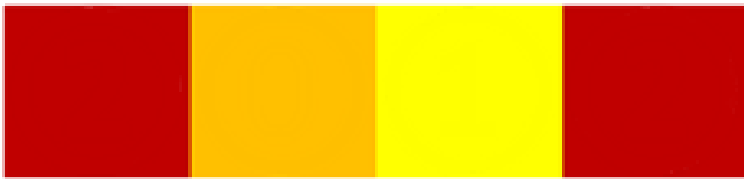


SOCIN



International Interdisciplinary
Conference on Social Innovations

National Sustainable Development under Globalization Conditions

/Stream C of International research conference "Social Innovations: Theoretical and Practical Insights"/

CONFERENCE VENUE: Mykolas Romeris University, Vilnius, Lithuania.

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"Social Innovations: Theoretical and Practical Insights 2014"

Stream A: Justice, Security and Human Rights

Stream B: Social Technologies (separate proceedings)

*Stream C: National Sustainable Development under Globalization
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SOCIN



International Interdisciplinary
Conference on Social Innovations

Stream C: National Sustainable Development under Globalization Conditions

Day I

Plenary presentation

COPING WITH TECHNOSTRESS: WHEN ICT BECOME NOCUOUS FOR THE ORGANIZATION?

Agota Giedrė Raišienė

Mykolas Romeris University, Lithuania

e-mail: agotar@mruni.eu

Steponas Jonušauskas

Mykolas Romeris University, Lithuania

e-mail: sjo@mruni.eu

Purpose – to characterize ICT usage by employees in Lithuanian organizations and to determine how the features of ICT usage in employees' everyday work affect their subjective self-being, life quality and attitude to work.

Design/methodology/approach – a research was based on the methodological attitude of Tarafdar et al. (2011). The results were processed using SPSS. Spearman's rho analysis was conducted, also, KMO and Bartlett's Test was used, Extraction Method: Principal Component Analysis, and Rotation Method: Varimax with Kaiser Normalization.

Findings – the research confirmed that imbalanced use of ICT in work and work overloads caused by it are significantly related to: 1) negative attitudes to organization, organization management and work; 2) low life well-being, and low quality of family life and communication with friends. Also, a conclusion is made that the negative effect of ICT use could be reduced by 1) planning workloads, 2) ensuring the balance between work and recreation as well as between work and personal life.

Research limitations/implications – it would be purposeful to investigate, how technostress at work affects employee groups regarding their age, gender and number of children they have. As a result, the groups most vulnerable to ICT overloads would become clear.

Practical implications – the results of the research show that without considering the employee’s physical, psychological and emotional possibilities to focus on work, ICT no longer has any positive effect on his work efficiency. In addition, the research proves that ICT innovations and work efficiency may only be linked partially, without losing the fact that ICT does not operate as an independent object, but requires human interference.

Originality/Value – there are no researches in Lithuania the goal of which would be to analyze the effect of the intensity of used ICT on the employees’ well-being, life quality and work efficiency. Due to this reason, the results of the research are relevant in an attempt to reach organizational sustainability and employee welfare.

Keywords: Information and Communication Technologies; work and life balance; techno-overload, work attitudes, life quality.

Research type: research paper.

References

1. Tarafdar et al. (2011) Crossing to the Dark Side: Examining Creators, Outcomes, and Inhibitors of Technostress. *Communications of the ACM*, Vol.54(9), p. 113-120.



Day I

Session 1

Moderator:

**Prof. dr. Vladimiras Gražulis,
Mykolas Romeris University**



GLOBALIZATION, POSTMODERNITY AND THE NECESSITY OF NEW GOVERNANCE

Arvydas Guogis

Mykolas Romeris university, Vilnius, Lithuania

e-mail: arvydasg@mruni.eu

Purpose (viewpoint) of the article – to reveal globalization and postmodernity as the critical conditions for seeking of urgent New Governance implementation

Design/methodology/approach – the methodology of the article rests on New Governance approach as the opposite or supplementary methodology to overcome the shortcomings of previous hierarchical and New Public Management approaches.

Findings – the conclusions of the article rest on the necessity of New Governance model as the new conditions of globalization and postmodernity are forming dangers for the more traditional public governance models.

Research limitations/implications – It is obvious that globalization and postmodernity are making big impact for the Governance in the nowadays world, but it is difficult to form exact criterias and indicators for the research in this topic.

Practical implications – New Governance is admired for the welcomed principles of openness, transparency, pluralism, democracy, social quality, social justice, social responsibility, non-corruption and active role of NGO-s, but it lacks concrete methods for implementation of these principles.

Originality/Value – The development in the analysis of relation between discourses of postmodernity and Public Governance

Keywords: Globalization, postmodernity, New Governance

Research type: viewpoint

THE FACTORS OF CREATIVE INDUSTRIES DEVELOPMENT IN NOWADAYS STAGE

Eugenija Martinaityė

Mykolas Romeris University, Lithuania

e-mail: eu2martin@yahoo.com

Rusnė Kregždaitė

Mykolas Romeris University, Lithuania

e-mail: rusne.kregzdaite@gmail.com

Purpose -This paper analyses factors most influencing development of creative industries (CI) in Lithuania in the context of importance of this sector for whole economy, using factors analysis and using integrated CI factors assessment model.

Methodology - The theory of creative industries does not have systemic completed description of the creative industries. There is also lack of consolidated methodology on creative industries' impact assessment on the economy. The current research consider with factors affecting creative industries.

In order to identify the factors most affecting the development of Creative Industries (the value added in CI sector), the creativity industries were split into four following groups: Economical Creativity: E1-Employment in CI (percentage from total);E2-Government expenditures for culture (percentage from total); E3 - Export of CI (percentage from total). Technological Creativity: T1 - Government expenditures for R&D (percentage from total); T2 - Number of patents for million inhabitants; T3 - Employment in R&D (percentage from total). Social Creativity: S1 - Inhabitants with high education (percentage of total); S2 - Creativity index; S3- Tolerance index. Cultural Creativity: C1- Students enrolled in arts & humanities studies; C2- Participation in cultural activities; C3- Expenditures for culture and recreation.

Each indicator transformed into Boolean form giving the value from 0 to1depending low or high add value. It is a tool to analyze cross-sectional data, and analysis was made using Tosmana software. If the factor has a high value, this factor can be interpreted as important for the



development of creative industries. If the factor has a low value, then the factor does not have influence on the development of the creative industries. It should be a priority of policy to strengthen factors with high and medium affects on creative industries in order to explore the economic and social development opportunities.

Factors were analyzed using methods of qualitative comparative analysis. Method lets to indicate factors' influence to creative industries development and give recommendations about priority to strengthen factors with high and medium influence in order to use all the economic and social development opportunities by creative industries sector.

Each indicator transformed into Boolean form giving the value from 0 to 1 depending low or high add value. It is tool to analyze cross-sectional data. If the factor has a high value, this factor can be interpreted as important for the development of creative industries. If the factor has a low value, then the factor does not have major influence to the creative industries development

Findings – Empirical results show that factors highly affected on creative industry are private expenditures for culture and creativity index. These factors have strong correlation coefficient as well. To increase these factors in Lithuania (and Estonia) became long run objective and related to educational system. Medium influence factors are government expenditures for culture, number of patents, and employment rate in R&D and tolerance index. Low influence factors are employment in CI, export of CI sector, government expenditures for R&D and inhabitants with high education. The factor with no influence is participation in cultural activities.

Research limitations - Performing the research it was taken in account several restrictions: the definition of Creative Industries (CI) by on UNCTAD's 2010 report was used to develop statistical scoring model of Lithuanian creative industries. The narrow range of variable used for the modeling caused by absence of relevant statistical data. The data consists of 12 indicators, divided into four groups: Economical, Technological, Social and Cultural factors. The model can be expanded to incorporate additional internal and external factors..

Practical implications – The developed model targeted to asses factors affected development of Creative Industries may be used to identify opportunities and priorities to strength development of certain areas (sub-sectors) of Creative industries.

An integrated assessment model lets to analyze which factors have high values in leading countries and by comparing it with Lithuania to find factors which used in these countries as the opportunities and influences on creative industries sector.

Novelty – The integrated statistical assessment model for factors affected the development of the Creative Industries in Lithuania.

Keywords: creative industries, economy development, factors, innovation.

Research type: research paper



SOCIAL ATTITUDES TOWARDS THE ENVIRONMENT IN LITHUANIA

Algirdas Monkevičius

Mykolas Romeris University, Lithuania

e-mail: algirdas.m@mruni.eu

Paulo Pereira

Mykolas Romeris University, Lithuania

e-mail: paulo@mruni.eu

Purpose – Social attitudes towards the environment are fundamental to facilitate the implementation of the rigorous and progressively strict environmental European Union (EU) policies. There is a great difference among EU countries in the acceptance and implementation of environmental legislation, which is an enormous shortcoming to the Union future sustainability. Eastern European countries are, in comparison to Northern countries, less aware of the environment importance in our quotidian and to the future generations. The aim of this work is to assess the vision of Lithuanian population towards some environmental aspects.

Design/methodology/approach – A total of 1002 Lithuanian citizens was queried about some environmental aspects from 11 April to 23 of May, 2014. The sample was randomly selected and it was representative of the Lithuanian population. The questions were related to the living environment, ecological product consumption, willingness to pay and use for green electricity and combustibles, energy saving and recycling practices. Data was analyzed according to the gender, age and education level.

Findings – The results show that the inquired are not satisfied with the present living environment and give value to a healthy place to live. They give more importance to the food price and agree that the existence of an ecological brand on the products it is important. Despite of this, the queried, in their majority never buy organic food and never buy eco-friendly products. The greater part of the respondents prefer energy efficient materials, save energy and recycle, in opposition have a reduced willingness to pay a high price for green electricity and do not use environmentally friendly fuels. Females valued significantly higher the living environment and have a higher will to buy ecological products than the males. Elderly give more importance to the



food price and save more energy than the younger. In opposition, the new generations have a higher will to buy organic food and to pay more for electricity from renewable energy than the older. The higher educated respondents give a significantly higher value to the living environment, ecological products, organic food, eco-friendly products, energy efficiency and renewable energies than the lower educated. On the other hand, the participants with lower education give more importance to the food price than the higher educated. Overall, we observed that the respondents did not rate high the questions raised, with exception to the food price and living environment.

Research limitations/implications – Further research will be carried out considering other social variables. This study shows that, in general, Lithuanians do not give a great importance to environmental questions with exception to the living environment. However, do not show very much willingness to contribute in important aspects that can improve the environment as organic food and eco-friendly materials consumption, pay for green electricity and use of environmentally friendly fuels. Only the recycling was accepted by the majority, that may be related to this practice be considered a norm. The respondents seem to have a local perception of the environment and do not connect it to external aspects, as the greenhouse emissions to conventional energy production. The environmental concerns are connected to economical questions, as the necessity to save energy or the use of energy efficiency materials. Despite the low rates in some questions, females, younger and highly educated respondents seem to be more concerned for the environment, while males, older and lower educated participants, value more the economical aspects.

Practical implications – This works showed that more efforts are needed in order to raise the awareness of Lithuanian population regarding the studied environmental questions, however, some changes are becoming visible and education it is an important part on it.

Keywords: Attitudes, Environment, Lithuania

Research type: case study

HOW DO WE UNDERSTAND THE PRINCIPAL OF “MONEY FOLLOWS THE CLIENT” IN THE CONTEXT OF DEINSTITUTIONALIZATION OF CHILD CARE

Simona Bronušienė

Mykolas Romeris university, Lithuania

e-mail: alesimona@gmail.com

Purpose – During the last decades all around the Central and Eastern Europe there are implemented child care reforms moving away from the notion of a “state-parent” and focusing on individual children’s needs and rights, working towards supporting families in their child upbringing duties. These reforms caused the change of principals of financing, moving from principal “money follows the provider” to principal “money follows the client”. At the beginning of 2014 in Lithuania there was approved a plan of deinstitutionalization of child care and disable people with a goal to change reliance on residential institutional care towards services aimed at keeping children within their families and communities. However there are still a lot of unanswered questions, especially planning budget for children: who is the client? what are the needs of the client? how and when do we recognize the client? what we are able to propose for the client? what is the goal of our actions? how much do we need to reach this goal? has anybody counted? who is responsible for reaching this goal?

Thus, the purpose of this paper is to analyze the concept of deinstitutionalization of child care in Lithuania comparing it with the child care reforms in other Eastern Europe countries, to provide some proposals on budgeting of child care which would contribute to proper implementation of this reform.

Design/methodology/approach – The main applied empirical method is documentary research conducted by examining primary sources, i.e. legal acts, strategic documents, official speeches, also analysis of professional publications, statistical data and comparative analysis.

Findings – (1) Despite the changes of social care services financing model – the transition from financing services which is based on provision of resources to refund the whole expenditures necessary for the provision of services according to the estimated costs, to the purchase of services when the cost of service is fixed to a particular client, we still rely on residential institutional care services looking for the best institution for a client rather than



financing preventive services for children and their families. (2) In Lithuania there are a lot of excellent strategies and programs in the field of child rights protection and child welfare but the result – the number of abandoned and institutionalized children is still the same. That shows that we lack a comprehensive and multifunctional strategy covering not only social care and protection but also education, health care, justice and finances. All spheres of governances should be matched with the best interest of the child. (3) The essence of “money follows the client” in the context of deinstitutionalization is not to help the client but to invest in client. The earlier we start investing in children the cheaper and more effective result we may reach.

Research limitations/implications – this research paper is the background in order to give insights on the deinstitutionalization of child care process. It was limited by the lack of official documentary sources and data, severe data comparability, domain specificity.

Practical implications – the paper provides the opportunity to assess the process of deinstitutionalization of child care and gives practical proposals for optimization and better development of it in Lithuania.

Originality/Value – The research paper is one of the first which presents the analysis of deinstitutionalization process in Lithuania from the perspective of budgeting planning. It does not compare the costs of residential and alternative child care (it is already approved by several international researches that residential institutional care is more expensive than alternative care), but it does compare the costs of preventive services and costs of child care which is already the consequence of the lack of suitable investment in appropriate time.

Keywords: deinstitutionalization, child care, social services, budget, investment.

Research type: research paper

TOWARD SUSTAINABLE AGRICULTURE IN LITHUANIA

Pranas Mierauskas

Mykolas Romeris University, Lithuania

e-mail: mierauskas@mruni.eu

Purpose. The purpose of the work is analysis of the current state and evaluation of the perspectives of development of sustainable agriculture in Lithuania. Despite the fact that usually farmers practice one farming type, there are real opportunities to be involved in a few farming types and applied social, economical and environmental approaches.

Approach. The article is case study analyzing selected Lithuanian regions. It was applied these methods: questionnaires based data collection, descriptive and comparative data analyzes, data evaluation. The quantitative research methods have been applied to indentified farmers approaches in relation to different farming types and for opportunities to develop sustainable agriculture. This research method allowed to collect the quantitative data and was analyzed and compared different farmers approaches using statistical methods. The questionnaires have been applied in order to collect different farmer approaches.

Development of agriculture passed different types of farming, from traditional in the past to intensive recently. Currently farmers practices different farming types and participate in Rural development programmes. These programmes support intensive farming, developing of rural areas as well agro – environmental measures. It is also used but not widely organic farming. Usually in Lithuanian agriculture it is used one type of farming. Traditional farming is more typical for small farms, intensive for large farms. Transition from traditional to intensive farming is more used practice that to organic farming. It can be notice that organic farming includes all three aspects of sustainable agriculture – economical, social and environmental. Organic farming covers rural development and follows environmental requirements. Intensive farming is in opposite of organic and more focused on economical aspects.

Findings. The main findings are follows: the results of investigation discovered that farmers which have higher understanding on environment would be more motivated to implement farming which include sustainable agriculture aspects. Research work determinates recent state of farming in relation to sustainable agriculture.



Research implications. Organic farming contains all aspects of sustainable agriculture and it is potential in development sustainability in rural development. Intensive farming is not prepared for development of sustainable agriculture due to strict focus on economics aspects. It is first work which analyzes current aspects of sustainable agriculture and evaluate future developments.

Practical implications. Despite the fact that organic farming includes elements of sustainability, currently Lithuanian agriculture can not be treated as sustainable agriculture. Using of sustainable agriculture would be more cost effective way in rural development process.

Value. The work contributes to agriculture sustainability in Lithuania.

Keywords: sustainable agriculture, sustainability, farming, rural development.

Research type: case study.

RESEARCH ON PERSONNEL EVALUATION AND ITS RELATED ISSUES IN THE DEVELOPMENT OF A FINANCIAL SERVICES COMPANY

Iluta Arbidāne

Rezeknes Augstskola, Latvia
e-mail: Iluta.Arbidane@ru.lv

Viktorija Pokule

Rezeknes Augstskola, Latvia
e-mail: Viktorija.Pokule@ru.lv

Sanita Vasiljeva

Nordea Bank, Rezekne branch, Latvia
e-mail: sanita.vasiljeva@nordea.com

Purpose - Personnel evaluation as a research object has been extensively studied in foreign literature and various research. When evaluating efficiency of representatives of different occupational backgrounds, new specific factors that influence the evaluation criteria and evaluation results have been defined. Evaluation criteria regarding the staff employed in specific sectors such as financial services can be defined in the light of various aspects, where the uppermost facets will be both the individual indicators and soft competencies. Considering the need for personnel evaluation, applying a variety of evaluation methods and analysing assessment results, it is possible not only to increase the motivation of each individual, but also to improve the overall company's performance. An essential condition for personnel evaluation is their understanding of the whole evaluation process and its importance in relation to personal development and motivation aspects.

Design/methodology/approach – The research methodology is based on a survey of employees linked to the personnel evaluation process and its impact on personal motivation and growth. The article analyses scientific research in the context of personnel evaluation, as well as reflects the study of effectiveness evaluation in connection with the employed particularly in the financial sector as well as explores feedback of employees.

Findings – based on the research, reflected in the theoretical and practical parts of the study, the key factors that affect efficiency of employees have been defined. Based on the results of the survey of employees representing financial services industry the most important and most urgent issues directly affecting efficiency of employees have been identified. The study also analyses the staff views on the measurement methodology of employees' efficiency, their understanding and impact on the motivation of employees.

Research limitations/implications - the research has been conducted anonymously. The study does not mention or analyse particular persons providing financial services, the research is of a resumptive nature.

Practical implications – As a result of this research, practical proposals that can be taken into consideration when performing personnel evaluation procedures have been developed, for instance, transparency of the evaluation criteria, motivation, feedback.

Originality/Value – the research summarises evaluation of employees' perception and attitude to the work efficiency evaluation procedures, their expedience and impact on motivation in the future.

Keywords: personnel evaluation, evaluation methods, effectiveness of personnel evaluation

Research type: research paper



Day I

Session 2

Moderator:

**Assoc. prof. dr. Ramūnas Vanagas,
Mykolas Romeris University**

ADMINISTRATIVE-TERRITORIAL REFORM AS A PRECONDITION FOR EFFECTIVE DECENTRALIZATION OF POWER IN UKRAINE: ADAPTATION TO THE EUROPEAN STANDARDS

Tetyana Karabin

Uzhhorod National University, Ukraine

e-mail: karabin.sks@gmail.com

Purpose – analysis of the current state of administrative and territorial structure of Ukraine and the problems that it generates; justifying necessity of full administrative-territorial reforms in the country in line with EU standards.

Design/methodology/approach – conclusions about the present problems of administrative-territorial device are done on the basis of legal acts analysis, which regulate the issues of powers of public power local organs in Ukraine, and also practices of their application. Therefore the important constituent of a source base of the work are administrative acts of the corresponding organs which operate on territory of the Transcarpathia area. The determination of directions of administrative-territorial device of Ukraine improvement is carried out using the comparative legal analysis of analogical reforms which were conducted in the countries of Eastern Europe.

Findings – the administrative-territorial device reforms in Ukraine as constituent of the general administrative reform should precede the structural reform of state and local governments and implemented in accordance with the general EU standards.

Research limitations/implications – research was limited by the analysis of the Ukrainian legislation and practice of its application, analysis of Eastern Europe experience in the reforms implementation, and also by the analysis of unified classification of territorial units in statistical reporting system of the European Union: the Nomenclature of Territorial Units for Statistics;

Practical implications – research results can be used in the conceptions and strategies of improvement of administrative-territorial device of Ukraine. They can also be used for forming and planning of normative acts which regulate a certain question.

Originality/Value – research contains original author ideas, grounds, conclusions and suggestions, on the basis of the analyzed empiric material;



Keywords: administrative-territorial device, local organs of public power, decentralization of power;

Research type: conceptual paper.

THE DECADE OF PATENTING IN LITHUANIA

Mindaugas Kiškis

Mykolas Romeris university, Lithuania

e-mail: mkiskis@mruni.eu

Ieva Drungėlaitė

Kaunas University of Technology, Lithuania

e-mail: ieva.drung@gmail.com

Purpose – to identify patenting trends, as well as possible strengths and weaknesses, after the modern legal and innovation infrastructure was put in place. A comprehensive analysis for the reasons underlying such strengths and especially weaknesses is not provided because this is the object for the future research. The paper provides an overview of the historical and regulatory context, as well as socio-economic context. Key patenting indicators over the period of 2003-2013 were analyzed in the paper – patent application numbers, sectorial breakup of the patent applications, conversion, and current status of these patents.

Design/methodology/approach – data were gathered from the WIPO Patentscope database, using the advanced search queries in order to search for patent applications originating from Lithuania and the search was narrowed to Asia-Europe Office. Then the current status data were gathered from the EPO Espacenet Advanced Search database, searching for the patents codes, which were identified through the WIPO database. Codes identify the status of patent application. Overall, 111 Lithuanian patent applications have been identified and collected from 2003 to 2013. Historical analysis, logical analytical, systematic, comparative and descriptive statistical methods were used for the analysis.

Findings – 111 international patent applications over 2003-2013 have been collected. Two strongest fields of technology revealed in the Lithuanian patenting – human necessities (34 patents applications) and chemistry (20 patents applications). The field of human necessities makes 27,2% of all patents applications and chemistry makes 16% of all applications. Individuals provided the biggest part of patents applications – 53% of all patents. Companies applied 37%



applications, while universities provided only 10% of all applications. 46% of the applications failed to convert into patent grants or failed to be maintained by their applicants.

Research limitations/implications – due to relatively low number of applications over the target period there was no need to select representative samples and sample the data. EPO Espacenet Advanced Search database do not provide important information about 33% of all patent applications. 46% of the applications failed to convert into patent grants. This is concerning, which deserves additional scrutiny and will be addressed in follow-up research.

Practical implications – the research revealed that individuals provided the biggest amount of patent applications in two strongest fields of technology – biotechnology and laser industry. The key patenting indicators (number of patent applications, how many applications have been issued as patents and the current status of these patents) were indicated in the research.

Originality/Value – patents are considered central for the modern innovative economy and essential for the national competitiveness. Thus it is important to study patenting in order to understand the functioning and effectiveness of the intellectual property rights system, national innovation system and general socio-economic performance at the macro and micro levels.

Keywords: Lithuania, patents, European patents.

Research type: research paper.

SOCIAL RISK MANAGEMENT DEVELOPMENT IN LITHUANIA

Arturas Balkevicius

Mykolas Romeris University, Lithuania

e-mail: a.balkevicius@mruni.eu

Purpose – The purpose of the article is to analyse and discuss the development of the social risk management in the Lithuania, which leads to long run increases in the wealth of nation, analyse dependence between social risk management in the Lithuania and Sustainable National Economic development.

Design/methodology/approach - Article use general scientific methods, especially analysis, synthesis, comparison, induction and deduction. Essential sources of information were professional publications, data of state Statistics Department, Ministry of Social Security and Labour documents. In the literature, it is possible to find a wide range of approaches to social risk management.

Findings - Findings of this article are new social innovation information in this area, which can be useful for another research. Social protection is shifting towards social risk management. Effective social risk management in the Lithuania is essential for promoting sustainable Lithuanian economic development. It discusses the main methods of social risk management (SRM), social risk management process. Disclose the importance of SRM and problems in Lithuania. SRM enable to support social innovation in the fields of social inclusion and employment. The European Social Fund, made significant investments in social innovations.

Research limitations/implications – Article demonstrates the social risk management problems under uncertainty conditions, difficulties in the social risk assessment in digital form. The article deals with Lithuania Ministry of Social Security and Labour, how it planning and use social risk management. Where SRM successfully installed, where there are still problematic. Social Risk Management are designed to reduce social exclusion, carry out its prevention and to ensure equal opportunities, protect the citizens, employees, customers, and public from negative events.

Practical implications – In this paper presented methods and procedures applicable to the social risk management process in the Lithuania. Reveals the success of social risk management



practices automated risk management system. Article identifies areas requiring of social risk management improvement or new methods, to insure integration of social risk groups, promotion of equal opportunities, social integration, reduce of social exclusion. Social risk management creating synergies on social innovation, which leads to long run, increases in the wealth of nation.

Originality/Value – The article deals with a wide range of innovative activities in terms of social risk management. There is no detailed analysis of the various innovative approaches to social risk management in an open economy; a small country.

Keywords: Social Risk Management; Social Security; Sustainable Economic Development.

Research type: research paper.

MODERNIZATION OF APARTMENT BUILDINGS IN LITHUANIA: PROBLEMS AND POPULATION'S INITIATIVE

Anna Lipnevič

Lithuanian Social Research Centre, Lithuania

e-mail: anna.lipnevic@lstc.lt

Purpose – to reveal the apartment houses renovation policy developments in Lithuania and to highlight the most important of renovation problems;

Design/methodology/approach – review of legislation, statistical analysis, quantitative (survey) and qualitative (interview) research;

Findings – quantitative survey (questionnaire) data showed that only a small part of the home is renovated under Renovation program. Partial renovation of apartment houses going on themselves population initiative. A large proportion of respondents are satisfied with the results, but lists problems faced updating blocks of flats. Without passivity of population and financial problems, there are other very significant barriers to mass Renovation: this corruption in government, good construction companies and builders deficiency;

Research limitations/implications – absence of unified apartment renovation of statistics in Lithuania complicates the analysis of the data: it is difficult to accurately assess the costs for renovated home, carried out it a comparative analysis by the work and cost aspects. These statistics are necessary for the development of apartment renovation policy, for research in the state and between states;

Practical implications – an interview study allowed seeing the modernization of apartment buildings is not only an economic, but also a social phenomenon. Qualitative research results helped to highlight the most important home renovation problems, identify renovation incentives and barriers. It is important to emphasize that priority of the thermal efficiency in Lithuania should not be the only reason for the modernization of multi-apartment houses. It is important to take into account other engineering subjects, expand apartment renovation reimbursement mechanism, based on the condition of individual apartment houses;

Originality/Value – renovation of apartment houses in the academic literature is identified as one of the most important housing policy areas. This is a complex phenomenon and presents



rapidly aging Lithuanian housing stock conditions. In the scientific literature, emphasizes the need for modernization of apartment houses, but in Lithuania the lack of interdisciplinary studies of this phenomenon yet. Most of this phenomenon is studied engineering and economic point of view, but a sociological point of view, there is practically no analyzes;

Keywords: renovation policy, modernization of apartment buildings, housing policy initiative of the population;

Research type: research paper.

FINANCIAL ARRANGEMENTS UNDER THE LAST PILLAR OF BANKING UNION A FEW CONTROVERSIAL LEGAL ASPECTS

Tomas Ambrasas

Mykolas Romeris University, Lithuania

University of Basel, Switzerland

e-mail: ambrasas@gmail.com

Purpose – The paper not only reviews the complexity component of financing arrangements of the Single Resolution Mechanism but also identifies a few legal issues which might be still arising under the financing arrangements and related provisions of SRM. The basic purpose of the paper is to review and highlight the latest financial arrangements under the SRM and introduce to some of the potential issues, which might arise while implementing SRM in practice. The paper is divided into two sections in addition to the introduction. In section one we present unique financing arrangements under the last Banking Union pillar – Single Resolution Mechanism - which make the financing arrangements in the Banking Union more comprehensible. Section two presents and analyses whether the Single Resolution Mechanism regulation absences the conflict of interests and whether there are no legal risks left;

Design/methodology/approach – Purposely to explore the actual meaning of legislations and legal norms the systematic, analysis, synthesis, comparative, critical thought methods were used.

Findings – Co-legislators purpose of the SRM is to safeguard financial stability and ensure an effective framework for resolving financial institutions while protecting taxpayers in the context of banking crises. Only with a legally credible mechanism of a failed bank's creditors can be harness the forces of market discipline and take tax payers from suffering the lossesThe first loos in the fund provides a substantial incentive to seek a solution at the national level. The other member states will only start contributing financially as well once the national compartment has been emptied. There will only be a single shared European resolution fund when all national compartments are well filled, which will only be the case after around eight years.

5 years after the collapse of Lehman Brothers the financial markets in EU are in a better and safer place than before. Establishing the Banking Union calls for the introduction of possibility to appeal

against decisions of the European Central Bank, for instance by establishing a special section at the European court of appellate cases in the banking sector.

The legal constitutional administrative frameworks are shifting. For instance, the opinion by and Advocate General on the Court of Justice on ESMA's powers in respect of the short selling regulation, it's an opinion not the judgement. It is assumed that this is all by way interpreting a judgement from the nineteen fifties.

Legal regulations, and even implemented laws, are only one part of the story. We need to get the international seamless implementation done properly. In every little or big domestic jurisdictions, there is a need to making sure that the rules are applied on the ground in the way in which the people to whom they're applied who have to apply them understand them and actually feel part of the process of implementation.

Single Resolution Fund doesn't provide liquidity. Temporary financing is following US approach where liquidity is provided by the Treasury and then repaid to it from the liquidation of assets belonging to the failed bank.

Adopting TFEU 114 as the legal basis of SRM could result into far-reaching consequences for the future interpretations on EU law and particular the relationship between the single market legislation and the European Monetary Union.

Originality/Value – Banks in Europe finance are three quarters of the real economy. Completion of the European Banking Union is a crucial block underpinning the European reform of the financial sector. It means *inter alia* that European resolution procedure will be followed by a single European resolution fund. Thus, modern EU resolution regime required an element of financing. The Single Resolution Fund should be utilized if a bank needs to be liquidated, therefore, the financially stronger member states (e.g. Germany) a long while stressed their views in public about who should bear the costs of bank liquidations in weaker member states. Constantly it was questionable have the EU co-legislators solved the issues after division of this resolution fund into national compartments as in the event of an intervention, the national compartment of the member state concerned will be utilized first. Eventually, 30 July 2014 Regulation (EU) No 806/2014 establishing a Single Resolution Mechanism (SRM) for the Banking Union was published into the Official Journal of the EU. Overall, SRM will form one of the key elements of Europe's Banking Union, along with the Single Supervisory Mechanism that already entered into force. SRM is the last step towards achieving objectives of financial stability. It supposes that EU now have a central decision-making board and a Single Resolution Fund which will ensure that resolution decisions across participating member states will be taken in a coordinated and effective manner, minimizing negative impacts on financial stability and reducing the dependence of banks on the creditworthiness of sovereigns. However, Decisions on bank resolution were some of the most politically sensitive, legally and technically complex that a public authority can take.



Keywords: Banking Union; Single Resolution Mechanism, Resolution, Single Resolution Fund.

Research type: general review.

CURRENT ISSUES OF THE DEVELOPMENT OF EMPLOYEE INTERCULTURAL COMPETENCY IN A MULTICULTURAL WORK ENVIRONMENT (A CASE-STUDY OF SMALL MUNICIPALITIES OF LITHUANIA)

Vladimiras Gražulis

Mykolas Romeris University, Lithuania

e-mail: vlad.gra@mruni.eu

Elžbieta Markuckienė

Mykolas Romeris University, Lithuania

e-mail: E.Markuckiene@inbox.lt

Purpose – The purpose of this research is to investigate multiculturalism of the environment of small municipalities (according to the population) in Lithuania and intercultural competency of their employees, as well as the need for its development, and evaluation of their opinion on the impact of intercultural competency on their career.

Design/methodology/approach – 15 least populous municipalities were contacted by email with a request to take part in the survey. The research was carried out in June 2014. The questionnaire on intercultural competency was designed in order to reveal the respondents' geography of contacts, frequency of communication with foreigners, the respondents' opinion about the impact of intercultural competency on their career and the need for the development of this competency. Besides, a separate block of questions was designed to evaluate the respondents' intercultural competency – knowledge, skills and attitudes. To evaluate the scale internal consistency of this block we applied Cronbach's alpha coefficient, calculated by means of SPSS (Statistical Package for the Social Sciences) programme (version 21).

Findings– The evaluation of the respondents' answers shows that there is lack of systematicity in the organization of training. Comparison of the results of several researches conducted by the authors of the article on the geography of international contacts highlights some trends which do not depend on the place of residence or workplace. Also it was noted that the respondents' attitudes towards foreign nationals are positive, however there is lack of



knowledge and skills of communicating with foreign nationals. Thus to be able to strengthen intercultural competency of employees of small municipalities of Lithuania it is important to pay attention to learning of foreign languages and training on interculturalism, and to strengthen the creation of learning teams, so that the employees who have gained more experience would actively share this knowledge with their colleagues.

Research limitations/implications– There is an unanswered practical question of whether municipalities take care of the change of the competency of the employees who participate in training and try to measure it. As most municipalities give priority to the employees’ experiential and self- learning, or learning in learning communities, it can be difficult to evaluate the employees’ progress.

Practical implications– Results help to determine the directions of the development of intercultural competency and priorities of future research on multiculturalism, intercultural competency, and management of cultural diversity.

Originality/Value – Employees realizes the importance of communication with people from other countries, and positively evaluate the benefits of the development of this process of acquiring intercultural competence. To ensure the systematic development of intercultural competence, all constituent dimensions - knowledge, skills and attitudes – should be developed purposefully.

Keywords: Multiculturalism, management of cultural diversity, intercultural competency.

Research type: Research paper.



Day II

Session 1

Moderator:

**Prof. dr. Eugenija Martinaityte,
Mykolas Romeris University**



THE BENEFITS ESTIMATION OF THE NAMING RIGHTS BY LITHUANIAN SPORTS ARENAS GENERAL MANAGERS

Vilma Čingienė

Mykolas Romeris University, Lithuania

e-mail: v.cingiene@mruni.eu

Laurynas Šuopys

Mykolas Romeris University, Lithuania

e-mail: lasuopys@stud.mruni.eu

Mindaugas Gobikas

Vilnius city sports center, Lithuania

e-mail: mindaugasgobikas@gmail.com

Purpose – The purpose of this research was to investigate the benefits of the naming rights of the biggest Lithuanian sport arenas. Naming rights create the cost-effective relationships as an important tool of marketing communication. It is difficult to assess financial benefits of the transaction by the naming rights customers. But the sports facilities naming rights create additional value and provide businesses with a unique opportunity in market positioning.

Design/methodology/approach – In order to determine the benefits of purchasing the naming rights of Lithuanian sports arenas, semi-structured interviews were carried out with five general managers. Three managers were responsible for the implementation of the arena's naming rights sales contract and two managers were responsible for the activity of the arenas without naming rights. Statistical analysis was conducted using SPSS 17.0 statistical data processing program. Consistency of the informant opinions was calculated using Kendall concordance coefficient (W). The interviews were conducted in April, 2014.

Findings – During the investigation process the benefits of arenas naming rights were revealed, the opportunities of naming rights buying and selling were highlighted, the trade value and trade barriers as well as the other aspects of the naming rights were indicated. Research



results showed that the buyers of naming rights reached a high awareness, which was the main purpose of the company. Arenas are constantly hosting the famous sport events where the naming rights owner receives an inevitable public and media attention, thus, creating various direct and in-direct benefits for the company.

Research limitations/implications – Research was largely based on the USA experience, as the scope of the European sport arenas naming rights research is quite limited. Part of information provided by the arenas managers was confidential. Arenas managers were also lacking the professional knowledge and skills regarding the naming rights issues in general.

Practical implications – The wider understanding of the benefits of the naming rights will lead to the disclosure of other arenas owners and managers to promote the process, which could bring additional revenues for further business expansion.

Originality/Value – Lithuanian capital companies are encouraged to take the advantage of exploring the sales of the naming rights as expanding investment opportunities in the sports sector.

Keywords: naming rights, sport arenas; managers, marketing communication;

Research type: research paper.

INFLUENCE OF TAX BURDEN ON COUNTRIES' FINANCIAL STABILITY

Aistė Valentinaite

Independent researchers, Lithuania
e-mail: aiste.valentinaite@gmail.com

Simonas Skaržauskas

Independent researchers, Lithuania,
e-mail: simonas.skarzauskas@gmail.com

Purpose – To develop a theoretical model to determine the impact of tax burden level on states financial stability and to test it empirically. Several objectives were set in order to achieve the goal: to analyze scientific literature sources on concepts of state's financial stability and tax burden targeting the integration of the various approaches; empirically investigate impact of tax burden on state's financial stability in the member states of OECD;

Design/methodology/approach – First, the state of financial stability and the concept of tax burden are explored. The literature analysis is done by using systematic analysis, comparison, analogy, deduction and aggregation methods. Second, empirical investigation of impact of tax burden on state's financial stability in the member states of OECD is achieved by using statistical method's like standardization, cluster analysis, correlation/regression analysis;

Findings – The stability of financial systems in identified clusters of low, medium and high tax burden shifted differently in the period of 2000-2012. This was mainly determined by local national financial and economic crisis. Higher financial state's stability was observed in clusters of high and medium tax burden level than in cluster of low tax burden. Correlation and regression analysis revealed weak relationship between overall tax burden and states financial stability, but more detailed analysis showed a statistically significant relationship between the data of low tax burden cluster states. However, identification of a single type of dependence and effects of overall tax burden on state's financial stability was unsuccessful. Financial stability of the public sector revealed strongest relationship with variety of tax burden types. On the other hand, the assessment of the state's financial stability factors in association with the variety of tax burden types distinguished stability of financial system. Two types of tax burden – business income tax



and personal income tax - recorded strongest relation with factors of economic stability, other types of tax burden oriented towards customers with financial system factors;

Research limitations/implications – Because of the research sample, which is restricted for Economic Cooperation and Development member countries as defined in the 2000 - 2012 year study period, the research results may lack generalizability. Due to the complex nature of the phenomenon under investigation, it is difficult to identify all the critical factors and to assess all the interrelationships. In order to provide a more generalized conclusions it would be useful to expand the number of countries and dimensions analyzed.

Keywords: tax burden, financial stability, OECD countries.

Research type: research paper.

THE RESEARCH OF BANKING SECTOR CONCENTRATION AND COMPETITION IN THE CONTEXT OF DIFFERENT ECONOMIC DEVELOPMENT COUNTRIES

Aistė Valentinaite

Independent researchers, Lithuania

e-mail: aiste.valentinaite@gmail.com

Purpose – Competition and concentration concepts in banking sector are closely related. It is generally believed that concentration reduces the level of competition in market. However, there are few conflicting opinions about competition and concentration relationship in banking sector and this relationship is still at the level of discussion. So the purpose of this work is to analyze the relationship between banking market concentration and competition in countries with varying economic development.

Design/methodology/approach – Firstly, analysis of different levels of banking sector competition and concentration around the world is conducted and it is analyzed how bank competition impacts economic efficiency, growth and stability, based on literature analysis. Secondly, theoretical solutions of selected topic are presented and research methodology is formed. Thirdly, correlation analysis, cluster analysis and regression analysis are applied for direct and indirect measures of competition.

Findings – The analysis provided inconsistent results. Assessment of competition in the banking sector (period of 1998-2010) using Boone indicator raises proposition that in cases of low and high economic development countries inverse relation can be observed between competition and concentration while countries of average development show positive relation which would deny paradigm of structure-conduct-performance. However, assessment of competition using Lerner index of market power provided different results - opposite relations or lack of relations between variables was observed. Evaluation of changes of selected variables in time period in terms of individual countries identified lack of statistically significant links too. This can be explained by differences in the calculation methodologies of competition parameters and by differences in definitions of competition concept. Finally, it can be concluded that the issue of relation between competition and concentration in the context of countries of different economic development is still polysemous.



Keywords: Bank competition, concentration, Lerner index, Boone indicator.

Research type: research paper.

ASSESSMENT OF MERGERS AND ACQUISITIONS IN BANKING AS SUSTAINABLE DOMESTIC FINANCIAL SYSTEM DEVELOPMENT

Lina Novickyte

Mykolas Romeris University, Lithuania
e-mail: lina.novickyte@mruni.eu

Graziano Pedroja

Juris Treuhand AG, Switzerland
e-mail: pedroja@juris.ch

Purpose – The banking and financial sector is a most dynamic sector that goes through a series of structural changes. Global bank consolidation and concentration processes have prompted a lively discussion on the part of scholars and practitioners regarding the influence of concentration on the efficiency of and competition levels in the banking system, the financial and macroeconomic stability of countries and the growth of economies. It has been noted that the banking sector tolerates high levels of concentration rather better compared to other business sectors, in particularly thanks to the apparent benefits of concentration to the increasing stability of the financial system. The aim of this article is to assess mergers and acquisitions in the banking sector after analysing the mergers and acquisitions in banking and their effect on the domestic financial system.

Design/methodology/approach – Analysing the effect of bank mergers and acquisitions on the country's financial system, the authors used qualitative and quantitative methods of study. The qualitative analysis has allowed the authors to present her own interpretation of the issue at hand, and has given her a possibility to approach the problem of the study holistically. The quantitative study has provided a basis for analysing dynamic regularities, performing and comparing calculations, assessing data interrelation and reliability. The article includes logical analysis and synthesis of studies dealing with bank mergers and acquisitions. The analysis of the tendencies of mergers and acquisitions in banking is based on graphic methods. To identify the potential elements that lead to stability in the financial system, and the possible impact that the on-going consolidation process might have on the banking sector, the author has carried out expert analysis.



Findings – Mergers and acquisitions in banking take place to enhance the wellbeing of shareholders and to attain an economic effect; the aspect of stability in mergers and acquisitions is short-lived and is usually inspired by the government of the state. Lithuania’s modern banking market has evolved through mergers and acquisitions; strategic investors have helped countries with transitional economies ensure the stability of their banking systems and capitalise on economies of scale. Several large banks operating in a small open economy (and transitional economy in particular) provide the backbone for the stability of its financial sector.

Research limitations/implications – The analysis of the merger and acquisition transactions in Lithuania has ran into a lack of statistical (financial, economic) information, as the transactions in question had taken place more than a decade ago. The analysis of merger and acquisition transactions in Lithuanian performed within the framework of the thesis is based only on publicly available historical statistical, financial, and legal data.

Practical implications – The research enriches and enhances the potential of Lithuanian science dealing with the topic of banking operations and risk management in the context of financial system stability. The results produced by the research could be applied to analyse and assess consolidation processes that could take place on the markets and in small open economies in particular.

Originality/Value – The article dealing with the impact of mergers and acquisitions of banks on the country’s financial system is a new and original piece of scientific work that evaluates the mutual ties of banks’ mergers and acquisitions, as well as their effect on the domestic financial system. The authors have conducted an in-depth study of the impact of mergers and acquisitions on the country’s financial system, revealing potential problems involved in merger and acquisition transactions.

Keywords: mergers; acquisition; banking; financial intermediaries; financial system.

Research type: general review.



EFFECTS OF THE ECOLOGICAL TAX REFORM ON THE ECONOMY IN THE EUROPEAN UNION

Dovilė Kurtinaitytė-Venediktovienė

Mykolas Romeris University, Lithuania

e-mail: dovilekurtinaityte@gmail.com

Purpose – The aims to explore how economy of European Union is influenced by environmental tax reform and how to develop the environmental policy more acceptable for sustainable environmental economy.

Design/methodology/approach – analysis of scientific literature, statistical analysis of data, analytical method, analysis of legal instruments.

Findings – the author focuses on current scientific debates on ways to improve environmental policy according to the European Commission. In the general review, the author presents the research of environmental policy design and dynamic in the European Union and the significance of environmental taxes for the economy of European Union.

Research limitations/implications – in the next report would be added the most recent data, now they do not exist.

Practical implications – the general review presents the theoretical framework for further study of policy of environmental taxes in European Union as basic material for classroom use.

Originality/Value – the author presents the research review of positive and negative effects of ecological tax reform on the economy in European Union.

Keywords: environmental tax reform, policy, sustainable growth, sustainable innovation, and economic instruments

Research type: general review.



Day II

Session 2

Moderator:

**Assoc. prof. dr. Andrius Valickas,
Mykolas Romeris University**

SUSTAINABLE DEVELOPMENT: TOWARDS A CONSTRUCTION OF NEW GENERATION OF MULTICHANNEL CYCLONES

Pranas Baltrėnas

Vilnius Gediminas Technical University, Lithuania
e-mail: pranas.baltrenas@vgtu.lt

Agnė Kazlauskienė

Vilnius Gediminas Technical University, Lithuania
e-mail: agne.kazlauskiene@vgtu.lt

Aleksandras Chlebnikovas

Vilnius Gediminas Technical University, Lithuania
e-mail: aleksandras.chlebnikovas@vgtu.lt

Purpose: High-level international researches, in order to create a multichannel cyclone model, which could be used for cleaning dusted air flow from the small dispersity particulate matter. Applied research leads to multichannel cyclones contribute to a more efficient use of new technologies and the deployment of solutions. The developed technologies will have an important impact not only on the environment protection but on any social problems, the development of the knowledge society and the development of sustainable development too. The implementation of applied research will ensure the continuity of long-term development. The use of technology solutions will serve to prevent air pollution. It will be promote the solving of social problem, development of infrastructure during the project implementation. Development of infrastructure will lead to job creation. The idea is that the project positively affects the sustainable development of regional development.

Design/methodology/approach – New generation design of cylindrical cyclone researched in the Institute of Environmental Protection of Vilnius Gediminas Technical University. The investigation into the aerodynamic parameters and cleaning efficiency examined experimental stand of a multichannel cyclone. The conducted research has established the dependencies of air flow velocity in the separate channels of the multichannel cyclone under adjustments when the

average air velocity is equal to 8 m/s and 16 m/s. The cleaning efficiency was researched using granite PM (particulate matter) up to 20 and 50 microns.

Findings – Air cleaning efficiency increases with increasing air flow rate from 8 m/s to 16 m/s. The cleaning efficiency of multichannel cyclone has been determined by letting in appropriately processed granite PM up to 20 μm which was equal to 91%, PM up to 50 μm – 94.2%. The maximum aerodynamic resistance was equal to 1530 Pa at 16 m/s average air flow rate into cyclone channels. After the evaluation of pilot research results of multichannel cyclone, it is possible to make the following conclusion: this device is suitable for cleaning gaseous effluents into the atmosphere from small dispersion particulate matter up to 20 μm in size.

Research limitations/implications – The multichannel cyclones that can remove very small particulate matter (PM) up to 2 microns in diameter from airflows and reach the general air cleaning effectiveness of 90%. This multichannel cyclone is a possible alternative for electrostatic and contract filters. The construction of multilevel cyclone allows reaching greater gas (air) flow efficiency with the same measurements of the equipment, consistently combining of the each level separator chambers. Thus, the space needed for the work of the equipment and the expenses for production and exploitation are saved.

Practical implications – The multichannel cyclone could be an alternative to electrostatic and bag type filters, and used in various industrial and energy facilities (boiler) can be implemented in industrial processes for cleaning soot from the smoke, in different types of industries – wood, building materials, agriculture and others.

Originality/Value – Research and results are developed the treatment of separation technologies of PM. The cleaning process using dusted airflow filtration and centrifugal forces is the new direction of the air cleaning inertia filters. The cyclone formed by curvilinear half-rings, which are composed in the separation chamber. The studies carried out by the aerodynamic processes and air cleaning efficiency of cyclone from PM up to 20 μm . The work of multichannel cyclone is based on centrifugal forces and occurring additional filtration process. The additional filtration is caused by the interaction between the flow coming from the later channel (peripheral) and the other floating towards the axis of cyclone (transitional). When the air flow is filtrated through the peripheral flow, a curtain is formed behind the curvilinear half-ring separation zone, which results in the increase of cleaning efficiency. The two-phase flow gets into cyclone and the dense phase of the mixture influenced by centrifugal forces starts to move relatively towards radial direction and is separated from the main flow.

Keywords: sustainable development, cyclone of new generation design, cleaning efficiency, airflow, particulate matter.

Research type: research paper.

POLITICAL PARTICIPATION OF THE POLISH MINORITY LIVING IN LITHUANIA

Asta Visockaitė

Mykolas Romeris University, Lithuania

e-mail: astaviso@mruni.eu

Purpose. Poles are one of the ethnic minority living in Lithuania. According to researches and surveys it can be concluded that Polish minority living in Lithuania is quite active, but it also needs to be explored more if the outcomes of the researches and surveys provide a realistic picture of what numerical value shows. To see possible further tendencies of the development of the political activity of the Polish minority living in Lithuania it is necessary to identify and analyse main problems of the civic engagement. Therefore, in reference to R. Putnam's components of the social capital indexes and to the new empirical data, the article analyses expression of the Polish minority living in Lithuania in the civic-political activity aspect (having interest in policy, in political activity of the parties; rating the parties and elections that take place in Lithuania; motives for participating in the elections; opinions and attitudes towards politicians and policy). With reference to the experience of the researchers and practitioners exploring this field, and with reference to the empirical studies, this article aims to reveal the aspects of political participation of the Polish minority living in Lithuania through analysis of civic-political activity and setting aspects of causes and consequences.

Analysis approach. To achieve the aim and having as a base R. Putnam's concept of the social capital, the object of the analysis is civic engagement explored in the civil-political aspect.

Findings. Polish minority living in Lithuania is quite active. Poles are interested in policy and political events not only at the municipal level but also at the national level; they participate and vote in the elections that take place in Lithuania. The analysis of these aspects lets to identify further tendencies in the development of the civic engagement.

Research limitations/implications. In the article the aspects of the political activity of the Polish minority living in Lithuania are analysed through assessment of the civic engagement, with the reference to empirical data from 2012-2014. In order to analyse tendencies in the development of the civic engagement, continuous researches must be carried out, and it is



necessary to not only monitor changes in the outcomes but also perform the analysis of other aspects of the civic engagement.

Practical implications. Civic engagement of the Polish minority living in Lithuania was identified; further tendencies of civic engagement trends are presented.

Originality/Value. Analysis of the outcomes of the qualitative and quantitative researches made during 2012-2014, and of the statistic data.

Keywords: Polish minority living in Lithuania, political participation, political involvement, civic engagement.

Research type: *descriptive analysis of scientific sources, comparative analysis, general overview.*

THE PECULIARITIES OF SOCIAL SERVICE ORGANIZATIONS DEVELOPMENT

Janina Čižikienė

Mykolas Romeris University, Lithuania
e-mail: cizija@mruni.eu

Ramūnas Vanagas

Mykolas Romeris University, Lithuania
e-mail: rvanagas@mruni.eu

Purpose – The aim of this article is to identify and verify whether social service organizations in Lithuania and in selected European Union countries have the same trends in their very different profile, nature and structure (aspect of management).

Design/methodology/approach – The quality assessment of social service organizations activities in the European Union is particularly relevant, since the establishment of common quality standards is one of the most important objectives not only for practitioners, but also for scientists of this research field. Due to uncertainty of social services and the quality concepts, the concept of service quality is becoming more difficult to assess; in addition, the quality of social services should be evaluated in a very wide context, as the European Union countries have different social service organizations operating experience and the economic, cultural and social situation;

Findings – The study reveals that variety of social service institutions determine the need and importance for social services, as well as versatility and complexity of social services and social work – as the services are provided for different groups of customers, so assistance is also different depending on the peculiarities of service users group. Regardless of the fact that some individuals may have the same or similar problem (eg., dependence on drugs), they need to get assistance to their individual needs and situation;

Research limitations/implications – An assurance of social services organizations activities and services quality is also heavily influenced by the European Union country's political, cultural and social life peculiarities and changes taking place in the society. Therefore, social service institutions activities and its future should be assessed not only by practitioners, but also by



scientists, to determine accurately what are contemporary changes and how it influence the organization of social services institutions activities and the provision of social services;

Practical implications – According to complexity and importance of the social services and the organizations providing the social services, there are certain standards, rules – the implementation of its ensures that the organization of social services would take place in accordance with the principles of social services and facilities should be provided adequate and quality to various customer groups. Therefore, social service organizations, regardless of what social services are provided, what are the social groups to work out, what the subordination is, are required to comply with certain principles of provisions, which has been reviewed in detail by the article authors, indicating the key aspects of practical applicability.

Originality/Value – Identified and discussed principles of social services provision (the predominant in Lithuania and European Union) allow highlight certain general guidelines of social service organizations characterized by European Union countries. The comparison and juxtaposition of the attitudes is new and original approach to provision of social services system in the countries;

Keywords: social services; trends of development; organization;

Research type: general review.

STIMULATING VOLUNTARY COMPLIANCE THROUGH EDUCATIONAL INNOVATIONS

Audra Visockaitė

Mykolas Romeris University, Lithuania

e-mail: audra@mruni.eu

Purpose. No modern country could perform its' activities without incomes that come from collecting taxes. At the end of XX century, when new approach towards taxes started to develop such topics like stimulating the motivation for voluntary compliance through implementation of the educational innovations became relevant not only as scientific but also as practical problem. The article provides an overview and evaluation of the experience of foreign and Lithuanian scientists in developing the concept of voluntary compliance as well as innovative reference points and pedagogical technologies stimulating the motivation for voluntary compliance. In reference to world's scientists and practitioners researching this field, the article aims to define the concept of the voluntary payment of taxes (voluntary compliance) and to discuss theoretical assumptions of the development of the environment for the educational innovations measures for cultivating voluntary compliance.

Design/methodology/approach. To achieve the aim and in reference to voluntary compliance motivation education concepts, analysis object (stimulation of the voluntary compliance) is being explored through analysis of the theoretical concepts of the voluntary compliance motivation stimulation, through discussion of the theoretical assumptions for the development of the pedagogical innovations environment to raise the voluntary compliance motivation, and through comparison and evaluation of the currently implemented educational innovations strategies, techniques and technologies.

Findings. Voluntary compliance is a new phenomenon in both scientific as well as in practical contest. The main factors stimulating voluntary compliance and the evaluation of the voluntary compliance as a whole through development of methodological and didactic principles enabling deeper understanding of the process' relevance would help to implement timely social and economic goals of the state and positive changes in society.



Research limitations/implications. Stimulation of the voluntary compliance motivation implementing educational innovations is analysed in the article through analysis of the theoretical sources by foreign and Lithuanian authors. Voluntary compliance concept is a new phenomenon that practically haven't been explored neither by foreign nor by Lithuanian authors. Therefore, it is very important to define this concept. In order to systemize main factors motivating voluntary compliance and systemize the assessment of the voluntary compliance education as a whole through development of the methodological and didactic provisions enabling deeper understanding of the process' relevance and through development of the principles, proper attention in both scientific and practical field in Lithuania is crucial.

Practical implications. Successful stimulation of the voluntary compliance motivation depends on many factors. The article provides one of the possible ways – implementation of the educational innovations will help to understand the relevance of the voluntary compliance concept as well as to develop principles in order to timely implement in the country social and economic goals of the state.

Originality/Value. Having in mind challenges of the modern life, it can be said that proper attention to raise a responsible tax payer is a lifelong process. There are many factors that form the motivation to pay taxes upright and fairly. The wish to pay taxes depends on environment and social group in which tax payer is forming. Use of the pedagogical technologies to stimulate voluntary compliance aims at developing personal values, needs, activity and independence. Following theoretical researches, assessment of the educational innovations to raise voluntary compliance motivation is presented in the article, including components that are important for development of the voluntary taxes payment option in the times of globalization.

Keywords: educational innovations, voluntary compliance, motivation.

Research type: *descriptive analysis of scientific sources, comparative analysis*

CAUSES AND POTENTIAL SOLUTIONS OF GLOBAL FOOD PRICE INCREASE

Nóra Gombkötő

University of West Hungary Faculty of Agricultural and Food Sciences, Hungary

e-mail: gombkoto@mtk.nyme.hu

Purpose – There is a significant increase in Food prices all over the world. Rate of annual increases in prices of all kinds of food is more than 100 percent. However, this can lead to long-term food crisis. The research aims to find out the factors that contribute to a large increase in food prices, as well as to predict the likely consequences of food price increases. Then potential solutions related to specific problems should be highlighted.

Design/methodology/approach – In this study was developed a problem-tree with different assumption, in which were determined several factors, which were contributed to central (global food price increase) and general problems. These problems were separated under cause and consequences, they were structured and ordered hierarchical. Thereby was determined a problem-tree, in which were outlined the possible direct and indirect causes of the food price increases, and some of their consequences. Then the negative elements shown in the problem-tree were translated into targets and proposals for solution.

Findings – Through outline the problem-tree can be improved, that in global market of foods both demand and supply are influenced by many factors. The most important factors affected demand are: increase of population and urban population all over the world and increase of income level and internal migration in emerging countries. Supply is influenced by the following factors: a decrease in the yield of agricultural crops, low level of productivity in agricultural sector, as well as reduction in food crops production area because of unfavourable weather and increased production of biofuels. Most of general and specific factors which affect food price increase are causally related to each other, but there are separate factors too.

Research limitations/implications – Most effective solution to the problem is increasing of agricultural productivity at the same time investments into agricultural researches and rural infrastructure.

Keywords: food price increase, demand, supply, problem-tree, objective-tree

Research type: research paper.

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MRU Research Days 2014: „Social Innovations: Theoretical and Practical Insights 2014“ is intended for discussion of the theoretical concept of social innovations and practical implications of the various social sciences and humanities fields, to examine the various fields of science viewpoints and cultural differences, how they complement and enrich each other, to discuss the latest scientific developments and offer practical solutions to the public.

Texts are not edited.

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