sampling technique to collect the data.

2.2: Lerner Indices

$$TC = \hat{\partial}_0 + \hat{\partial}_1 \ln x + \frac{1}{2} \hat{\partial}_2 (\ln x)^2 + \sum_{j=1}^3 \beta_{jk} \ln q_j + \sum_{j=1}^3 \sum_{k=1}^3 \beta_{jk} \ln q_j \ln q_k + \sum_{j=1}^3 \gamma_j \ln x \ln q + \varepsilon$$

Where the TC represents total cost, t is total assets, w is the price of labor (the ratio of staff expenses to the number of employees), q is the price of physical capital (the ratio of general and administrative expenses, other operating expenses, and depreciation divided by fixed assets), and q is the price of borrowed funds (the ratio of the cost of borrowed funds to borrowed funds). X represents the total asset of respective banks. Therefore, the total cost is summation of general and administrative expenses, staff expenses, depreciation, operating expenses, and costs of borrowed funds. The estimated coefficients of the cost function are used to calculate the marginal cost:

$$MC = \frac{TC}{x} (\hat{\partial}_1 + \hat{\partial}_2 \ln x + \sum_{j=1}^3 \gamma_j \ln q_j)$$

Once the above equation is estimated, Lerner index for each bank and each time period is calculated, thus obtaining the direct measure of bank competition used in the estimation.

2.3. Liquidity Creation Measures

The study follow Berger et al. (2009) method in categorizing balance sheet items as liquid, semi-liquid, or illiquid. After classifying balance sheet items, weights are assigned to each category according to Berger et al. (2009) four measures of liquidity creation and calculate the measures by summing all weighed items. Their specifications classify all items, except loans, by combing information on both product maturity and category, while loans are classified based purely on category or maturity (“cat” or “mat”). Moreover off-balance sheet items are either included or excluded (fat or nonfat measures). For our purpose of analysis we label liquidity creation measure into broad and narrow measure respectively. The broad measure of liquidity creation is most preferred measure because it contains off-balance sheet items that are also a major source of liquidity.

3. Results & Discussion

To examine the statistical relationship between competition and bank liquidity creation, study estimates the following econometric equation:

$$LC = f(Lerner_i, Liquiditycreation_i, Z_{i,t}) + \varepsilon_{i,t}$$

Where Z represents control variable, the subscript “i” represent bank I , t denotes the time dimension and € represent error term. Liquidity creation is the ratio of liquidity creation to assets. The study employ GMM estimators, so that the potential issue of endogeneity following (Arellano & Bover, 1995).

This result accords with the hypothesis that competition undermines liquidity creation by increasing the fragility of banks. In particular, increased competition diminishes profits and thus weakens banks' protections against negative shocks. Given reduced profitability, banks have lower incentives to create liquidity, as a higher volume of loans increases potential loan losses and a higher volume of deposits

increases sensitivity to bank runs. Thus, we provide evidence that increased bank competition can have detrimental economic effects by reducing liquidity creation of banks. This broadly corresponds to the findings by Berger et al. (2009) and (Horvath et al., 2016). Their results indicate that greater bank competition is detrimental for financial stability. However, the study of Horvath et al. (2016), used the contextual setting of Czech countries. The underlying study provide evidence about cross region i.e. GCC and Asean countries.

Conclusion

This study examines the relationship between bank competition and liquidity creation by banks. Findings of the study suggest that increased bank competition reduces liquidity creation. The result can be interpreted in terms of the effect of competition in increasing bank fragility, which reduces banks' incentives to create liquidity. The paper results, which shed light on the debate over the economic effects of bank competition, send an important message to policymakers: bank competition can have detrimental economic effects through its impact on liquidity creation. In other words, there is a trade-off between the positive effects of competition on consumer welfare, stemming from lower margins, and the negative effects of competition on liquidity creation. Furthermore, the study confirms the traditional view or competition fragility theory that increased competition leads to negative deviation of bank performance.

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Supply Chain Coordination with Sales Rebate Contracts

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Abstract:

This paper discusses a supply chain contract design problem, in which a distributor purchases products from a supplier and then sells it to retailers. The study aims to consider different ways of supply chain coordination with sales rebate contracts and to find optimal parameters of the contract in terms of coordination. To achieve the objectives of the study the cooperative multi-players game involving single

manufacturer, single distributor and multi retailers is explored. The model based on three-echelon supply chain including single manufacturer, single distributor and multiple retailers is proposed. The case of simple two-echelon supply chain including manufacturer and distributor related to the pharmaceutical industry is considered.

Keywords: *supply chain management, coordinating contracts, sales rebate contract, channel coordination, game theory*

Channel coordination is an effective way to improve supply chain performance. In the literature, contracts such as returns policy, revenue sharing policy, quantity flexibility policy and sales rebate policy have been shown to be successful in coordinating a supply chain (see Cachon, 2003 and Tsay, Nahmias, & Agrawal, 1999). Supply chain coordination with contracts is generally used for removing inefficiency along the supply chain (SC), aligning supply chain members' objectives (Cachon, 2001; Chen, 2011) and maximizing the expected profit or minimizing the expected cost.

The sales rebate contract (SRC) is one of the contracts that coordinate the supply chain with one compliance regime, and channel rebates are widely adopted in the hardware, software and auto industries (Taylor, 2002). The SRC provides a direct incentive for retailers to increase sales because the rebate only applies to items that are sold to end-users. Thus, the SRC motivates retailers to sell goods at a lower price to increase sales (Wong et al., 2009). The target rebate offers an advantage to the manufacturer. By setting the target properly, the manufacturer can induce the distributor to behave in a way that reflects the marginal revenue of the rebate while shielding the manufacturer from the full cost of doing so. A sales rebate contract is difficult to implement in a traditional supply chain, mainly because a traditional supply chain does not have a mechanism to facilitate continuous information exchange between chain members. The supplier needs to know the exact quantity sold by the retailer in order to pay the rebate, but difficulties arise when the supplier cannot acquire the retailer's sales data directly. On the other hand, the data obtained from the retailer may not be authentic as the retailer may claim more rebates than what the actual sales allow. (Taylor, 2002).

The research is based on the existing literature in supply chain coordination contracts. The aim of the research is to consider different ways of supply chain coordination with sales rebate contracts and to find optimal parameters of the contract in terms of coordination. To achieve the objectives of the study the cooperative multi-players game involving single manufacturer, single distributor and multi retailers is explored. This study examines a three-echelon supply chain with a single manufacturer, single distributor and multiple retailers based on the newsvendor model, in which the retailers face stochastic demand sensitive to the retail price. The results demonstrate that when the sales rebate contract combines with other coordination mechanism, the supply chain achieves better coordination, which means that retailers acting strategically in their individual interests can also make decisions to maximize the aggregate chain profit.

The last part of the study addresses the case of simple two-echelon supply chain including manufacturer and distributor related to the pharmaceutical industry. The relationships between partners are based on sales rebate contract. The obtained results demonstrates that proper rebate contract helps to achieve supply chain coordination. The retailers lower prices to the system-wide optimal prices to increase demand and further improve the aggregate chain profit.

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Companies' earnings management around initial public offerings: a case of Russia

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Theoretical underpinnings of the research

Earnings management is one of the most widely investigated topics in accounting studies. The possibility to manage accounting information is inherent in accounting standards and may be used by managers in the process of preparation of financial reports. Earnings management may be defined as a purposeful intervention in the external financing reporting process, with the intent of getting some private gain (Schipper, 1989).

Earnings management may be conducted via manipulations in either real activities or accruals. Accrual-based earnings management has received considerable attention in literature. The specific accruals that are subject to the manipulation may include accounts receivable, R&D costs, etc. (e.g. McNichols, Wilson, 1988).

An underlying motivation of the firms engaged in the earnings management activities may be different. IPO represents one of the crucial settings for the manipulation. The overall information asymmetry around the IPO might incline managers to inflate earnings in order to raise more capital. The existence of the earnings management in the IPO year is found in the prior research (Teoh, Welch, Wong, 1998).

Extant studies also considered a phenomenon of the long-run stock underperformance for IPO firms. It has been well documented that the IPO firms' shareholders obtain, on average, significantly lower returns than the market participants that invest elsewhere (Ritter, 1991). Moreover, there is evidence that the earnings management in the IPO year leads to the lower long-run stock return (Teoh, Welch, Wong, 1998).

This paper focuses on the potential accrual-based earnings management of Russian firms around IPO. Our study represents itself one of the first attempts to study this phenomenon on an emerging market of Russia. The purpose of our study is to identify specific accruals that can be used by companies in the situation of IPO as well as to estimate the relationship between earnings management of Russian companies during the IPO year and the long-term stock price performance.

Research methodology

The sample used in the current study includes all the Russian IPO companies with available data for 2004-2016. Our sample consists of 66 Russian non-financial companies that went public on the Moscow Interbank Stock Exchange. The paper employs the performance-matching approach, which implies that the second sample of companies is created, which includes matches for each IPO firm. The matches' choice was primarily based on the industry and company's size.

The research was conducted in several stages. First, we assessed the level of earnings management for the companies in both samples. For this, the Jones model was used (Jones, 1991). The discretionary part of total accruals of the firm is a proxy for earnings management.

$$\frac{\text{Total Accruals}_{i,t}}{\text{Assets}_{i,t-1}} = \beta_1 \frac{1}{\text{Assets}_{i,t-1}} + \beta_2 \frac{\Delta \text{Sales}_{i,t}}{\text{Assets}_{i,t-1}} + \beta_3 \frac{\text{PPE}_{i,t}}{\text{Assets}_{i,t-1}} + e_{i,t}$$

$Total\ Accruals_{i,t}$ is a difference between net earnings and operating cash flow of the firm i in the IPO year;

$\Delta Sales_{i,t}$ is a change in net sales of the firm in the IPO year;

$PPE_{i,t}$ is an amount of property, plant and equipment of the firm in the IPO year;

$Assets_{i,t-1}$ is lagged total assets of the firm.

For specific accruals, we also measured the earnings management as a discretionary component of each item, as it is stated below for the accounts receivable (Marquardt, Wiedman, 2004):

$$UAR_{i,t} = (AR_{i,t} - AR_{i,t-1} * \frac{Sales_{i,t}}{Sales_{i,t-1}}) / Assets_{i,t-1}$$

$UAR_{i,t}$ is an unexpected portion of accounts receivable for the firm i in the IPO year;

$AR_{i,t}$ is an amount of accounts receivable in the IPO year; $AR_{i,t-1}$ is a lagged accounts receivable;

$Sales_{i,t}$ is the amount of net sales of the firm in the IPO year; $Sales_{i,t-1}$ is a lagged net sales;

$Assets_{i,t-1}$ is lagged total assets of the firm.

Then, the comparison of values of both total and specific accruals indicators between IPO and matching samples was conducted via difference of means t-test.

The long-run performance of IPO firms was measured with the three- and five-year BHAR (buy-and-hold-abnormal-return) method. Finally, the relationship between earnings management in the IPO year and the stock return (BHAR) was analyzed with the regression analysis.

Main research results

This paper provides evidence for the existence of earnings management among Russian IPO firms. Compared with their matches, the IPO firms manage earnings upward in the IPO year. As for specific accruals, the difference in indicators between the IPO firms and their matches is significant for both accounts receivable and inventories. In both cases, IPO firms inflate the items, perhaps striving for higher earnings. The results are generally in line with the prior studies that also prove the existence of earnings management in the IPO context (Marquardt, Wiedman, 2004). The paper also adds to the evidence of manipulations in inventories and accounts receivable during the IPO year.

We also report the negative relation between the discretionary accruals level and the long-run stock return. This may imply that the earnings management during IPO year results in the loss of the part of the shareholders' wealth in the long run. This result is also consistent with (Teoh, Welch, Wong, 1998).

Our paper has some practical implications. Firstly, the investors should conduct thorough analysis of the companies that go public. Secondly, the paper highlights the importance of elaborating means of alignment of shareholders' and managers' incentives. The managers whose main purpose is the increase of shareholders' wealth have less motives to engage in earnings management.

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The impact of the psychic distance distortion on the SME's decision to internationalize: Evidence from the Pacific Russia

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Abstract:

'Psychic distance' (PD) is one of the fundamental constructs in international business, and its evolution resulted in emphasizing managerial perception of the distance between markets. Researchers revealed a number of paradoxical inconsistencies while exploring the PD phenomenon. We believe that one type of the PD distortion occurs in the context of the bordering regions of Pacific Russia. The geographical proximity to densely populated East-Asian countries and enormous distance to main national markets makes it lucrative for SMEs to enter foreign markets. However, overconfidence may result in tremendous failures. This collusion of utmost motivation and contradictory distance perception is a perfect background to explore and understand deeper the phenomenon of PD. We conduct semi-structured in-depth interviews with decision-makers of SMEs which both successfully internationalized and only plan to enter a foreign market. The aim is to reveal the decision-makers' background, the determinants of their perception of psychic distance, their triggers to internationalize.

Keywords: *SME internationalization, international entrepreneurship, psychic distance*

1. Introduction

'Psychic distance' (PD) is one of the fundamental constructs in international business (IB), which has attracted ever-growing interest (Ciszewska-Mlinaric & Trapczyński, 2016).

There is a close relationship between the subjective PD and the objective physical distance between markets, but exceptions are quite common. Australia and the U.K. are close psychologically, but, on the other hand, Russia and China are geographically close, but psychologically distant.

In this regard, Pacific Russia is an interesting region to look into. First, it clearly illustrates the illusion of spatial homogeneity pinpointed by Shenkar (2001): populated markets of China, Japan and S. Korea are much closer than the European part of Russia, and this proximity alters the attitude sets of managers. Next, physical proximity to culturally distant nations may create distortions, which, coupled by attractiveness of the foreign markets, may result in managerial failures due to overconfidence.

Our research question is how small exporters from the Pacific Russia bordering regions resolve the contradiction between small physical distance and large psychic distance.

2. Literature Review

The term of PD gained wide popularity in the field of IB thanks to the Uppsala School (Johanson & Wiedersheim-Paul, 1975), which first emphasized the objective differences between nations, such as language, education, or business practices. Later, perception becomes the focus of many studies, transiting the PD construct from the national to the firm level (Stöttinger & Schlegelmilch, 1998).

Holz Müller and Kasper (1990) on a survey of Austrian managers reveal an unexpectedly high PD to Italy. O'Grady and Lane (1996), on the example of the entry of Canadian firms to the U.S., describe the phenomenon of the 'PD paradox'. A drop in strategic effectiveness as a result of the paradox is confirmed by Evans and Mavondo (2002).

As empirical findings show, physical distance is the strongest predictor of PD (Håkanson & Ambos, 2010), which in turn may lead to overconfidence. However, as Dow (2014) stresses, at both the empirical and theoretical level, this topic of 'biases in perception' is generally unexplored in the IB literature.

3. Methodology

While the first measurements of PD were made on the basis of differences in statistical indicators at the national level (Luostarinen, 1980; Vahlne & Wiedersheim-Paul, 1973), later on, the attention shifted to the level of individuals. Dichtl et al. (1984) applied the cognitive mapping approach when measuring the PD. Klein and Roth (1990) used the Likert scale to measure PD in 5 aspects: language; accepted business practices; economic environment; legal system; and communications infrastructure. In our study, we replicate Håkanson & Ambos' (2010) using a simple 100-point scale to determine the perception of the respondent to the PD.

We conduct a series of semi-structured interviews with the decision-makers of SMEs based in the Pacific Russia, close to national border.

4. Results

The paper contributes to the largely unexplored issue of biases in perception when making a decision to internationalize. We expect to deepen the concept of PD distortion caused by geographical proximity. We compare the PD perception and its impact on the performance of SMEs which take active steps to enter foreign markets with those which did not initiate the process of internationalization yet, to gain understanding of the a priori PD perceptions.

Rich data helps to formulate propositions for further quantitative research in this field.

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Increase or Redistribution: Taxes in Russian Regional Budgets

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Abstract:

This paper investigates the various scenarios for the distribution of taxes between the levels of the budget system, the return of some of the tax revenues to the regions. The crisis events in the world and Russian economy significantly influenced the reform tasks of the government, which shifted the priorities towards centralization in the political, administrative and economic spheres, and increasing the adaptability of the budget system to fluctuations in economic growth. However, excessive reliance on transfers does not allow regions to pursue an independent economic policy, and the responsibilities of municipalities are minimized.

Keywords: *Fiscal federalism, interbudgetary relations, taxes redistribution scenarios*

1. Introduction

During the last decade, there have been significant changes in the economic development of the Russian regions. Tax policy shifts (e.g., centralization of mineral extraction taxes and several excises) that have reduced regional fiscal autonomy and increased the dependence of regions on federal transfers constitute a significant part of these changes. The key moment is also the fact that the proper execution of expenditure obligations is in question. The downside of it is reduction of the incentives for increasing the tax potential and the revenue base of regional budgets. Meanwhile, the major goal stated in the government programs in the field of public finance of mid-2000s was to create incentives for increasing regional and local budget revenues. Moreover if in the early 2000's there was an opportunity to move along the path of moderate political centralization with substantial real economic independence of regions and municipalities, achieving a stable equilibrium in the economic relations of the federal center and subnational entities, then this chance was later missed. However, several crises and shocks in the Russian and world economy shifted the priorities of the federal center towards centralization in both the political and economic spheres. At the same time, the creation of a sustainable system of the interbudgetary relations remains an urgent task, as evidenced by numerous proposals for changing taxes and / or redistributing them

The purpose of this paper is to study the possibilities of developing fiscal federalism in Russia by redistributing taxes between the levels of the budget system or increasing the tax rates.

2. Development of the interbudgetary relations in Russia

Initially, since the adoption of the Budget Code, the ratio of tax revenues of the regional budgets and the federal budget was established, amounting to at least 50% of the amount of revenues of the consolidated budget of the Russian Federation. However, this norm was later abolished, and the ratio reached 30/70 in favor of the federal budget.

The reduction in tax revenues of regional budgets resulted from a number of decisions to transfer to the federal level the most collected, but "unevenly distributed" sources of regional budget revenues (such as VAT, payments for subsoil use, excise taxes on tobacco products), abolishment of direct revenues to local

budgets income tax; reduction of the number of regional and local taxes, etc. Thus, in 2003, the regional share of the mineral extraction tax (gas) was reduced from 20% to 0%, in 2003-2004, the regional share of mineral extraction tax (oil) fell from 20% to 14%, then to 5%, and in 2009 to 0%.

In 2005, the rate of deductions to municipalities for income tax dropped sharply (from 8% to 0%), as well as the share for the municipal budgets of corporate property tax income (from 50% to 0%). Thus, there is a trend in the development of fiscal federalism to centralize revenue sources in the federal budget, conditioned by political and economic circumstances.

Because of this policy, the tax income was redistributed in favor of the federal center, while the number of expenditure responsibility among the subjects of the Russian Federation increased twofold between 2003 and 2016. However, the opposite side of centralization and reduction of the autonomy of regional budgets is the strengthening of regional dependence on federal transfers, increasing the risks in the performance of expenditure obligations and the decline in the quality of public services in education, health care.

In 2016-2017, Russian officials and experts proposed possible changes of the tax system. These changes include the introduction of a sales tax, an increase of the personal income tax rate (up to 15%) and individual property tax base. Experts also considered several complex tax maneuvers – a reduction of contributions to social funds to 22% and a simultaneous increase of the VAT rate to 22%; the abolition of export duties on oil and oil products and a simultaneous increase of mineral extraction tax rates; the return to the previous tax assignment among different levels of the budget system. Ultimately, in 2018, the Russian government declared its intention to increase the VAT rate to 20%, without any redistribution to subnational budgets. This measure mitigates to a certain extent the risks of the sharp decline of federal budget revenues, but does not allow regions to implement independent economic and fiscal policies. Besides increasing the tax burden on producers and consumers of goods and services of the national economy, the task of allocating powers, revenue sources, distributing transfers, creating incentives for increasing the tax potential remains unresolved and postponed until better times. Excessive dependence on transfers does not allow regions to pursue an independent economic policy; the powers of municipalities are minimized.

The study of the functioning of federal states with heterogeneous geographical, economic, ethnic and institutional contexts shows that the granting of broad powers to sub-federal authorities is the basis for sustainable economic development of regions and municipalities.

3. Scenarios of the tax redistribution

In this paper, we consider various options for the redistribution of taxes between the levels of the budget system, in particular, the following scenarios for the return of certain tax revenues to the regional budgets:

1) Conservative: the transfer to the regional level of tax revenues from excise taxes on tobacco products (50%) and excise taxes on alcohol products with a volume fraction of alcohol exceeding 9 percent (100%);

2) Moderate: the transfer to the regional level of excise taxes in accordance with a conservative scenario, as well as 3% of the corporate income tax rate (currently, 17% of this tax rate goes to regional budgets, while 3% of the tax rate goes to the federal budget);

3) Optimal: the transfer to the regional level of excises and income tax in accordance with a moderate scenario, as well as 30% of the mineral extraction tax on oil (with the exception of the Khanty-Mansiysk Autonomous Okrug).

The consideration of these scenarios separately for donor and recipient regions makes it possible to calculate the various effects for regional budget revenues and the volume of federal transfers provided by the federal government.

Therefore, because a result of implementing a conservative scenario, regional budgets could receive an additional 318 billion rubles, a moderate scenario — 508 billion rubles, and an optimal scenario — 820 billion rubles. According to our calculations, the federal center lost only 300 billion rubles in the implementation of the optimal scenario, since it could significantly reduce the cost of providing interbudgetary transfers.

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Party autonomy in PPP dispute resolution

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Abstract

The article investigates the implementation of autonomy of will¹⁰ in the choice of ways to resolve disputes from public-private partnership. The author undertakes an analysis of the provisions on autonomy of will in domestic, foreign and international legal acts in the field of public-private partnership. The prospects of dispute resolution between the state and business structures through the use of specialized arbitration and alternative procedures are estimated.

Keywords: *public-private partnership, party autonomy, dispute resolution, arbitration, procedural forms, mediation, mini-trial, adaptation of contracts*

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Purpose of research

The hypothesis of the study is the provision that, as a kind of contractual relations, public-private partnership is based on the autonomy of the will of the parties (party autonomy), which is implemented in the material and procedural aspects. The aim of the article is to study the implementation of the autonomy of the parties in the process of choosing ways to resolve disputes from public-private partnership.

The subject of this study is a comparative analysis of the principle of autonomy of will in public-private partnership and its consolidation in national and international law.

Methodology

In carrying out the study, the author relied on General scientific methods of analysis (dialectical, deduction and induction, logical), and on special methods – historical, formal legal, comparative legal.

The form of public-private partnership (PPP) is currently used in many States for the development of infrastructure.

Public-private partnership contract is a kind of civil contract.

The regulation of civil relations is based on the principles of equality of the parties and autonomy of will.

The autonomy of will is usually understood as the possibility for the parties of a contract (private law contract) to choose the applicable law. Autonomy of the parties is a principle of contract law. At present, the autonomy of will is not limited by contractual law, and operates in the regulation of certain aspects of other legal relations.

Autonomy of will is the beginning (principle) of all private relations.

The procedural component of the autonomy of the will of the parties in civil relations, including transnational ones, is expressed in the freedom to choose the means of dispute resolution.

In public-private relations, autonomy of will is realized with some peculiarities.

¹⁰ The Russian legal doctrine uses the term "autonomy of the will of the parties", "autonomy of the will". In foreign doctrine, the terms "party autonomy" and "autonomy" are usually used.

Regulation of public-private partnership relations is carried out at various levels: international (UNCITRAL, UNIDO, OECD), regional (EU, ASEAN, CIS) and national (having at present time the highest value).

Almost all international legal acts adopted on the regulation of public-private partnerships contain provisions on the procedure for resolving disputes. Moreover, in the Council recommendation on public-private partnership principles of public administration, 2012 proposes the following provision as a principle: "Clear, predictable and transparent rules for dispute resolution should be in place to resolve disagreement on the above between the public and private parties".

In the documents governing PPPs, the freedom of parties to choose means of dispute settlement, occupies the Central position.

In UNCITRAL Legislative Guide on Privately Financed Infrastructure Projects (2000), recommended "a review of its legislation on such commercial contracts in order to remove any uncertainty as to the freedom of the parties to agree on dispute settlement mechanisms of their choice".

Moreover, the Guide states that "the Concessionaire and the founders of the project shall have the right to freely choose appropriate mechanisms for the settlement of commercial disputes between the founders of the project or between the concessionaire and its creditors, contractors, suppliers and other business partners.

The dispute settlement mechanism includes: early warning, partnership, negotiation, conciliation and mediation, non-binding expert evaluation, mini-proceedings, evaluation by senior officials, consideration of technical disputes by independent experts, dispute resolution commissions, non-binding arbitration, arbitration, judicial proceedings.

UNCITRAL Model Legislative Provisions on Privately Financed Infrastructure Projects (2003) provides for the formation of a dispute resolution mechanism based on the consent of the parties: any disputes between the contracting authority and the concessionaire shall be settled through the dispute settlement mechanisms agreed by the parties in the concession contract (Model provision 49), the concessionaire and its shareholders shall be free to choose the appropriate mechanisms for settling disputes among themselves? the concessionaire shall be free to agree on the appropriate mechanisms for settling disputes between itself and its lenders, contractors, suppliers and other business partners. (Model provision 51).

Examples of regional regulation of public-private partnership relations are the acts adopted in the EU¹¹, ASEAN, CIS.

In 2014, ASEAN, with the assistance of the Organization for economic cooperation and development, developed ASEAN PPP principles.

Principle 10. has the following context: «Contractual review and dispute settlement mechanisms should be established. They allow timely and impartial consideration of unforeseen events and potential disputes arising during the implementation of the infrastructure project».

The model law "On public-private partnership " adopted by the inter-parliamentary Assembly of the CIS member States allows that a foreign legal entity may act as a private partner, but the state may impose restrictions on the subject composition of private partners (art.14). Accordingly, in the model law, among the possible ways to resolve disputes from public-private partnership relations, the state court or arbitration of a non-state country of location of a public partner, the use of alternative methods of dispute resolution allowed by the legislation of States are proposed, and in the case of disputes involving foreign persons, any "international commercial arbitration regardless of the location of a public partner" is proposed as a means of dispute resolution (art.24).

¹¹ Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts // Official Journal of the European Union. 2014. L 94/1-64.

The principles of public-private partnership and municipal partnership in the Russian Federation are, among others, equality of the parties of the agreement and freedom of agreement. Thus, the autonomy of the parties is recognized as the basis of public-private relations.

The state may establish limits on the autonomy of the parties.

First, the state can legislate jurisdictional restrictions and allow the resolution of disputes from PPP relations only within the framework of national jurisdiction. This restriction applies, for example, in the Russian Federation. We suppose that it is related to the subject composition of relations: the public partner is the Russian Federation, a constituent entity of the Russian Federation or a municipal entity, and the private partner is a Russian legal entity with which an agreement on public – private partnership has been concluded.

Despite the fact that the special mechanism for dispute resolution from PPP in the Federal law № 224-FZ "On public-private partnership, municipal-private partnership in the Russian Federation and amendments to certain legislative acts of the Russian Federation" dated July 13, 2015 (hereinafter – № 224 Law) is not fixed, the parties can use the protection system provided in the Russian legislation.

In the Russian Federation, for the parties are given the right to choose – in a contractual manner, they can decide, resolve their disputes in court or withdraw it from judicial jurisdiction and use an alternative method of dispute resolution - the arbitration court (arbitration).

In addition, the parties may resort to any pre-trial method (or a combination thereof) to resolve the conflict before the court. Such methods include negotiations, good offices, mediation, conciliation, mini-trial, adaptation of the contract, etc.

A state may limit its jurisdiction to the settlement of disputes even if one of the parties is a foreign natural or legal person. Thus, the Federal law of July 21, 2005 № 115-FZ "On concession agreements" defines that a concessionaire may be "an individual entrepreneur, a Russian or foreign legal entity or two or more specified legal entities operating without a legal entity under a simple partnership agreement (joint venture agreement)".

Article 17 of this law directly defines the procedure for resolving disputes and provides for courts, arbitration courts and arbitration of the Russian Federation as a means of resolving disputes between the concedent and the concessionaire. In addition, the dispute resolution mechanism includes a mandatory pre – trial stage - compliance with the mandatory pre-trial claim procedure (article 15).

A number of CIS member States (Belarus, Kyrgyzstan, Uzbekistan, Kazakhstan) provide an opportunity for foreign organizations and foreign legal entities to become private partners in the implementation of PPP and introduce international commercial arbitration into the dispute resolution system.

In a modern dispute resolution mechanism for PPP it is possible to allocate the following tendencies:

- the establishment of specialized tribunals for resolving disputes of PPP. On 16 May 2017, the China International Economic and Trade Arbitration Commission (CIETAC) opened its Public-Private Partnership Arbitration Centre in Beijing.

- establishment of regional centres for the settlement of PPP disputes. A Memorandum of understanding between the Asian development Bank (ADB) and the Singapore International Mediation Center (SIMC) on July 11, 2018, provides for the establishment of a group of international mediators and experts with experience and skills in the resolution of disputes out of relations of public-private partnerships.

- active development of conciliation procedures. Seems quite a promising application of the procedure of adaptation of the contract, which are increasingly offered by the centers for conflict resolution (the Belgian Center for Arbitration and Mediation entered into force on 1 January 2018 CEPANI Rules of Adaptation of Contracts).

- In addition, it is worth to pay attention on the potential of the mini-trial procedure, which attracts the possibility of decision-making by the parties, on the one hand, and the relative formalization and similarity with jurisdictional procedures, on the other.

Conclusion. Party autonomy is the basis for deciding how to resolve PPP disputes. The state should establish effective dispute resolution mechanisms in its legislation. Examples of such mechanisms are offered by international, including regional, organizations. However, the state itself determines the limits of party autonomy.

For the successful implementation of public-private partnership, States must find a balance between public and private interests, which is also reflected in the competent determination of the volume of autonomy of the parties.

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Success Factors of Russian Crowdfunding Projects: an Empirical Study of boomstarter.ru Platform

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Abstract:

This is a pioneered paper in studying success factors of Russian crowdfunding projects. The main research goal of this paper is to identify key success factors of projects on Boomstarter.ru and their strength in determining crowdfunding project success. In the scope of this paper, proxy factors of financial, founder-related, social-communication, and description and design groups of factors were considered. It was found that key success factors are an average amount pledged by backers and social-communication factors. Moreover, in the scope of the study, two predictive models were built in order to identify success factors strength altogether based on Machine Learning algorithm Extreme Gradient Boosting Trees. These models enable founders to measure the campaign progress in terms of probability of success and, thus, to get a feedback to project's founders at the beginning and during the money collection process. Thereby, not only theoretical, but also practical contributions were made. To sum up, the conducted study showed not only high predictive power of collected factors in determining project's success, but also the importance of an interdisciplinary approach studying purely financial problem of raising capital.

Keywords: crowdfunding, success factors, Boomstarter

Introduction

As known, the most vital resource for launching any project is financing. One relatively new way to raise capital is crowdfunding. This method of money collection in itself implies raising many small amounts of money from a large number of people, typically via the Internet. Crowdfunding is used to raise funds for various types of projects and helps project's founders not only to find initial investments without the participation of banks, venture capitalists or stock exchanges, but also to test project's idea and attract first customers.

Undoubtedly, not all projects are successfully funded on crowdfunding platforms. According to the statistics of one of the biggest Russian crowdfunding platform Boomstarter.ru, average projects' success rate on Boomstarter.ru is only 18%. Currently there are no studies based on Russian crowdfunding platforms which identify success of crowdfunding projects. Due to this fact, the main research goal of this paper is to identify key success factors of projects on Boomstarter.ru and their strength in determining crowdfunding project success. What is worth mentioning, success only of money raising stage of a crowdfunding project is considered.

Success factors of projects on Boomstarter.ru

The research object is Boomstarter.ru – one of two biggest crowdfunding platforms on Russian market. The platform is classified as Reward-Based, which means that backers pledge money in exchange for a reward. Boomstarter follows “All or Nothing” fund-raising model, which in turn means that collected funds are transferred to the founder only if the goal amount of fund-raising was achieved for a predetermined period of time.

Data

Due to the fact that it is impossible to measure such intuitive success factors as idea behind, the way this idea is introduced to investors and level of the crowdfunding campaign promotion directly, only proxy factors were measured. Since there is no open access data of Boomstarter.ru, the data was collected directly from the web-site by a special script written in Python. The sample consists of 7303 ever launched projects, which were finished not later than 09.02.2018. The sample includes 1294 successfully funded campaigns.

From the collected data 17 variables were formed. All of them can be separated in several categories: Financial factors, Founder-related factors, Social Communication factors and Description & Design factors. Description of all variables are presented in the Tables 1.

Research methods

In order to measure strength of success factors in determining crowdfunding project success, the predictive power measured by Gini coefficient was used. In order to identify key success factors, the predictive power of each variable was identified separately (Single Factor Analysis (SFA)). In order to identify success factors strength altogether, two predictive models were built based on Machine Learning algorithm XGBoost (Multiple Factor Analysis (MFA)). Both models as a result give a probability of project's success, in the first model – based on factors that can be obtained in the beginning of money collection process, in the second one – based on all factors.

Results

According to SFA results presented in Table 1, key success factors are an average amount pledged by backers and social-communication factors such as (1) number of news posted by project founder, (2) number of comments left by backers and (3) number of reposts in social networks Vkontakte and Facebook. These four main factors are the only collected factors which can be obtained only at the end of money collection process. Moreover, the conducted analysis showed that such factor as project category and founder-related factors are important in terms of project's success as well. Medium prediction power of founder-related factors. The least prediction power was showed by description and design proxy factors.

According to MFA results showed in Table 2, factors, which can be obtained only at the start of money collection process, identify project's success with much higher predictive power than they have separately. But even so, they do not outperform top-2 success factors and second model, which includes all collected factors. The classifier based on a second model performs almost as a perfect classifier with Gini coefficient of 97% and an accuracy rate of 95%. Overall, MFA shows a high predictive power of collected proxy success factors in the question of identifying project's success on Boomstarter.

Conclusion

The study is a pioneered paper in studying success factors of Russian crowdfunding projects, which showed not only high predictive power of collected factors, but also the importance of an interdisciplinary approach studying purely financial problem of raising capital. When it comes to managerial implications, two predictive models enable founders to measure the campaign progress in terms of probability of success and, thus, to get a feedback to project's founders at the beginning and during the money collection process.

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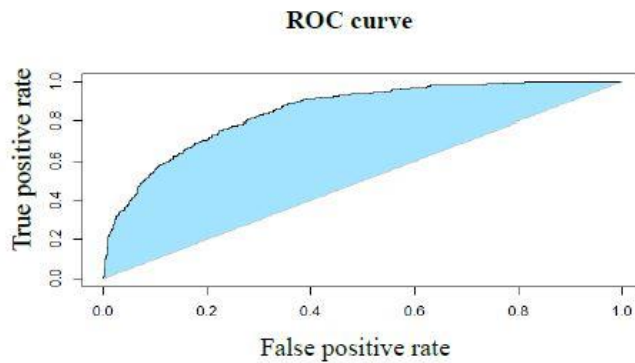
Table 1. Variables description and SFA results Variable	Type	Description	GINI
Pledged.by.backer	Financial	Average amount of money pledged by backer	81,98%
News	Social-communication	Number of project's updates by founders	74,69%
Comments	Social-communication	Number of comments by backers	50,10%
Reposts	Social-communication	Summary of reposts in social networks Vkontakte and Facebook	49,80%
Category.Rank	Financial	Percentage of the number of projects in each category which was successfully funded	40,46%
Founder.projects	Founder-related	Number of projects launched by the founder	36,95%
Founder.friends	Founder-related	Maximum number of friends founder has on Facebook and Vkontakte	27,69%
Founder.as.backer	Founder-related	Number of projects sponsored by the founder	25,80%
Goal	Financial	The amount of money founders are willing to raise	25,41%
Founder.sites	Founder-related	Number of web-sites	22,90%

Rewards	Financial	links attached by founder	
Founder.text.length	Founder-related	Number of backer levels	17,36%
Images	Design & Description	Number of symbols in the founder's description	17,28%
Has.video	Design & Description	Number of pictures provided in the project's description	13,86%
Text.abstracts	Design & Description	Availability of title video: 1 – there is video, 0 – not	13,25%
Text.length	Design & Description	Number of abstracts in the project's description	9,18%
		Number of symbols in the project's description	8,01%

Table 2. MFA results	Model 1	Model 2
Predictive measures		
Gini	70%	97%
Accuracy*	85%	95%
Specificity*	97%	98%
Sensitivity*	30%	81%

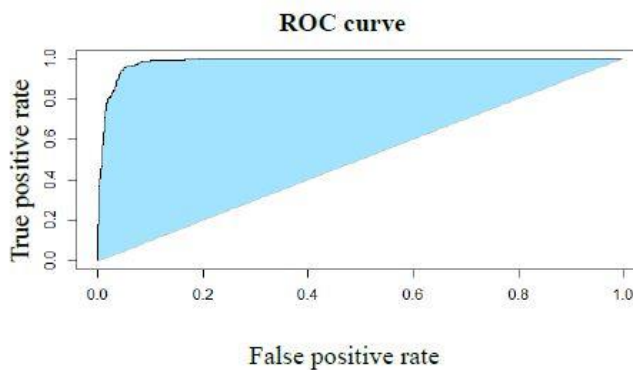
Figures and tables

Figure 1. ROC curve of Model 1



Source: the author's calculations

Figure 2. ROC curve of Model 2



Source: the author's calculations

Integrating language teaching and subject-specific professional lexis in mastering business communication

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Abstract:

The study establishes the correlation between the English language teaching methods and subject-specific content and learning outcomes of academic disciplines in teaching business communication. Based on relevant theoretical studies and empirical data collected while teaching students in tertiary education, the importance of integrating language teaching strategies and authentic subject area content to correspondently redesign course requirements, learning outcomes and materials in syllabi, to reconsider types of assignments and evaluation system has been determined as urgent. The keys to achieve the set goals can be found in interdisciplinarity, cross-cultural approach, collaboration of students and teachers at all levels of the educational process. Studying lexis and teaching collocations and communication etiquette can be most beneficial to succeed in professional communication in the future.

Keywords: *interdisciplinarity, business communication, communication skills, business collocations, teaching English for Specific Purposes*

1. Introduction

Advanced communication skills are an essential professional requirement and are considered vital to convert personal interactive performance into business success. Although the ways and purposes of communication could be many, it seems vital to work out comprehensive requirements which will allow teaching useful skills and strategies in a class of English which will ensure the effectiveness of communication in the future. Since meaning is primarily expressed verbally it seems only obvious to make studying the lexical subject content the focus of teaching communication.

2. Goals

2.1. Theoretical reasoning for designing an English for Business Specific Purposes course syllabus based on communicative approach and applying interdisciplinary and cross-cultural principles while studying in collaboration.

2.2. Validation of the significance of teaching lexis, particularly business collocations, and the importance of the development of accuracy and fluency of business English in ESP as well as subject courses.

2.3. Methods of evaluation students' development as partners in intercultural business communication.

3. Methods

A systematic review of the existing literature on the proposed topic has been tested supplemented with the empirical research based on in-depth studies of the English language teaching practices in the context of undergraduate education at a number of non-linguistic faculties of St.Petersburg state university as well as experience and insights shared by teaching instructors from other universities.

4. Empirical findings and results

4.1. Interdisciplinarity

The specifics of teaching English to business professionals lies in its inevitable interdisciplinarity. Professional English communication competency obviously require knowledge of general Business English as a basis for the in-depth knowledge of English for a specific area of business, but can equally benefit from intersection with such domains as sociology, psychology and cultural studies. Tertiary education curriculum facilitates students' acquisition of knowledge of abstract concepts and facts from a range of related subjects, but only the focus on studying the language as a means to convey the meaning and a practice of communicating ideas and information can turn this inert in itself fundamental knowledge into a useful professional competence. Focusing on the language studies and skills will eventually make students not only good communicators, but also experts in convey a particular meaning and choosing the right linguistic tactics and tools to implement practical tasks, involving oral or written interaction.

Artificial texts and communicative tasks adapted to the learner's level of linguistic competence should give way to authentic speech productions and texts.

4.2. Teaching lexis

The ability to communicate in a foreign language incorporates concrete experience and emphasises a certain degree of linguistic experimentation, which is based on the language and subject knowledge and manifests itself mainly in the advanced lexical range. While teaching language forms and structures, the 'why' approach should prevail over simply learning the rules and practicing their application.

Business majors may be aware of the meaning of many business collocations, but in their language evaluations they state that when involved in professional communication they often experience difficulties in using them appropriately. This is partly because business collocations often have very specific connotations and much narrower collocational fields than the ones used in general English. For this reason it is theoretically substantiated to introduce specific vocabulary in context, e.g. in authentic texts from subject-related sources, preferably recommended by subject teachers.

In business it is important to automatically comprehend and produce collocations which express specific ideas very succinctly ('customer service', 'quality control'), otherwise speakers have to explain the concept, which is likely to put a strain on the listener, slow down the pace of conversation, and can possibly lead to misunderstanding, interpretations or even failures. Highlighting business-related

collocations and terms in the studied texts and a regular drill practice of them has proved to be helpful. Actually, students themselves can be involved in making sets of collocations which are particularly problematic for them and use available IT applications to practice them. Nevertheless, interdisciplinary collaboration of English and Business studies teachers in compiling lists of useful collocations seems more productive, because they can offer expertise in their fields. Foreign language teachers are keen on form, structures, interrelations between L1 and L2, while subject teachers better know the specific meaning and usage of business notions and collocations in the context of their domain.

4.3. Business communication practice and evaluation

Students value meaningful practice and can add personal input into learning. They participate in collaborative dialogue (Swain & Lapkin, 2001). When students communicate they engage problem solving and knowledge building skills, so high-level cognitive processing occurs (Leaver & Willis, 2004). Practical assignments related to the students' studies and vocational interests like project work or case study encourage students to use target language forms, collocations and terminology while focusing their attention on carrying out the task.

Feedback on output speech production is equally important because it forces students to evaluate the semantic and syntactic adequacy of speech. Students should be encouraged to aim at accuracy and complexity of their language in addition to fluency vital in business communication. If applied overall and regularly both in ESP and academic courses, it will eventually result in further modifications and corrections of the language as well as an intent and careful peruse of the subject-specific texts for the linguistic means of presenting meaning.

5. Conclusion

Recent research has drawn attention to the relevance of foreign language studies for business degree programs. A carefully constructed ESP course with the focus on Business English lexis and interdisciplinary content may best fit the modern business discourse. While knowledge of the concepts and theories might be vital to ensure success in certain areas of a business degree curriculum, yet only a deeper knowledge of the language used to formulate these concepts and the skills to construct and decipher both the direct and underlying meaning of the verbal text can lead to successful business communication. Despite a comparatively limited research scope, the obtained results and conclusions are predominantly uniform and encouraging enough to be recommended to be put into practice of developing skills of effective communication for business purposes.

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Adaptation of Shareconomy Business Models to Institutional Settings of Emerging and Advanced Economies

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Abstract:

Recent popularity of collaborative consumption, or shareconomy, services was stimulated by a number of factors, including, but not limited by, digitalization, resources insufficiency, transition to sustainable behavior and thinking. However, being attractive to many customers, shareconomy business models have also faced significant confrontation from various market and institutional agents. Through in-depth case study of Uber's activity on 7 different markets the paper aims to identify the factors that make the firm adapt its business models to institutional settings of particular markets. Our results reveal that adaptation of Uber's original business model in advanced economies is mostly driven by institutional factors, while adaptation processes in emerging markets were stimulated by market forces.

Keywords: *case study, collaborative consumption, institutional pressure, shareconomy, Uber*

1. Introduction

Despite the fact that the phenomenon of collaborative consumption attracts attention of various groups of stakeholders, i.e. sellers, consumers, investors, various institutional agents, it is rather difficult to give a clear and precise interpretation of this term. "Collaborative consumption" (sharing economy, shareconomy) refers to acquisition, transfer or sharing of access to goods and services, organized directly between two consumers and coordinated through online services such as networked communities (Hamari et al., 2016). There are no clear criteria for identification of an activity as collaborative consumption, therefore, it is not always clear why some services, for example Airbnb, are related to collaborative consumption, while others, for example, traditional B&B hotels, not.

The increasing popularity of the concept of collaborative consumption is stimulated by a number of reasons. First of all, an economic effect is obvious for both parties involved in collaborative consumption. One party obtains financial benefits from an asset that is currently "excessive", and the other party receives an asset at a lower price. Back in 2013 Forbes estimated the amount of revenue received by people directly, as a part of collaborative consumption, at more than 3.5 billion dollars, while an expected growth was 25% per year. In addition to the tangible economic effect, the increasingly important component of consumer preferences is the effect of their consumption on the environment and society. Among scholars these aspects are often considered within the framework of sustainable supply chains and the concept of triple-bottom line (Carter, Easton, 2011).

2. Research purpose

This paper aims to analyze business model transformation of one the most popular shareconomy company, *Uber*. In particular, it addresses two research questions:

What are the specificities of *Uber*'s business models in different markets (emerging vs. advanced)?

What are the factors that bring about transformation of *Uber*'s business models in different contexts?

3. Methodology

We provide an in-depth analysis of *Uber*'s business models currently used in the markets of the US, Germany, UK, Brazil Russia, China, and the United Arab Emirates to identify factors that influenced transformation of its original business model. To do this we apply a comparative case study method which provides opportunities for

4. Results

Our results reveal that transformation of *Uber's* business model in China and Russia was determined mainly by market factors associated with aggressive competition, as well as factors associated with the so-called "liability of foreigner". In both China and Russia, the company was unable to withstand the main competitor and was acquired, but if in the case of China the company completely left the market, in Russia it changed its owner and adapted its business model to the requirements of the specific market. In Germany, Uber faced serious institutional pressure from authorities and trade unions and was forced to actually cease operations. It's interesting that formally Uber still operates on the market, but it completely changed its business model providing services within a new business model. The UAE market, known for its craving for luxury and high purchasing power of consumers, is also of great interest from the point of view of Uber's business model. Unlike other markets, where one of Uber's competitive advantages is considered to be costs leadership, in the UAE market the company not only provides services at prices comparable and sometimes significantly higher than official taxi services, but tries to differentiate itself from other market participants, for example, by providing an UberChopper service - a helicopter flight around Dubai.

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The measurement of IPOs influence on competitive environment within industries

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Abstract:

The study examines whether IPOs influence the competitive environment within industries, being guided by the main assumption that an IPO has implications not only for a specific firm, but an industry as a whole. The study contingently divides the IPOs effects on two major groups: information and competitive ones. Concerning information effects, an IPO could signal the investors that the market is rather promising and, thus, lead to a positive revaluation of share prices. Competitive effects, on the contrary, primarily provide adverse impacts on incumbent firms, since by its means the firm can increase its visibility, expand and, hence, compete more efficiently. The study is aimed to measure the performance of listed companies competing within an industry around IPOs completion dates and investigate the influence of each group of factors. The study analysis three cross-sectional models; the first two contain only information and only competitive effects, the third one combines them all. The study revealed that competitive effects prevail over information ones. The strongest effect on rivals' performance measured by cumulative abnormal returns (CAR) around the event window is noticed in highly concentrated industries. This effect can be even enhanced by the IPO size: the higher the capital gains from a new issuance, the poorer the performance of incumbent firms.

Keywords: *initial public offering, IPO intra-industry effects, competitive effects, information effects, IPO abnormal returns*

Introduction

An extensive literature devoted to the analysis of securities prices behavior is usually based on classical asset pricing models. Being constructed on the basis of investors' preferences, such models, however, typically disregard potential effects from the supply side: in many models supply is assumed to be either fixed or extremely elastic. Even though, recent evidence shows that some authors relaxed these strong assumptions in their theoretical models (Cochrane et al. 2008), only limited number of studies investigated this problem empirically. Thus, most of the papers study the changes in supply and the price level by analyzing variations in shareholders' equity (Baker & Wurgler 2000; Ofek & Richardson 2003). This study extends the existing literature by analyzing the effect of IPOs on the share prices of industry rivals.

The research is conducted to answer the following research question: Do competing firms face a drop in their stock prices in response to a new issuance in the industry?

IPO effects on competitiveness

This study examines whether the IPO has an effect on industry competitors. The idea of the study is withdrawn from previous studies which have shown that firm-level decisions may have some impact on rival firms. For instance, Slovin, Sushka, and Poloncheck (1992) report significant effects for seasoned equity issues inside the industry by commercial and investment banks. Lang and Stulz (1992) have found that bankruptcy announcements have significant implications for rival firms. Moreover, Laux, Starks, and Yoon (1998) revealed that changes in the dividend policy have effects on average price changes for rival companies.

There exists only a limited number of works that concern the effects of IPOs on industry competitors. One of the pioneer studies by Slovin, Sushka, and Ferraro (1995) reports that competitors in most cases react negatively to the IPOs in their industry, as IPOs transmit unfavorable information to the market concerning industry prospects. However, they focus only on the reaction of competitors to equity carve-outs, spinoffs and asset sell-offs and do not examine specific characteristics that explain diverse valuation effects.

In the decision of going public, the management of a company should weight all the benefits and drawbacks. The most obvious advantage of an IPO is the new source of funding that becomes available when a company starts selling its shares to investors and can be used for various purposes. Röell (1996) states that companies may use these new sources for making capital investments, repaying current debts, acquiring new firms or just assuring future growth. Moreover, since the company becomes public, the costs of borrowing may decrease (Pagano, Panetta, and Zingales, 1998). As financial information on a company becomes publicly available, banks do not possess confidential information anymore, so the competition between lenders becomes more severe, resulting in the decreased cost of borrowing.

By going public, a private firm also increases its liquidity. Since its shares become being traded on the stock exchange, investors get an opportunity to sell them easily. The increased liquidity also diminishes the cost of capital; the drop is estimated to be from roughly 7.5 to 15 percent, according to Hertz and Smith (1993).

Nevertheless, going public imposes direct and indirect costs to the company. According to Ritter (1987), the costs of an IPO equal to roughly \$250,000 plus 7 percent of capital gains. Moreover, an IPO is extremely time-consuming process. A firm must prepare reports and disclosures in accordance with the Securities Law Compliance regulations regarding IPOs. Herewith, not only the company will have to mobilize its staff to do this work, but also hire a number of specialists, including attorneys, accountants

and underwriters. Indirect costs are expressed in the extent of IPO underpricing. Ritter (1987) reported an average underpricing of 14.80% and 47.78% for firm commitment and best offers respectively.

The obligation to publish all the financial information of a firm may also become a serious disadvantage for the company, and not only in the efforts that are needed to meet all the requirements. The loss in confidentiality may also result in the loss of competitive advantages over industry rivals, as the company will have to disclose information, for instance, on research and development projects.

The decision to go public may also depend on the competitiveness of the industry a firm operates in. According to de Jong et al. (2012), companies are less likely to go public in highly competitive industries, as they are afraid to lose specific advantages that will be revealed with an IPO. Furthermore, a possibility to use new funds for acquiring new firms is not always treated as a reason to go public, but as a necessary tool to achieve the goal.

Since there is much evidence that companies underprice their stocks, this will have an effect on the industry's rivals at least temporarily. This research focuses only on short-term externalities of an IPO, so no long-term influences are significant. By underpricing the shares values a company that just went public becomes attractive to investors; this implies that intra-industry rival firms may suffer from an IPO. This and several other effects of an IPO on the competitors will be discussed in the next section.

The effects of an IPO can be contingently divided into two major groups: information or competitive effects. Regarding information effects, an IPO could announce some information relevant to the whole industry that may cause a revaluation of share prices. Concerning the competitive effects, an IPO could cause the reassessment of industry's competitive balance.

Research design

The methodological framework of this study is based on the event study. The data for analysis comes from three different sources, namely ZEPHYR Bureau van Dijk, Quandl Platform and S&P Capital IQ. Over the studied period of 2002 to 2017, the Zephyr database contains 2631 IPOs, occurred on NASDAQ National Market, NASDAQ/NMS Global Market, NYSE and AMEX stock exchanges. To provide an accurate statistical analysis, several filters are applied to the initial sample. An overall sample of 93 IPOs is further used for the event study. After obtaining the sample of IPO firms, it is necessary to identify industry rivals. Zephyr database is used to obtain a sample of rival firms: a firm is considered to be a direct rival of an IPO firm, if it shares the same four-digit SIC code and indirect rival if it shares only three first digits in its SIC code. A total sample of 858 rival firms is received.

At the next step in order to conduct an event study the Wiki Database on the Quandl Platform is addressed. With the use of it, the daily returns for both IPO and rival firms and S&P500 index were downloaded. The rival firms were matched to the IPO events on the basis of four-digit SIC code. Thus, those incumbent firms who did not have four-digit SIC code or enough data for the estimation and event periods were dropped. The applied measures ensure that further inclusion of IPO characteristics into the rivals sample will not cause any problems.

Lastly, S&P Capital IQ database is accessed in order to retrieve accounting and market data to construct independent and control variables. The combination of data from all applied sources gave the sample of 1725 observations. The number is higher than the amount of rival firms, since for some industries more than one IPO occurred over the estimated period with the maximum amount of 8 IPOs within the industry.

In order to estimate the effect of IPOs on rival abnormal returns, control variables are added to the regression. The basic variable for testing the hypotheses is the dummy variable of whether or not the company is a direct rival of a new issuing firm. It is expected that the IPO effects will be stronger for direct competitors rather than indirect ones. The firms are considered to be direct rivals, if they share the same four-digit SIC code. On its basis, the dummy variable is constructed, where the value of one indicates a direct rival and zero otherwise.

The set of other variables is contingently divided into two groups: variables responsible for information and competitive effects. The first set of variables includes the size of an IPO and rival firms, stock exchange of an IPO firm, presence of regulation in the industry and some others. The second set contains the degree of concentration within the industry, proxy for Tobin's Q, firms' performance and leverage indicators.

Empirical results

Figure 1 shows the average cumulative abnormal returns of the rivals portfolio over the IPO completion date for the event window [-10;10]. The market capitalization serves as the weight for the CARs averaging. The reaction of rivals to IPO completion is rather negative that is consistent with the previous studies (Hsu, Reed, and Rocholl, 2010).

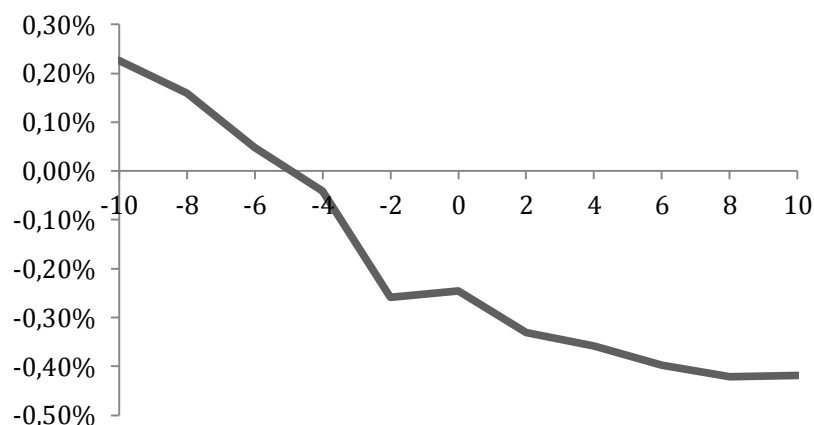


Figure 1. Abnormal returns of the rivals portfolio around the IPO completion date for the event window [-10;10]

Table 1 presents the results from the estimation of cross-sectional models. The dependent variable is presented by cumulative abnormal returns of rival firms for the [-5; +5] event window. The first model contains only the variables that describe information effects; the second one – only competitive effects, and the third one combines two groups of effects. To account for unobserved time trends year dummy variables for all but one year are included. These dummies account for specific features of the year, besides the specified ones.

Table 1. Cross-sectional variation in rivals abnormal returns around the IPO completion date for the event window [-5; +5] ($N = 1674$)

	(1)	(2)	(3)
	Model A	Model_B	Model_C
	b/se	b/se	b/se
ROA	0.000		-0.000
	(0.00)		(0.00)
REGULATED	-0.006		-0.061*
	(0.01)		(0.02)
EX_NYSE	0.013*		0.051***
	(0.01)		(0.01)
AGE	-0.000		0.000***
	(0.00)		(0.00)
REL_SIZE	-0.000		-0.000
	(0.00)		(0.00)
TOBIN		0.000	0.000

		(0.00)	(0.00)
HHI		0.135***	0.085***
		(0.03)	(0.02)
HHI*SIZE		-0.003***	-0.003***
		(0.00)	(0.00)
PRIOR_PERF		0.028	0.136
		(0.28)	(0.29)
HIGH TECH		-0.041***	0.012**
		(0.01)	(0.005)
LEVERAGE		-0.003	-0.002
		(0.00)	(0.00)
_cons	-0.007	-0.076***	-0.016
	(0.01)	(0.01)	(0.03)
Time dummies	Yes	Yes	Yes
R^2	0.138	0.392	0.473
R^2_{adj}	0.128	0.375	0.454
BIC	-3349.256	-1593.724	-1658.039

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The received results can be considered by firms when making the decision to go public. According to the main finding, the companies in more concentrated industries pose a greater threat to industry rivals. Thus, the companies that go public in such industries can derive greater benefits from listing. Needless to say, that the marginal benefit from IPO is extremely important, as the costs of IPO itself are substantially high. Only when the expected gains outweigh the occurred costs, the firm takes the decision to initiate a new listing. Therefore, the relation between the industry concentration and the likelihood of going public should be significantly positive.

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Innovative business models in sustainable entrepreneurship – the new role of small business in society

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Abstract:

This paper attempts to address two objectives: first, to contribute to a clarification of two approaches to innovation for sustainability, through circular economy models and collaborative economy, second, to understand the new role of sustainable entrepreneurship in society, allowing an identification of research gaps in this area. Sustainable entrepreneurship has emerged as an overlapping research and practice area between sustainable development and entrepreneurship. It has the potential to create radical, not just incremental change by combining the activities and processes that lead to the development of profitable opportunities while contributing to sustainable development. We offer the case study analysis to illustrate the innovative approach to sustainable value creation and formulate implications for the new role of small business in society.

Keywords: *Entrepreneurship, innovation, circular economy, collaborative economy, sustainability management*

Introduction

Corporate social responsibility (CSR) has a long history, but the remarkable dynamics of the various theoretical concepts and practical applications can be seen especially in recent years. CSR is no longer a purely moral or “social” responsibility for the common good, but increasingly a potential strategic resource to be leveraged to improve corporate financial performance and customer relationships. This strategic turn in the conception of CSR is likely to bring about a shift in corporate practices from reactive attitude and passive compliance with societal expectations to more proactive corporate sustainability orientation.

In the academic literature, corporate sustainability goes beyond CSR and includes a firm’s measurable contribution to societal goals, environmental protection, social justice and economic development through main business operations (Hahn et al, 2017). Considering corporate sustainability in business strategies and processes has become recently a promising way to cope with the global challenges formulated by UN in the form of Sustainable Development Goals (SDGs) under the label of “sustainable strategic management” or “sustainability innovation strategy” (Rego et al, 2017).

However, sustainability is differently addressed in small and middle size companies (SMEs) because of distinct features which lead to differences towards large firms. Entrepreneurship is now viewed, not only as a source of achieving different economic goals, but also a means to address persistent sustainability challenges (Hutter et al., 2016). Sustainable entrepreneurship has emerged as an overlapping research and practice area between sustainable development and entrepreneurship being defined as the recognition, development and exploitation of opportunities to bring into existence goods and services with economic, social and ecological gains. Sustainable entrepreneurship has the potential to create radical, not just incremental change by combining the activities and processes that lead to the development of profitable opportunities while contributing to sustainable development (Lans et al., 2014).

The newest directions in sustainable entrepreneurship are circular economy and collaborative economy. Circular economy is the promising approach to operationalize sustainability in the entrepreneurship. The concept is based on the ‘closing the loop’ of product lifecycles and is expected to bring benefits for environment and economy as well as to contribute to the responsible business conduct. These benefits refer to reduced usage of resources, lower impact on the natural environment, cost savings and jobs creation. Collaborative economy attitude is the important part of the circular economy, based on

collaboration of different users through digital peer-to-peer platforms. It can have a huge potential for economic, environmental, and social benefits to society, being a path toward sustainability. Users are engaging in exchange relations to share, rent, or borrow tangible and intangible goods or services, creating opportunities to regain social networks especially within urban areas.

This paper attempts to address two objectives: first, to contribute to a clarification of two approaches to innovation for sustainability, through circular economy models and collaborative economy, second, to understand the new role of sustainable entrepreneurship in society, allowing an identification of research gaps in this area. We discuss how companies adopt those new concepts and how it effects their business models and their path toward sustainability. The business model redesign may be a key to the radical improvement of sustainable performance as well as the to the creation of greater environmental and societal values. Simultaneously, it is expected to deliver better financial results.

We offer the case study analysis to illustrate the innovative approach to sustainable value creation and formulate implications for the new role of small business in society. For this purpose, we propose that the innovative entrepreneurship model follows the framework of triple values: collaboration - building stakeholder capital through inclusiveness, circularity - fostering radical resource efficiency to address social or environmental challenges and sustainability - focusing on improving social, environmental and financial performance at the same time.

In this paper we analyse selected SMEs operating in different sectors identifying strengths and weaknesses of their business models for sustainability. To make a good selection of cases, literature was reviewed, experts consulted and publicly available documents from company webpages studied. Different tools have been used to gather data: semi-structured interviews within the case companies; document analysis and the direct observation and conversations with diverse stakeholders. We conducted the case study analysis examining selected enterprises, using a qualitative, multiple case study approach in the frame of the outcomes of the EU-funded projects: R2Pi and EU-Innovate.

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What makes employees leave Russian companies: Application of text mining techniques in the analysis of online job reviews

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Abstract:

The purpose of this paper is to identify the job-related topics discussed online by employees via the application of two powerful text mining techniques: topic modeling and sentiment analysis. Based on a sample of 6145 job reviews of 990 Russian organizations, operating across 12 different knowledge-intensive industries, we reveal that (1) working arrangements and schedule, (2) working conditions, (3) job content, (4) salary/wage, (5) career development, (6) psychological climate and interpersonal relations with co-workers are the six key topics discussed by employees online, with the latter – psychological climate and interpersonal relations – being the most widely discussed topic, especially for current employees. This suggests that in their decision to leave a company employees are more likely to tolerate salary, career development and working arrangements dissatisfaction than poor relationships with their co-workers and the lack of interest in the job itself.

Keywords: *employee turnover, intention to quit, Russia, text mining, topic modelling, sentiment analysis*

Introduction

According to Katsikea, Theodosiou, and Morgan (2015), “... it is incongruous to suggest that still little insight is available into why people quit their jobs ... given the ubiquity of empirical studies devoted to employee turnover in the literature” (p. 368). In particular, for over fifty years, scholars have been investigating various issues connected to the antecedents and correlates and consequences of employee turnover (see e.g. Hancock et al., 2013). The most common research methods employed by scholars investigating different aspects of employee turnover are statistical models and qualitative investigations based on questionnaires and interviews. The main drawback of these methods is they are subject to many types of biases that are caused by common rater, item characteristic, item context and measurement context. Meanwhile, despite the accumulated massive of heterogeneous electronic data becoming an important information source for understanding different management-related phenomena, there are few research articles in the different management domains that apply research methods capable of processing big data. In relation to employee turnover theory, gathering information left by thousands of employees anonymously (online) for further analysis via text mining techniques is a good solution to obtaining valid and reliable insights on why some employees are leaving their jobs, while others prefer to stay. Considering the nature of the data to be collected as well as the novel methodology to be used we set the following research questions:

Research question 1: What job-related topics do employees of Russian companies discuss online?

Research question 2: What are the rankings of employees' sentiments for the identified job-related topics?

Research question 3: How are the rankings of sentiments of former employees different from those of current employees?

Methodology

Data collection

This study is based on open text data generated by users of otrude.net, one of the largest databases of reviews of employers in Russia and Ukraine. The data from April 2016 to April 2018 on knowledge-intensive industries (software, IT services, advertising and PR, insurance, telecommunications, HoReCa, pharmaceuticals, legal services, financial services, business services, consulting and HR services) were

extracted from the website via a web-scraping script written in the Python programming language extended by the Beautiful Soup module. After data cleaning and pre-processing (lemmatization of words and removal of stopwords and punctuation) we yielded a sample of 6145 observations consisted of the following information: date of review, company location, job position (which the author of the review occupies / occupied / applied for), experience, review text containing the advantages and disadvantages of a job, the author's rating of the company (5-point "star" scale), and review usefulness rating (upvotes and downvotes) left by other users.

For the analysis we combined two powerful text mining techniques: topic modeling and sentiment analysis. Topic modeling, a process of semantic clustering of big text data based on co-occurrences of words, helped us to obtain a number of topics discussed in collected sample of reviews. Sentiment analysis is usually used as means to automatically classify texts by valence and identify the authors' views on specific entities. In this study, the classification task is to label the reviews as negative or positive and then apply sentiments to topic modeling results. This aims to reveal how users' sentiments vary for different topics and how these variations are different for two groups of users: former employees and current employees.

Results and conclusions

What job-related topics do users discuss online? The topic modeling showed that in job reviews users discuss (1) working arrangements and schedule, (2) working conditions, (3) job content, (4) salary/wage, (5) career development and (6) psychological climate. The most frequently occurring topic was psychological climate: in average a discussion of this issue appeared in 20% of each review text. Another major topic was connected to salary/wage. On average 17% of the review text raised different compensation issues. The remaining topics can be ranked by popularity as follows: job content (13%), working arrangements and schedule (12%), working conditions (11%), career development (11%).

What are the rankings of employees' sentiments for the identified job-related topics? Although the overall share of positive reviews is rather small, the largest share of positive reviews is associated with the psychological climate topic (4.65%), indicating that employees (both former and current) tend to discuss the relations with their fellow co-workers in a more positive way than they discuss other job-related topics. Working conditions is second most positive topic (2.36%). The most negative topic is working arrangements and schedule: only 1.28% of reviews in average contain positive messages on working time. A comparatively moderate share of positive reviews belongs to the job content (1.66%), career development (1.96%) and salary/wage (2.1%) topics.

How are the rankings of sentiments of former employees different from those of current employees? Analyzing the differences in sentiment rankings between former employees and current employees, the most notable observation regards the psychological climate. Current employees assess the work environment to be approximately 5 times more positive than employees who left the company (9.71% for current and 1.79% for former employees). A significant difference can be observed for the job content topic (3.05% and 0.87% for current and former employees respectively). Meanwhile, for the salary/wage, working arrangements and schedule and career development topics these findings reflect a relatively small differences between former and current employees.

In general, the results give us an understanding that "the boiling point" forcing the employees to make the decision to quit is to greater extent associated with interpersonal relations than with formal work arrangements usually provided by company's HR practices. We suggest that in their decision to leave a company employees are more likely to tolerate salary/wage, career development and working arrangements dissatisfaction than bad relationships with co-workers and the lack of interest in the job itself. These findings contradict the prior research in the context of Russia, for instance, the results obtained by Balabanova, Efendiev, Ehrnrooth, and Koveshnikov (2016), who claim that wage satisfaction is the strongest predictor of Russian employees' intentions to leave/stay compared to core job-related and interpersonal relations satisfaction.

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Collaboration in Public-Private Partnerships

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Abstract

How do public-private partnerships (PPP) differ from traditional public procurement and what role should governments play in them? This paper views PPPs as collaborative projects with imperfect information between parties. Typical public procurement contracts tackle asymmetric information problems, yet limit feasibility of projects: some are not profitable enough to ensure private party participation. Partnership improves feasibility; this justifies PPPs as a form of public good provision, and demonstrates how they differ from procurement. We give examples of UK and Russian PPP projects, focusing on types of contracts, contributions of both partners, and specific partnership elements.

Keywords: *public-private partnerships, public finance, contracting*

1. Introduction

Public-private partnerships (PPP) are a form of public good provision jointly by government (municipal) bodies and private entrepreneurs. This chapter mainly focuses on the “partnership” element of the PPP. The interpretation of the term “partnership” varies in the literature (and across disciplines), yet most authors agree that a partnership involves “the closest possible cooperation” (this definition of a “partnership principle” is extensively used in the EU integration policy documents), agreement on objectives (Brinkerhoff, 2002) and different degrees of formality, “ranging from informal, oral understandings to formal agreements” (Erhard and Brigham, 2006, p.4). To which extent this close cooperation (or collaboration) is essential for a PPP, and how and whether it can be identified in practice, is the subject of discussion in this chapter.

PPPs are usually seen as an alternative to outsourcing (contracting out), privatization or public provision of public goods (Joha and Janssen, 2010, Stiglitz, 2002). As emphasized by Stiglitz (2002), one important question is what role government should play in the partnerships. Of equal importance is how to contractually combine the contributions from the government and the private party. These are the two key directions of the current study: how should public and private contributions be optimally combined in one collaborative contract enabling such a partnership, and what does the “partnership” element add on top of standard cooperation?

Much formal analysis of PPP resorts to contract theory. For example, one significant strand of literature investigates whether some or all tasks within one, typically infrastructure, project should be *delegated* to a single private partner (Bennett and Iossa, 2006; Martimort and Pouyet, 2008; Maskin and Tirole, 2008; Chen and Chiu, 2010). This “bundling” of consecutive tasks creates incentives for the private partner to perform well during the earlier stages of the project as this influences the outcomes at later stages, affecting the same private partner. At the same time, this approach “unbundles” contributions of the public partner from the project, and ignores benefits potentially arising through close collaboration. Suggesting an alternative approach, this paper considers PPP and the relevant types of contracts from the perspective of *collaborative* projects under asymmetric information (e.g. Roels et al., 2010; Kim and Netessine, 2013). Parties do not observe each other’s contributions; contracts serve to ensure appropriate incentives to contribute to the project, however contributions may need to be verified, which is costly. These verification and project management costs in standard contracts often impede the implementation of some projects. Are partnerships any different?

Bajwa et al. (2017) emphasize interdependencies that arise in a PPP and the role they play for the successful delivery of the project. The partnership element in a project may ensure facilitation of co-production through improved communication and knowledge spillovers, as well as potentially bringing other benefits to the private partner, such as reputational gain. For example, Roberts and Siemiatycki (2015) advance the argument that a partnership delivers deeper cooperation and thus improved performance. This outcome may serve to improve the feasibility of projects, especially of those that cannot be implemented under standard contract terms. From within this framework one derives optimal types of contracts and conditions to form a successful PPP.

The paper also presents a few examples from waste management and traffic control PPPs, focusing on the combination of public and private resources, information frictions, types of contracts chosen to enable the partnership in each of the cases, and real-life provisions that distinguish the partnerships from other types of cooperation. The cases selected, are from either an economy with a rather well-developed PPP sector and extensive experiences of collaboration between the public and the private sectors (the United Kingdom, UK) or an economy where this sector and relevant experiences are still very much emerging (the Russian Federation, RF). The examples expose the main components of the model, i.e. the contributions of the parties, the difficulty of establishing their actual inputs or the impossibility to credibly observe them (especially if these are intangible, like knowledge and expertise, or dispersed in space and time, like materials used to construct a road segment in remote and hard-to-reach areas), the sensitivity of the outcome to those inputs, and, ultimately, the type of the contract used to run the PPP.

2. Significance of the research

This research contributes to our understanding of pros and cons of public private partnerships. At the theoretical level it investigates the very definition of the PPP, highlighting its difference from outsourcing and other types of public good provision through procurement from private sector. At the application level, the research is useful for policy-makers and government bodies aiming to improve efficiency of PPPs.

3. The research question(s) and method

Two key research questions are (1) how is PPP different from other types of public good provision that involve private sector, and (2) what helps improve efficiency of PPP. The main method is theoretical analysis, based on a model of collaborative service provision under asymmetric information. Additionally, elements of case study approach are used to clarify the applicability of the model and its implications.

4. The theoretical/conceptual foundations for the research

Conceptually, the paper draws on research on collaborative provision of services, and on studies of PPP that identify dimensions in which the public and the private party cooperate in the provision of public goods.

5. The results to be reported

The main theoretical conclusion of this paper is that PPPs are only justified for projects where the verification costs of the actual contribution of each party is high, and which have high sensitivity to those inputs as any deviation from the plan may significantly impact the outcome. If the verification of inputs is too expensive, a concession approach becomes the optimal PPP arrangement. Otherwise, a PPP should either pay the private partner stage by stage for inputs provided, or make a bulk payment once the project is completed and approved. Despite different institutional environments in the UK and RF, similar arrangements are in use in both countries, and the proposed theoretical framework successfully explains their application, as evidenced by the examples given in this paper.

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Electronic document interchange in the contractual relationship

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Abstract:

The paper investigates the linkage between contractual relationship, transaction management mechanisms and discrete institutional alternatives of interorganizational document interchange. The aim of this research is to substantiate why choice of methods of the interorganizational document interchange has an importance in the contracting process. This issue is most relevant in the conditions incompatibility of counterparts' methods of organizing document flow. Moreover, it discusses the economic aspects of the compatibility of the standards of electronic documents which are generated by different electronic document management system for interorganizational exchange in the contracting process. This process is considered from constructing contractual arrangements to final paying for delivered goods and services provided.

Keywords: *electronic document interchange, EDI, transaction costs, contractual relationship, coordination effect, distributive effect*

1. Introduction

The rapid technological changes in economic reality reflect in changes in organizing of contracting process. One of these consequences is the using of digital technologies in interorganizational document exchange, including electronic document interchange (EDI). Electronic document interchange is a system (software) that conducts exchange of business documentation between companies in electronic structured, machine-readable form. EDI is one of the digital technologies which is designed to increase the efficiency of business-processes by saving two key resources: labor and time. The advantages of EDI using have been analysed by many existing studies in different countries and industries [Veselá L., Radiměřský M., 2014; Jardini B. et al., 2015; Koch B., 2017]. EDI plays important role in ensuring settlements and other repeated transactions during the execution of contracts.

The aim of this research is to reveal why choice of methods of the interorganizational document interchange has an importance in the contracting process. The methodology of new institutional economics (contract theory, transaction costs theory, discrete institutional alternatives) is used in this study.

2. Discrete institutional alternatives of interorganizational document exchange

To determine what coordination and distributive effects for the contractors appear due to the choice of the way of document exchange at the beginning of the contractual process, we consider the interaction between two companies (for instance, buyer and supplier).

Before entering into a contract relationship, the company searches for a partner and determine the conditions of the future transaction [North D., Wallis J., 1994], including the method of interorganizational document exchange. We distinguish three main types of possible situations, which will be discussed in the following sections of the paper.

2.1. Traditional document exchange

When both companies use paper document flow there are not extra transaction costs of document exchange harmonization, but there are significant costs of interorganizational workflow, which are higher than document flow by digital technologies.

2.2. Traditional versus electronic document exchange

The next situation is when one company uses EDI and another company uses paper document flow. In this case there is a problem of choosing the preferred way of interorganizational workflow at the border of organizations. The solution of this problem leads to the distributive effects: what company will incur additional transaction costs to ensure the exchange of official documentation. There are two options. Firstly, it can be only one of the companies: it is determined by bargaining power, technological leadership and other factors. Secondly, it can be reached a compromise when the costs are evenly distributed between contractors. The choice of the solution depends on several factors and the main one is the distribution of bargaining power.

2.3. EDI and the incompatibility of electronic document standards

The third group of situations is represented cases when both contractors use EDI but it is taken into consideration the question of cooperation between different EDI provider. EDI providers are intermediaries which provide services of interorganizational exchange of electronic documents. Standards of documents generated by different EDI systems (providers) are often incompatible with each other. The technology for establishing of linkage between different EDI providers called roaming. In these conditions three options are possible for companies:

- 1) Companies have general EDI provider and they have all benefits of digitalization of document exchange;
- 2) Companies have different EDI providers which have roaming agreement - the effects are almost the same as the first option;
- 3) Companies have different EDI providers without any roaming agreements. That leads to new coordination and distributive effects for contractors.

For instance coordination effect is manifested in the additional transaction costs of harmonization of contractual terms and the effect of implicit lending by the seller. It is the situation when seller has fulfilled all obligations to the buyer, who does not pay not because of disagreement with the quality of the services provided or the goods purchased, but because of dissatisfaction by the format (standard) of the documents. On the whole, the question of compatibility of EDI systems and the development of a single standard of interorganizational electronic documents requires the involvement of the regulator.

3. Conclusion

The choice of methods of the interorganizational document interchange is a significant factor in the conclusion of the contract and in the whole contracting process. This issue is most relevant in the conditions of the incompatibility of counterparts' methods of organizing document flow that leads to coordination and distributive effects for contractors and an increase in transaction costs.

Special attention should be paid to the question of the incompatibility between EDI providers. It is necessary to develop a single standard of interorganizational electronic documents. It should be done by the government regulator taking into account the experience of ensuring compatibility among some EDI providers and possible competitive effects of the standards implementation.

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Cognitive Methods of Logistics System Management

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Abstract:

The report presents the results of a study of the prerequisites for the development of cognitive management techniques in logistics systems based on complex assessment of efficiency of logistics activities, using the system of key performance indicators of logistics activities, strategic profit models and total logistics costs, forming subjective perceptions of decision-makers, regarding internal relationships of the parameters of the logistic activities

Keywords: *cognitive technology of management, strategic profit model, evaluation of efficiency of logistical activity, the integral method of economic analysis*

1. The purpose of the study

Analysis and synthesis of fundamental transformations in the external environment and structure, processes of functioning and methods of management of modern logistics systems can be attributed to the class of complex semi-structured systems, defined as a dynamic system with the difficulty of formalizing relations, in the structure and functioning of which an important role is the human factor. The management of such systems based on a holistic view of the subject of management about the managed system, including many elements of different nature, the parameters of the managed system and the relationships between them, having both quantitative and qualitative. Obviously, precise models have limited applicability to the objectives of the research of behavior and the preparation decisions making in the management of modern logistics systems. This thesis support the results of the analysis of the effectiveness of the current approach to management of logistics activities, appealing to the problem of finding the optimal solution from a fixed set of alternative solutions for achievement of a preset value of criterion of efficiency of logistical activity. However, in real management situations, the main problem is not so much selecting between the formed options as in the primary identification of the causes of negative deviations of values of the studied indicator of efficiency [1].

Thus, the aim of the research is the justification of the analytical model for the evaluation of the effectiveness of logistics activities that generate a holistic view of the subject of management on the relationships of the main parameters of the logistic system and tools of analysis causal factor in the considered factor system.

2. The author's contribution to the investigated issues

The importance of considering human factors when analyzing the activities of companies in the full measure expressed in the widely used approach based on balanced scorecard (Balanced Scorecard) [2]. The development of this approach in logistics is the formation and evaluation of key performance indicators of logistics activity (KPI logistics). However, the methods of analysis of logistics KPIs boil down mainly to the use of methods of comparison. The obvious advantage of the above approaches is their simplicity; however, they have serious drawbacks that hinder their applicability in practice. In particular, the methods do not permit factor analysis of the KPI, and consequently, to assess the impact of management decisions on the efficiency of the logistics system that should be recognized as the most important disadvantage of the methods of comparison. In an alternative method the integral method is used as one of mathematical methods of economic analysis. In carrying out the study as analytical expressions to represent the relationship between arguments-factors and the resulting characteristic adopted model strategic profit model (DuPont) as a formal representation of the model includes specific indicators of effectiveness (efficiency) and performance of logistics activities, which, in turn, can be reduced to the key performance indicators (KPI). This thesis confirms the results of the semantic analysis of the relationship between the components of a strategic model of profit and individual KPIs; as well as

the analytical dependence, allowing to estimate the impact of changes in the components of the DuPont model on the value of the key performance indicators.

3. Research methodology

The general logic of the proposed approach to the formation of a cognitive model of arguments-factors association and the resulting indicator of the logistics activities efficiency presented in figure in the form of the conceptual framework for assessing the effectiveness of logistics activities. Detailing the influence of the arguments-factors of the model at each stage of the decomposition based on the suggested analytical expressions.

4. The obtained results and recommendations

Provided a conceptual framework approach to the assessment of efficiency of logistical activity of the company can be viewed as a cognitive model reflecting the internal relationships in the system and is involved in the formation of subjective perceptions of decision-makers about the existence and nature of the relationship. On the other hand, allows, first, to use the opportunities presented by the introduction of the concept of balanced scorecard as a support tool for the management processes, the development strategy of the company, the integrator of strategic and operational activities; secondly, to obtain reliable estimates of the impact of decisions or changes on the supply chain; thirdly, to form a basis for the further development and concretization of performance indicators of logistics activities, highlighting the most important factors.

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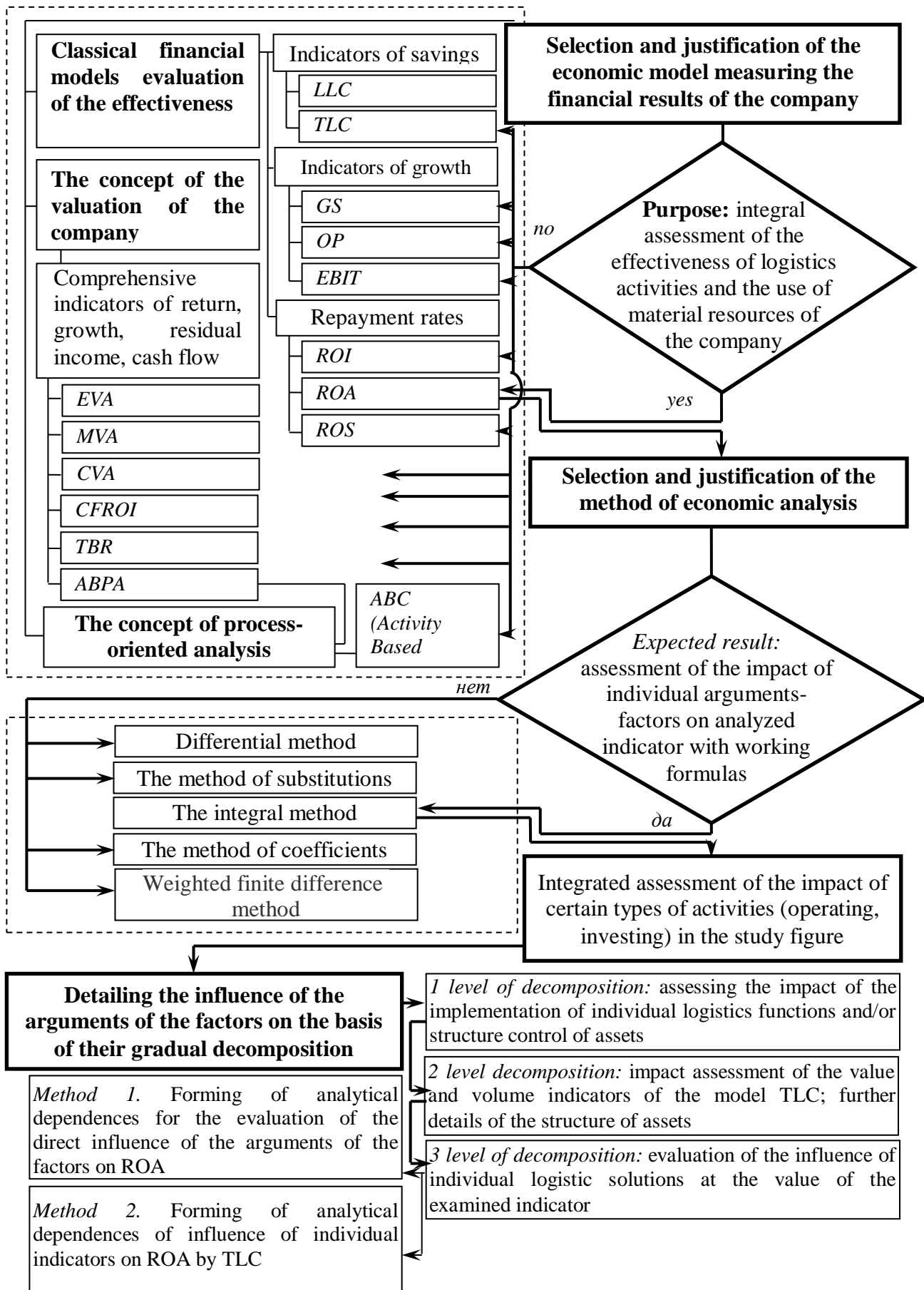


Figure – Conceptual diagram of assessment of efficiency of logistics activities [3]

Information Technology at Emirate Group-Case of Mercator

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Abstract:

Emirate Airline's parent company Emirate group created a separate division within group named as Mercator to meet the information technology (IT) needs of the group's companies. Mercator, started serving other airlines and have more than 120 airlines as its clients. This research paper presents the usage of IT at EA/ Group. The paper also presents analysis of Emirate IT business model which includes creation and growth of Mercator, acquisition of Mercator & Mercator Asia by Warburg Pincus, technology and solutions of Mercator, growth of Mercator under Warburg Pincus and its business model. In addition, research paper included a brief introduction of airline, mobile apps, objective and conclusions.

Keywords: *Emirate, DNATA, Cloud Technology, IoT, Mercator, Warburg Pincus*

1. Introduction

1.1. Background.

Emirates Group comprises of DNATA, one of the largest air services provider globally and Emirates airline (EA) and others. The group is known for innovating business processes with the application of IT in its day to day operations. Emirate Airline started its operations in 1985. Its first flight (EK600) operated between Dubai and Karachi, Pakistan. Other two flights were for Mumbai and Delhi. With the initial funding of \$10 million from Dubai government, EA became a self-financing company. In the beginning EA operated with two aircrafts leased from Pakistan International Airlines. In the same year Boeing 727-200 was leased from the Dubai Air Wing. Emirate Airline first flight to non-stop flight to Europe (London) was in 1987. Later on Emirate Airline launched flights to Istanbul, Frankfurt, Bangkok, Manila and Singapore. In the first ten years of its operation, Emirates expanded its fleet to six Airbus A300s and eight Airbus A310s and established a network to cover 37 destinations in 30 countries.

It was fastest growing airlines by 90's, with revenue increasing US\$100 million year by year. Presently, it has a fleet of more than 230 aircraft. It flies to 140+ destinations in 80 countries. EA compete with Qatar Airways, Air Arabia, Etihad Airways, Kuwait Airways, Saudia, Fly Dubai, Lufthansa, British Airways and Air France. Jones (2014) reported that Emirate airline's parent company invested an unprecedented US\$6 billion in new aircraft, revamped products, entertainment systems, services and staff during 2013 to fend off increasing competition.

It's IT needs are met by Mercator (fully owned by Emirate Dubai National Air Travel Agency (DNATA) and by having tie up with vendors in international market. To mention, it had signed a deal with UK-based Vistair to provide cloud-based technical manuals. Airline will be making an investment of over US\$20 million annually to provide free Wi-Fi in all classes. It will be its new standard of the future. Airline and ezRez Software, Inc. entered in to a new multi-year partnership. Oxford University has opened a new Data Science Lab in collaboration with EA to accommodate experts from universities to use cutting-edge technology. Disruptive technologies such as Internet of Things (IoT), Big data, data warehouse, and Cloud Computing are adopted.

1.2 Objectives: Objectives of the present research study are (i) to identify possible advantages of creation of IT division within Group for development and implementing IT services, (ii) to identify possible reasons for selling of Mercator, (iii) to identify similar IT management in industry, (iv) to identify present

business/ operational/ revenue management systems of Mercator, Bravo passenger solutions (BPS) and Emirate Group, and (v) to study growth model of Mercator before and after its acquisition by Warburg Pincus. Methodology is mainly exploratory in nature.

2. Emirate group's IT Division

Mercator was created with three main objectives. These were (i) to have workforce capable of developing IT applications, (ii) to market and implement these applications to other airlines to recover capital invested, and (iii) to improve these applications with feedback from the users.

2.1. Phase 1: Emirate Airline and Mercator

Mercator was established in 1985. Its main function was to meet IT needs of EA and DNATA. It had developed competencies and became provider of technology "solutions" to other airlines across the globe. It had 120+ customers in 80 countries. It had acquired a Bangkok-based company tikaAERO in 2009 to offer fully functional, flexible and cost effective passenger service and distribution solutions to hybrid, regional, low-cost and start-up airlines. It was rebranded as Avantik (Mercator (2010)).

2.2. Phase 2: Growth of Mercator & technological changes

Tan (2006) reported that Mercator is moving 120 applications to Linux which is much more cost effective in comparison to AIX and Sun Solaris on Blade based infrastructure. It is deploying Virtual Private Networks (VPN), service-oriented architecture, and use of mobile phones on board. Mercator had implemented ACL to bring changes in internal audit and to get rid of manual, tedious and time-consuming tasks (ACL,2014). Additional major event of this phase were (i) business agreement with Farelogix, (ii) change in Vision & organizational structure, and (iii) addition of more clients

2.3. Phase 3: Mercator, BPS, and Warburg Pincus:

Warburg Pincus acquired majority stake in Mercator in 2014. Under Warburg Pincus, Mercator to grow faster and develop new products in shipping and safety segment. BPS had acquired 100% of the Mercator Asia business and Avantik to target low cost startup airlines. (Reuters, 2014)

2.4. Phase 4: Mercator under Warburg Pincus and Bravo Passenger Solutions:

Major additions under Warburg and BPS are (i) addition of new applications & technology such as data warehouse, big data, and IoT, (ii) acquisitions of Catapult International, (iii) addition of clients such as Air Canada, and (iv) changes in Solution Segmentation.

3. Data & Sample

The data is mainly qualitative except data of finances and other performance parameters of the company, collected from the websites of Emirates group and its business partners.

4. Results and Conclusions

Growth Model: Its growth model is both organic and inorganic. Inorganic growth model is evident from the list of its partnerships and acquisitions (Plane Handling (UK), Aviance (UK), tikaAERO, Catapult International, Seattle-based RMS). Organic growth is evident from its capability of integrating technologies, processes, and adding value to the existing solutions.

Business Model: It is unique for airline industry. It has invested in creating IT application and solutions. It has created a brand Mercator for its applications. It is using these applications. It is marketing these applications to competitors to recover the capital invested.

Advantage of having Separate IT division: It can attract best IT professional to work with in creating IT solutions.

Reasons for Selling Majority Stakes to Warburg Pincus: Five reasons: (i) high valuation, (ii) increase its reach in other markets, (iii) reduce risk, (iv) concentrate on core business, (v) internal innovation stagnation in the context of new technologies.

Similar Business Model: Not many examples are reported in the literature from airline industry. However, in telecom sector there are many companies which are creating systems, using, and marketing these systems to competitors (Singh, 2010).

Mercator with Warburg Pincus & EA: Emirate Group still has minority stake in Mercator and continue to applications of Mercator. The relationship between Mercator and Emirate Airline is not reported.

BPS & Emirate Group: BPS have bought 100% stake in Mercator South Asia and will serve low cost startup airlines.

Growth model of Mercator with Warburg Pincus: Growth model of Mercator after its acquisition remains hybrid (organic + inorganic).

To conclude it was a right decision of Emirate to sell off majority stake of Mercator and 100% stake of Mercator South Asia to concentrate on core business of flying with passenger and cargo and not to be another Nokia

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Copayments in the Russian Health Care System: To Be or Not to Be

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Abstract:

This paper investigates the role of copayments in health care. We consider international experience of introducing copayments in the systems of social medical insurance. The advantages and disadvantages of instituting copayments in the Russian health care system are analyzed. Consumers of health services and the management of public medical institutions are considered as key interest groups. To identify the positions of consumers, we refer to the results of a poll of St. Petersburg citizens. We also analyze the expert opinions of the graduates of the Presidential Program "Management in Health Care" in order to determine the positions of executives of medical institutions.

Keywords: *copayments, health care, medical insurance*

Introduction

Analysis of international experience in the organization of health systems shows that co-payments are the main form of co-financing by the population of services in the field of medical and social insurance [Drummond, Towse, 2012]. The main functions of copayments are the weakening of the problem of moral hazard and the attraction of additional sources of health financing. Copayment is a predetermined rate of payment for health care services at the time of care. In other words, the co-payment is a form of complicity of the state and the population in covering the costs of medical care.

The idea of introducing copayments to the Russian health care system is actively discussed by both experts and government officials. In some regions of Russia, a pilot project was launched for the introduction in the mandatory health insurance program an option of purchasing a policy that provides access to additional services in medical institutions of the CHI system.

Experts opinion

Experts offered different options for co-financing health care. Back in 2013, the Patients' Protection League proposed to impose a compulsory fee for administration, digitalization and quality control in health care (100 roubles for every call to a doctor, 500 roubles for each hospital bed-day) in order to improve logistics and administration in the health care system, and also to compensate costs of digitalization and quality control. According to A. Saversky, President of the League, this fee should go to the federal budget and then be allocated between the FFOMS (for spending on administration and digitalization) and a body that monitors the quality of medical care.

The RF Ministry of Finance offered to introduce a co-payment for free medical care for unemployed citizens.

Experts of the Higher School of Economics are considering a system of voluntary additional fees from consumers for education, health care and infrastructure as an opportunity to increase budget revenues. As follows from their opinion, introduction of this fee will allow to raise funds equivalent to 2-3% of the population income.

According to I. Sheiman, a Higher School of Economics professor, copayments are more solid and economically rational form of attracting personal funds of consumers compared to the public provision of

services and informal payments of the population – two dominant forms of financing in the Russian public health care system. On the other hand, he notes that this is a strategy forced by the imbalance of state guarantees of medical care and funding provided [Sheiman, 2007].

In the opinion of E. Selezneva, the introduction of copayments is only partially justified, since the exemption from this payment of socially vulnerable groups of population will lead to an insignificant increase in the health care budget [Shishkin, Potapchik, Selezneva, 2014].

Positions of interest groups

About half of the respondents indicated their willingness to pay for medical services. However, usually these those indicated that their health condition is good and the frequency of doctor visits does not exceed one visit per month. In addition, most of these respondents chose the size of the copayment that doesn't exceeding 10% of the cost of the service. In general, the idea of introducing co-payments is incomprehensible to most respondents.

Representatives of medical organizations noted such barriers to copayments as high administrative costs for introduction and maintenance of this system and the need to inform citizens, as well as a high probability of their negative reaction.

Conclusion

It seems that the introduction of co-payments in the Russian health care system will not lead to the same outcomes as in internationally recognized best practices of organizing health systems. So, if we consider two alternative versions of the size of the co-payments - a relatively small (option A) and a relatively larger size (option B), option A will lead to significant transaction costs that will exceed benefits while option B may lead to a shift in demand for paid medical services.

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Using the Right Language to Make Students' Surveys Effective

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Abstract:

This paper shares the experience of university students in developing research skills through their project work in Intercultural Communication course. Hofstede's Cultural Dimensions project uses an integrated approach and combines language, communication, culture and management. As part of the project, the students are required to design and carry out a survey based on measurable constructs that describe national behavioral patterns. A well-designed survey gets increased insights from the respondents and

enables to make comparative analysis of different countries. So, it is vital to give students a clear understanding of how to create and choose appropriate questions for their surveys. The author reports on the problems the students face during the project and the solutions they find. Different survey question types are considered, including scale survey questions. In their feedback the students highly assess the impact of the project on their research skills development.

Keywords: *Hofstede's cultural dimensions, developing research skills, effective survey, scale survey questions*

1. Introduction

Survey is one of the most commonly used research methods. Check & Schutt define survey research as "the collection of information from a sample of individuals through their responses to questions" (Check & Schutt, 2012). This type of research offers a variety of methods to involve participants, collect data, and employ various ways of data processing. During survey research the following research strategies can be applied: quantitative research strategies, (for example, using questionnaires with numerically rated items), qualitative research strategies (for example, using open-ended questions), or both strategies. Surveys are often used in economic and social research to describe and explore human behavior (Singleton & Straits, 2009).

Questions are the primary tools in collecting necessary information from the respondents. Making the right choices on the type of survey questions enables the researchers to extract the data that are related to the goal of the survey.

2. Problems and Solutions

It turns out to be quite challenging for the students involved in the project to create the right questions for the survey. On the one hand, they have to be clear and precise about what they want to know. On the other hand, they have to engage the respondents by writing more human questions for their survey. Initially the students tend to use formal and complicated language for their questions. They find it really difficult to use less official and simpler language – the language that human beings would use in their everyday life. However, when the students think of the survey as of a conversation, they manage to write their questions in the natural style as if they talk.

Another problem the students face is keeping the survey short. Asking too many questions gets respondents bored and tired, while seven well-written questions supply the sufficient information. Thus, the students have developed the skill of getting rid of unnecessary words.

While asking their questions, they have to make the respondent feel that they are really interested in what each person means to convey. As every person answers the questions individually, they should be written bearing one person in mind, rather than an audience. People prefer to respond to questions rather than to statements, so the students ask questions instead of making statements in order to gather accurate responses.

3. Samples of appropriate survey questions

If students are aimed at creating a survey that gets credible responses and collects data effectively, they should learn how to choose the effective question types.

Closed-ended questions are usually easy to answer, so it is recommended to ask them in the beginning of a survey to encourage respondents. Questions of this type can be very useful in fact-finding research. The common varieties of close-ended questions are: yes/no questions, multiple-choice questions and different kinds of rating question. Closed-ended questions are convenient because they keep the same structure for all respondents and they provide clean data. Nevertheless some respondents may get disappointed if they cannot find the desired answer in the list or they are not given possibility to explain or describe their answer.

When answering open-ended questions, respondents give a **personal explanation or point of view**. These questions usually begin with *how, what, why or describe* and provide a detailed answer. Open-ended survey questions can deliver detailed qualitative insights. They stimulate respondents to express their opinions and feelings, adding value to the answers. But respondents' answers may get more

subjective and the collected data would require more complicated analysis. Although open-ended questions are important, they are time-consuming and should not be over-used.

When both specific answers and a textual explanation should be gathered in the survey, semi closed-ended questions will help to compromise. This type of gives uniform data expanded with personal insights.

4. Scale survey questions to measure respondent attitude

As the students need to achieve and analyze measurable results, they frequently ask scale questions, one of the most widely used question types in a survey. For example, in a Likert Scale respondents do not simply choose between *yes* or *no*, they are offered specific choices of *agreeing* or *disagreeing* on a certain question in the survey.

While writing scale survey questions the students learnt to be careful about adjectives. In a survey when they ask the respondent about their opinion it is important to keep the response options precise. The options should include adjectives that are easily understandable to avoid confusion which grade is higher. It looks appropriate to begin with negative extremes, then come to a neutral opinion and finish with positive adjective scale. The students have to choose what kind of scale questions to use: unipolar questions that range from zero to positive or bipolar questions that range from negative to positive.

5. Empirical results and conclusions

Survey research is a useful and rightful approach to research that helps to explore integrated areas of interest, combining language, communication and culture. Like any research, survey research has a variety of sources of error, but several strategies exist to reduce error potential. The students have applied some of them, i.e. choosing the fitting type of questions and using the right language in them. They have realized that simplicity and direct approach are the most influential aspects in getting the best survey responses through appropriate survey questions. This experience has tooled them with the skill to construct scale survey questions in order to measure responses. It enables to improve students' survey research and determine how to apply the findings from a survey research study to practice.

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The Design Thinking Method in Studying Project Requirement Gathering

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Abstract:

The Design Thinking Method is widely used in the design of products and information systems, and its usage is becoming more popular in other areas, such as education. This paper discusses a case of using the Design Thinking Method in the study of requirements collection, which is a key area of project management. The Design Thinking cycle is considered according to the Stanford design school approach, which contains the following phases: empathize, define, ideate, prototype and test. This paper presents the result of an experiment which used the full cycle. The importance of the "empathize" phase for learning is discussed.

Keywords: *design thinking, project management learning, project requirement*

1. Introduction

The Design Thinking Method was originally used widely in technical fields, before being successfully applied to the humanities, including education (Melles G. et al, 2015). Mainly, researchers within the educational sphere propose the design of curricula based on Design Thinking for different levels of education, including higher education, secondary school etc. Furthermore, the Design Thinking Method is actively promoted by the universities and schools who teach this method. The main characteristics of this method include: human centered design, integrative thinking, design management and design as strategy. It should be noted that all of these characteristics are especially important for the managers' education. Different universities providing courses on this method teach different steps which compose the sequence for this method, but the core philosophy remains the same. In this paper the Design Thinking Method adheres to that of Stanford University's design school, which defines five steps: empathize, define, ideate, prototype and test. Particular attention is paid to the usage of the Design Thinking Method when teaching project management (Matthews J. and Wrigley C., 2017). First of all, it has been suggested to use this method for curricula design. It is also noteworthy that the step sequence of the Design Thinking Method is close to the phases of the project life cycle. Some researchers maintain that this method works well for the education of managers, as it helps with the development of soft skills, including communication, negotiation, understanding the needs of others, teamwork and decision making. Some researchers argue against the full implementation of the Design Thinking Cycle within the learning process, but rather propose including only some of the steps, stating that this can also benefit the development of soft skills (Ewin N. et al, 2017).

2. Applying the Design Thinking Method to requirements collection learning

Requirements management is an important knowledge area of project management. Requirements management and information collection, when done well, allow for accurately determining the scope of project work. According to PMBoK (Project Management Institute. 2017), every project should start with a project business case, which is used to establish the validity of the project benefit. This business case serves to define the project business requirements and serves as a base to define functional and non-functional requirements, for both the project itself and the project result. In previous years, students studying IT project management received the business case for a learning project to study project requirements gathering. The practice has demonstrated that not all students understood the provided business cases well enough, creating some additional difficulties at the stage of requirements gathering. In our case, it was decided to use the Design Thinking Method for only one particular task in the course - the project business case development - and to look how the usage of this method would impact the execution of the following tasks. The students were given the task to develop a business case for a project to

development of an IT-system, used in the education process and designed from the students' point of view. Following the Design Thinking Method, the first "empathize" step was to define what kind of IT-system would be developed. Thus, this business case allowed the students to determine a familiar and understandable situation. Later, it allowed them to discuss the requirements for the system, utilizing their understanding of the system itself. Following the steps of the Design Thinking Method, the students determined the concept of their IT-system, how it would be used and who benefit from it.

Since this system would be used by students in the future, each team tested their system design with a student audience. They asked fellow students about the usefulness of the offered system functions and the scenarios of its use. Based on the received feedback, the students updated their business case along with the usage scenario and potential user profile. Thus, having worked on this task, the students were able to better understand the business case and appropriate information system. The next step was to collect the functional requirements for the development of the proposed system. Comparing the situation, when the business case was developed by the students, with the situation, when the business case was provided to them, we can summarize that the requirements collection activities were executed better for the first situation.

3. Discussion

The usage of the Design Thinking Method for the development of the business case for project requirements gathering showed the following benefits:

- the students working on the business case understood the essence of the planned system and well formulated and understood the functional requirements,
- the collaboration for the task execution and the human centered orientation following the Design Thinking Method developed soft skills like communication, listening skills, decision making, etc.
- given the different levels of familiarity with the information systems, the joint work required students to exchange knowledge and learn from each other.

Other scenarios of using the Design Thinking Method in learning courses, including different steps of the method, were tested.

If the first "empathize" step was skipped and students were given instructions with the description of the business case and scenario of its usage, and were asked to determine the necessary functionality, then the proposed solutions turned out to be limited in comparison with the possible solutions. When the students collected feedback on their solution, the questions to the potential users of the system were non-specific and did not reflect the features of the business case. If the "empathize" step was included, but the testing step was skipped, the proposed business cases were diverse in topic and function. Thus, based on this observation, it can be summarized that the inclusion of the "empathize" step opens up opportunities for a more creative approach to problem solving and allows for the most interesting cases.

This particular example of using the Design Thinking Method in education has shown the potential of this method and encourages its further use.

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Determination perspective directions of university's social infrastructure development as competitiveness factor

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Abstract:

The article proposes methodology of determining perspective directions of university's social infrastructure development to enhance its competitiveness, taking into account the university stakeholders interests on the basis of T. Saaty's Analytic Hierarchy Process method. To enhance the university competitiveness, the three-level model of university's social infrastructure was developed, which includes the main element, necessary and additional elements. The developed methodology is interesting to university management when designing development programs and increasing universities competitiveness.

Keywords: *social infrastructure of university; AHP*

Introduction

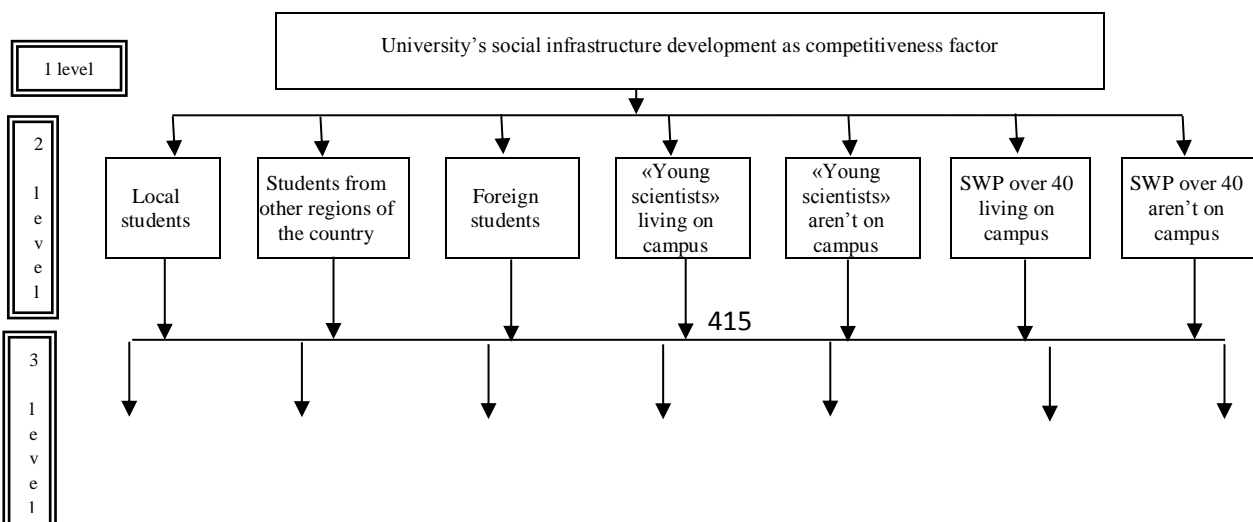
Creation of competitive universities in modern conditions becomes driver of innovative development of countries, that can accumulate and multiply their own and national intellectual potential, as well as promote system integration of education, science and business. Creating favorable social conditions at the university is one of the important factors of attracting and retaining both highly qualified scientific and pedagogical workers (SWP) and talented, prospective entrants, students in the international higher education services market. Social conditions are formed within the framework of university's social infrastructure development, consisting of the following elements: housing and communal, public catering and trade, consumer services, cultural and recreational, sports and health, information and communication, transport [1-4, 6].

Development decision-making one or another infrastructure element depends on stakeholders' opinions (students and SWP). In this connection, it's necessary to assess importance of university's social infrastructure elements to determine perspective directions of university's social infrastructure development, taking into account the university stakeholders interests.

Methodology

The objective of research was to determine perspective directions of university's social infrastructure development, taking into account the university stakeholders interests, for enhance international competitiveness.

To solve the research purpose, we used the method of T. Saaty's Analytic Hierarchy Process (AHP) [5]. In the methodology, the following steps are proposed and characterized: 1) structuring choice problem as hierarchy, presented in the figure 1; 2) development research tools and experts sampling; 3) determining weighting factors university's social infrastructure development for different stakeholders; 4) determining weighting factors various university's social infrastructure elements development for each category of stakeholders; 5) calculation aggregate weighting factor various university's social infrastructure elements development taking into account interests of stakeholders.



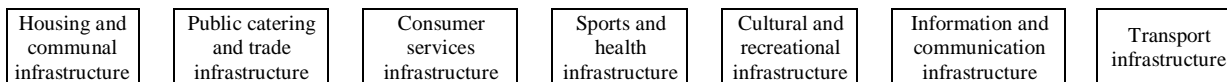


Figure 1. Structuring choice problem as hierarchy (AHP)

The experts were seven groups of FEFU stakeholders, each of which included up to 10 respondents (local students; students from other regions of the country; foreign students; «young scientists» living and aren't on campus; scientific and pedagogical workers over 40 living and aren't on campus), who were questioned on 9-point scale of relative importance [5]. Stakeholders' group opinions were taken into account, which is valid for AHP. Geometric mean was taken for the aggregation of expert opinions. Averaging of experts' judgments was carried out at the level of paired comparisons matrices elements, all experts' opinions were agreed, the condition of consistency ratio was satisfied ($CR \leq 0,10$) [5].

Empirical results and conclusions

Enhancing university competitiveness taking into account stakeholders interests is provided by: 1) housing and communal infrastructure development (0,261); 2) development of information and communication infrastructure (0,153), cultural and recreational (0,151) and sports and health (0,151) infrastructure; 3) public catering and trade infrastructure development (0,129) (Table 1).

Table 1. Aggregate weighting factor various university's social infrastructure elements development as competitiveness factor taking into account interests of stakeholders

Social infrastructure elements	Stakeholders							Aggregate weighting factor
	Local students	Students from other regions of the country	Foreign students	«Young scientists» living on campus	«Young scientists» aren't on campus	SWP over 40 living on campus	SWP over 40 aren't on campus	
	0,034	0,244	0,345	0,182	0,027	0,146	0,021	
Housing and communal infrastructure	0,031	0,273	0,281	0,282	0,061	0,289	0,033	0,261
Public catering and trade infrastructure	0,101	0,103	0,102	0,154	0,161	0,191	0,223	0,129
Consumer services infrastructure	0,036	0,056	0,062	0,050	0,046	0,073	0,046	0,058
Sports and health infrastructure	0,241	0,185	0,166	0,120	0,108	0,091	0,088	0,151
Cultural and recreational infrastructure	0,227	0,177	0,155	0,141	0,130	0,103	0,109	0,151
Information and communication infrastructure	0,190	0,127	0,167	0,140	0,207	0,153	0,189	0,153
Transport infrastructure	0,143	0,050	0,043	0,070	0,249	0,066	0,285	0,067

Based on obtained significance estimates in Table 1 was developed three-level model of university's social infrastructure, taking into account interests of all stakeholders, for enhance university competitiveness (Figure 2).

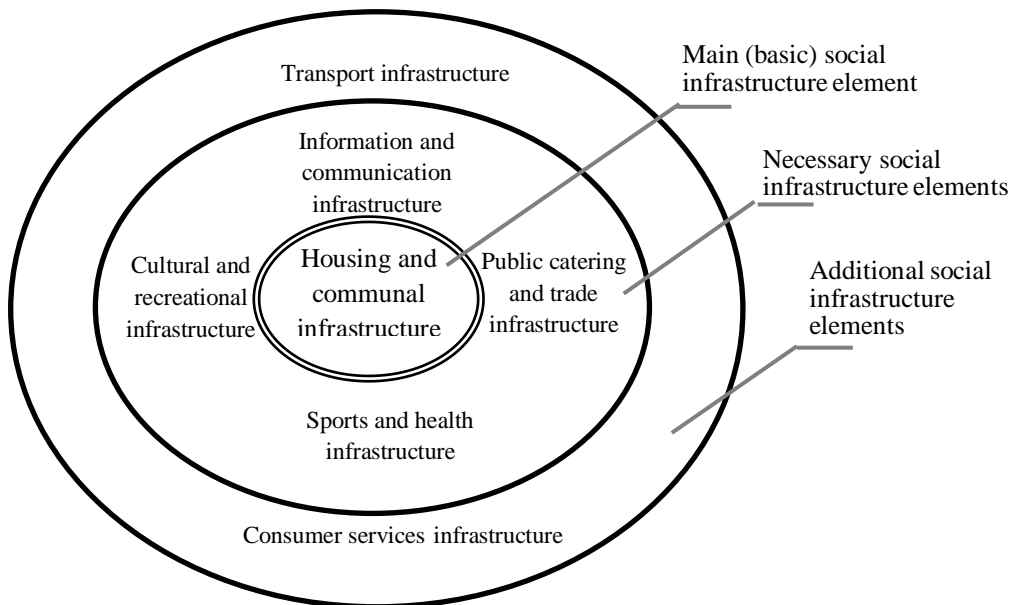


Figure 2. Three-level model of university's social infrastructure, taking into account interests of all stakeholders

The main element of the three-level model of university's social infrastructure, taking into account interests of all stakeholders, is housing and communal infrastructure, necessary elements are information and communication infrastructure, cultural and recreational and sports and health infrastructure, public catering and trade infrastructure and also additional elements are transport infrastructure and consumer services infrastructure.

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The interplay of corruption and innovation in emerging economies

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Abstract:

The paper analyses effects of corruption on innovative activities. It argues that despite corruption is traditionally considered as a highly negative phenomenon, it may have a positive effect on innovation. This position allows to explain why developing countries with a high level of corruption sometimes demonstrate better indicators of innovative activity in particular areas than less corrupt advanced economies. However, our study shows that this positive relationship exists because of the prevalence of more serious problems associated with the persistent presence of the state in various spheres of economy. Moreover, we argue that not all innovations are in fact socially desirable, and those that are an outcome of rent-seeking behavior and incorporation of private interests in the legal system often negatively affect market mechanisms and undermine sustainable economic performance.

Keywords: *innovation, entrepreneurship, regulation, corruption, regulatory capture, emerging economies, rent-seeking behavior.*

1. Introduction

While it is generally perceived that corruption negatively affects economic and social wellbeing, it seems that correlation between this phenomenon and some indicators of economic development may really be positive. Some scholars, for example, argue that corruption can stimulate foreign direct investment (Egger and Winner 2005) or even raise economic growth (Leff 1964). At the same time, such indicators as investment or economic growth are closely intertwined with innovative activities, which are often considered as main driving forces of economic development. Thus, it is interesting to understand whether corruption indeed can play in favor of innovation, and, some cases from emerging economies suggest that it may be true.

Despite the problem of corruption has become central for many contemporary studies, there are not so much efforts focused on empirical research of the connection between corruption and innovation. Those that are often cited in the modern discourse mainly support the theoretical background of the public choice view that rent-seeking behavior weaken the incentives to innovate (see e.g. Murphy et al. 1993). The positive effect of corruption on innovation is mainly found in the opportunity to speed the bureaucratic process (see e.g. Ayyagari et al. 2014), but our findings allow to argue that the “speed taxes” are by far not the only positive externalities.

The distinctive features of emerging economies is that corruption in these countries plays a more prominent role in economic activity than in developed parts of the world. The emerging economies are mainly in the worst sections of the corruption perception index rank of Transparency International, where Russia is only on 135 position. Nevertheless, in many spheres that are usually regarded as innovative areas, Russia successfully competes with advanced European economies. Of course, there are various aspects that affect innovation but our study shows that corruption has taken a very important place in the process.

2. Research methods

The research is mainly based on the theoretical background and methodology of the Austrian school of economics, new institutional economics and public choice theory, including analysis of rent-seeking behavior and regulatory capture. In order to understand why some kinds of innovative activity are flourish in emerging markets where institutional environment is generally considered as highly corrupt, we study particular cases and compare them with their counterparts in advanced economies.

3. Main findings

In general, it is possible to distinguish three major categories of cases where corruption plays in favor of innovation. First, corruption might have a positive effect on innovation because bureaucratic corruption can countervail bureaucratic inefficiency. We do not have reasons to believe that existing rules serve actual social needs, and, thus, if corruption allows to circumvent them, then the outcome can be

more efficient than the inefficient institutional arrangements could otherwise produce. This idea has found its place in the Austrian economics scholarship. For example, Burton (1984) uses the term “intervention entropy” in order to explain the situation when “the losers” of government intervention find ways to “escape its burden”. Since efficiency of regulation in developed parts of the world is not always less dubious than in emerging markets and very often is expressed in the problem of “regulatory disconnection”, corruption indeed may play in favor of innovation. One of the interesting instances that demonstrate the issue is the development of the wireless industry in emerging economies (see e.g. Trubnikov 2017).

The second category is very similar to the the first one and it also tackles with a situation when corruption allows to countervail inefficient regulation. However, apart from the previous example, the phenomenon stems from the “regulatory capture” problem, and this is precisely the view from the public choice perspective (see e.g. Tullock et al. 2002). In this situation the role of corruption is double-edged: on the one hand, “grand corruption” not only protects interests of most powerful players but clearly aims to stifle innovation; on the other hand, “petty corruption” may allow independent entrepreneurs to bypass the captured rules. The case that supports this statement is the comparison of the telecommunications industry in Russia and in the advanced economies of the EU (Trubnikov 2018).

The third category has very distinctive features and can be considered as innovations driven by rent-seeking behavior supported by corrupt state mechanisms. Such innovations are a result of close cooperation of government and business and very often take a form of private-government partnership. This phenomenon helps to explain why some particular types of innovations, such as, for example, blockchain technology, have found greater support from governments in countries with higher level of corruption than in advanced economies. However, such innovations often aim to generate rent flows into pockets of rent-seeking actors and, as a result, may have a negative impact on the economy and cannot be considered as socially desirable innovative endeavors.

4. Conclusion

Despite corruption is mainly perceived as a negative phenomenon, our findings demonstrate that it may have a positive effect on innovation. However, it is very important to understand that this positive relationship exists because of the existence of more serious problems associated with the persistent presence of the state in the economy. Moreover, not all innovations are in fact socially desirable, and those that are an outcome of rent-seeking behavior and incorporation of private interests in the corrupt state system positively contribute only to some indicators of innovative activity, while, at the same time, negatively affect market mechanisms and undermine sustainable economic performance.

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Managerial ignorance as a systemic national institutional void: environmental (ir)responsibility of a Russian oil company

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Abstract:

For long, we have been observing corporations' irresponsibility regarding myriad social and environmental issues all around the world. The extant literature heavily relies on the developed countries context and argues that it is the managerial egoism that results in corporate irresponsibility. Nevertheless, we know that different national institutions differently shape forms and foci of corporate (ir)responsibility in different economies. Therefore, we may expect corporate irresponsibility in transition economies to be institutionally shaped differently from that in the developed countries context. To understand why corporations in transition economies may behave irresponsibly, we draw on an intensive case study on environmental (ir)responsibility of a Russian oil corporation. Our findings show that corporate irresponsibility in transition economies may not only result from managerial egoism, as the extant literature suggests, but also from managerial ignorance. Drawing on the national business systems approach, we theorize this ignorance as a systemic institutional void formed by the relevant national cultural, educational, financial and political institutions. Our paper contributes to the institutionalist account of corporate (ir)responsibility, showing how macro-level national institutions may inform micro-level managerial decisions regarding corporate (ir)responsibility.

Keywords: *Corporate irresponsibility, managerial ignorance, systemic institutional void, national business systems, transition economies*

Corporate irresponsibility manifests itself in the absences of corporations' redress of their own impacts on stakeholders and is especially notorious in transition economies — or post-Soviet countries transitioning from the planned to market economy — where the notion of corporate responsibility, as well as corporation itself, is relatively new. The extant literature indicates egoistic behavior of corporate managers as the major 'micro-level' cause of corporate irresponsibility (Boiral, Baron, & Gunnlaugson, 2014; Hart, 2013). These studies, however, heavily rely on the contexts of economically developed countries with strong market economies, such as, for instance, the USA, Canada and Norway. Other studies indicate that corporate (ir)responsibility is an institutional 'product' of 'macro-level' distinct national business systems (NBSs, Whitley, 1999) and hence may vary across NBSs (e.g., Matten & Moon, 2008). Given the variability in how corporate (ir)responsibility may be institutionally constituted across developed countries and transition economies, we can expect 'micro-level' causes of corporate irresponsibility in transition economies to be also different from those in developed countries. Therefore, we ask: *what causes corporate irresponsibility in transition economies?*

We address this research question by examining the case of environmental (ir)responsibility practices of a Russian oil corporation in ensuring environmental safety of a Russian oil field development. To preserve the confidentiality of respondents, the company name is not provided. Let us talk about Russian oil corporation X, which is engaged in the project Z to develop the Alfa oil field and has been criticized by the Russian environmental NGOs for disregarding serious environmental risks.

The formation of the empirical base of this study, including the search and interviewing of respondents, was conducted using the snowball sampling technique to secure access to a hard-to-reach group of respondents and get answers to the 'sensitive' questions.

Findings

Our study showed that corporate (environmental) irresponsibility of the corporation X is caused by its top managers' ignorance of environmental safety issues. For instance, we indicated an opposition of senior managers towards environmental safety measures, proposed by the internal and external experts of the corporation X.

Drawing on Whitley's NBS approach, we explain this managerial ignorance as a systemic institutional void formed by the relevant national cultural, educational, financial and political institutions.

Cultural system. From this view, the opposition of top managers to the environmental safety issues is a distinctive feature of the Russian companies, which differentiates them from the companies from developed countries.

Educational system. Growing up in Russia, top managers of the corporation X do not have education in the field of environmental safety. This among all makes them inattentive to educational and research environmental initiatives for the employees.

Financial System. While the state financial support in countries like Russia is very likely to be given to the projects like Z, it is not associated in any special way with the needs of environmental safety.

Political System. In countries like Russia state environmental supervisory bodies tend to abuse their power and to force mining and extractive firms to solve problems that are loosely associated with the negative environmental impact of their projects. The end result is the top managers' de-motivation towards responsible decisions about environmental safety and their opposition towards 'real' environmental safety measures.

We thus demonstrate how 'micro-level' logic of managerial ignorance can be theorized as a systemic institutional void formed by the 'macro-level' institutions of the NBS wherein the firm originates from and operates. By doing so, we contribute to the institutionalist account of corporate (ir)responsibility.

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Customer loyalty determinants in retail banking

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Abstract:

In the paper we investigated current Russian retail banking market dynamics that suggests due to increasing share of state banks, enhanced competition and activities of the Central Bank leading to bank license withdrawal and sanation commercial banks should find new marketing strategies based on building customer loyalty in order to retain customers and survive. We identified key customer loyalty determinants based on empirical papers overview as trust, satisfaction, quality, image, offer and switching barriers. This paper analyses the influence of customer loyalty determinants on loyalty. The relationship is researched via linear regression model and factor analysis based on respondents' perception of their main bank.

Key words: *Russian retail banking sector, key determinants of customer loyalty in retail banking*

Introduction

Nowadays the dynamics of retail banking sector in Russia is influenced by the following:

- The Central bank measures to sanify banking sector leading to massive withdrawal of bank licenses and sanations of banks;
- Increased share of banks under control or significant influence by the state due to transfer of ownership during sanations (FK Otkrytie, Promsvyazbank and Binbank) and due to customer trust reduction leading to transfer of finds from private to state banks. As at 1 January 2018 the share of banks that are under control or significant influence by the state was 69.3% and 67.5% for deposits and loans market correspondingly, as at 1 January 2014 – 58.2% and 50.0% correspondingly.
- Increased completion in retail banking sector. The Herfindahl-Hirshman concentration index as at 1 January 2018 equaled to 22.7% and 19.2% for deposits and loans market correspondingly that is a sign of high concentration and, thus, high competition.

Current situation leaded to commercial banks need to find new marketing strategies in order to retain its customers to survive in situation of low customer trust to banks especially to banks without state participation in share capital and customers' run to state banks. The loyalty theory is one of possible solutions as it could help in identification of factors promoting customer retention and customer loyalty.

The analysis of empirical papers on customer loyalty was conducted under with were identified 6 main factors of customer loyalty: trust, satisfaction, quality of services, bank's offer, bank's image and switching barriers.

Customer trust includes the following aspects: reliability (Leify, Ali, 2014, Trif, 2013, Oleksiak, 2009), readiness to continue cooperation in future (Oleksiak, 2009).

Treatment of customer complaints (Keaveney, 1995, Moisescu, 2017), overall satisfaction (Hallowell, 1996, Wulandari, 2015, Filip, Anghel, 2009, Trif, 2013), experience in cooperation with bank (Wulandari, 2015, Bain&Company, 2013), e-banking (Bain&Company, 2013) and understanding of customer needs (Oleksiak, 2009) are key determinants of customer satisfaction.

Placement and operating hours (Keaveney, 1995, Hallowell, 1996, Bain&Company, 2013, PWC, 2012), waiting time (Keaveney, 1995, Oleksiak, 2009), personnel competence (Keaveney, 1995, Hallowell, 1996, Wulandari, 2015, Bain&Company, 2013, Filip, Anghel, 2009, Oleksiak, 2009, PWC, 2012) and perceived quality (Leify, Ali, 2014, Wulandari, 2015, Moisescu, 2017, Filip, Anghel, 2009, Trif, 2013, PWC, 2012) are included in service quality factor.

Offer factor incorporates set of bank products (Keaveney, 1995, Bain&Company, 2013, Oleksiak, 2009, PWC, 2012), full information on products available (Moisescu, 2017, Filip, Anghel, 2009, Oleksiak, 2009).

Bank's image consists of image of stable bank (Bain&Company, 2013, Oleksiak, 2009, PWC, 2012), good reputation (Leify, Ali, 2014, Bain&Company, 2013) and recommendations of family and friends (Bain&Company, 2013, Filip, Anghel, 2009, Oleksiak, 2009).

Contractual obligations, psychological aspect and no information about alternatives (Filip, Anghel, 2009) and physical aspect (Keaveney, 1995) construct switching barriers factor.

1. Data and sample

The study presents data obtained by on-line questionnaires placed in famous Russian banking forums: banki.ru and banki.ru. The survey was conducted in February-April 2018 and involved 891 respondents (after questionnaires' rejection). Respondents were asked to characterize their main bank under 6 factors (loyalty, trust, satisfaction, quality, image and offer) using 10-point Likert scale. At least 3 questions were included in survey to assess each factor.

2. Empirical results and conclusions

The modelling consists of the following steps (performed in SPSS19.0):

- Factor analysis using principal components (PC) method to identify 6 factors described above. For each factor were identified one PC. Share of described dispersion for each PC is above 55% that demonstrates good quality of components.
- Linear regression model to assess impact of quality and image on satisfaction. The model is of good quality, all variables are significant at 5% confidence level, thus, predicted satisfaction values could be used in loyalty model.

Table 1

Regression for satisfaction

	Coefficient	Standard error	Confidence (p<0,05)
Const	0	0,040	1,000
Image	0,363	0,068	0,000
Quality	0,584	0,068	0,000
R-square	81%		

- Linear regression model to assess impact of trust, satisfaction and offer on loyalty.

Table 2

Regression for loyalty

	Coefficient	Standard error	Confidence (p<0,05)
Const	0	0,065	1,000
Trust	0,239	0,113	0,037
Satisfaction (predicted)	0,393	0,193	0,044
Offer	0,165	0,151	0,276
R-square	62%		

As a result of assessment were identified that factors that have significant positive impact on loyalty are trust, customer satisfaction, quality of services and bank's image, thus, banks should concentrate on this aspects especially on enhancing trust and improving quality of service as it has the most significant impact on loyalty.

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Russian Theatre Industry: Key Characteristics and Implications for Performance Measurement

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Abstract

The paper investigates the problem of performance measurement of cultural organizations. In particular the issue of relative efficiency of Russian theatres is discussed. The aim of the study is to suggest and empirically test a methodological approach to relative efficiency measurement based on econometric methods. The empirical analysis is based on panel statistical data from 2012 to 2016 of 3182 objects. Three econometric methods are used: principal component analysis, k-means cluster analysis and data envelopment analysis. The findings of the study reveal 12 principal components that are important for efficiency evaluation of cultural organizations. Four clusters of theatres with specific characteristics are distinguished within the whole population. Efficiency indices of theatres belonging to two clusters are calculated.

Keywords: *performance measurement, efficiency, cultural organizations, theatres, data envelopment analysis*

1. Introduction

Economic hurdles that occurred during the crisis period in the first decade of the XXI century concerned all spheres of the public sector and pushed cultural organizations to compete with other sectors for diminishing budget funding. Due to a difficult economic situation sponsors and donors demand detailed accounts about performance of supported organizations. Competition in the cultural sphere is becoming intense: the number of cultural organizations of various scale and ownership type is growing.

Cultural organizations face increased pressure of their key stakeholders – authorities, sponsors, donors and consumers. The situation forces managers of cultural organizations find ways of increasing performance and getting transparent information about their achievements.

State and municipal authorities that are responsible for cultural policy, while practicing result-oriented budgeting, are in need of clear mechanisms of comparison of cultural organizations' performance for grounded decision-making. Performance measurement is 'increasingly being considered by regulators as a tool for influencing the real economic behavior of public service organizations' [Smith, Street, 2005, p. 401].

The paper focuses on one side of performance – efficiency – which is understood here as comparison of outputs with inputs required for getting a particular level of outputs. So far mostly international scholars have studied the problem of relative efficiency of cultural organizations. To the author's knowledge there are no studies made by Russian scholars on the problem of relative efficiency of cultural organizations based on econometric methods.

2. Method and Sample

In this study we suggest and empirically test a multi-stage methodological approach to relative efficiency measurement of cultural organizations based on a set of econometric methods. The main source of empirical information is panel statistical data on theatres of the Ministry of Culture of Russia (years 2012-2016; 3182 observations). For data processing we use STATA 11.

Firstly, we analyze 49 theatre performance indicators using principal component analysis (PCA). The author distinguishes 3 types of indicators: inputs, outputs and outcomes. PCA helps to reduce the number of variables while losing little information that explains the variance of the sample. We identify a set of latent constructs (principal components) that represent a useful research tool for measuring performance in the cultural sphere.

Secondly, we analyze the whole population of Russian theatres using k-means cluster analysis based on the principal components that are previously distinguished. This stage of research aims to identify theatre profiles that are important for performance measurement, and to describe their key characteristics.

Thirdly, we measure relative efficiency of theatres within the identified clusters using a non-parametric tool – data envelopment analysis (DEA). Principal components are used as variables here. We use DEA input-oriented model.

3. Findings

Based on descriptive analysis of performance indicators of theatres, several trends in the development of theatrical industry were identified, namely: increase in financial resources of theatres in real terms; increase in the number of performances; increase in attendance and revenues from ticket sales; continued dependence on budget funding; little emphasis on sponsors and donors as a funding source; disproportion in access to theatrical services based on income.

Principal component analysis allowed to define the key performance indicators of cultural organizations. A set of 12 principal components was identified.

Using cluster analysis 4 theatre groups (clusters) were identified. Interpretation of these results and real-life characteristics of objects (status, location, genre, etc.) allowed the author to name the clusters as follows: ‘exemplary theatres’, ‘classical academic theatres’, ‘advanced regional theatres’ and ‘children theatres and theatres on the periphery’ (Table 1).

Table 1. Distribution of theatres into four clusters

Cluster	Number of observations	%
Cluster 1 ‘exemplary theatres’	9	0.3
Cluster 2 ‘advanced regional theatres’	948	32.12
Cluster 3 ‘classical academic theatres’	123	4.17
Cluster 4 ‘children theatres and theatres on the periphery’	1871	63.4
Total	2951	100

The following tendency was identified: the lower the number of objects in the cluster is, the higher mean values those objects demonstrate. An exception is the principal component ‘work with children’ where an opposite tendency is observed (Figure 1).

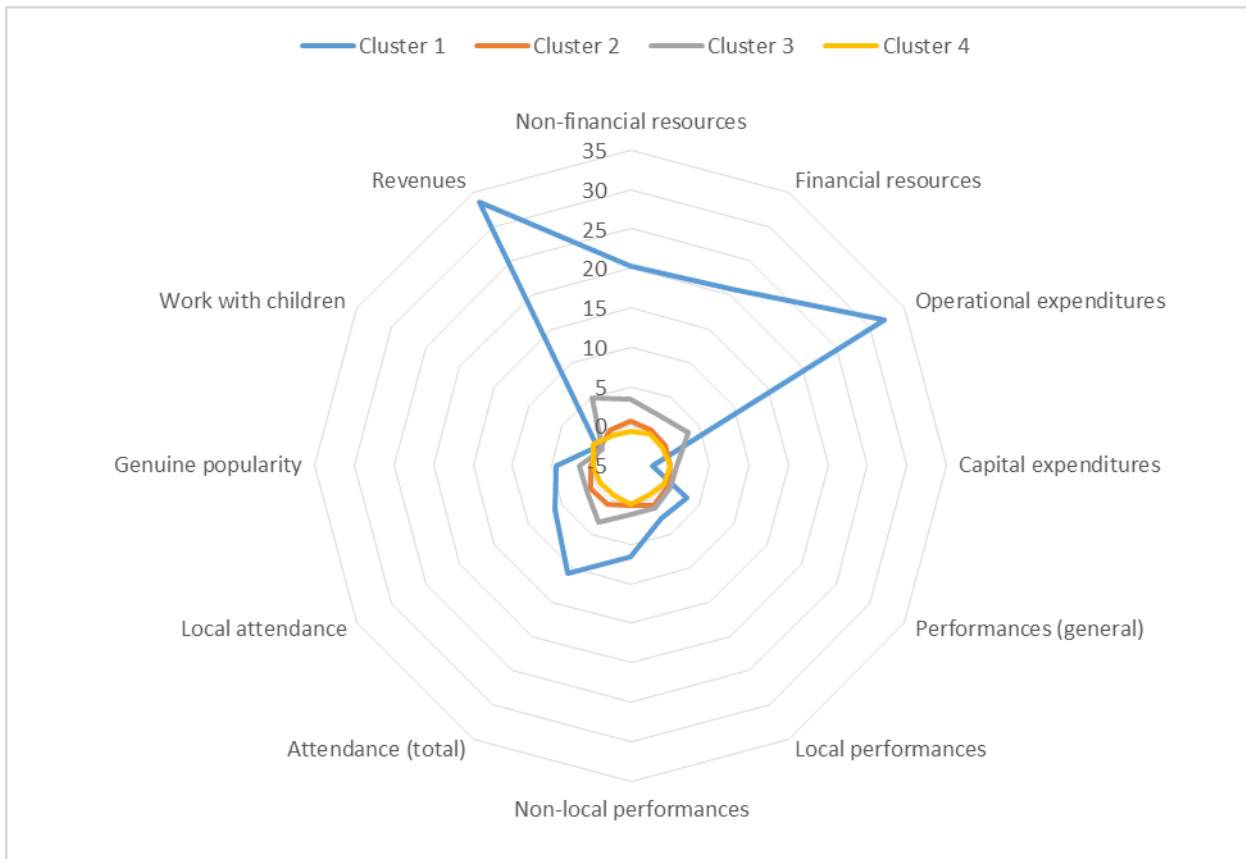


Figure 1 – Mean values of principal components for four clusters of Russian theatres

Efficiency indices of theatres belonging to two clusters (1071 observations) were calculated according to three DEA models depending on the outcome indicators used in the analysis. Comparison of mean values of efficiency indices (Figure 2) shows that the values do not differ significantly. Theatres of Cluster 3 are more efficient in Model 1 “Attendance” and Model 2 “Revenues”, while theatres of Cluster 2 are more efficient in Model 3 “Work with Children”. These results are in tune with the findings of cluster analysis: “classical academic theatres” do not pay enough attention to children as target audience comparing with organizations from bigger clusters.

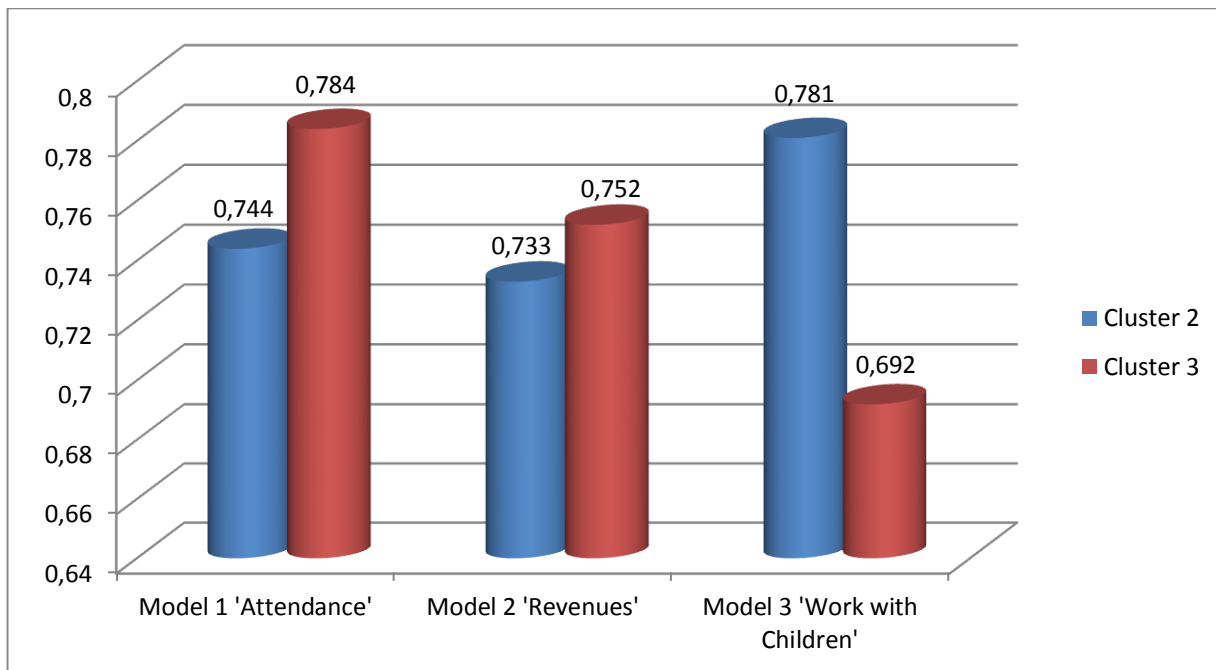


Figure 2 – Mean values of efficiency indicators

4. Conclusion

A comprehensive methodological approach to efficiency measurement of cultural organizations is proposed and tested in the study. The approach is based on the application of econometric methods, the key method being data envelopment analysis. To the author's knowledge this method has never been previously applied to cultural organizations by Russian scholars.

The findings may be used by public authorities in the cultural sphere for well-grounded allocation of budget resources and in order to identify the avenues for cultural policy development. Managers of cultural organizations may use the results for attracting additional financial resources of sponsors and donors through being able to provide accurate and standardized information about one's own performance.

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Learning language – studying management. How to make a language course attractive?

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Abstract:

Implementation of Internet sources may bring momentum into classes of professional communication in second foreign language. The present study focuses on using Deutsche Welle as a source for authentic audio and written texts in German. The progress of students in 3 groups from different faculties, including one from GSOM, of St. Petersburg State University is analyzed.

The present study demonstrates that online sources can make professional communication classes more attractive for students. Through the authentic texts in German, they learn not only language, but also political, economic, social and cultural aspects of German-speaking countries.

Keywords: *professional communication, Internet sources, learning with Deutsche Welle, teaching second foreign language*

1. Introduction

The study focuses on using additional materials for teaching professional communication in second foreign languages in universities on example of GSOM and several other faculties of St. Petersburg State University. Recent studies demonstrate that implementation of Internet sources raises efficiency of gaining vocabulary and improves communication skills. Traditional facilities like text-books and compendium outwear quickly, while websites are kept up to date and provides a teacher and students with authentic lexis and grammar. Moreover, Internet contents information useful in other University subjects. This is an advantage in the sense of cross-disciplinary approach.

2. Goal and Objectives

The goal is to evaluate efficiency of Internet sources in teaching professional communication in second foreign language. It bases on the progress by students in spring semester 2018 in three groups.

We carry out several activities:

- Analysis of the implemented Internet sources;
- Comparison of the starting level of three groups and their curricula;
- Evaluation of the progress made by the three groups in relation to use/restricted use/no use of Internet sources.

Studying these areas gives a clear idea about efficiency of Internet sources as teaching materials in second foreign language.

3. Object

A teacher has to stick to a very strict curriculum and is limited to a restricted set of learning materials very often. Some faculties implement Internet sources, like the faculty of international relations (IRF). Students of the faculty are involved in studying foreign countries and cultures, they act pro-active in various international events. They need an updated language and updated sources on current situation abroad. The teachers of German use various sources, including Deutsche Welle, Youtube, Nachrichtenleicht, etc. The IRF is presented in this study by the group of 10 students learning at A1+ level (Group 1). Their text-book is *Begegnungen 1*. Every week or every two weeks the students work with a topic from Deutsche Welle.

Another student group is one from the 3 year of GSOM (Group 2). This group of 5 students works with *Schritte Intransional 4* and a compendium designed by the teachers of Languages for Academic and

Business Communication department in 2018. The target level is A2, the frequency is two classes per week. They got three topics from Top Thema Deutsche Welle.

The third group of 4 students comes from the faculty of applied mathematics and control processes (Group 3). The text book is *Begegnungen A1+*, the target level is A1, frequency is one class per week. This group does not work with any Internet sources.

4. Methodology

Efficiency of Internet sources implementation can be evaluated by the written and oral tests at the end of each semester. The listening abilities is a ribbon to see if the progress of different groups is different. The oral part shows speaking abilities and richness of students' vocabulary.

The routine activities gives an opportunity to see the students' progress, too, for example, the progress in speaking and discussing acute issues.

The feedback from the students is another way of evaluation. The preliminary results let us claim, that addressing to the Internet sources is a right strategy.

5. Main Findings

Implementation of Internet sources for teaching second foreign language turns out to be a successful practice. The answers in students' questionnaires showcase that these materials are considered by students to be more modern than text-books and compendiums.

The advantage of Internet sources is their relevance to the latest events. It is especially important for those who study social sciences (Groups 1 and 2). The Group 3 is less interested in staying updated. They find that the text-book is enough for them.

Group 1 and 2 demonstrate better progress. Their curricula are slightly different from group 3 and include different text-books. The levels of the 2 groups are quite similar. The Group 2 started learning German in September 2016 and has 2 classes every week. The Group 1 started in September 2017.

35% of students of Group 1 claim to be more interested in DW materials than in the text-book. 45% say that the DW materials are as interesting as those in the book. 20% prefer to work with the book, because: 1. DW is too difficult for them (75%), 2. DW is of no use (15%), 3. Text-book gives more information (10%). Group 1 demonstrate better background knowledge of German-speaking countries. Thus, we establish a solid ground for studying other disciplines and facilitate cross-disciplinary studies.

For Group 2 (GSOM) online materials is a novelty. Only 20% of the students reply that they like it. Others either think it's better to stick to the book or believe there is no use in addressing to Internet sources. They stress yet, they would like learn more about Germany (60%).

Introduction of Internet sources into GSOM curriculum in second foreign language can give the momentum to raising competence of the students. Online materials in German can help students to study their core disciplines.

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