INNOVATION FOR ORGANIZATIONAL PERFORMANCE: APPROACHES AND APPLICATIONS. EDITORIAL

Dear readers,

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

Some of the latest trends, approaches and research results in this field were presented at the 5th Enterprise Research Innovation Conference (ENTRENOVA) held in Rovinj Croatia, from 12-14 September 2019. ENTRENOVA is an international scientific conference organized by IRENET, Society for Advancing Innovation and Research in Economy, in cooperation with the Faculty of Tourism and Hotel Management, Kotor, Montenegro and the University North, Varaždin, Croatia. It is a multi-disciplinary conference dedicated to examining, comprehending and discussing the art in the theory and application of innovation, knowledge management and R&D issues in the business settings, especially related to information and communication technologies. At ENTRENOVA 2019, more than 160 authors, from 30 countries, participated with 80 abstracts and 70 papers.

Beside for participants of ENTRENOVA 2019, the open call for this thematic issued of INDECS was for all other interested authors, researchers and practitioner from the field of economics, organization and management science, information technology and different managerial aspects concerning innovative business practices and sustainability.

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

Paper *Genetic algorithms as a tool for development of balanced curriculum*, by Dijedić, Bebić, and Gašpar, stresses the genetic algorithms application significance in the analysis of the interrelation of the curriculum courses in higher education. The empirical part of the paper employed the genetic algorithms to ascertain the effect that grades achieved in predictors’ courses have on achieved grades in contingent courses. Also, the authors of this paper observe if the genetic algorithms can advance the existing curriculum. Authors use data related to the students’ success from the Faculty of Information Technologies at the University ‘Džemal Bijedić’ in Mostar, Bosnia and Herzegovina. Additionally, the authors wanted to examine anticipate students’
grades based on the grades they achieved in courses from the prior semester. Results show that a good curriculum can draw attention from new students, enhance the success rate students that enrolled in specific courses, and boost the institution’s quality and its perceptibility. Moreover, this paper shows how the genetic algorithms as search techniques for managing intricate spaces, can be used in every field of the educational process research. Conclusively, using genetic algorithms can help educational systems to boost the teaching quality.

Zoroja, Klopotan, and Stjepić in their paper named *Quality of e-Commerce practices in European enterprises: cluster analysis* approach presents how development and usage of e-Commerce can have a positive influence on businesses within European countries. Authors also show how efficient usage of e-Commerce offers better services to clients and higher profitability for different businesses. Authors recognize that a high-quality communication process between the supply and demand side, is an added benefit for further e-Commerce development, mainly in developing European countries. The main objective of this paper is to examine the e-Commerce practice quality and usage within enterprises in 29 European countries for the year 2018. Authors use hierarchical cluster analysis as a research method intending to find out if there are any differences among selected European countries regarding e-Commerce practices quality and usage. Moreover, results show that European countries with a higher rate of e-Commerce utilization have higher rates in ICT usage generally as well as increased economic progress.

In their paper, *The impact of strategic networking on business performance of manufacturing SMEs operating in a predominantly service based economy*, Morić Milovanović, Primorac, and Kozina analyze the role and the impact of strategic networking on the Croatian manufacturing SMEs efficiency. Authors conducted their empirical research between Croatian manufacturing SMEs by analyzing a set of financial and non-financial performance indicators as well as the environmental context of enterprises as a moderator variable in the model. Thereby, authors gain more extensive analysis of strategic networking and business performance connection. Based on their research, the authors indicate that their results are unconvincing. Namely, they concluded that strategic networking has a positive impact on business performance by conducting the unidimensional analysis. However, results are not the same while conducting the multidimensional analysis by which only the reputation has a notably positive effect on business performance amongst all the other observed antecedents important for strategic networking.

*How organizational culture influences satisfaction of employees shown on the example of tourism businesses in Montenegro*, the paper by Simović, Perović, and Raičević explores a new way for enhancing competitive benefits and business operations within Montenegro’s tourism sector. Simultaneously, by creating this new approach, they improve the environmental context of businesses as one of the competitiveness determinants. Moreover, the authors describe and examine the link and impact of different types of organizational culture and employees’ satisfaction by observing the jobs they do at the same time. For gaining results, the authors use quantitative
explorative research, including usage of the Organizational Culture Assessment Instrument (OCAI), and the Test for measuring employees’ satisfaction. Analysed results revealed the type of organizational culture that is common for businesses within the Montenegro tourism sector. Also, the results of conducted research proved that organizational culture is a determinant that affects the employee satisfaction level.

In a paper *Cluster analysis of new EU member states’ pension systems*, Krpan, Pavković, and Žmuk address the comparison of the pension systems between the chosen newest Member States of the European Union. Accordingly, the authors want to ascertain the guidelines for further pension reforms. Namely, through their research, they discover which countries’ practices and challenges would be valuable in setting specific policy measures. For this purpose, they used Ward’s clustering methodology as their research method. The authors based their clusters according to three perspectives of the pension system analysis: pension systems’ characteristics, demographics, and macroeconomics and labour market. Besides, for conducting cluster analysis, the authors chose the following three periods by 10-year difference: 1996, 2006, 2016. The results of their research suggest that the composition of the countries in derived clusters changes notably through all observed years and all three used perspectives. Also, given results show that economies with later retirement have more sustainable pension systems. Therefore, the authors also indicate that lower pension expenses have a favourable effect on the labour market and their economies.

Sorić, Žokalj and Logarušić, in their paper *Economic determinants of Croatian consumer confidence: real estate prices vs. the macroeconomy*, investigate the driving forces of consumer confidence. They focused their research on the sample of customers in Croatia, a country that is particularly reliant on the real estate sector. In their empirical section of the research, the authors employed Autoregressive Distributed Lag (ARDL) models. Thereby, the authors analysed a broad set of macroeconomic indicators that could influence customer confidence. According to the given results, real-estate prices are not a significant factor that affects customer confidence in Croatia. However, real wages, interest rates, and the general price level are discovered as long-term factors that have an impact on Croatian costumers’ confidence. Besides, short-term impact factors on Croatian customer confidence, such as GDP growth rate, unemployment rate, and stock market developments, have been revealed by the authors in their conducted research.

Paper *Living lab – creative environment and thinking techniques for tourism development* by Šker and Floričić explore the issue of the reason for and effectiveness of the Living Lab establishment in the higher education system. They explain the research problem of the Living Lab organization as an environment for creating new ideas and guidance for tourism and entrepreneurship. In addition, they analyse differences and similarities between group creative thinking techniques for generating ideas (brainstorming and brainwriting in the Living Lab) to reveal recommendations for further research. The article aimed to show an innovative model that would enhance tourism entrepreneurship practice. In their empirical part, the authors use qualitative and quantitative approaches as research methods. They apply the explanatory sequential design, which includes data firstly collected by using quantitative and then qualitative
methods. Finally, the authors brought out concluding observations useful for tourism entrepreneurship focusing on innovations and problem-solving in the observed context.

Novice and habitual entrepreneurs and external business support exploitation by Ropega investigate preliminary examination results of the prior experience in business influence or its absence of entrepreneurial behaviour. By employing the Computer Assisted Telephone Interviewing technique, Ropega collects data on a sample of 373 small-sized innovative companies in Poland. Research results indicate that habitual entrepreneurs utilize external business support more than novice entrepreneurs do. However, any notable distinctions between different business support forms are not recognized in this research. Ropega also emphasizes that given results of the conducted study are particularly significant for future research in which focus should be put in detail to analyze habitual entrepreneurs’ characteristics.

In their paper, Hope and responsibility vested in younger generations: the case of Hungary, Marton, Ernszt, Rodek, and Mahr analyse the consumption habits and consumers’ state of mind toward consciousness and responsibility. Therefore, the authors want to investigate if the more recent generations are more responsible than the earlier ones, considering consumption, and consumer decision-making habits. Results of their empirical part of the research conducted amongst 652 consumers of a German supermarket chain operating in Hungary were focused on defining the main distinctions between different generations concerning their consumption habits. Based on their research results, authors indicate that consciousness is rather revealed in the self-interest than in the responsibility. Even the global studies’ results refer to progress through generations and consumers within younger generations shown as more conscious and responsible than older ones; this research indicates that it is not the case in the observed country.

Veledar, Gadžo, and Lalić, in their paper Cost and management accounting in budget-funded organizations in Bosnia and Herzegovina, investigate the theoretical and practical level of knowledge within the cost and management accounting field. In addition, the authors examine the possibility of mentioned knowledge utilization within the budget-funded organizations in Bosnia and Herzegovina. The empirical part of the paper provides the survey questionnaire that is conducted among 208 budget-funded organizations operating. Based on the results, the authors indicate that respondents do not have a high level of knowledge in the cost and management accounting field. However, results also show that respondents understand the importance of using new forms of accounting that could advance the decision-making process of public management. Consequently, the authors also state that this could trigger the measurement of performance within the public sector and empower the transparency of public management functioning in Bosnia and Herzegovina.

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